Human Development

Minnesota 1994-95 Biennial Budget

Presented by
Governor Arne H. Carlson
to the
78th Legislature

1994-95 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: HUMAN SERVICES, DEPARTMENT OF

PROGRAM STRUCTURE

AGENCY: HUMAN SERVICES, DEPARTMENT OF
(Continued)

1994-95 BIENNIAL BUDGET

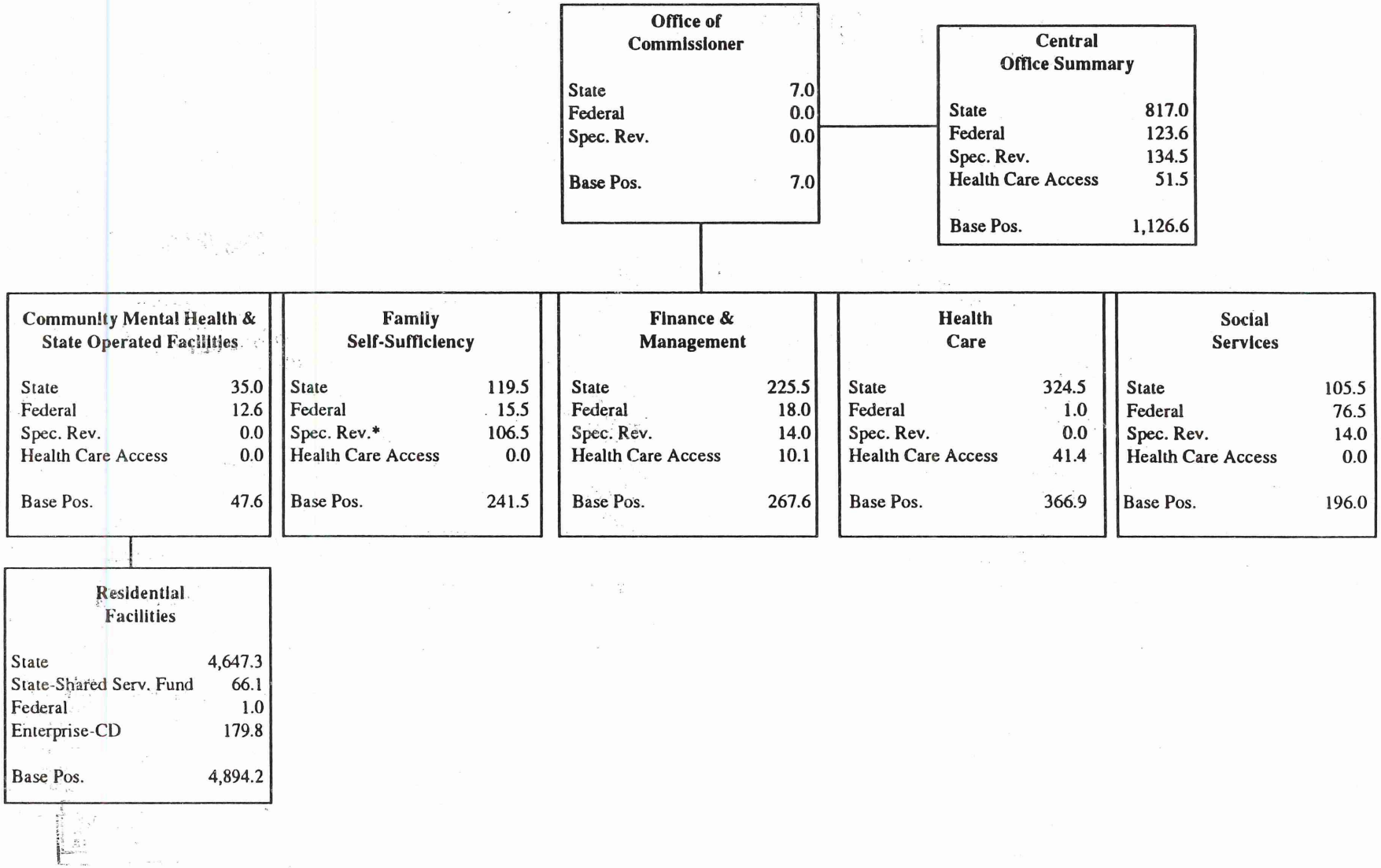
PROGRAM STRUCTURE

AGENCY: HUMAN SERVICES, DEPARTMENT OF
(Continued)

PROGRAM	PAGE
COMMUNITY MENTAL HEALTH AND RTC ADMINISTRATION	B-235

Mental Health Program Administration
State Mental Health Grants
Federal Mental Health Grants
Regional Treatment Centers Statewide
Residential Facilities Management
Anoka Metro Regional Treatment Center
Brainerd Regional Human Services Center
Cambridge Regional Human Services Center
Faribault Regional Center
Fergus Falls Regional Treatment Center
Moose Lake Regional Treatment Center
St. Peter Regional Treatment Center
Minnesota Security Hospital
Willmar Regional Treatment Center
Rochester State Hospital
Developmental Disability State-Operated Community Services
Ah-Gwah-Ching Center
Oak Terrace Nursing Home

Department of Human Services Organization Chart



*Includes 13.5 transferred in from MnCare

OCTOBER 1992

Department of Human Services

Position and Employee Status Information

Position Reconciliation:

Authority	Current F.Y. 1993	Requested for 6/30/95
Legislative Authorized:		
General Fund	5,464.3	~~4,457.3~~ 4,464.3
Federal Fund	124.6	124.6
State Govt. Spec. Rev. Fund	-0-	4.0
Special Revenue	134.5	121.0
Shared Service	66.1	66.1
Health Care Access Fund	51.5	~~134.5~~ 132.0
Enterprize Fund	179.8	179.8
Budgetary Authorized:		
LAC Approved-Federal		
Total Authorized Positions	6,020.8	~~5,087.3~~ 5,091.7
Employees on 6/30/92	6,995	

Employees by Employment Status:

	6/30/92
Full-Time Unlimited	5,230
Full-Time Temporary	234
Full-Time Emergency	9
Full-Time Seasonal	2
Part-Time Unlimited	1,149
Part-Time Temporary	138
Part-Time Emergency	3
Intermitten Unlimited	210
Intermittent Temporary	16
Intermittent Emergency	4
TOTAL	6,995

1994-95 Biennial Budget

Agency Budget Brief

($ in thousands)

Agency: Human Services, Department of **Fund:** General

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	~~$1,561,303~~	~~$1,560,723~~	~~$3,122,026~~
	$1,547,833	$1,547,253	$3,095,086
Nov Forecast Adjustments	155,063	273,296	428,359
March Forecast Adjustments **	(6,865)	(3,420)	(3,445)
AGENCY BASE	~~$1,716,366~~	~~$1,834,019~~	~~$3,550,385~~
	$1,696,031	$1,823,969	$3,520,000
Inflation and Other Cost Increases	12,664	23,467	36,131
Agency Management Decisions			
1. AGENCY OPERATIONS:			
Eliminate Central Office Positions	($3,750)	($3,750)	($7,500)
Hold Central Office Vacancies	(1,919)	(3,604)	(5,523)
Central Office Salary & Non-Salary Administrative Costs	~~1,114~~	~~234~~	~~1,348~~
	1,082	183	1,265
Absorb Central Office Non-Salary Administrative Inflation Costs (3.5%) Across All Activities	(980)	(1,991)	(2,971)
Absorb RTC Non-Salary Administrative Inflation (3.5%)	(1,146)	(2,329)	(3,475)
Restructuring:			
Downsize FRC	(1,098)	(13,235)	(14,333)
Transfer MLRTC to Corrections	~~(4,609)~~	~~(7,201)~~	~~(11,810)~~
	(1,861)	(6,286)	(8,147)
Downsize RTC DD Operations	(2,588)	(11,402)	(13,990)
Subtotal Agency Operations	~~($14,976)~~	~~($43,278)~~	~~($58,254)~~
	$(12,260)	$(42,414)	$(54,674)

- The budget plan addresses Central Office salary costs by reducing operational costs for 5 of the 6 programs in the department's budget by 16% in F.Y. 1994 and 21% in F.Y. 1995. No reductions were made to the MinnesotaCare program. This reduction allowed the department to meet its management challenge of reducing its operational base for salaries by 5% each year, and provided sufficient salary money for the department to absorb a 3.5% salary adjustment in F.Y. 1994 and a 7.1125% (3.5% compounded) salary adjustment in F.Y. 1995 and other unfunded salary needs.

** The March 1993 Forecast Update reduces F.Y. 1993 program spending by $13,470,000. This reduction sets a new lower current spending level for F.Y. 1994 and F.Y. 1995. The full effect of the November 1992 to March 1993 forecast change is ($20,335,000) for F.Y. 1994 [($13,470,000 + $6,865,000)] and ($10,050,000) for F.Y. 1995 [($13,470,000) + $3,420,000].

- Projected administrative cost increases of 3.5% in F.Y. 1994 and 7.1125% (3.5% compounded) in F.Y. 1995 were calculated as part of the Agency's management challenge, but are assumed absorbed within current operations in the proposed budget.

- The budget plan addresses regional treatment center (RTC) salary and administrative costs with 3 proposals that restructure the RTC system in the state. This restructuring includes the closure of the Faribault Regional Center, the closure of the Moose Lake RTC, and the transfer of the physical plants to the Department of Corrections. The restructuring also includes further downsizing of the direct care operations to developmentally disabled individuals in the remaining RTCs made possible by the declining populations of these residents in RTCs and their movement to community treatment alternatives. This restructuring allowed the regional treatment centers to meet their management challenge of reducing their operational base for salaries by 5% each year, and provided sufficient salary money for the RTCs to absorb a 3.5% salary adjustments in F.Y. 1994 and a 7.1225% (3.5% compounded) salary adjustment in F.Y. 1995, as well as to cover associated downsizing costs.

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
2. NON-ENTITLEMENT GRANTS:			
Eliminate Red Lake Grants	(496)	(496)	(992)
CHILD SERVICES GRANTS			
Subsidized Adoptions	1,540	1,925	3,465
Non-recurring Adoptions	57	80	137
SILS GRANTS			
IMPACT		~~(1,380)~~	~~(1,380)~~
	-0-	(276)	(276)
~~10% Reduction~~	~~(552)~~	~~(552)~~	~~(1,104)~~
~~Close~~ CLOSE FRC - SOCS	275	569	844
Transfer to Waiver	(370)	(1,115)	(1,485)
FAMILY SUPPORT GRANTS			
IMPACT		~~(370)~~	~~(370)~~
	-0-	(77)	(77)
AGING GRANTS	(320)	(320)	(640)
CD GRANTS			
10% American Indians	(10)	(10)	(20)
10% Non-Children Special	(48)	(48)	(96)
MH GRANTS			
Reduce Grants	~~(1,447)~~	~~(1,447)~~	~~(2,894)~~
MLRTC Community MH Costs	725	2,645	3,370

Revised 3-4-93
~~Revised 2-08-93~~

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Transfer In Group Residential Housing	~~4,335~~	~~8,670~~	~~13,005~~
	2,844	5,139	7,983
IMD Downsizing	103	551	654
WORK READINESS SERVICES	(549)	(549)	(1,098)
STRIDE-Establish CWEP	~~1,210~~	~~1,614~~	~~2,824~~
	1,076	1,950	3,026
HEALTH CARE GRANTS			
VA & Non-MA Co-Pays	40	50	90
PAS-ALTERNATIVE CARE GRANT			
Forecast	~~(5,270)~~	~~(2,193)~~	~~(8,463)~~
	2,389	7,426	9,815
Subtotal Non-Entitlement	~~($1,131)~~	~~$5,094~~	~~$3,963~~
	$7,256	$17,444	$24,700

- The budget plan restructures non-entitlement grant programs to allow the department to meet its agency management challenge of funding these programs at 95% of their current adjusted base cost, excluding costs associated with a new Group Residential Housing program.
- Children's services subsidized adoption grants are funded at an increased level.
- The federally mandated Community Work Experience program (CWEP) is funded at an increased level.

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
3. ENTITLEMENT GRANTS:			
GROUP RESIDENTIAL HOUSING GRANTS			
Transfer In	~~16,206~~	~~40,619~~	~~56,825~~
	17,473	44,384	61,857
Transfer To MH Grants	~~(4,335)~~	~~(8,670)~~	~~(13,005)~~
	(2,381)	(5,139)	(7,520)
IMPACT GRANTS		~~22,189~~	~~22,189~~
	-0-	12,626	12,626
IMPACT - Prepayment Cost		~~2,555~~	~~2,555~~
	-0-	1,033	1,033
AFDC GRANTS			
State Issuance Costs	680	680	1,360
STRIDE Evaluation	7	78	85
GA GRANTS			
State Issuance Costs	10	10	20
Restructure/Non-Immigrant Aliens	~~(2,455)~~	~~(3,635)~~	~~(6,090)~~
	(2,923)	(4,327)	(7,250)
Transfer to Group Residential Housing	(3,167)	(8,167)	(11,334)
WR GRANTS			
State Issuance Costs	9	9	18
Restructure/Non-Immigrant Aliens	~~(1,243)~~	~~(1,903)~~	~~(3,146)~~
	(574)	(860)	(1,434)
MSA GRANTS			
IMPACT		~~(1,474)~~	~~(1,474)~~
	-0-	(545)	(545)
State Issuance Costs	7	7	14
Transfer to Group Residential Housing	~~(13,039)~~	~~(32,452)~~	~~(45,491)~~
	(14,306)	(36,217)	(50,523)
Transfer in Group Residential Housing	601	601	1,202
IMD Downsizing Conversion	(104)	(208)	(312)
Downsize FRC	74	230	304
MSA Grant Waiver	26	48	74
MA GRANTS			
ACG Cancellation NH	(2,387)	(7,726)	(10,113)
DD Performance Based Contracting	(200)	(350)	(550)
IMPACT		~~(30,660)~~	~~(30,660)~~
	-0-	(12,392)	(12,392)
DT&H Reform	(955)	(1,558)	(2,513)
~~Reduce SILS Grants 10%~~	~~456~~	~~456~~	~~912~~
~~OSHA Hep B Vaccine~~	~~1,077~~	~~471~~	~~1,548~~
Hospital Inflation Costs	~~5,595~~	~~15,350~~	~~20,945~~
	4,265	12,970	17,235
IMPACT-Remove Overlap	-0-	10	10
Hospital Rate Adjustments	~~(5,745)~~	~~(20,350)~~	~~(26,095)~~
	(5,629)	(24,204)	(29,833)
ICF/MR Inflation Costs	~~1,503~~	~~4,168~~	~~5,671~~
	1,271	3,493	4,764
ICF/MR Rate Adjustments	~~(1,567)~~	~~(2,542)~~	~~(4,109)~~
	(1,612)	(2,610)	(4,222)
NH Inflationary Costs	~~13,992~~	~~35,155~~	~~49,147~~
	13,529	32,104	45,633
NH Rate Adjustments	~~(13,893)~~	~~(15,318)~~	~~(29,211)~~
	(13,887)	(15,706)	(29,593)
CDC Vaccine Rates	(563)	(750)	(1,313)
IMD Downsizing Costs	110	500	610
RTC Administrative Reductions (Collections)	20	20	40
Downsize RTC DD (Collections)	1,609	7,152	8,761
MLRTC Transfer to Corrections	~~937~~	~~1,569~~	~~2,506~~
	2,274	7,326	9,600
Downsize FRC	2,757	12,102	14,859
~~MLRTC Psychogeriatric Program~~	~~1,559~~	~~3,117~~	~~4,676~~
Transfer to Group Residential Housing	(926)	(926)	(1,852)
Transfer in GRH (Waiver Cost)	325	325	650
PAS/ACG Formula Adjust	~~(3,733)~~	~~(3,004)~~	~~(5,737)~~
	(3,732)	(4,389)	(8,121)

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1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Human Services, Department of **Fund:** Local Government Trust Fund

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$51,566	$51,566	$103,132
Forecast Adjustments	1,547	1,547	3,094
AGENCY BASE	$53,113	$53,113	$106,226
~~Inflation Cost Increases~~	~~(1,547)~~	~~(1,547)~~	~~(3,094)~~
Agency Management Decisions			
Social Services:			
Inflation Cost Increases	$(1,547)	$(1,547)	$(3,094)
CSSA Grants-Target Subsidized Adoptions	(770)	(963)	(1,733)
Ramsey County Model for Metro Mobility	(794)	(794)	(1,588)
SILS to MA Waiver Transfer	(540)	(1,610)	(2,150)
Case Management Restoration	600	600	1,200
Subtotal	~~$(1,564)~~	~~$(1,757)~~	~~$(3,321)~~
	$(3,051)	$(4,314)	$(7,365)
TOTAL AGENCY PLAN	~~$50,002~~	~~$49,809~~	~~$99,811~~
	$50,062	$48,799	$98,861
Governor's Initiatives	$-0-	$-0-	$-0-
GOVERNOR'S RECOMMENDATION	~~$50,002~~	~~$49,809~~	~~$99,811~~
	$50,062	$48,799	$98,861

Brief Explanation of Agency's Overall Actions:

The agency plan allocates funding to recognize the state/county partnership role in subsidized adoption funding. The plan reduces metro mobility subsidies in recognition of new efficiencies introduced by Ramsey County which can serve as a model for other counties.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
None.	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

Chapter 256E

5. Governor's Recommendation:

The Governor recommends funding levels as requested in the agency budget plan.

Revised 3-4-93
~~Revised 2-08-93~~

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Human Services, Department of **Fund:** Health Care Access

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$7,302	$7,087	$14,389
Forecast Adjustments	37,085	91,752	128,837
AGENCY BASE	$44,387	$98,839	$143,226
Inflation Cost Increase	-0-	-0-	-0-
Agency Management Decisions			
Administrative Increases	$ 2,095	$ 3,331	$5,426
TOTAL AGENCY PLAN	$46,482	$102,170	$148,652
Governor's Initiatives			
Salary Planning Estimates	$ (127)	$ (157)	$ (284)
GOVERNOR'S RECOMMENDATION	$46,355	$102,013	$148,368

Brief Explanation of Agency's Overall Actions:

To address the demand for MinnesotaCare services, increased work loads, and limited resources, this program has prioritized needs and has formatted a number of strategies for operation.

The agency's plan increases the budget base by ~~$4,458,000~~ 5,426,000 and ~~42.5~~ 40.0 positions to provide for:

- additional administrative functions to aid in the enrollment of applicants who meet eligibility requirements established by the Minnesota Health Right Act of 1992 ~~($3,415,000)~~; $(4,370,000)
- administration of applicant and enrollee appeals ($344,000);
- random audits and quality control review ($374,000);
- performance of medical review of enrollee admissions to inpatient hospitals ($325,000).

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Central Office positions	36.4	40.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

Laws of Minnesota 1992, Chapter 549
M.S. Ch. 256 and 256B

5. Governor's Recommendation:

In this presentation it appears the Governor is recommending the agency request. This is not the case. The Governor recommends deferring budget related decisions until March 1993. There are numerous reports and plans due in January 1993 that will impact this program. This deferral will allow the Health Care Commission and other interested parties enough time to make necessary recommendations concerning MinnesotaCare.

The Governor recommends working with the Legislative Oversight Commission and the Health Care Access Commission in developing the biennial budget based on reports and recommendations required by current law and the March forecast.

As the legislation implementing these strategies progresses through the legislative process, the budget will be submitted as a fiscal note for the bill. The timing of Governor's Supplemental Budget is premature to include resources needed to further implement Minnesota's health care reform efforts.

Funds in the amount of ~~$29,532,000~~ $27,126,000 have been transferred to the General Fund to pay for increased costs due to the implementation of MinnesotaCare.

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(A) CHILD SUPPORT ENFORCEMENT RESTRUCTURING	GEN	412	224	636	418	224	642
(A) COLLECTIONS & FORECASTING HOLD HARMLESS	GEN	1,667	1,667	3,334			
(A) ELECTRONIC BENEFITS TRANSFER	GEN	3,234	2,369	5,603			
(A) GOVERNOR'S LTC INITIATIVE	GEN	200	300	500			
(A) MAXIS 94-95 OPERATING INCREASES	GEN	8,150	8,582	16,732			
(A) SALARY PLANNING ESTIMATES	GEN	<8,226>	<8,488>	<16,714>			
	SGS	<3>	<4>	<7>			
	HCA	<127>	<157>	<284>			
(A) SEVERANCE COST ALLOWANCE	GEN	2,000		2,000			
(A) SOCIAL SERVICES INFO SYSTEM	GEN	750	810	1,560			
(A) TRANSFER TO DEPT OF CHILDREN	GEN	<667>	<1,333>	<2,000>			
	SR	<248>	<493>	<741>			
	FED	<71>	<142>	<213>			
TOTAL BY FUND	GEN	7,520	4,131	11,651	418	224	642
	SGS	<3>	<4>	<7>			
	HCA	<127>	<157>	<284>			

AGENCY: Human Services, Department of

MISSION STATEMENT:

The Department of Human Services, in partnership with the federal government, county and other public, private, and community agencies throughout Minnesota, is a state agency directed by law to assist those citizens whose personal or family resources are not adequate to meet their basic human needs. It is committed to helping them attain the maximum degree of self-sufficiency consistent with their individual capabilities. To these ends, the department will promote the dignity, safety, and rights of the individual, and will assure public accountability and trust through responsible use of available resources. To achieve this mission, DHS directs, develops, manages, and oversees:

- Policies and procedures to guide the allocation of federal and state funds to eligible persons and to health care and social service professionals who provide needed services.
- Technical assistance to counties in plan development, implementation and service delivery.
- Regulatory activities.
- Direct services to clients.
- The MinnesotaCare Law which provides health care access to eligible Minnesota residents.

The department is organized into 5 programmatic areas: Finance and Management, Family Self-Sufficiency, Community Mental Health and State Operated Services, Health Care and Social Services. In addition, it is charged with the implementation of Minnesota's legislation to extend health care coverage to eligible Minnesota residents through the MinnesotaCare program.

MINNESOTA MILESTONES:

The work of DHS supports 4 of the major Minnesota Milestones themes: *A Caring and Secure Community; A Prosperous People; Learning; and We the People.* The department contributes to these themes by:

- Providing short term, integrated, flexible, and accessible health, social and financial support to prevent and address problems at the earliest possible point for persons unable to maintain their self-sufficiency.
- Involving public and private stakeholders in the design and delivery of services and programs that are accessible and culturally sensitive.
- Providing a continuum of social support services to children, adults and families who suffer from or are at risk for abuse or neglect.

The DHS takes primary responsibility among state agencies for:

- Supporting Minnesota's families to provide stable safe living environments for their children.
- Developing accessible community support alternatives to institutional care.
- Conducting inspections of and monitoring licensed programs for children and adults.
- Licensing 1,300 child care centers, 12,700 family child care homes, 5,400 foster homes, 680 community residential programs for mentally ill, chemically dependent or developmentally disabled persons, 60 adult day care programs, 90 mental health centers and clinics, 150 developmental achievement centers and 180 outpatient chemical dependency programs.
- Investigating reports of abuse, neglect and maltreatment of children or vulnerable adults in licensed programs.
- Supervising the counties' administration of public assistance programs such as Aid to Families with Dependent Children (AFDC), Medical Assistance (MA), General Assistance (GA), etc.
- Supporting persons with disabilities to meet their needs while maintaining a level of independence appropriate to their abilities and preferences.
- Delivering a broad range of health and social services to children, families, adults, and elderly persons who suffer from mental illness, developmental disabilities, and chemical dependency and who may have complex medical conditions and challenging behaviors which make them the most vulnerable Minnesota residents.
- Managing state operated services for persons with mental illnesses, chemical dependencies, developmental disabilities, and for persons committed as psychopathic personalities, including community support programs, statewide case management services, and service standards.
- Developing and implementing the overall statewide mental health plan consistent with legislative directives in the Comprehensive Children's and Adult Mental Health Acts.
- Providing services to refugees.
- Delivering services to persons with speech and hearing impairments.
- Administering public health insurance plans for low income Minnesota residents and for persons with human immunodeficiency virus (HIV).
- Processing health care claims which provides reimbursement for over 23,000 health care providers, and 800 nursing homes/intermediate care facility for the mentally retarded (ICFs/MR).
- Developing accessible coordinated, cost-effective appropriate managed health care service options and designs for persons receiving health care benefits from general assistance medical care (GAMC); medical assistance (MA) and MinnesotaCare.
- Enforcing child support orders.
- Designing and implementing computer support systems for self-sufficiency programs (MAXIS) and health care programs (MMIS I and II).

CLIMATE:

The following factors do and will continue to shape the services and programs of the department.

Aging Population. As the people of Minnesota continue to live longer and in greater numbers, the demand for services to support and assist elderly persons in maintaining independence is expected to increase. Minnesota has relied on institutional placement for many years. High quality, appropriate, safe, flexible and integrated community support services are more in demand as pressures to slow the public costs of institutional care increase and the state continues to balance effective care at the most appropriate level.

Changing Children and Family Needs. As children and families continue to experience divorce, teen pregnancies continue, and as more people suffer economic hardship, the demands for economic assistance will continue and increase. Flexible coordinated support services to assist families in crisis will be required. Child support orders will continue to need enforcement. As stress increases, children and women will become more vulnerable to abuse and neglect. As parents enter and remain in the work force, structured safe child care options will be needed.

Continuous Quality Improvement. As the department must balance its budget and respond to fewer financial resources, work must become more efficient and effective. It must incorporate results of customer satisfaction information to streamline critical work processes on a continuing basis.

Rising Health Care Expenditures. High health care expenditures mean that resources for other needed human services will not be available until and unless alternatives that contain and possibly reduce expenditures are found. Health care technologies continue to change with positive and negative impacts. There is mixed sentiment about how to control health care expenditures, although managed care designs continue to provide viable options.

AGENCY BUDGET PLAN:

The following narrative provides an overview of the department's budget plan.

I. Agency Operations

A. The budget plan addresses Central Office salary costs by reducing operational costs for 5 of the 6 programs in the department's budget by 16% in F.Y. 1994 and 21% in F.Y. 1995. No reductions were made to the MinnesotaCare program. This reduction allows the department to meet its management challenge of reducing its operational base for salaries by 5% each year, and provides sufficient salary money for the department to absorb a 3.5% salary adjustment in F.Y. 1994 and a 7.1125% (3.5% compounded) salary adjustment in F.Y. 1995 and other unfunded salary needs, including workers compensation, progression increases etc.

To reduce the department's budget by the amount necessary in F.Y. 1994, it will be necessary to hold 57 vacancies and eliminate 113 positions at an average cost of $33,000 per position. Because reductions are assumed to be initiated on 7-1-93, actual savings resulting from the elimination of the 113 positions, will all associated reduction in force costs, will require an additional reduction of 113 positions, for a F.Y. 1994 total of positions held vacant and reduced of 283.

To reduce the department's budget by the amount necessary in F.Y. 1995, the department plan anticipates, holding 108 vacancies and eliminating 113 positions, for a F.Y. 1995 total of positions held vacant and reduced of 221. Because the agency plan for F.Y. 1994 calls for the elimination of 113 less positions in F.Y. 1995 than F.Y. 1994 it is possible to hire back 113 of the positions eliminated in F.Y. 1994 in F.Y. 1995.

The reduction of 113 positions, the vacancies identified and the associate dollar reductions are held as program-wide reductions in this budget document.

B. Projected administrative cost increases for F.Y. 1994 and F.Y. 1995 were calculated as part of the Agency's management challenge, but are assumed absorbed within current operations in the proposed budget.

C. The budget plan continues the department's commitment to restructure the RTC system in the state. This restructuring includes the downsizing and ultimate closure of the Faribault Regional Center, and the conversion of the Moose Lake RTC for transfer of its the physical plant to the Department of Corrections. The restructuring also includes further downsizing of the direct care operations to developmentally disabled individuals in the remaining RTCs made possible by the declining populations of these residents in RTCs and their movement to community treatment alternatives. This restructuring allows the regional treatment centers to meet their management challenge of reducing their operational base for salaries and provided sufficient salary money for the RTCs to absorb salary adjustments in F.Y. 1994 and F.Y. 1995, as well as to cover associated downsizing costs.

II. Non-entitlement Grant Programs

A. The budget plan restructures non-entitlement grant programs to allow the department to meet its agency management challenge of funding these programs at 95% of their current adjusted base cost, excluding costs associated with a new Group Residential Housing program.

B. Children's services subsidized adoption grants are funded at an increased level.

C. The federally mandated Community Work Experience program (CWEP) is funded at an increased level.

III. Entitlement Grant Programs

A. The budget plan restructures entitlement grant programs to allow the department to meet its agency management challenge of funding these programs at 100% of their caseload forecasted level.

B. Inflationary costs of hospitals, nursing facilities and intermediate care facilities for the mentally retarded are provided for through the MA program.

C. The GA and MSA programs are significantly restructured to contain costs and to provide for a new Group Residential Housing program.

D. A consolidated funding plan is proposed for all developmentally disabled programs. The new program is called IMPACT and is structured ~~with a coordinated care component.~~ to field test several demonstrations with the goal of selecting one for statewide implementation. The program is significant in its scope and ability to provide services in new ways to this population group.

E. The Work Readiness and General Assistance Medical Care (GAMC) programs are restructured to address service levels for non-immigrant aliens.

F. Restructuring of the MA program includes:

1. Adjusting rates for nursing homes

2. Adjusting rates for ICFs/MR

3. Adjusting rates for hospitals

4. Covering the loss in revenue resulting from the closure of two regional treatment centers and the downsizing of other RTC programs

5. Funding community alternatives to the psychogeriatric program at the Moose Lake Regional Treatment Center campus.

G. Costs in the GAMC program are controlled through restructuring of the basic program to bring it closer in line with the MinnesotaCare program.

IV. Transfer of agency operations

A. The budget plan transfers the Children's Trust Fund to the Department of Children and Education Services.

B. The budget plan transfers the Maternal and Child Services program to the Department of Health.

C. The budget plan transfers the Mental Health Employability Grants to the Department of Jobs and Training.

D. The budget plan transfers the Mental Health Housing Subsidy funds to the Minnesota Housing Finance Agency.

V. Major Financial Reallocations and Rescheduling

A. The budget plan reschedules the state financing of the county share of income maintenance program costs to a different timetable.

B. The budget plan reallocates the funding procedures for the county income maintenance base costs from the Department of Revenue to the General Fund and the Department of Human Services.

C. The budget plan reallocates the funding procedures for the AFDC program and the proceeds of the Mortgage and Deed associated revenues from the Department of Revenue to the General Fund and the Department of Human Services.

D. The budget plan reallocates the revenues derived from regional treatment center collection operations to the General Fund from the MA program, and fully appropriates the MA program.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan to restructure and modify its' operations in order to operate within limited resources.

In addition, the Governor recommends 9 separate investment initiatives affecting the department's budget. These initiatives are detailed at the program level and include the following:

- Restructuring of child support enforcement - $635,000
- A new social services information system - $1,560,000
- Transfer of a number children's activities to a new Department of Children and Education Services - $(2,000,000)
- A long-term care planning initiative - $500,000
- An increase for operation of the MAXIS system - $16,732,000
- Payment of family support by electronic transfer in Hennepin County - $5,603,000
- Additional funding to reduce the number of employee layoffs planned by the department - $5,334,000
- Revised salary planning estimates - $(16,714,000)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT

PROGRAM RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
FINANCE & MANAGEMENT ADMIN	168,351	159,629	197,194	188,955	188,651	191,671	188,906	193,124	193,863
SOCIAL SERVICES ADMIN	251,387	258,644	273,966	272,568	276,201	275,811	272,518	290,740	289,437
FAMILY SELF-SUFFICIENCY ADMIN	492,657	680,172	697,296	692,886	710,179	721,795	692,886	718,124	729,127
HEALTH CARE ADMIN	1,808,617	2,227,008	2,561,490	2,561,631	2,825,158	2,824,948	2,561,631	3,025,195	3,025,094
MINNESOTACARE	4,390	8,567	20,099	19,935	52,730	52,655	19,935	119,899	119,807
COMMUNITY MH SERV & RTC ADMIN	274,555	282,023	285,748	286,804	294,928	288,038	286,028	281,082	274,171
TOTAL EXPENDITURES BY PROGRAM	2,999,957	3,616,043	4,035,793	4,022,779	4,347,847	4,354,918	4,021,904	4,628,164	4,631,499
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
LOCAL GOVERNMENT TRUST			51,566	51,566	50,062	50,062	51,566	48,799	48,799
GENERAL	1,267,119	1,423,671	1,508,925	1,547,833	2,027,432	2,034,952	1,547,253	2,126,168	2,130,299
STATE GOVT SPEC REV					217	214		209	205
HEALTH CARE ACCESS		51	7,085	7,302	46,482	46,355	7,087	102,170	102,013
OPEN APPROPRIATIONS:									
GENERAL	26,100	193,081	196,881	196,881			196,881		
STATUTORY APPROPRIATIONS:									
GENERAL	256,753	352,995	382,764	381,160	245,539	245,539	381,160	260,602	260,602
HEALTH CARE ACCESS			612	612	9,209	9,209	612	21,211	21,211
SPECIAL REVENUE	84,737	97,655	101,787	51,368	54,547	54,299	51,338	54,159	53,666
FEDERAL	1,309,423	1,497,019	1,730,641	1,730,631	1,858,933	1,858,862	1,730,631	1,959,470	1,959,328
AGENCY	43,552	40,899	44,694	44,694	44,694	44,694	44,694	44,694	44,694
GIFTS AND DEPOSITS	86	115	242	170	170	170	120	120	120
ENDOWMENT		15	6	6	6	6	6	6	6
ENTERPRISE	12,187	10,542	10,590	10,556	10,556	10,556	10,556	10,556	10,556
TOTAL FINANCING	2,999,957	3,616,043	4,035,793	4,022,779	4,347,847	4,354,918	4,021,904	4,628,164	4,631,499
POSITIONS BY FUND:									
GENERAL	6,214.7	5,950.0	5,530.4	5,516.9	4,918.4	4,999.3	5,516.9	4,530.4	4,599.4
STATE GOVT SPEC REV				4.0	4.0	4.0	4.0	4.0	4.0
HEALTH CARE ACCESS			51.5	63.0	99.2	99.2	92.0	131.8	131.8

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT

PROGRAM RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
SPECIAL REVENUE	56.0	101.0	134.5	106.0	106.0	105.0	106.0	106.0	105.0
FEDERAL	115.0	123.1	124.6	124.6	124.6	124.6	124.6	124.6	124.6
ENTERPRISE	217.5	216.7	179.8	179.8	179.8	179.8	179.8	179.8	179.8
TOTAL POSITIONS	6,603.2	6,390.8	6,020.8	5,994.3	5,432.0	5,511.9	6,023.3	5,076.6	5,144.6

1994-95 BIENNIAL BUDGET

-INDEX-

HUMAN DEVELOPMENT

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: HUMAN SERVICES, DPT

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	4,035,793	4,035,793	2,088,570	2,088,570	216,582	216,582	1,730,641	1,730,641
TECHNICAL ADJUSTMENTS								
ONE-TIME APPROPRIATIONS	<1,859>	<1,859>	<337>	<337>	<1,522>	<1,522>		
BIENNIAL APPROPRIATIONS	647	<99>	647	<99>				
APPROPRIATIONS CARRIED FWD	<2,862>	<2,862>	<2,689>	<2,689>	<173>	<173>		
NON-RECURRING EXPENDITURES	<10,667>	<10,747>	<1,035>	<1,035>	<9,622>	<9,702>	<10>	<10>
SUNSET PROGRAM/AGENCY	<833>	<833>			<833>	<833>		
BASE TRANSFER (BTWN FUNDS)			38,539	38,539	<38,539>	<38,539>		
FUND CHANGE/CONSOLIDATION	21	21	21	21				
DOCUMENTED RENT/LEASE INC/DEC	1,230	1,181	849	1,015	381	166		
INSURANCE PREMIUM HOLIDAY	1,308	1,308	1,308	1,308				
PLANT MANAGEMENT REBATES	1	1	1	1				
SUBTOTAL TECH. ADJ.	<13,014>	<13,889>	37,304	36,724	<50,308>	<50,603>	<10>	<10>
CURRENT SPENDING	4,022,779	4,021,904	2,125,874	2,125,294	166,274	165,979	1,730,631	1,730,631
FORECAST ADJUSTMENTS								
LEG-DIRECTED ADJUSTMENTS	<12,366>	<9,652>	<14,230>	<13,801>	1,864	4,149		
ANNUALIZING NEW PROG COSTS	6,247	8,210	6,247	8,210				
FEDERAL RECEIPTS	3,503	6,512			3,159	2,801	344	3,711
INCOME MAINTENANCE ADJUSTMENT	355,705	658,706	182,165	323,620	45,582	109,958	127,958	225,128
SUBTOTAL FORECAST ADJ.	353,089	663,776	174,182	318,029	50,605	116,908	128,302	228,839
AGENCY BASE	4,375,868	4,685,680	2,300,056	2,443,323	216,879	282,887	1,858,933	1,959,470

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PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

PROGRAM PURPOSE:

The Department of Human Services Finance and Management Program exists to provide overall direction and leadership to the department in accordance with a continuing quality improvement philosophy as well as to assure departmentwide policy and program coordination through regulatory, appeal, legislative, fiscal management, and administrative support activities. This program consists of the Executive Office and the support services divisions of Financial Management, Information Policy and Services, Management Services, Personnel, Reimbursements, Budget Analysis, Appeals and Contracts, Rules and Bulletins, Reports and Forecasts, and Licensing.

The major goals of the Finance and Management Program are:

1. To assure uniform and equitable administration of programs and expenditures of funds.
2. To assure that statutory and regulatory standards are established and implemented which protect the health, safety, and rights of the persons served and result in an integrated and cost-effective service delivery system.
3. To carry out the policy directives of the executive, legislative, and judicial branches of both state and federal government.
4. To implement state and federal laws.

To achieve its program goals, this program has the following responsibilities:

1. Provide personnel and labor relations services to assure that personnel actions are completed in a timely and effective fashion in conformance with state law and in a manner that promotes fair and equitable treatment of all staff.
2. Manage volunteer services, affirmative action programs, the county Merit System, health and safety programs, workers' compensation program, Continuous Quality Improvement and organizational and human resource development.
3. Manage accounts receivable and collection operations for the state-operated residential treatment centers, the Consolidated Chemical Dependency Treatment Fund, and the Parental Fee Collection System.
4. Manage, coordinate, and develop the department's biennial, capital and supplemental budgets.
5. Forecast biennial expenditures, monitor expenditures, and update the biennial forecast periodically.
6. Provide to DHS staff audio-visual services, document production and printing, forms management, purchasing services, recycling and resource recovery, records management, and travel management services.
7. Provide facility management services, including office space and fixed asset management, parking management, and telecommunications services.
8. Provide information systems development and maintenance assistance for agency's systems initiatives, including office systems support and disaster recovery planning.
9. Maintain a system of financial controls, manage grants and the distribution of state and federal funds, and oversee financial reporting.
10. Provide direction to department staff in promulgating administrative rules in compliance with the requirements of the Minnesota Administrative Procedures Act (APA) and consistent with state and federal law and department goals; and ensure that bulletins, program manual material and state plans are consistent with state rules, statutes and federal law.
11. Use preventative measures, enforcement powers, and information and referral activities to enforce state and federal laws, rules and regulations in licensed programs.
12. Provide centralized control over the department's contracting procedures and contract drafting 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.
13. Coordinate departmentwide efforts regarding data practices, serve as a resource for department staff and county human service agencies, and respond to requests for data maintained by the department to assure that the privacy rights of recipients are protected in accordance with federal and state law.
14. Adjudicate disputes between county human service agencies and recipients of income maintenance and social service programs through administrative appeal procedures established by M.S. sec. 256.045 to assure that due process rights of recipients are protected, as required by federal and state law.

The services provided as part of this program are either mandated by federal and state law, or necessary to assure that the funds for human services are efficiently and effectively used to assist eligible persons.

The activities of this program impact over 7,000 employees and contractors working in the department's central office and regional treatment centers, as well as 450,000 annual recipients of the department's human service programs, over 148,000 children in child care, 4,000 residents of regional treatment centers and nursing homes, 87 county social service departments and county boards. Other groups affected by this program include 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 1,300 child care centers, 12,700 family child care homes, 5,400 foster homes, the 9 state regional treatment centers, 680 residential programs for mentally ill, chemically dependent or developmentally disabled persons, 60 adult day care programs,

90 mental health centers, and clinics, 150 developmental achievement centers and 180 outpatient chemical dependency programs.

As a result of the activities included in this program, the department is able to assure that services delivered throughout the state meet minimum standards and are delivered in an integrated and cost-effective manner.

PROGRAM PERFORMANCE:

In this program's efforts to carry out its role of administering activities of the department, providing support functions to the department's programs and protecting the health, safety, and rights of persons served by the human services delivery system, this program accomplished the following:

1. Budgeting

   Prepared the department's F.Y 1992 and 1993 Supplemental Budgets and the F.Y. 1994-95 Biennial Budget.

2. Fiscal forecasting

   Prepared biennial fiscal forecasts on all entitlement programs, monitored expenditures, and periodically updated biennial forecasts.

3. Managing fiscal functions

   Achieved a prompt payment goal of paying 98% of the invoices received by the department within 30 days.

   Managed the flow of $5 billion federal and state funds to counties, grantees and vendors.

4. Generating revenue

   Attained the goal in collections for the cost of care to clients at the regional treatment centers, state nursing homes, and other providers of service under the Consolidated Chemical Dependency Treatment Fund and MA Parental Fee program.

   Implemented several cost accounting methodologies designed to enhance federal revenue in the Medicare and Medicaid programs.

5 Managing personnel resources

   Developed the planning and communication strategies for continuous quality improvement training

   Administered state-negotiated contracts and the plans covering non-represented employees.

   Developed standardized policies and procedures for personnel administration.

   Increased the number of minorities hired and the number of protected classes in managerial positions.

   Increased the availability of training opportunities for all staff, including the increased cost-effectiveness use of video and satellite-based technology.

   Expanded the use of volunteers throughout the human services delivery system.

6. Automating

   Consolidated information systems technical support functions for the department.

   Implemented and operated several computerized systems designed to create economies, increase accuracy, and speed turnaround time in the following areas:

   a. budget preparation;

   b. personnel transactions;

   c. office space planning and design;

   d. electronic mail.

7. Managing the department's physical facility

   Managed the Human Services Building and the leases for 30 outstate locations.

   Ensured that office space occupied by the department meets indoor air quality standards

   Ensured that employees with handicapping conditions have an accommodated work environment

8. Appeals

   Implemented appeal hearings through telephone conference calls and on a "circuit-rider" basis to permit recipients and local agencies to participate.

   Implemented administrative disqualification hearings initiated when local human services agencies have determined that and AFDC or food stamp recipient has committed an intentional program violation.

9. Rulemaking

   Ensured that the rulemaking process is completed without procedural defects and that opinions of persons affected by proposed rules are considered during the rule development process.

10. Licensing

Ensured that licensing standards in child care centers, family child care homes, foster homes, regional treatment centers, residential programs, mental health centers, and outpatient programs were maintained.

Reduced the backlog of investigations of abuse, neglect, and maltreatment.

PROGRAM PROSPECTS AND OBJECTIVES:

In the F.Y. 1994-95 biennium, this program will have to manage with limited resources. Even without major changes in the service system, the work load of this program will increase due to the increased demand for community services as well as internal administrative support services. Based on current trends, this program will have additional programs to license, additional appeals to hear, and an increased demand for support services. Given the current economic conditions, this additional work load will have to be managed with current resources.

In examining the current regulatory and reporting structure, a balance must be struck between protection and self determination for the people served and between local flexibility and statewide consistency for the service providers. The growing need for services and the fiscal constraints faced by the department and county agencies further emphasize the need for coordination and communication both within the department and throughout the service system to ensure that limited resources are used efficiently and effectively. This program is responsible for ensuring that policies are developed and implemented which address these needs.

Any changes made in the service system to address regulatory and fiscal concerns are also likely to place an additional burden on program support and coordination. To allow greater county and facility flexibility, administrative rules and state plans will have to be changed along with the state statutes. Changes in client rights or limitations on services are likely to result in additional appeals. Decreases in the specificity of regulations will require increased licensing and monitoring efforts to ensure that the quality of services delivered is not substantially decreased.

Linkage to Minnesota Milestone Goals/Indicators:

The Finance and Management program addresses a number of Minnesota Milestone goals, both directly and indirectly. The primary Milestone goals addressed by this program include:

"Families will provide a stable environment for their children"

Progress toward this goal is indicated by:

1. Conducting inspections and monitoring licensed programs.
2. Conducting Applicant Background Studies.
3. Investigating reports of abuse, neglect, and maltreatment of children or vulnerable adults in licensed programs.

"We will welcome, respect and value all people"

Progress toward this goal is indicated by:

1. Increasing the number of minorities and protected classes hired.
2. Increasing the number of disabled employees.
3. Identifying and designing reasonable accommodations.

"Dependent persons or those in temporary hardship will have their basic needs met"

Progress towards this goal is indicated by:

1. Conducting inspections and monitoring licensed programs.
2. Conducting Applicant Background Studies.
3. Assuring benefits are provided to those entitled.
4. Assuring integrity of programs by disqualifying those not entitled.

"We will create safe, friendly and caring communities"

Progress towards this goal is indicated by:

1. Conducting inspections and monitoring licensed programs.
2. Investigating reports of abuse, neglect, or maltreatment of children or vulnerable adults in licensed programs.
3. Investigating reports of licensing violations.
4. Expanding the use of volunteers throughout the human services delivery system.
5. Automating a central registry of reported substantiated perpetrators of abuse, neglect, or maltreatment.

"Rapid communication of high volumes of information will be possible to and from all parts of Minnesota and between Minnesota and the world"

Progress towards this goal is indicated by:

1. Developing and maintaining a data acquisition function.

2. Implementing network services.

3. Providing technical leadership in information systems.

4. Consolidating information system technical support.

"Government in Minnesota will be more efficient"

Progress towards this goal is indicated by:

1. Managing fiscal functions.

2. Managing physical facilities.

3. Evaluating the effectiveness of licensing rules.

4. Implementing information system networks.

5. Consolidating information systems technical support functions.

6. Increased the availability of training opportunities.

7. Implement Continuous Quality Improvement training.

PROGRAM PLAN:

To address the demand for administrative support services, increasing work loads and the reality of limited resources, this program has prioritized needs and has formulated a number of strategies for operating with limited available resources. The following budget activities and associated decision items address these strategies and reflect adjustment of current law base level funding for this program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an alternative level of funding for this program, which incorporates the agency plan and adds two investment initiatives specifically directed at reducing the number of employee reductions, which would otherwise be required.

The department has analyzed the impact of absorbing inflation and achieving a 5% reduction of expenditures in total central office spending, and determined the impact in terms of position vacancies and employee layoffs required. Upon review, the Governor has concluded that workforce reductions of the magnitude forecast would severely undermine the department's ability to manage and control the programs for which it is responsible.

The Governor recommends that workforce reductions be restrained at a level significantly less than proposed in the agency plan, and that they be accomplished primarily through normal employee attrition. In order to accomplish this within the overall budget framework, the department is prepared to increase its efforts to increase expense reimbursement revenues by $1,667,000 annually. The Governor recommends adding these amounts to the agency budget plan to buy down approximately 62 proposed employee reductions across all department programs. In order to assure this revenue increase, the Governor recommends that no staff reductions be taken in the Reimbursement Division. The governor also recommends that no reductions occur in the Reports and Forecasts Division, upon which the state relies for timely and accurate forecasts of human services assistance program expenditures.

The Governor acknowledges that some layoff of current employees will occur in any serious effort to reduce the level of state spending. In order to minimize the number of layoffs within this department, the Governor recommends $2,000,000 be appropriated in F.Y. 1994. This will modify the agency plan and reduce the number of employee layoffs by approximately 112 in F.Y. 1994 across all central office programs. This initiative is added to this program but is to benefit all central office programs.

The Governor recommends salary planning estimate savings in the amount of $1,575,000 for the biennium in this program.

Where the Governor concurs with the agency budget plan, no recommendation will appear at the activity level.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXECUTIVE OFFICE	571	612	419	419	412	401	419	412	401
FINANCIAL MANAGEMENT	33,194	38,503	42,551	42,734	45,586	47,187	42,734	47,011	46,332
RED LAKE CHIPPEWA INDIANS	696	496	496	496			496		
FEDERAL ADMIN REIMBURSEMENT	115,076	101,226	126,625	126,625	126,402	126,402	126,625	129,279	129,279
INFORMATION POLICY & SERV	3,387	3,702	11,289	1,648	1,238	1,213	1,648	1,238	1,213
MANAGEMENT SERVICES	6,411	6,135	6,763	7,994	7,280	7,240	7,945	7,459	7,419
PERSONNEL	1,467	1,257	1,262	1,262	1,252	1,221	1,262	1,252	1,221
REIMBURSEMENT DIVISION	2,738	2,572	2,662	2,662	975	2,634	2,662	975	2,634
BUDGET ANALYSIS DIVISION	399	347	220	220	218	212	220	218	212
APPEALS AND CONTRACTS	865	938	932	932	1,099	1,070	932	1,099	1,070
RULES AND BULLETINS	397	431	428	428	442	429	428	442	429
REPORTS & FORECASTS DIVISION	553	576	766	766	784	763	766	784	763
LICENSING	2,597	2,834	2,781	2,769	2,963	2,899	2,769	2,955	2,890
TOTAL EXPENDITURES BY ACTIVITY	168,351	159,629	197,194	188,955	188,651	191,671	188,906	193,124	193,863

GOV'S INITIATIVES:	FUND								
(A) SALARY PLANNING ESTIMATES	GEN					<633>			<910>
(A) SALARY PLANNING ESTIMATES	SGS					<3>			<4>
(A) SALARY PLANNING ESTIMATES	HCA					<11>			<14>
(A) SEVERANCE COST ALLOWANCE	GEN					2,000			
(A) COLLECTIONS & FORECASTING HOLD HARMLESS	GEN					1,667			1,667
TOTAL GOV'S INITIATIVES						3,020			739

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	17,944	17,737	17,300	18,399	18,819	21,853	18,565	20,339	21,096
STATE GOVT SPEC REV					217	214		209	205
HEALTH CARE ACCESS		32	1,730	2,111	1,459	1,448	1,896	1,573	1,559
STATUTORY APPROPRIATIONS:									
GENERAL	93	33	46	46	46	46	46	46	46
SPECIAL REVENUE	3,223	3,395	10,630	911	845	845	911	815	815

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
FEDERAL	116,010	102,058	127,628	127,628	127,405	127,405	127,628	130,282	130,282
AGENCY	31,081	36,373	39,859	39,859	39,859	39,859	39,859	39,859	39,859
GIFTS AND DEPOSITS		1	1	1	1	1	1	1	1
TOTAL FINANCING	168,351	159,629	197,194	188,955	188,651	191,671	188,906	193,124	193,863
POSITIONS BY FUND:									
GENERAL	247.0	243.0	232.5	232.5	171.5	217.5	232.5	171.5	217.5
STATE GOVT SPEC REV				4.0	4.0	4.0	4.0	4.0	4.0
HEALTH CARE ACCESS			10.1	9.1	14.1	14.1	12.7	17.3	17.3
SPECIAL REVENUE	14.0	14.0	14.0	8.0	8.0	8.0	8.0	8.0	8.0
FEDERAL	17.0	19.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
TOTAL POSITIONS	278.0	276.0	274.6	271.6	215.6	261.6	275.2	218.8	264.8

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BUDGET ACTIVITY: Executive Office
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The executive office overall management direction establishes priorities and policies, and provides leadership to the department in accordance with continuing quality improvement (CQI) philosophy. It articulates the commissioner's vision, implements the goals and objectives of the Governor and develops strategies and operational plans. It coordinates, integrates, and manages resources to streamline critical processes and eliminates steps that do not add value to the end user.

The major functions of this activity are:

1. Management, implementation, and leadership.
2. Communication, accountability, and compliance.
3. Planning, policy development, and implementation.
4. Supervision.
5. Organization development, design, and special projects.
6. Constituent services.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: Develop a formal Department of Human Services (DHS) strategic plan.

Performance Measure:
- The plan is reflected in the department's priorities, in the Administrations' and divisions' work plans, and in policies and rules.

Objective 2: Implement CQI in the department.

Performance Measures:
- All central office staff will be trained in CQI history, method, and tools by 1-94.
- CQI self-directed work groups will exist in every DHS division.
- Two critical DHS cross-administration processes will be analyzed for CQI improvements and analyzed by 1-94.
- Conduct at least 1 survey to determine customer satisfaction with DHS programs.

Objective 3: All psychiatric units in regional treatment centers (RTCs) will maintain successful accreditation by the Joint Commission of Health Care facilities.

Performance Measure:
- Formal accreditation received by 1-96

Objective 4: Manage publicly-funded health care expenditures through program initiatives emphasizing prevention, efficiency, and effectiveness.

Performance Measures:
- Define and remove financial barriers in the long-term care services delivery and the service delivery systems for persons with developmental disabilities by 7-94.
- A commissioner work group will identify all DHS requirements that have the potential for simplification and elimination while also demonstrating an improvement in quality.

Objective 5: Implement DHS' responsibilities for MinnesotaCare.

Performance Measures:
- Consolidate MinnesotaCare and medical assistance so there is a seamless eligibility.
- Complete the rules.
- Maintain forecasted premium collections.
- Implement marketing/advertising plan.
- Implement DHS objectives as defined by the MinnesotaCare Commission and the Legislative Oversight Commission.

Objective 6: Implement an outcome budgeting and performance measurement system.

Performance Measures:
- Develop outcome measures in at least 2 programs by 7-94.
- Include outcome measures in all DHS budget activities by 12-94.
- Performance measures will be included in the evaluation system of DHS managers.

Objective 7: Implement the recommendations of the Children's Cabinet which are identified as DHS responsibilities.

Performance Measures:
- Recommendations are reflected in the DHS legislative package.
- Recommendations which are administrative in nature are implemented according to the prescribed timetable.

REVENUE GENERATION:

This activity generates federal administrative reimbursement at a rate of 36% of expenditures.

ACTIVITY PLAN:

The following decision item reflects the agency proposal for the current budget activity.

DECISION ITEM:

Reduce Administrative Base

This proposal decreases the activity budget $7,000 in F.Y. 1994 and $7,000 in F.Y. 1995 as part of the overall agency budget plan to reduce state expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($7)	($7)	($7)	($7)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: EXECUTIVE OFFICE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	464	533	342	342	342	331	342	342	331
EXPENSES/CONTRACTUAL SRVCS	31	32	26	26	26	26	26	26	26
MISC OPERATING EXPENSES	47	33	39	39	32	32	39	32	32
SUPPLIES/MATERIALS/PARTS	16	10	12	12	12	12	12	12	12
CAPITAL EQUIPMENT	13	4							
SUBTOTAL STATE OPERATIONS	571	612	419	419	412	401	419	412	401
TOTAL EXPENDITURES	571	612	419	419	412	401	419	412	401
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<11>			<11>
TOTAL GOV'S INITIATIVES						<11>			<11>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	571	612	419	419	412	401	419	412	401
TOTAL FINANCING	571	612	419	419	412	401	419	412	401
POSITIONS BY FUND:									
GENERAL	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
TOTAL POSITIONS	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0

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BUDGET ACTIVITY: Financial Management
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

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. Receiving, identifying, and depositing central office receipts to the state treasury.
5. Maintaining fiscal records through the statewide accounting system and generating, distributing, and maintaining 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 most counties utilize.
10. Calculating, drawing on letter of credit, and distributing federal administrative earnings to counties and the state general fund.
11. Developing, promulgating, receiving, and desk auditing financial reports for the Grant 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.

ACTIVITY OUTCOME OBJECTIVES:

The basic outcome that the Financial Management Division seeks to attain is 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.

The division has both internal and external customers. Internal customers include department staff and managers. External customers include local agencies, grantees, vendors, and other state departments (such as the Department of Finance). Some outcome objectives that will impact our various customers are:

OBJECTIVE 1: For the 1994-95 biennium to maintain the 98% prompt payment level to vendors.

Performance Measures:
- Prompt payment percentage reported monthly by Finance Department.

OBJECTIVE 2: For the 1994-95 biennium to continue to meet all Department of Finance deadlines for operating and biennial budget submittal.

Performance Measures:
- Deadline dates set in budget instructions.

OBJECTIVE 3: For the 1994-95 biennium to meet Federal Cash Management Improvement Act requirements and deposit receipts in a timely manner.

Performance Measures:
- Federal funds drawn according to state/federal agreement.

OBJECTIVE 4: For the 1994-95 biennium to maintain payment transaction error rates below 3%.

Performance Measures:
- Transaction error rates reported monthly by Finance Department.

REVENUE GENERATION: This activity generates general federal administrative reimbursement at the rate of 34% of its expenditures.

BUDGET/LEGISLATIVE ISSUES:

Budget Issues: The state is currently engaged in a "Statewide Systems Project" sponsored by the Departments of Finance, Employee Relations, and Administration. This project aims to accomplish a major restructuring of the Statewide Accounting System, the State Payroll System, the State Human Resources System, and the State Purchasing System. While the re-engineering that the project envisions is necessary, there will be costs for user agencies. At this time, it is not possible to estimate these costs for DHS, but beginning in the 1994-95 biennium and into the 1996-97 biennium, increased department costs necessary to take full advantage of the new systems will be a significant budget issue.

ACTIVITY PLAN:

The following decision items include the agency proposals for the current budget activity. They reflect adjustments of current funding for this activity.

DECISION ITEM:

Reduce Salary Base

This proposal decreases the general fund budget base by $964,000 and 15 positions in F.Y. 1994 and $1,371,000 and 15 positions in F.Y. 1995 in salaries and fringe benefits for staffing the Finance and Management Administration.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($964)	($1,371)	($1,371)	($1,371)

BUDGET ACTIVITY: Financial Management
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of
(Continuation)

DECISION ITEM:

Reduce Administrative Base

This proposal decreases non-salary general fund expenditures by $7,000 in F.Y. 1994 and $7,000 in F.Y. 1995 as part of an overall agency plan to reduce expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($7)	($7)	($7)	($7)

DECISION ITEMS:

Salary Holdings

This proposal increases the budget base by $3,921,000 in F.Y. 1994 and $5,682,000 in F.Y. 1995 to implement the directive that all state agencies absorb the costs of salary planning estimates for F.Y. 1994 and F.Y. 1995. This is a "holding" account for all central office programs. These funds will be transferred to the central office operating accounts of the department when salary settlements are known.

A similar "holding" account has been established in the Community Mental Health and State Operated Services program to account for salary planning estimates associated with regional treatment centers.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$3,921	$5,682	$5,682	$5,682

GOVERNOR'S RECOMMENDATION:

As stated in the program narrative, the Governor recommends two investment initiatives to minimize the number of employee layoffs proposed in the agency plan. To this outcome, the Governor recommends $3,667,000 in F.Y. 1994 and $1,667,000 in F.Y. 1995 in order to reduce forecast layoffs by approximately 175 in F.Y. 1994 and 62 in 1995. Of this amount, $2,000,000 for F.Y. 1994 is recommended in this activity.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: FINANCIAL MANAGEMENT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,993	2,058	2,376	2,559	5,519	7,120	2,559	6,962	6,283
EXPENSES/CONTRACTUAL SRVCS	65	84	196	196	117	117	196	87	87
MISC OPERATING EXPENSES	28	36	52	52	52	52	52	52	52
SUPPLIES/MATERIALS/PARTS	17	39	21	21	21	21	21	21	21
CAPITAL EQUIPMENT	10	42	47	47	18	18	47	30	30
SUBTOTAL STATE OPERATIONS	2,113	2,259	2,692	2,875	5,727	7,328	2,875	7,152	6,473
AIDS TO INDIVIDUALS	31,081	36,244	39,859	39,859	39,859	39,859	39,859	39,859	39,859
TOTAL EXPENDITURES	33,194	38,503	42,551	42,734	45,586	47,187	42,734	47,011	46,332
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<396>			<673>
(A) SALARY PLANNING ESTIMATES		HCA				<3>			<6>
(A) SEVERANCE COST ALLOWANCE		GEN				2,000			
TOTAL GOV'S INITIATIVES						1,601			<679>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,993	2,052	2,088	2,271	5,221	6,825	2,271	6,575	5,902
HEALTH CARE ACCESS			142	142	110	107	142	211	205
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE		49	256	256	190	190	256	160	160
FEDERAL	120	158	206	206	206	206	206	206	206
AGENCY	31,081	36,244	39,859	39,859	39,859	39,859	39,859	39,859	39,859
TOTAL FINANCING	33,194	38,503	42,551	42,734	45,586	47,187	42,734	47,011	46,332

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: FINANCIAL MANAGEMENT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	39.0	40.0	39.0	39.0	24.0	24.0	39.0	24.0	24.0
HEALTH CARE ACCESS	.0	.0	4.5	3.6	3.6	3.6	6.8	6.8	6.8
FEDERAL	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL POSITIONS	41.0	43.0	45.5	44.6	29.6	29.6	47.8	32.8	32.8

BUDGET ACTIVITY: Red Lake Chippewa Indians
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

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 expenditures to and for members of the Red Lake Band of Chippewa Indians who reside on the Red Lake Reservation.

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 two "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.

The counties have received full reimbursement of Red Lake costs in the Medical Assistance (MA), Aid to Families with Dependent Children, General Assistance Medical Care (GAMC), General Assistance, Work Readiness, Minnesota Supplemental Aid, Emergency Assistance, Pre-admission Screening/Alternative Care Grants, Work Readiness Services, Success Through Reaching Individual Development and Employment (STRIDE), GAMC Transportation, and MA Transportation programs from the 100% state financing of human services aids appropriation since the 1-1-91 implementation of that program.

The aid provided by this activity is no longer needed.

ACTIVITY OUTCOME OBJECTIVES:

The objective of this activity has been to distribute the legislative appropriation to applicable counties as reimbursement for expenditures to and for members of the Red Lake Band of Chippewa Indians.

OBJECTIVE 1: For the F.Y. 1994-95 biennium, the legislative appropriation to counties for 100% of the counties' share of costs of providing financial assistance and services to members of the Red Lake Band who reside on the reservation is no longer needed.

Performance Measures: N/A.

EFFICIENCY MEASURES:

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Appropriation Disbursed	$496	$496	$496	N/A	N/A
Percentage of Appropriation Disbursed	100%	100%	100%	N/A	N/A
Percentage of Red Lake County Costs Reimbursed from this Special Appropriation	70.7%	79.1%	71.6%	N/A	N/A
Estimated Red Lake County Costs Reimbursed Via 100% State Financing of Human Services Aids	$310	$348	$390	N/A	N/A

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Red Lake Chippewa Indians Program Appropriation Elimination

Item Summary:

This proposal decreases the budget base by $496,000 in F.Y. 1994 and $496,000 in F.Y. 1995 through elimination of the appropriation for reimbursement to counties for costs of human services and assistance provided to and for members of the Red Lake Band of Chippewa Indians who reside on the Red Lake Reservation.

Rationale:

The recent adoption of 100% state financing of human services aids has eliminated the need for this special appropriation for a substantial portion of the human services aids and services provided to Red Lake Band members and has freed county property tax levy revenues to be applied to the remaining portion of aids and services.

BUDGET ACTIVITY: Red Lake Chippewa Indians
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of
(Continuation)

Impact:

This proposal will impact only Beltrami and Clearwater Counties. It is probable that reduction of this appropriation will lead to a review of services provided as the counties examine the most effective application of their property tax levy revenue and their Community Social Services Act appropriations and Title XX federal social services block grant funds.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
COST:				
General Fund				
Red Lake Chippewa	($496)	($496)	($496)	($496)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: RED LAKE CHIPPEWA INDIANS

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
LOCAL ASSISTANCE	696	496	496	496			496		
TOTAL EXPENDITURES	696	496	496	496			496		
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	696	496	496	496			496		
TOTAL FINANCING	696	496	496	496			496		
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Federal Administrative Reimbursement
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This grant activity exists to provide a "holding" and "pass through" account for federal administrative reimbursement to counties and to 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 (DHS) for approval by the Federal 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 OUTCOME OBJECTIVES:

OBJECTIVE 1: For the F.Y. 1994-95 biennium to continue to maintain a federally approved cost allocation plan by submitting valid amendments reflecting changes in DHS and county programs, organization, and operations.

Performance Measure:
- Amendments approved by federal division of cost allocation.

OBJECTIVE 2: For the F.Y. 1994-95 biennium to continue to make regular and timely claims and disbursements of reimbursements to counties and the State General Fund.

Performance Measure:
- Monthly federal claims processed.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: FEDERAL ADMIN REIMBURSEMENT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	19								
EXPENSES/CONTRACTUAL SRVCS	34	48							
MISC OPERATING EXPENSES	117	229	204	204	204	204	204	204	204
OTHER	24,296	2,839	26,175	26,175	24,252	24,252	26,175	24,929	24,929
SUBTOTAL STATE OPERATIONS	24,466	3,116	26,379	26,379	24,456	24,456	26,379	25,133	25,133
AIDS TO INDIVIDUALS	5,288	3,720	5,700	5,700	5,700	5,700	5,700	5,700	5,700
LOCAL ASSISTANCE	85,322	94,390	94,546	94,546	96,246	96,246	94,546	98,446	98,446
TOTAL EXPENDITURES	115,076	101,226	126,625	126,625	126,402	126,402	126,625	129,279	129,279
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
FEDERAL	115,076	101,226	126,625	126,625	126,402	126,402	126,625	129,279	129,279
TOTAL FINANCING	115,076	101,226	126,625	126,625	126,402	126,402	126,625	129,279	129,279
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Information Policy and Services
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity assists departmental programs and supports operations by developing policy 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 exchanges and interfaces with federal, other state agencies, and local governmental units.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: Maintain the Department's production applications within budget.

Performance Measures:
- Expenditures for application maintenance
- Level of user satisfaction with maintenance outcomes

Objective 2: Develop and maintain a data acquisition function for the Department that assures information sharing among programs administered by the Department and with other state agencies.

Performance Measures:
- Data standards approved and published by the clearinghouse
- Applications supported by the departmental database administration team

Objective 3: Consolidate information systems technical support functions for the Department.

Performance Measures:
- Percentage of technical staff developing, maintaining, and/or supporting information systems that are consolidated by the Information Policy and Services Division (IPSD).
- Negotiate and establish customer service agreement with Intertech.

Objective 4: Implement Departmental network services.

Performance Measures:
- Percentage of central office staff who can access common network services
- Percentage of network services accessible from the central office network

Objective 5: Develop a formal structure of information systems management on a Departmental level.

Performance Measures:
- Number of customer service agreements developed
- Level of customer satisfaction with IPSD services

Objective 6: Provide technical leadership for the Department's information systems.

Performance Measure:
- Strategic information systems plan published

REVENUE GENERATION:

This activity generates general federal administrative earnings at nearly 57% of its expenditures.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base funding for this activity.

DECISION ITEM:

Reduce Administrative Base

This proposal decreases the General Fund budget base by $10,000 in F.Y. 1994 and $10,000 in F.Y. 1995 as part of the overall agency budget plan.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($10)	($10)	($10)	($10)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: INFORMATION POLICY & SERV

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,212	1,165	1,469	869	869	844	869	869	844
EXPENSES/CONTRACTUAL SRVCS	1,949	1,373	9,370	729	319	319	729	319	319
MISC OPERATING EXPENSES	28	854	33	23	23	23	23	23	23
SUPPLIES/MATERIALS/PARTS	109	98	114	14	14	14	14	14	14
CAPITAL EQUIPMENT	89	212	303	13	13	13	13	13	13
SUBTOTAL STATE OPERATIONS	3,387	3,702	11,289	1,648	1,238	1,213	1,648	1,238	1,213
TOTAL EXPENDITURES	3,387	3,702	11,289	1,648	1,238	1,213	1,648	1,238	1,213
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<25>			<25>
TOTAL GOV'S INITIATIVES						<25>			<25>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	838	757	879	879	869	844	879	869	844
HEALTH CARE ACCESS			600	600	200	200	600	200	200
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	2,549	2,945	9,810	169	169	169	169	169	169
TOTAL FINANCING	3,387	3,702	11,289	1,648	1,238	1,213	1,648	1,238	1,213
POSITIONS BY FUND:									
GENERAL	12.0	15.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
SPECIAL REVENUE	6.0	6.0	10.0	4.0	4.0	4.0	4.0	4.0	4.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: INFORMATION POLICY & SERV

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
TOTAL POSITIONS	18.0	21.0	23.0	17.0	17.0	17.0	17.0	17.0	17.0

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BUDGET ACTIVITY: Management Services
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity manages administrative functions in the areas of:

1. Facility management: Includes management of the Human Services building and other offices in the metro area. This involves coordination of all aspects of the building such as maintenance, security, rental rates, parking, and remodeling. It also involves managing the leases for approximately 30 locations out-state.
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 for all department leased facilities.
4. General office services: Includes media services and equipment, graphics services, forms management, centralized purchasing, inventory management, records management, printing, travel arrangements for employees, equipment repair services, central word processing, information desk and visitor services, photocopy services, surplus property services, recycling services.
5. Mail Services: Includes comprehensive mail service to the department and its major clientele such as county agencies, private child caring agencies, residential treatment centers, medical providers, MinnesotaCare clients, and others.
6. Forms Supply: Includes the printing, stocking, and furnishing approximately 15 million forms to 28,000 agencies such as local human services agencies, medicaid providers, residential treatment centers, and private child caring agencies.
7. Legislative process: Coordinates department-wide legislative activities with the Governor, the Legislature, the Revisor of Statutes, and the Congressional delegation; responds to requests for program and fiscal information from the Commissioner, the Legislature, the Governor, and the Congressional delegation; and provides legislative information to department staff.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: Ensure that the office space occupied by the department adheres to the federal Americans with Disabilities Act (ADA).

Performance Measure:
- Pass review by the Minnesota Council on Disabilities.

Objective 2: Ensure that the office space occupied by the department meets indoor air quality standards.

Performance Measures:
- Conduct periodic tests of the air.
- Respond to employee complaints of perceived problems within 24 hours.

Objective 3: Ensure that every employee with a handicapping condition has an accommodated work environment.

Performance Measure:
- Every employee who indicates a handicapping condition has his/her workstation accommodated within 10 days.

Objective 4: Ensure that incoming and outgoing mail will be processed within 24 hours of receipt by the mail room.

Performance Measure:
- Objective can be determined by a supervising visual inspection of the mail room.

Objective 5: Ensure that agencies (counties, private agencies, residential treatment centers, etc.) receive their forms within 10 days of DHS's receipt of the request.

Performance Measure:
- Follow-up evaluation forms will be sent to a random sample of agencies.

REVENUE GENERATION:

This activity generates federal administrative reimbursement at a rate of 36% of expenditures.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base funding for this activity.

DECISION ITEM:

Reduce Administrative Base

This proposal decreases the activity budget by $284,000 in F.Y. 1994 and $284,000 in F.Y. 1995 as part of the overall agency budget plan.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($284)	($284)	($284)	($284)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: MANAGEMENT SERVICES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,261	1,189	1,274	1,274	1,300	1,260	1,274	1,300	1,260
EXPENSES/CONTRACTUAL SRVCS	3,671	3,834	4,811	6,041	5,301	5,301	5,992	5,480	5,480
MISC OPERATING EXPENSES	151	191	292	292	292	292	292	292	292
SUPPLIES/MATERIALS/PARTS	1,232	263	296	297	297	297	297	297	297
CAPITAL EQUIPMENT	96	658	90	90	90	90	90	90	90
SUBTOTAL STATE OPERATIONS	6,411	6,135	6,763	7,994	7,280	7,240	7,945	7,459	7,419
TOTAL EXPENDITURES	6,411	6,135	6,763	7,994	7,280	7,240	7,945	7,459	7,419
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<37>			<37>
(A) SALARY PLANNING ESTIMATES		HCA				<3>			<3>
TOTAL GOV'S INITIATIVES						<40>			<40>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	6,312	5,907	5,890	6,740	6,456	6,419	6,906	6,622	6,585
HEALTH CARE ACCESS		9	770	1,151	721	718	936	734	731
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE		7	4	4	4	4	4	4	4
FEDERAL	99	83	99	99	99	99	99	99	99
AGENCY		129							
TOTAL FINANCING	6,411	6,135	6,763	7,994	7,280	7,240	7,945	7,459	7,419

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: MANAGEMENT SERVICES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	26.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
HEALTH CARE ACCESS			1.6	1.5	3.0	3.0	1.9	3.0	3.0
FEDERAL	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL POSITIONS	29.0	28.0	29.6	29.5	31.0	31.0	29.9	31.0	31.0

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BUDGET ACTIVITY: Personnel
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity provides the following services: personnel, labor relations, training and development, volunteer services to Department of Human Services (DHS) and the counties, affirmative action, workers compensation, health/safety/wellness, and the Minnesota Merit system of personnel services for 73 Minnesota counties. Major tasks include:

1. Assistance to managers and supervisors of DHS and the county human services agencies in achieving the effective management of their human resources
2. Human resource planning and assistance in achieving organizational change
3. Recruitment of qualified staff; examination development and administration
4. Position classification
5. Merit System salary plan development
6. Salary and benefits administration
7. Assistance to managers in solving personnel problems; employee counseling
8. Affirmative action and leadership with the Diversity Task Force
9. Labor contract negotiations and administration
10. Leadership in performance management and evaluation processes
11. Workers Compensation administration and cost control oversight
12. Compliance with health and safety laws and standards
13. Development of related policies and rules
14. Recordkeeping and management of personnel data
15. Human resource development and training with special emphasis on continuous quality improvement (CQI); new employee orientation

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: Personnel Services

Timely and accurate personnel services with emphasis on client satisfaction.

Performance Measure:
- Ninety-five percent (95%) positive responses to personnel services received as measured by customer satisfaction surveys.

Objective 2: Human Resource Development

Staff the implementation planning, communication, and training for CQI.

Performance Measure:
- All employees will complete basic training in principles/tools of CQI and teamwork skills by end of F.Y. 1994.

Objective 3: Labor Relations

A computerized grievance tracking system will be implemented by January 1993 to provide data on open and settled grievances.

Performance Measure:
- Grievance data available for management purposes.

Objective 4: Affirmative Action

Assist applicants to become employees by identifying and designing reasonable accommodations as required by Federal ADA and MS 363.

Performance Measure: Increased number of disabled employees by end of biennium.

Objective 5: Minnesota Merit System

Increase speed of service to counties by end of biennium to: Three day turnaround on classification requests; the eligible register created within 2 weeks of test date; and 3 days from request for candidates to referral of names.

Performance Measure:
- Time elapsed from date of receipt to completed transaction.

Objective 6: Occupational Safety, Health, and Wellness

Strengthen the program implementation and evolution to assure that applicable laws, rules, standards, and policies are met and that the number of occupational injuries and illnesses continue to decrease.

Performance Measure:
- Audit of records (like OSHA audits) and data at each residential treatment center (RTC); collect and review accident/illness severity and frequency by RTC and publish data for managment use.

REVENUE GENERATION:

This activity generates federal administrative reimbursement at the rate of 11% of expenditures.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Reduce Administrative Base

This proposal decreases the activity budget base by $10,000 in F.Y. 1994 and $10,000 in F.Y. 1995 as part of the overall agency budget plan.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($10)	($10)	($10)	($10)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: PERSONNEL

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,085	1,042	1,040	1,040	1,040	1,009	1,040	1,040	1,009
EXPENSES/CONTRACTUAL SRVCS	191	104	123	123	113	113	123	113	113
MISC OPERATING EXPENSES	91	58	54	54	54	54	54	54	54
SUPPLIES/MATERIALS/PARTS	45	45	36	36	36	36	36	36	36
CAPITAL EQUIPMENT	36	8	9	9	9	9	9	9	9
SUBTOTAL STATE OPERATIONS	1,448	1,257	1,262	1,262	1,252	1,221	1,262	1,252	1,221
AIDS TO INDIVIDUALS	1								
LOCAL ASSISTANCE	18								
TOTAL EXPENDITURES	1,467	1,257	1,262	1,262	1,252	1,221	1,262	1,252	1,221
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<31>			<31>
TOTAL GOV'S INITIATIVES						<31>			<31>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,151	1,105	1,082	1,082	1,072	1,041	1,082	1,072	1,041
STATUTORY APPROPRIATIONS:									
GENERAL	93	33	46	46	46	46	46	46	46
SPECIAL REVENUE	95	51	31	31	31	31	31	31	31
FEDERAL	128	67	102	102	102	102	102	102	102
GIFTS AND DEPOSITS		1	1	1	1	1	1	1	1
TOTAL FINANCING	1,467	1,257	1,262	1,262	1,252	1,221	1,262	1,252	1,221

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: PERSONNEL

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5
FEDERAL	.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL POSITIONS	20.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5

BUDGET ACTIVITY: Reimbursement Division
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity manages the accounts receivable for 9 regional treatment centers (RTC)/skilled nursing facilities (SNF), the Consolidated Chemical Dependency Treatment Fund (CCDTF), activities of the State Operated Community Services (SOCS), and Medical Assistance (MA) Parental Fees. The division employs collection staff, automated procedures, and reimbursement specialists to capitalize on economies of scale and permit the division to achieve an optimum cost/benefit ratio. The division also supports the management of the facilities through cost accounting and fiscal analysis activities. These services permit the department to monitor the cost of operating the facilities and to maximize collections from entitlement programs.

The services provided by this activity:

1. Client cost of care consultation services.

2. Billing and collection services:

   - Client fees
   - Entitlement Programs
   - Insurance Claims
   - Government Services
   - Estate Claims
   - Conciliation and District Court Claims
   - MA Parental Fees

3. Fiscal and Accounting Services

   - RTC Rate Setting
   - Finance Statements
   - Revenue Forecasts
   - Federal Cost Settlements
   - Cost Reports
   - Cost Control Analyses
   - Compliance with Reimbursement Regulations
   - Cost accounting system for RTCs

ACTIVITY OUTCOME OBJECTIVES:

The basic outcome that the Reimbursement Division seeks to attain is cost-effective management of the reimbursement and collections activities for the state-operated health care facilities, the CCDTF, the MA Parental Fee assessment billing and collection function, and other department activities as assigned. Another goal is to support management and cost control efforts at state facilities through cost accounting and fiscal analysis services.

Objective 1: Attain 100% of total collections goal for F.Y. 1994-95 biennium.

Performance Measure: ■ F.Y. 1994-95 biennium collections budget.

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Collections % to Goal	101%	100%	100%	100%

Objective 2: Maintain division cost per dollar collected at less than 2¢.

Performance Measure: ■ Division operational cost relationship to total collections.

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Activity Cost per Dollar Collected	$0.015	$0.016	$0.017	$0.017

REVENUE GENERATION:

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Collections Activity (in 000's)				
RTC/SNF	157,037	148,074	148,412	148,667
MA Grants-Dedicated	155,446	146,483	146,822	147,076
DD-SOCS	1,515	6,860	8,546	8,546
MA Grants-Dedicated	1,498	6,628	8,252	8,252
MA Parental Fee	499	590	600	612
MA Grants-Dedicated	499	590	600	612
RTC-CD Enterprise	10,349	9,636	9,540	9,444
CCDTF	3,514	3,492	3,457	3,423
TOTAL COLLECTIONS	$172,914	$168,652	$170,555	$170,692
MA Grants-Dedicated	$157,443	$153,701	$155,674	$155,940

Expenditures for this activity are included in rates calculated for the RTCs. RTC/SNF revenues, MA Parental Fees, and Developmentally Disabled-SOCs revenues are collected by this activity and dedicated to the Medical Assistance account by statute. RTC CD enterprise revenues are used for the operation of the RTC CD programs. Revenue collected for the CCDTF is the property of the county originating the claim of which a percentage is dedicated to the division to pay for CCDTF collection costs and invoice processing.

BUDGET ACTIVITY: Reimbursement Division
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of
(Continuation)

FEDERAL ISSUES:

Significant portions of the revenue collected by this activity are subject to federal audits. The projected collections can be affected by changes in regulations and retroactive audit adjustments.

ACTIVITY PLAN:

The following decision items reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Reduce Administrative Base

This proposal decreases the activity budget base by $20,000 in F.Y. 1994 and $20,000 in F.Y. 1995 as part of the overall agency budget plan.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($20)	($20)	($20)	($20)

DECISION ITEM:

Reduce Reimbursement Positions

This proposal decreases the activity budget base by $1,667,000 and 46 complement and 4 non-complement positions in F.Y. 1994 and $1,667,000 and 46 complement and 4 non-complement positions in F.Y. 1995. However, this activity is used as a "holding account" for position and salary reduction, which would occur across all central office programs. It is not the intent of the department to significantly reduce the level of effort applied to collect monies owed to the state.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($1,667)	($1,667)	($1,667)	($1,667)

GOVERNOR'S RECOMMENDATION:

As stated in the program narrative, the Governor recommends two investment initiatives to minimize the number of employee layoffs proposed in the agency plan. To this outcome, the Governor recommends $3,667,000 in F.Y. 1994 and $1,667,000 in F.Y. 1995 in order to reduce forecast layoffs by approximately 175 in F.Y. 1994 and 62 in F.Y. 1995. Of this amount, $1,667,000 and 46 complement and 4 non-complement positions each year is recommended in this activity.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: REIMBURSEMENT DIVISION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	2,086	2,012	2,208	2,208	541	2,200	2,208	541	2,200
EXPENSES/CONTRACTUAL SRVCS	219	98	149	149	149	149	149	149	149
MISC OPERATING EXPENSES	126	138	150	150	140	140	150	140	140
SUPPLIES/MATERIALS/PARTS	149	104	75	75	75	75	75	75	75
CAPITAL EQUIPMENT	158	220	80	80	70	70	80	70	70
SUBTOTAL STATE OPERATIONS	2,738	2,572	2,662	2,662	975	2,634	2,662	975	2,634
TOTAL EXPENDITURES	2,738	2,572	2,662	2,662	975	2,634	2,662	975	2,634
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<8>			<8>
(A) COLLECTIONS & FORECASTING HOLD HARMLESS		GEN				1,667			1,667
TOTAL GOV'S INITIATIVES						1,659			1,659
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,231	2,293	2,211	2,211	524	2,183	2,211	524	2,183
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	507	279	451	451	451	451	451	451	451
TOTAL FINANCING	2,738	2,572	2,662	2,662	975	2,634	2,662	975	2,634
POSITIONS BY FUND:									
GENERAL	54.5	49.5	46.0	46.0	.0	46.0	46.0	.0	46.0
SPECIAL REVENUE	6.0	6.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: REIMBURSEMENT DIVISION

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
TOTAL POSITIONS	60.5	55.5	48.0	48.0	2.0	48.0	48.0	2.0	48.0

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ACTIVITY DESCRIPTION:

This activity coordinates the work of the other 25 DHS divisions to produce the department's biennial operating and capital budgets. Throughout the budget cycle, this activity is responsible for outlining the general budget directions adopted by the department's Management Team, orients staff on the correct process to submit budget proposals, and assists various program areas in preparing supporting documentation for budget requests. This activity also performs special management policy, and budget related projects that cut across organizational lines and helps coordinate miscellaneous legislative activities. Major tasks that are performed through this activity include:

1. Preparing substantive guidelines/instructions necessary to uniformly implement processes for producing the biennial budget; orienting all divisions to departmental budget directions and coordinating the preparation of all budget related supporting documents.

2. Identifying and participating in the study of program policy issues that must be resolved during any given budget development period in order to complete sound departmental resource requests.

3. Analyzing proposed biennial budget proposals and actions requests and supplemental budget requests from all divisions; coordinating analyses by other departmental divisions having expertise in a particular areas; and acting on all proposed budget requests.

4. Developing recommendations regarding specific internal allocation of funds not appropriated to specific divisions of the department.

5. Analyzing and tracking federal budget proposals and actions, and issues that impact the state in general and the department in particular.

6. Responding to requests for program and fiscal information from senior administration officials, the Legislature, and the Governor.

7. Coordinating and performing special management and budget related projects that cut across organizational lines and affect the department as a whole as a means to ensure that the department's mission, objectives and priorities are supported.

8. Reviewing internal requests for fiscal reports to assure that requests are coordinated, and maximize use of existing information. Developing reporting standards for fiscal reports.

9. Continuing to study processes for simplifying, standardizing, and improving the department's fiscal reporting mechanisms.

10. Studying newly established department functions (e.g., MinnesotaCare/Health Care Provider Surcharge) to evaluate their funding mechanisms and fiscal reporting systems.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: Manage and direct the department's biennial and supplemental budget process so that the budget is produced to meet the Governor's guidelines and is ready for the Legislature by the statutorily required date.

Performance Measure:
- Completed biennial budget must be delivered to the Department of Finance (DOF) by 10-1 before odd year sessions and the supplemental budget must be provided to DOF by the start of the legislative session on even-numbered years.

Objective 2: Produce budget information and fiscal reports as required by the Governor, Legislature and DOF within the parameters assigned.

Performance Measure:
- Internal DHS turn around of 10 working days of requests except during legislative session.

Objective 3: Assist department policy and financial staff in establishing and implementing legislative intent in developing department spending plans.

Performance Measure:
- Spending plans completed prior to the beginning of each biennium.

Objective 4: Perform analyses on assigned human services financing issues important to budget initiatives.

Performance Measure:
- Completion of budget process analysis.

REVENUE GENERATION:

This activity generates general federal administrative reimbursement at the rate of 46% of its expenditures.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Reduce Administrative Base

This proposal decreases the activity budget base by $2,000 in F.Y. 1994 and $2,000 in F.Y. 1995 as part of the overall agency budget plan.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($2)	($2)	($2)	($2)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: BUDGET ANALYSIS DIVISION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	339	298	185	185	185	179	185	185	179
EXPENSES/CONTRACTUAL SRVCS	48	9	13	13	11	11	13	11	11
MISC OPERATING EXPENSES	6	20	11	11	11	11	11	11	11
SUPPLIES/MATERIALS/PARTS	6	7	2	2	2	2	2	2	2
CAPITAL EQUIPMENT		13	9	9	9	9	9	9	9
SUBTOTAL STATE OPERATIONS	399	347	220	220	218	212	220	218	212
TOTAL EXPENDITURES	399	347	220	220	218	212	220	218	212
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<6>			<6>
TOTAL GOV'S INITIATIVES						<6>			<6>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	320	347	220	220	218	212	220	218	212
STATUTORY APPROPRIATIONS:									
FEDERAL	79								
TOTAL FINANCING	399	347	220	220	218	212	220	218	212
POSITIONS BY FUND:									
GENERAL	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL POSITIONS	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0

BUDGET ACTIVITY: Appeals and Contracts
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

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 or state 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.

   Starting in F.Y. 1993, the Appeals Section will be conducting administrative disqualification hearings. These hearings are initiated by local human service agencies when they have determined that an AFDC or food stamp recipient has committed an intentional program violation.

2. CONTRACTS. The department enters into over 1,000 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, the quarterly socially economically disadvantaged/small business reports, and provides other contract related information; monitors department compliance with the Minnesota Human Rights Act; and provides contract manual updates and annual training for program managers and staff who are responsible for contracts.

3. DATA PRACTICES. The department responds to over 1,000 requests for information on government data practices annually. This activity serves as a resource for department staff and county human service agency staff who are responding to requests for data. In addition, this activity produces a data practices manual and provides training in the proper handling of data, as required under the Minnesota Government Data Practices Act.

ACTIVITY OUTCOME OBJECTIVES:

1. APPEALS.

   OBJECTIVE 1: By the end of the F.Y. 1994-95 biennium, 75% of all hearings originating outside the 7 county metro area will be conducted through telephone conference calls.

   Performance Measure:
   - Number of phone hearings.

   OBJECTIVE 2: By the end of the F.Y. 1994-95 biennium, the Administrative Disqualification Hearing System will be fully implemented.

   Performance Measures:
   - Forms and written procedures developed.
   - All hearing examiners have received training concerning disqualification hearings.
   - One hundred percent (100%) administrative disqualification hearings conducted, and decisions issued within prescribed time limits.

2. CONTRACTS.

   OBJECTIVE 1: By the end of the F.Y. 1994-95 biennium, the time required to execute a contract will be reduced from 6 weeks to 2 weeks, by reducing the number of signatures required outside the department.

   Performance Measures:
   - Number of signatures required outside the department.
   - Time lapsed from contractors' signatures to final encumbrance.

3. DATA PRACTICES.

   OBJECTIVE 1: By the end of the F.Y. 1994-95 biennium, 100% of all data practices training for regional treatment center staff and county human service agency staff will be provided through videos and teleconferencing.

   Performance Measures:
   - Number of videos completed.
   - Number of teleconferences conducted.

REVENUE GENERATION:

This activity generates federal administrative at a rate of 47% of expenditures.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Reduce Administrative Base

This proposal decreases the activity general fund budget base by $5,000 in F.Y. 1994 and $5,000 in F.Y. 1995 as part of an overall agency budget plan.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($5)	($5)	($5)	($5)

INFORMATION ITEM:

Increase Appeals Activity Base

This proposal increase the Activity Healthcare Access Fund budget base by $172,000 in F.Y. 1994 and $172,000 in F.Y. 1995 to provide staffing resources to administer applicant and enrollee appeals.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$172	$172	$172	$172

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: APPEALS AND CONTRACTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	784	860	855	855	1,009	980	855	1,009	980
EXPENSES/CONTRACTUAL SRVCS	26	28	35	35	48	48	35	48	48
MISC OPERATING EXPENSES	38	42	33	33	33	33	33	33	33
SUPPLIES/MATERIALS/PARTS	13	8	8	8	8	8	8	8	8
CAPITAL EQUIPMENT	4		1	1	1	1	1	1	1
SUBTOTAL STATE OPERATIONS	865	938	932	932	1,099	1,070	932	1,099	1,070
TOTAL EXPENDITURES	865	938	932	932	1,099	1,070	932	1,099	1,070
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<29>			<29>
TOTAL GOV'S INITIATIVES						<29>			<29>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	865	938	932	932	927	898	932	927	898
HEALTH CARE ACCESS					172	172		172	172
TOTAL FINANCING	865	938	932	932	1,099	1,070	932	1,099	1,070
POSITIONS BY FUND:									
GENERAL	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
HEALTH CARE ACCESS					3.5	3.5		3.5	3.5
TOTAL POSITIONS	17.0	17.0	17.0	17.0	20.5	20.5	17.0	20.5	20.5

BUDGET ACTIVITY: Rules and Bulletins
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity (1) directs the development and promulgation of the department's administrative rules; (2) facilitates rules advisory committee meetings and review of public opinion; (3) reviews, edits, and processes the department's program bulletins and manuals; (4) maintains the department's official rule and bulletin files.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: Ensure that rulemaking process is completed without procedural defects.

Performance Measures:
- The Administrative Procedure Act required process is completed without procedural defects.
- Proposed rules are supported by Findings of Administrative Law Judge or Attorney General/Finance Division.
- Proposed rules are consistent with department goals of mandate reduction, simplification, and service outcome focus.

Objective 2: Ensure opinions of persons affected by proposed rule are considered during rule development process.

Performance Measures:
- Advisory committee membership reflects diversity of affected parties.
- All comments, written and oral, received by the department are considered during rule development.
- Controversial issues are identified and resolved insofar as possible.

Objective 3: Ensure department bulletins and manuals are readable, accurate, and processed in a timely manner.

Performance Measures:
- Bulletins are written with clarity and accuracy.
- Bulletins and manual material are forwarded to originator within three working days of receipt.

REVENUE GENERATION:

This activity earns federal administrative reimbursement at a rate of 42% of expenditures. These reimbursements are deposited into the state general fund.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Reduce Administrative Base

This proposal decreases the activity general fund budget base by $1,000 in F.Y. 1994 and $1,000 in F.Y. 1995 as part of an overall agency budget plan.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($1)	($1)	($1)	($1)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: RULES AND BULLETINS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	383	411	394	394	409	396	394	409	396
EXPENSES/CONTRACTUAL SRVCS	2	6	7	7	7	7	7	7	7
MISC OPERATING EXPENSES	5	8	12	12	11	11	12	11	11
SUPPLIES/MATERIALS/PARTS	5	4	5	5	5	5	5	5	5
CAPITAL EQUIPMENT	2	2	10	10	10	10	10	10	10
SUBTOTAL STATE OPERATIONS	397	431	428	428	442	429	428	442	429
TOTAL EXPENDITURES	397	431	428	428	442	429	428	442	429

GOV'S INITIATIVES:	FUND								
(A) SALARY PLANNING ESTIMATES	GEN					<12>			<12>
(A) SALARY PLANNING ESTIMATES	HCA					<1>			<1>
TOTAL GOV'S INITIATIVES						<13>			<13>

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	397	431	394	394	393	381	394	393	381
HEALTH CARE ACCESS			34	34	49	48	34	49	48
TOTAL FINANCING	397	431	428	428	442	429	428	442	429

POSITIONS BY FUND:									
GENERAL	10.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
HEALTH CARE ACCESS	.0	.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL POSITIONS	10.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0

BUDGET ACTIVITY: Reports and Forecasts
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity 1) forecasts biennial expenditures, monitors expenditures, and updates the biennial forecast periodically; 2) prepares fiscal notes on bills and analyzes the effects of changes in federal law on state programs; 3) produces reports on caseloads, expenditures, and trends in these programs; 4) responds to requests from the Governor, the Legislature, department staff, and the public regarding caseloads, expenditures, and forecasts.

The programs affected by this activity are Medical Assistance, Alternative Care, General Assistance Medical Care, MinnesotaCare, Aid to Families with Dependent Children (AFDC), AFDC Child Care Entitlement, General Assistance, Work Readiness, Minnesota Supplemental Aid, and Food Stamps.

ACTIVITY OUTCOME OBJECTIVES:

OBJECTIVE 1: To forecast expenditures in DHS programs for state and federal budget purposes. The goal of this activity is at least 95% forecast accuracy in the biennial forecast as a whole. This goal is expressed as 96% accuracy for the first year of the biennium and 94% for the second year because accuracy is likely to be less for the year further from the time of the forecast.

Performance Measure:

- Overall forecast accuracy measures the accuracy of the biennial forecast published during the legislative session in which the budget is produced, adjusted by the value of fiscal notes on changes passed during the budget session. This measures the accuracy of both the forecast and fiscal notes prepared for the budget session.

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Percent Forecast Accuracy	98.0	96.5	96.0	94.0

REVENUE GENERATION:

This activity generates federal reimbursement at a rate of 35% for its expenditures. These reimbursements are deposited into the state general fund.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Reduce Administrative Base

This proposal decreases the activity general fund budget base by $5,000 in F.Y. 1994 and $5,000 in F.Y. 1995 as part of an overall agency budget plan.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($5)	($5)	($5)	($5)

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the department retain the current spending level of effort in this activity.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: REPORTS & FORECASTS DIVISION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	484	494	578	578	616	595	578	616	595
EXPENSES/CONTRACTUAL SRVCS	49	54	128	128	128	128	128	128	128
MISC OPERATING EXPENSES	7	4	12	12	12	12	12	12	12
SUPPLIES/MATERIALS/PARTS	5	22	8	8	8	8	8	8	8
CAPITAL EQUIPMENT	8	2	40	40	20	20	40	20	20
SUBTOTAL STATE OPERATIONS	553	576	766	766	784	763	766	784	763
TOTAL EXPENDITURES	553	576	766	766	784	763	766	784	763
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<17>			<17>
(A) SALARY PLANNING ESTIMATES		HCA				<4>			<4>
TOTAL GOV'S INITIATIVES						<21>			<21>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	553	553	582	582	577	560	582	577	560
HEALTH CARE ACCESS		23	184	184	207	203	184	207	203
TOTAL FINANCING	553	576	766	766	784	763	766	784	763
POSITIONS BY FUND:									
GENERAL	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
HEALTH CARE ACCESS	.0	.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL POSITIONS	11.0	11.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0

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BUDGET ACTIVITY: Licensing
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The activity protects the health, safety, rights, and well-being of children and vulnerable adults in programs licensed through the authority in Minnesota Statutes, section 245A. Methods used include prevention measures, enforcement powers, and information and referral activities to enforce state and federal laws, rules, and regulations.

This activity is responsible for the licensing of child care centers, family child care homes, foster homes, group homes and residential centers for children, day and residential programs for persons with mental retardation or 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 maltreatment of children or vulnerable adults in licensed programs.
4. Investigate reports of licensing violations in licensed programs.
5. 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.
6. Direct, supervise, and certify the family day care and foster care inspection activities of county and private agencies.
7. Evaluate the effectiveness of licensing rules.

ACTIVITY OUTCOME OBJECTIVES:

The activity will complete a variety of outcome objectives designed to continue the quality of the work provided to customers. The activity will develop efficiency measures to increase productivity while not increasing the risk of harm to children or vulnerable adults. The objectives include:

Objective 1: Programs will be licensed on time (no license extensions) 80% of the time by 6-95.

Performance Measure: ■ Number of programs licensed on time.

Objective 2: The backlog of investigations of abuse, neglect, maltreatment allegations will be reduced by 50% by 6-95 if the decision page initiative for additional resources is accepted.

Performance Measure: ■ Number of backlogged investigations.

Objective 3: Key indicator licensing practice will be implemented in family day care, adult day care, and training and habilitation programs for persons with developmental disabilities by 10-93.

Performance Measure: ■ License holders monitored with alternative methods.

Objective 4: Review and piloting of alternative licensing of child care center programs with Montessori accreditation, and residential mental health programs with Joint Commission for Accreditation of Healthcare Organizations (JCAHO) accreditation will be completed by 1-94.

Performance Measure: ■ Number of license holders monitored with alternative methods.

Objective 5: A central registry of all county reported substantiated perpetrators of abuse, neglect, or maltreatment will be developed and implemented by 6-95.

Performance Measure: ■ Automation system developed with assistance of social services and county staff.

Objective 6: Six months after an inter-agency agreement is signed between the State Fire Marshal and the Department of Human Services the child care licensing staff will be trained and have completed a pilot project to complete follow-up inspections for the fire marshal.

Performance Measure: ■ Completion of agreement and training.

Objective 7: A single rule containing all administrative licensing requirements will be developed and duplicate language in program rules will be eliminated. The rule advisory committee work will be completed by 6-93.

Performance Measure: ■ Completion of rule advisory committee work.

REVENUE GENERATION:

This activity generates general federal administrative reimbursement at the rate of 45% of its expenditures. These reimbursements are deposited into the state general fund. In addition, licensing fees generate nondedicated revenue. These funds are deposited into the state general fund each year in the following approximate amounts:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Licensing Fee Revenues	$500	$500	$500	$500

LEGISLATIVE ISSUES:

Authority for interpretive guidelines for rules will be sought. This initiative would require an exemption from rulemaking.

Clarification to issue up to 2 year licenses and applicant background studies (including foster care and family day care) will be sought. Authority to eliminate reconsideration for some incidents

BUDGET ACTIVITY: Licensing
PROGRAM: Finance and Management Administration
AGENCY: Human Services, Department of
(Continuation)

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identified by background studies will be proposed. Eliminating the time line for responding to reconsideration of correction orders will be proposed. Authority to extend the period county and private agencies can be certified/approved to 4 years from the current 2 year requirement will be sought.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Reduce Administrative Base

This proposal decreases the activity general fund budget base by $23,000 in F.Y. 1994 and $23,000 in F.Y. 1995 as part of an overall agency budget plan.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($23)	($23)	($23)	($23)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: LICENSING

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	2,156	2,429	2,369	2,369	2,481	2,417	2,369	2,512	2,447
EXPENSES/CONTRACTUAL SRVCS	227	107	177	165	199	199	165	204	204
MISC OPERATING EXPENSES	167	265	209	209	202	202	209	204	204
SUPPLIES/MATERIALS/PARTS	35	17	15	15	20	20	15	20	20
CAPITAL EQUIPMENT	3	16	11	11	61	61	11	15	15
OTHER	9								
SUBTOTAL STATE OPERATIONS	2,597	2,834	2,781	2,769	2,963	2,899	2,769	2,955	2,890
TOTAL EXPENDITURES	2,597	2,834	2,781	2,769	2,963	2,899	2,769	2,955	2,890
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<61>			<61>
(A) SALARY PLANNING ESTIMATES		SGS				<3>			<4>
TOTAL GOV'S INITIATIVES						<64>			<65>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,017	2,246	2,107	2,173	2,150	2,089	2,173	2,150	2,089
STATE GOVT SPEC REV					217	214		209	205
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	72	64	78						
FEDERAL	508	524	596	596	596	596	596	596	596
TOTAL FINANCING	2,597	2,834	2,781	2,769	2,963	2,899	2,769	2,955	2,890

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FINANCE & MANAGEMENT ADMIN
ACTIVITY: LICENSING

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	46.0	45.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
STATE GOVT SPEC REV	.0	.0	.0	4.0	4.0	4.0	4.0	4.0	4.0
SPECIAL REVENUE	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
FEDERAL	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
TOTAL POSITIONS	60.0	59.0	58.0	62.0	62.0	62.0	62.0	62.0	62.0

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PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

PROGRAM PURPOSE:

The Department of Human Services, Social Services Administration exists to provide overall coordination, leadership and direction to serve the following consumers: 1) special needs children and their families; and 2) special needs adults and elderly persons.

1. *Children*. To ensure that children are protected from maltreatment and their special needs are met, this program delivers services through the following activities: Community Social Services Grants, Children's Trust Fund, Children's Services Administration, Children's Services Grants, Family Support Grants, Chemical Dependency Special Grants, Consolidated Chemical Dependency Treatment Fund, Deaf Services, Retired Senior Volunteers and Foster Grandparents Grants.

2. *Adults and Elderly*. To ensure integrated community based services are efficiently delivered to special needs adults and elderly persons which enable them to meet their needs while maintaining a level of independence appropriate to their abilities this program delivers services through the following activities: the Aging Ombudsman, Aging and Adult Administration, Area Aging Service Grants, Retired Senior Volunteers, Senior Companions, the Chemical Dependency Administration, American Indian Grants, the Consolidated Chemical Dependency Treatment Fund, Hearing Impaired Services, Developmental Disabilities Administration and Semi-Independent Living Services Grants.

The Program also provides leadership to: 1) shape policy; 2) develop and test pilot projects; 3) conduct research and evaluation; 4) assure compliance with existing standards, rules and laws and; 5) develop and promote the use of performance indicators which can measure the efficient, effective use of resources. The Quality Services Division was formed in January of 1992 to serve as a focal point for carrying out these activities.

PROGRAM PERFORMANCE:

Children. Some indicators of the success of this program in serving special needs children and their families are:

1. In 1991, Child Protective Services Workers, in all 87 counties, received updated training.

2. In 1992, 90% of the Ramsey and Hennepin County parents on probation for drug offenses maintained sobriety after completing a program specially designed to address their needs.

3. In 1991, Families First (intensive family services) was provided to 441 families with 1,214 children. At the close of service (4 weeks) 91% of the children at risk of out-of-home placement (816) remained with their families.

4. In 1992, 70% of the families, deemed chronically neglectful, who participated in a program to end their dependence on the social service system, had their child protection cases closed by the local social services agency.

5. In 1992, a total of 1,600 children received services which prevented them from being placed in substitute care.

6. In 1992, 275 adoptions of state wards were finalized. This was an increase from 250 in 1990.

7. In 1992, 1,030 special needs children were placed in adoptive homes through the use of expenses subsidies.

8. In 1992, 1,680 adolescents received services through the Independent Living Skills Programs. This was an increase from 1,200 in 1990.

9. In F.Y. 1992, over 640 families, who have children with mental retardation or related conditions, received Family Support Grants which helped prevent their children from being placed outside their homes. This compares with 450 families served in 1990.

10. During F.Y 1992-93, there was an increased effort to reduce the harmful effects of chemical abuse and dependency by the provision of grants to counties and non-profit agencies. These grants were targeted to improve community-based prevention and treatment efforts aimed at chemically abusing pregnant women, women with children, high risk minority youth and children under the age of 14.

11. By the end of F. Y. 1993, The Children's Trust Fund will have awarded over $1,000,000 in child maltreatment prevention grants, to 43 community-based programs throughout the state. This is an increase from $817,000 awarded to 21 programs in 1991.

~~12. By the end of F. Y. 1993, approximately 81,000 deaf and hard of hearing children will receive special services. This more than triples the 26,000 children served in F.Y. 1992.~~

Adults and Elderly. Some indicators of the success of this program in serving Minnesota's adult and elderly populations are:

1. In F.Y. 1992, 80% of the complaints against government units, nursing homes, acute care providers and third party payers, received by the State Ombudsman Office, were successfully resolved. This is an increase from 76% in F.Y. 1990.

2. In F.Y. 1992, 92,000 elderly persons were served meals at Congregate dining sites. This compares to 90,000 served in 1990.

3. In F.Y. 1992, approximately 16,000 elderly persons received home delivered meals. This is an increase from approximately 15,000 in 1990.

4. In F.Y. 1992, approximately 4,500 senior volunteers provided 448,500 hours of volunteer service. This is an increase from 4,000 volunteers providing 440,500 hours of service in 1990.

5. In F.Y. 1992, over 1,600 persons with mental retardation or related conditions were served by Semi-Independent Living Service Grants. This was an increase from 1,500 served in F.Y. 1991. These grants are aimed at preventing these persons from being placed in more restrictive settings, such as Regional Treatment Centers or Intermediate Care Facilities.

6. By the end of F.Y. 1993, approximately 5,900 deaf and hard of hearing consumers will be served at 8 regional sites. This is an increase from 5,600 in F.Y. 1992.

PROGRAM PROSPECTS AND OBJECTIVES:

This program is directly related to the following Minnesota Milestones goals:

"Families Will Provide A Stable Environment For Their Children"

Progress toward this goal will be indicated by:

1. A reduction in the number of out-of-home placement of at-risk and special needs children;
2. A reduction in length of time children are in placements outside their homes;
3. Increasing the number of families able to parent effectively;
4. Increased efforts at integrating services to children and their families across target populations;
5. Increased efforts at providing culturally sensitive and relevant services to Minnesota's diverse ethnic populations;
6. A reduction in the number of children being reported as abused or neglected among identified at risk groups;
7. Increasing the number of young mothers who become self sufficient, effective parents and who are less likely to have repeated unplanned pregnancies;
8. Increasing parents' ability to select quality child care services for their children.

" Our Children Will Learn To Be Responsible, Mature Adults"

Progress toward this goal will be indicated by:

1. Increasing the number of homeless youth able to obtain affordable and safe shelter, food and support services;
2. Increasing the independent living skills of youth who have been in foster care;
3. Preventing or reducing the harmful effects of chemical abuse on children and families;

" Minnesotans Will Have The Best Possible Chance For A Healthy Life"

Progress toward this goal will be indicated by:

1. Increasing the percentage of chemically dependent persons maintaining sobriety 6 months after treatment;
2. Decreasing HIV seroprevalence in injection drug users;
3. Decreasing the percentage of infants exposed prenatally to drugs

" Persons with Disabilities Will Be Able to Meet Their Needs While Maintaining A Level of Independence Appropriate to Their Abilities and Preferences"

Progress toward this goal will be indicated by:

1. Increasing the number of telecommunications devices available to the deaf, hard of hearing and speech impaired consumers;
2. Increasing the accessibility of community services to the deaf and hard of hearing;
3. Increasing the number of deaf interpreter requests filled;
4. Implementing new programs aimed to meet the special needs of deaf and hard of hearing children and their families;
5. Increasing the proportion of persons with developmental disabilities using community-based services, instead of institutional services;
6. Maintaining and where possible increasing the number of families with children who have mental retardation or related conditions receiving financial support which enables them to maintain their children in the family home and avoid out of home placement;
7. Maintaining the number of older individuals served in both congregate and home delivered meals programs;
8. Developing and promoting programs and services which help older persons live independent, meaningful, dignified lives, with emphasis on reducing isolation and preventing premature or unnecessary institutionalization.

"Government In Minnesota Will Be More Efficient"

Progress toward this goal will be indicated by:

1. Developing and promoting the use of performance indicators which can measure the efficient, effective use of resources.
2. Increasing the flexibility of funding sources which allow counties to tailor services to the needs of residents.

Significant factors which impact the short term strategies for this program include: 1) the lack of instruments and information systems which are able to track individual cases to determine the impact

programs will be essential in making the case for the continuation or implementation of programs or services.

PROGRAM PLAN:

During the next biennium, Social Services Administration is taking the lead in the following initiatives:

1. *Children's Services*: This is a priority of the Governor's Children's Cabinet. The endeavor has brought together all child related state departments, in order to coordinate and prioritize both ongoing and new child related initiatives for funding. As part of this effort and in order to create a focal point, within state government, for child abuse prevention programs, the Children's Trust Fund and Maternal/Child Services grants will be transferred to the Department of Health.

2. *IMPACT*: This proposal ~~is part of the department's coordinated care initiative and~~ would reform the funding and delivery of services to persons with developmental disabilities (DD)~~. The goal would be to integrate the funding and management of all DD services. Total funding obligations across all service levels would be established through contracts with counties. Details are contained in the DD budget activity.~~ through the field testing of various demonstration projects over the next few years with the outcome of selecting one approach to be used statewide after evaluating the results of the demonstrations. Initial implementation strategies include:

   - expansion of the home and community based waiver to serve some persons currently receiving semi-independent living services;
   - demonstration projects, including performance-based contracting and vouchers;
   - seeking federal waiver for authority to integrate funding of all DD services; and
   - improved access to day training and habilitation services.

   Details are contained in the DD budget activity.

~~3. *Performance-based Contracting and Support*: This initiative would improve the business conditions and stability for services to persons with developmental disabilities, by creating a more competitive market place and contracts to establish outcomes/conditions for reimbursement. Details are contained in the Developmental Disabilities budget activity.~~

In addition to the above, in order to address the demand for social services, increased work loads and the reality of limited resources, this program has prioritized needs and has formulated a number of strategies for operating with limited available resources. The following budget activities and associated decision pages address these strategies and reflect adjustments of current law base level funding for this program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels and new service delivery system initiatives as proposed in the agency's budget plan except for salary planning estimate savings in the amount of $299,000 for the biennium, and the following adjustments:

- Transfer of 3 Child Care service development and resource/referral grant programs, coordination/fiscal service work with the Early Childhood Care and Education Council, and the Children's Trust Fund activity to the new Department of Children and Education Services. This transfer will strengthen the state's ability to coordinate early childhood and child protection policy and service delivery. This strategy is further detailed in the Department of Children and Education Services narrative (Education and Children's budget book) and the activity level recommendation in this program.

- A biennial increase of $1,560,000 for development of a social services information system which will greatly enhance the ability of the state and counties to manage, evaluate, and restructure the human services delivery system. This proposal is detailed further on the investment initiative pages following the program fiscal page.

In addition to the above adjustments, this program plan contains an increased investment in subsidized adoption services for children totaling $3,465,000 for the biennium. This recommendation is part of the children's integrated budget. A summary of the entire integrated budget can be found in Department of Children and Education Service budget.

When the Governor concurs with agency activity plans, no recommendation will occur on the budget activity narrative.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
DEAF SERVICES DIVISION	2,974	2,942	3,002	2,169	1,544	1,513	2,169	1,315	1,292
CHILDRENS TRUST FUND	615	591	943	943	753	479	943	545	
QUALITY SERVICES DIVISION	2,162	1,869	2,171	2,171	2,138	2,870	2,171	2,138	2,930
COMMUNITY SOCIAL SERVICE GRANT	99,201	98,009	99,260	99,260	97,756	97,756	99,260	96,493	96,493
CHILDRENS SERVICES ADMIN	3,327	2,808	4,321	4,291	4,067	4,007	4,291	4,039	3,925
CHILDRENS SERVICES GRANTS	46,021	50,878	61,560	61,051	62,573	61,908	61,001	63,941	62,619
DEVELOPMENTAL DISABILITY ADMIN	1,780	1,828	1,894	1,853	3,232	3,180	1,853	16,127	16,076
SILS	4,523	5,049	5,519	5,519	5,218	5,218	5,519	4,197	4,197
D.D. FAMILY SUPPORT	1,195	1,410	1,478	1,478	1,549	1,549	1,478	1,472	1,472
AGING ADMINISTRATION	1,528	1,765	2,276	2,270	1,795	1,773	2,270	1,795	1,773
AGING OMBUDSMAN	387	464	537	537	497	493	537	497	493
AGING AREA SERVICES GRANTS	16,557	16,992	18,205	18,205	18,105	18,105	18,205	18,105	18,105
FOSTER GRANDPARENT GRANTS	666	666	666	666	666	666	666	666	666
RETIRED SENIOR VOLUNTEERS	334	347	347	347	347	347	347	347	347
SENIOR COMPANION GRANTS	391	391	391	391	391	391	391	391	391
CHEMICAL DEPENDENCY ADMIN	833	703	709	709	709	697	709	709	697
AMERICAN INDIAN CD GRANTS	1,087	1,065	1,065	1,065	1,055	1,055	1,065	1,055	1,055
CD SPECIAL GRANTS	1,455	1,413	2,243	2,243	2,195	2,195	2,243	2,195	2,195
CD BLOCK GRANT FEDERAL	12,491	16,897	16,702	16,702	16,702	16,702	16,702	16,702	16,702
CD CONSOLIDATED TREATMENT	53,860	52,557	50,677	50,698	54,909	54,907	50,698	58,011	58,009
TOTAL EXPENDITURES BY ACTIVITY	251,387	258,644	273,966	272,568	276,201	275,811	272,518	290,740	289,437

GOV'S INITIATIVES:	FUND	FY 1994 Governor Recomm.	FY 1995 Governor Recomm.
(A) SALARY PLANNING ESTIMATES	GEN	<154>	<145>
(A) SOCIAL SERVICES INFO SYSTEM	GEN	750	810
(A) TRANSFER TO DEPT OF CHILDREN	GEN	<667>	<1,333>
(A) TRANSFER TO DEPT OF CHILDREN	SR	<248>	<493>
(A) TRANSFER TO DEPT OF CHILDREN	FED	<71>	<142>
TOTAL GOV'S INITIATIVES		<390>	<1,303>

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
LOCAL GOVERNMENT TRUST			51,566	51,566	50,062	50,062	51,566	48,799	48,799
GENERAL	79,125	82,172	32,986	60,030	64,834	64,763	60,030	79,704	79,036
STATUTORY APPROPRIATIONS:									
GENERAL	1,045	8	700	700	700	700	700	700	700
SPECIAL REVENUE	55,496	53,939	52,468	24,098	24,152	23,904	24,098	24,162	23,669
FEDERAL	115,704	122,483	136,093	136,093	136,372	136,301	136,093	137,344	137,202
GIFTS AND DEPOSITS	17	42	153	81	81	81	31	31	31
TOTAL FINANCING	251,387	258,644	273,966	272,568	276,201	275,811	272,518	290,740	289,437
POSITIONS BY FUND:									
GENERAL	118.5	108.5	105.5	105.5	99.0	101.0	105.5	99.0	101.5
SPECIAL REVENUE	15.0	13.0	14.0	5.0	5.0	4.0	5.0	5.0	4.0
FEDERAL	71.5	77.0	76.5	76.5	76.5	76.5	76.5	76.5	76.5
TOTAL POSITIONS	205.0	198.5	196.0	187.0	180.5	181.5	187.0	180.5	182.0

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Human Services, Department of
PROGRAM: Social Services Administration
ACTIVITY:

ITEM TITLE: Social Services Information System

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
Quality Services Div	$750	$810	$975	$150
Revenues: ($000s)				
General Fund	$53	$57	$68	$10

Statutory Change? Yes _____ No __X__
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding of $750,000 and 2 positions in F.Y. 1994 and $810,000 and 2.5 positions in F.Y. 1995 to design and develop a new Social Services Information System to support administrative operations in Minnesota counties; to meet all federal and state reporting needs for children and other social services clients; and to facilitate program performance evaluation.

This proposal will: (1) establish a client-specific information system at the county level that uniquely identifies clients and tracks them across social services, enabling timely and accurate reporting and integration of information; 2) provide reliable service outcome data to enable comparative analysis of costs, benefits, and methods of service delivery in order to improve the quality of client services; (3) streamline the collection, management, and processing of data at the county level, and simplify reporting to DHS; and (4) implement statewide data standards for social services reporting. Identical, or functionally identical systems, would be operational in all 87 counties. The Community Social Services Act (CSSA) requires that DHS supervise and monitor the delivery of social services statewide. The existing Community Services Information System (CSIS), currently in use in 75 counties, is technologically obsolete and does not adequately meet the information and reporting needs of the state or the counties, and will not be able to meet proposed federal regulations requiring client-specific quarterly reports on children's services. To achieve evaluation of program performance and client outcomes, client-specific information on children, their families, and vulnerable adults is required.

An independent county-funded initiative will provide for the design and development of a family and children's services worker interface system that will be fully integrated with this system at the county level.

The Information Policy Office has reviewed and supports this project if funding is available consistent with any requirements identified in its analysis.

PROGRAM OUTCOMES:

This proposal will standardize data on children and families statewide; will make possible the evaluation of social services programs and the analysis of client outcomes; and will be used to direct quality improvement efforts in planning and delivering social services statewide.

LONG-TERM IMPACT:

This proposal will develop the foundation for interagency data sharing; provide for a system that will eliminate or simplify county reporting to the state and state reporting to federal agencies; increase county and state staff productivity; ensure accountability; and enable program and client outcome evaluation for children and their families and other social services clients.

The total development cost of the system is estimated at $2,535,000 over 3 years (F.Y. 1994-1996). Of that total, $1,475,000 is for the design, development and implementation of the county core system that will replace the current CSIS system, and $1,060,000 is for the design, development and implementation of the central state production system. Beginning in 1997, maintenance of the system is expected to require an additional $150,000 ~~(3 FTE)~~ to existing base maintenance costs.

This activity generates general federal administrative reimbursement at the rate of 7% of its expenditures. There is also potential federal financial reimbursement of 90% for development of client-specific child welfare data collection systems pending passage of federal legislation.

BUDGET ACTIVITY: Deaf Services
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The purpose of this activity is to access human services for persons who are deaf or hard of hearing. Interpreter referral, case management, and technical assistance are provided so that consumers can effectively deal with issues related to developmental disability, chemical dependency, mental health, aging, social services, health, education, employment, and corrections. Access to appropriate services and programs promotes self-sufficiency and economic independence for all deaf and hard of hearing citizens. Those consumers with multiple disabilities receive the highest priority services. The Americans with Disabilities Act (ADA) is greatly impacting this activity resulting in increased consumer awareness and increased agency requests for technical assistance to comply.

Program planning and development, technical assistance, training, and information/referral are provided to individuals, families, and provider agencies statewide through regional service centers (RSCs) which provide a central entry point by which hearing impaired consumers access the human service system. RSCs are located in Duluth, Virginia, Fergus Falls, Crookston, Mankato, Rochester, St. Cloud, Willmar, and St. Paul.

Division staff monitor the Hearing Impaired/Mentally Ill Mediated Settlement Agreement which mandates comprehensive specialized services to hearing impaired state residential treatment center residents. Staff also establish and monitor grants to community providers for services in mental health, deaf-blindness, and interpreter referral. This activity also provides clerical, interpreter services, office space, technical assistance, and program supervision to the Minnesota Council for the Hearing Impaired (MCHI), the Telecommunications Access for Communication Impaired Persons (TACIP) project, and the Equipment Distribution Program (EDP).

There are approximately 275,000 deaf and hard of hearing persons in Minnesota. Approximately 40% live in greater Minnesota in rural, sparsely populated settings. Hearing impairment is the largest chronic disability impacting about 40,000 deaf and 235,000 hard of hearing persons. The division through its RSC offices, organizes and coordinates regionally-based programs that have been historically fragmented and difficult to access.

ACTIVITY OUTCOME OBJECTIVES:

Outcomes for this biennium include: 1) RSC services to deaf and hard of hearing consumers will increase by 5%. This increase in RSC services is accomplished through reprioritizing resources for client-centered services; 2) accessible community services will increase by 4% for deaf and hard of hearing consumers due to ADA awareness and increased technical assistance/training contacts; 3) number of interpreter requests filled will increase by 5% due to increased interpreter training and recruiting efforts in Greater Minnesota; 4) projects to meet special needs of deaf and hard of hearing children and their families will be increased by 20% through implementation of new programs and priorities; 5) distribution of telecommunication devices through the EDP to deaf/hard of hearing/speech impaired consumers will be eliminated due to a legislative sunset provision; 6) special grant programs serving deaf-blind will be maintained at current levels.

ACTIVITY PERFORMANCE MEASURES:

(unduplicated counts)	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
RSC consumer served	5,600	5,880	6,174	6,482
Number of agencies with increased accessibility	728	764	802	842
Number of requests filled by qualified interpreters	13,637	14,319	15,098	15,853
Special projects to children and families	5	6	7	8
Number of telecommunication devices distributed	2,820	2,961	0	0

EFFICIENCY MEASURES:

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
RSC services to consumers	$620	$601	$601	$601
TA & Training to agencies	531	515	505	505
Interpreter Referral/Training	443	429	429	429
Services to Deaf/Hard of Hearing Children	177	172	172	172
Grant Programs	371	371	371	371

BUDGET/LEGISLATIVE ISSUES:

The TACIP/EDP is funded through a telephone surcharge approved by the Public Utilities Commission (Special Revenue). EDP is currently scheduled to terminate as of 6-30-93. A decision page to continue the TACIP program in F.Y. 1994-1995 is included as part of TACIP budget. The TACIP Board contracts with DHS to provide distribution and outreach services statewide. EDP outreach efforts to provide telephone equipment have created a significant increase in the number of deaf and hard of hearing consumers who are working and living independently.

ACTIVITY PLAN:

The following decision items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Deaf Services Administrative Reductions

This proposal decreases the budget base by $81,000 in F.Y. 1994 and $81,000 in F.Y. 1995 to implement the Governor's request that all state agencies decrease expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$(81)	$(81)	$(81)	$(81)

DECISION ITEM:

Reduce Salary Base

This proposal decreases the general fund budget base for salaries by $544,000 and 8.5 positions in F.Y. 1994 and by $773,000 and 8.5 positions in F.Y. 1995 for the Social Services Administration.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($544)	($773)	($773)	($773)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: DEAF SERVICES DIVISION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,921	1,881	1,892	1,457	913	882	1,457	684	661
EXPENSES/CONTRACTUAL SRVCS	180	218	278	220	147	147	220	147	147
MISC OPERATING EXPENSES	156	156	148	100	93	93	100	93	93
SUPPLIES/MATERIALS/PARTS	301	291	22	16	15	15	16	15	15
CAPITAL EQUIPMENT	51	37	227	5	5	5	5	5	5
OTHER	92	1	64						
SUBTOTAL STATE OPERATIONS	2,701	2,584	2,631	1,798	1,173	1,142	1,798	944	921
LOCAL ASSISTANCE	1,093	681	371	371	371	371	371	371	371
TOTAL EXPENDITURES	3,794	3,265	3,002	2,169	1,544	1,513	2,169	1,315	1,292
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<31>			<23>
TOTAL GOV'S INITIATIVES						<31>			<23>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,150	2,176	2,154	2,154	1,529	1,498	2,154	1,300	1,277
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	822	762	833						
FEDERAL	820	323	10	10	10	10	10	10	10
GIFTS AND DEPOSITS	2	4	5	5	5	5	5	5	5
TOTAL FINANCING	3,794	3,265	3,002	2,169	1,544	1,513	2,169	1,315	1,292

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: DEAF SERVICES DIVISION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	39.0	39.0	39.0	39.0	30.5	30.5	39.0	30.5	30.5
SPECIAL REVENUE	9.0	9.0	9.0						
TOTAL POSITIONS	48.0	48.0	48.0	39.0	30.5	30.5	39.0	30.5	30.5

BUDGET ACTIVITY: Children's Trust Fund
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Children's Trust Fund (CTF) exists to provide funding to community-based programs that are designed to help prevent child maltreatment and to provide education, leadership and resources to local prevention programs and organizations.

The CTF awards grants to qualifying private nonprofit and public agencies throughout the state to assist in providing *primary* and/or *secondary* child maltreatment prevention programs and services. Grants are awarded biennially on a competitive basis. The CTF also works to establish a grassroots infrastructure of local prevention councils through a process of authorizing local Child Abuse Prevention Councils (CAPCs) to review grant applications and provides education, leadership and resources to maintain these community-based prevention organizations. All of Minnesota's 1.2 million children and their families are potential recipients of CTF services. Priority consideration is given to the 357,000 children 0-5 years of age who constitute approximately 30% of the child population.

Assisting families to provide a safe and stable environment in which to raise their children is one of the goals of *Minnesota Milestones*. Reducing the number of Minnesota's children suffering from maltreatment will serve to indicate how successful we are at attaining that goal. Additionally, federal challenge grant funds, 25¢ for each $1 appropriated to the CTF, are leveraged. By providing funding for local programs aimed at primary and secondary prevention, the CTF is a major factor in helping to achieve that goal.

Longitudinal studies have demonstrated that programs which teach, support and encourage positive family functioning, healthy child development, improve behavior management skills and build self-esteem, do contribute to and play a significant role in preventing child maltreatment. Although it is impossible to accurately measure how many people did not mistreat their children as a result of their involvement in programs designed to increase their parenting skills, evaluation tools can be used to measure knowledge acquired and parenting skills developed.

ACTIVITY OUTCOME OBJECTIVES:

Approximately 30% of Minnesota's children are 5 years of age and under. This population is both the most unserved and under-served, and at the same time the most vulnerable to maltreatment. Of the 23,626 children alleged to have been victims of child maltreatment in 1990, 40% were under the age of 5 years. Of the 19,334 alleged perpetrators, 15,844 (82%) were the parents of the victim(s). Objectives during the coming biennium are to increase the grantees effective use of evaluation measurements and the number of families receiving parent education.

Objective 1: Increase from 25% to 100% the number of grantees using effective outcome measures in their programs to teach critical parenting skills.

Objective 2: Increase the number of families able to parent effectively giving priority consideration to programs serving families with children ages 0-5.

PERFORMANCE MEASURES:

	F.Y. 1993	F.Y. 1994	F.Y. 1995
Increase in the number of families with children aged 0-5 receiving parent education.	40,000	80,000	80,000
All funded programs will measure the outcomes of services provided. (in percent)	25	100	100

EFFICIENCY MEASURES:

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Grants awarded	21	43	43	80	80
Total awarded	$817	$1,160		$1.600	
Counties served	21	32		45	

BUDGET/LEGISLATIVE ISSUES:

The number of grant awards for F.Y. 1992-93 doubled due to a first-time general fund appropriation. The CTF realizes revenue from a $3 surcharge on birth certificates and interest earned on the trust account. These 2 sources generated approximately $640,000. The general fund appropriation provided an additional $790,000. From this total, $250,000 was designated for administration of the CTF and the CTF Advisory Council. A $125,000 annual cap on administration and salaries precludes the ability of the CTF to conduct on-site monitoring of grantee performance.

In order to create a focal point within state government for child maltreatment prevention programs, the Children's Cabinet has recommended that programs providing primary or secondary prevention of child maltreatment be located in the Department of Health. Since the CTF is one of those programs, the department will be recommending that it be transferred to the Department of Health.

ACTIVITY PLAN:

The following decision items reflect adjustment of current law base level funding for this activity.

BUDGET ACTIVITY: Children's Trust Fund
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

DECISION ITEM:

Children's Trust Fund Administration Increase

Item Summary:

This proposal increases the budget base by $20,000 in F.Y. 1994 and $20,000 in F.Y. 1995 to cover indirect cost obligation.

Rationale:

This proposal increases the amount sought from the children's trust fund special revenue account from $100,000 to $120,000 per year. The additional monies would be used to cover indirect cost obligations.

Impact:

The increased allocation would cover indirect cost obligations.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
Children's Trust Fund Special Revenue Account				
Children's Trust Fund	$20	$20	$20	$20

DECISION ITEM:

Children's Trust Fund Administrative Reduction

This proposal decreases the budget base by $1,000 for F.Y. 1994 and $1,000 for F.Y. 1995.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($1)	($1)	($1)	($1)

DECISION ITEM:

Transfer Children's Trust Fund to the Department of Health

Item Summary:

This proposal decreases the budget base by $209,000 in F.Y. 1994 and $417,000 in F.Y. 1995 by transferring the Children's Trust Fund from the Department of Human Services (DHS) to the Department of Health. The transfer would take place 1-1-94, so as not to interfere with the awarding of grants.

Rationale:

Currently, DHS administers the Children's Trust Fund which provides funding to community-based programs designed to prevent child maltreatment through education, local leadership, and the development of resources. Efforts to consolidate children's programs of similar intent and design have led to a decision to combine this activity with compatible prevention and early intervention activities in the Department of Health.

Impact:

This proposal will be accomplished without any reduction in services to local programs. In addition to the 2 state general fund accounts, the federal Challenge Grant account and 4 special revenue accounts will be transfered.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
Children's Trust Fund	($209)	($417)	($417)	($417)

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this entire activity be transferred in January, 1994 to the new Department of Children and Education Services rather than the Department of Health as proposed in the activity plan. This would include Special Revenue funding totaling $741,000 and 1 position for the biennium, and federal funds estimated at ~~$78,000~~ $180,000 for the biennium. The Governor concurs with other components of the activity plan. Funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: CHILDRENS TRUST FUND

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	104	103	120	120	125	57	120	125	
EXPENSES/CONTRACTUAL SRVCS	17	56	18	18	17	5	18	14	
MISC OPERATING EXPENSES	11	11	18	18	16	11	18	11	
SUPPLIES/MATERIALS/PARTS	1	3	5	5	10	5	5	8	
CAPITAL EQUIPMENT		2							
OTHER		8	20	20	20	20	20	20	
SUBTOTAL STATE OPERATIONS	133	183	181	181	188	98	181	178	
LOCAL ASSISTANCE	482	408	762	762	565	381	762	367	
TOTAL EXPENDITURES	615	591	943	943	753	479	943	545	
GOV'S INITIATIVES:		FUND							
(A) TRANSFER TO DEPT OF CHILDREN		SR				<248>			<493>
(A) TRANSFER TO DEPT OF CHILDREN		FED				<26>			<52>
TOTAL GOV'S INITIATIVES						<274>			<545>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL		394	418	418	208	208	418		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	579	169	473	473	493	245	473	493	
FEDERAL	36	28	52	52	52	26	52	52	
TOTAL FINANCING	615	591	943	943	753	479	943	545	

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: CHILDRENS TRUST FUND

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
SPECIAL REVENUE	2.0	.0	1.0	1.0	1.0	.0	1.0	1.0	.0
TOTAL POSITIONS	2.0	.0	1.0	1.0	1.0	.0	1.0	1.0	.0

BUDGET ACTIVITY: Community Social Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity exists to facilitate, evaluate and maintain a county social services delivery system that operates in accordance with the Community Social Services Act (CSSA, Minnesota Statutes 256E). The Community Social Services Act 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 and 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). In 1992 the Legislature increased the CSSA appropriation for F.Y. 1994 and F.Y. 1995 to $53,113 through application of an inflation increase of 3% each year. The increased amount is to be distributed proportionately to each county over the aid received by counties in calendar year 1992. 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).

This activity is coordinated with the federal Title XX block grant funds as well as local and other state and federal funds for the provision of a coordinated system of service delivery at the local level.

ACTIVITY OUTCOME OBJECTIVES:

The outcome for community social services grants administration is to facilitate and maintain a county social services delivery system that operates according to laws, and regulations. The main customers of this function are county social service agencies. Outcome objectives that affect them include:

Objective 1: For the 1994-95 biennium, continue to meet all federal requirements for the continued receipt of Title XX funds.

Performance Measure:
- State meets 100% of the Title XX program requirements in law and rule.

Objective 2: For the 1994-95 biennium, 95% of the local county CSSA plans will receive department review within 60 days of submission.

Performance Measure:
- Number of reviews completed on time.

Objective 3: For the 1994-95 biennium, all recommendations to the Commissioner on county CSSA plan amendments will be made within 30 days of submission.

Performance Measure:
- Number of plan amendments processed within 30 days of submission.

Objective 4: For the 1994-95 biennium, all technical assistance requests from counties will be responded to initially within 30 days and have a final customer satisfaction rate of 90%.

Performance Measures:
- Number of customers satisfied according to customer satisfaction survey.
- Rate of responses to request within 30 days.

GRANTS:

CSSA grants are awarded in accordance with M.S. 256E.06. Title XX grants are awarded in accordance with M.S. 256E.07.

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
A. CSSA Funds				
Grants to counties (including Metro Mobility funds and funds for Day Habilitation and Case Management for Persons with Developmental Disabilities)	$49,630	$50,790	~~$51,177~~ $53,113	~~$51,177~~ $53,113
B. TITLE XX - Federal				
1. Financial Assistance to Individuals or Political Subdivisions:				
Grants to counties:	46,210	46,210	46,210	46,210
Day Care Contract:	447	447	447	447
2. State Administration	2,343	2,343	2,343	2,343
Total Title XX	$49,000	$49,000	$49,000	$49,000

BUDGET/LEGISLATIVE ISSUES:

CSSA funds will be allocated from the Local Government Trust Fund.

BUDGET ACTIVITY: Community Social Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

ACTIVITY PLAN:

The following decision and information items reflect adjustment of base level funding for this activity.

INFORMATION ITEM:

Reduce Community Social Services Grant to Counties

This proposal decreases the CSSA budget base by $770,000 in F.Y. 1994 and $963,000 in F.Y. 1995. This proposal will fund one-half of the increased cost of subsidized adoptions.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	($770)	($963)	($963)	($963)

DECISION ITEM:

Metro Support Grants Elimination

Item Summary:

This proposal decreases the budget base by $794,000 in F.Y. 1994 and $794,000 in F.Y. 1995 by eliminating the statutory language which requires that the state pay Hennepin County, Ramsey County, and ~~Washington~~ Dakota County an annual amount (equal to what is paid by the county and certified by that county as needed) to cover the county share of the increases to day training and habilitation rates caused by Metro Mobility fare increases effective 10-1-90.

Rationale:

The funds were made available to offset the cost of fare increases instituted by the Regional Transit Board. Since that time, the relationship between the costs related to Metro Mobility fares and the dollars spent by the counties under this program has disappeared while funding has continued; Ramsey County, for example, has found less costly alternatives. This proposal should introduce greater efficiency to the system by eliminating a disincentive to cost containment.

Impact:

The counties affected will need to introduce less costly alternatives to fund increased rates in day training and habilitation, as Ramsey County has, or find other ways to fund them. The counties affected will likely argue for continuation of the funding rather than finding less costly alternatives.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
CSSA Grants	($794)	($794)	($794)	($794)

INFORMATION ITEM:

Integrated Management and Planning Act (IMPACT)

This proposal decreases the budget base by $540,000 in F.Y. 1994 and by $1,610,000 in F.Y. 1995 to implement the comprehensive reform of the funding and delivery of services to persons with developmental disabilities through the Integrated Management and Planning Act (IMPACT). This proposal is discussed in more detail in the DD Administrative Activity.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$(540)	$(1,610)	$(2,160)	$(2,160)

DECISION ITEM:

Removal of Discretionary Inflation Increase

This proposal decreases CSSA's budget base by $1,547,000 in F.Y. 1994 and by $1,547,000 in F.Y. 1995. This proposal removes the automatic discretionary inflation increase for CSSA currently in Law.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$(1,547)	$(1,547)	$(1,547)	$(1,547

DECISION ITEM:

CSSA: Grants for Case management Restoration

Item Summary:

This proposal increases budget base by $330,000 in F.Y. 1994 and $330,000 in F.Y. 1995 in order to restore the DD Case management CSSA base for grants for case management established under Minnesota Statutes, section 256E.14 to the 1992 level. These monies were transferred to the Medical Assistance Account and the General Fund.

Rationale:

This fund transfer was scheduled to occur January 1, 1993, contingent upon federal approval of pre-placement planning case management activities option under a state Medicaid plan amendment. The Department decided not to seek this Medicaid plan amendment due to conflicts with other Department initiatives and because alternative methods of revenue enhancement were deemed more appropriate and beneficial to pursue.

Impact:

Calendar year 1992 DD case management grant allocation under CSSA will be restored to base level.

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Local Gov't Trust Fund				
CSSA Grants	$600	$600	$600	$600
General Fund				
MA Grants	$(270)	$(270)	$(270	$(270)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: COMMUNITY SOCIAL SERVICE GRANT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
OTHER	1,756		1,544	1,544	1,544	1,544	1,544	1,544	1,544
SUBTOTAL STATE OPERATIONS	1,756		1,544	1,544	1,544	1,544	1,544	1,544	1,544
LOCAL ASSISTANCE	97,445	98,009	97,716	97,716	96,212	96,212	97,716	94,949	94,949
TOTAL EXPENDITURES	99,201	98,009	99,260	99,260	97,756	97,756	99,260	96,493	96,493
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
LOCAL GOVERNMENT TRUST			51,566	51,566	50,062	50,062	51,566	48,799	48,799
GENERAL	51,603	51,957							
STATUTORY APPROPRIATIONS:									
FEDERAL	47,598	46,052	47,694	47,694	47,694	47,694	47,694	47,694	47,694
TOTAL FINANCING	99,201	98,009	99,260	99,260	97,756	97,756	99,260	96,493	96,493
POSITIONS BY FUND:									
TOTAL POSITIONS									

BUDGET ACTIVITY: Quality Services Division
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Quality Services Division supervises the planning, provision, and administration of community social services by local agencies and contractors as provided for in the Minnesota Community Social Services Act (CSSA) and related federal and state social services laws. This division includes administration of the Mandates Reform Bill (Laws of Minnesota 1991, ch. 94) and provision of technical assistance to counties proposing mandates reform projects. The Quality Services Division coordinates implementation of intergovernmental contracting with counties for planning and providing social services in accordance with Laws of Minnesota 1992, ch. 513, art. 9, sec. 42. This division coordinates systems integration for social services and mental health programs, plans the development of client data systems, maintains the Community Services Information System (CSIS), and plans the development and implementation of the Program Performance Evaluation system which will report outcomes of social services and mental health services, conducts focused evaluations of selected social services programs, and provides analysis of the clients and costs of social services. This budget activity includes support services for the Social Services Administration.

ACTIVITY OUTCOME OBJECTIVES:

Objectives for the coming biennium include: 1) streamlining data collection and processing, elimination of duplication of reporting, integration of systems to support and maintain social services systems, including the Community Services Information System (CSIS) in use in 75 counties, and standardization of data elements throughout social services; 2) streamlining and improving planning for and provision of county-provided social services through mandates reform and intergovernmental contracting; and 3) improved county-provided social services by increasing the availability of program outcome information through the Program Performance Evaluation system.

Objective #1: By the end of the 1994-95 biennium, integrate social services and mental health reporting systems.

Performance Measure:
- A single reporting stream for counties and providers implemented.

Objective #2: By the end of the 1994-95 biennium, develop systems for all counties to electronically prepare and submit child maltreatment reports.

Performance Measure:
- Percent of child maltreatment reports electronically generated and submitted.

Objective #3: Continue to support the enhancement and maintenance of the CSIS.

Performance Measure:
- Enhancements requested by counties and program staff to ensure accurate production of mandated reports are completed in time to meet report deadlines.
- System and program problems are resolved within 90 days.

Objective #4: By the end of the 1994-95 biennium, standardize data elements for reporting children's services client and service activities.

Performance Measure:
- Percent of data elements standardized.

Objective #5: By the end of the 1994-95 biennium, 8 mandates reform demonstration projects will be operational.

Performance Measure:
- Number of projects operational.

Objective #6: By the end of the 1994-95 biennium, 6 intergovernmental demonstration projects will be operational.

Performance Measure:
- Number of projects operational.

Objective #7: By the end of the 1994-95 biennium, the initial phase of Program Performance Evaluation will be completed, with 3 social services programs implemented and 87 counties participating.

Performance Measure:
- Number of programs implemented; number of counties participating.

GRANTS:

This division administers the CSSA Block Grant (see separate budget page), Title XX block grant, the Epilepsy Demonstration Project, and Metro Mobility Grants. The CSSA block grant and Metro Mobility grant funds have been transferred to the local government trust fund under Laws of Minnesota 1992, Ch. 511.

REVENUE GENERATION:

This activity generates general federal administrative reimbursement at the rate of 12% of expenditures.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Quality Services Administrative Reductions

This proposal decreases the budget base by $33,000 in F.Y. 1994 and $33,000 in F.Y. 1995.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($33)	($33)	($33)	($33)

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in this activity plan except for the following adjustments: an addition of $1,560,000 and 2.5 positions for social services information system investment initiative. Development of this system, which will greatly enhance state, county, and community management of a broad range of human services. The system proposal is detailed on the pages following the program fiscal pages. Proposed activity plan funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: QUALITY SERVICES DIVISION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,307	1,189	1,386	1,386	1,386	1,468	1,386	1,386	1,468
EXPENSES/CONTRACTUAL SRVCS	552	406	452	452	435	767	452	435	1,025
MISC OPERATING EXPENSES	75	44	80	80	68	108	80	68	128
SUPPLIES/MATERIALS/PARTS	26	27	30	30	30	49	30	30	90
CAPITAL EQUIPMENT	5	5	17	17	13	272	17	13	13
OTHER	1		6	6	6	6	6	6	6
SUBTOTAL STATE OPERATIONS	1,966	1,671	1,971	1,971	1,938	2,670	1,971	1,938	2,730
LOCAL ASSISTANCE	196	198	200	200	200	200	200	200	200
TOTAL EXPENDITURES	2,162	1,869	2,171	2,171	2,138	2,870	2,171	2,138	2,930
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<18>			<18>
(A) SOCIAL SERVICES INFO SYSTEM		GEN				750			810
TOTAL GOV'S INITIATIVES						732			792
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,064	950	935	935	902	1,634	935	902	1,694
STATUTORY APPROPRIATIONS:									
FEDERAL	1,098	919	1,236	1,236	1,236	1,236	1,236	1,236	1,236
TOTAL FINANCING	2,162	1,869	2,171	2,171	2,138	2,870	2,171	2,138	2,930

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: QUALITY SERVICES DIVISION

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
POSITIONS BY FUND:									
GENERAL	14.0	10.0	9.0	9.0	9.0	11.0	9.0	9.0	11.5
FEDERAL	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
TOTAL POSITIONS	25.0	21.0	19.0	19.0	19.0	21.0	19.0	19.0	21.5

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BUDGET ACTIVITY: Children's Services Administration
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Family and Children's Services Division provides leadership in shaping policy, building capacity for service delivery, installing services, assuring compliance, and improving local agency performance in the provision of services for children and families. These functions are performed through the activities of technical assistance, training, consultation, monitoring, policy development, and collaboration with advocacy and provider groups. Specific target populations served are: children at risk for out-of-home placement, pregnant teens and minor parents, refugee unaccompanied minors, children under state guardianship, children in foster and adoptive placement, adopted individuals and their families, children moving across state lines for placement purposes, children in need of protection who have been or are at risk of being abused or neglected, children needing a custody determination, minority and American Indian families, and child care service providers.

ACTIVITY OUTCOME OBJECTIVES:

1. To strengthen family functioning in times of crises and reduce barriers to effective parenting.
2. To ensure the protection of children reported to have been abused or neglected.
3. To reunify families who have been living apart.
4. To achieve nurturing permanent living arrangements for children in the homes of their natural parents, their adoptive parents, or permanent foster care.
5. To provide culturally appropriate of child welfare services for children of color and American Indian families.
6. To increase self-sufficiency and independence of adolescents who have been in foster care.
7. To improve parent/child functioning of those families served by the child welfare system.

Performance Measures:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of children reunified from substitute care	8,900	8,900	9,100	9,300
Percentage of children leaving substitute care in less than 2 years	75	80	80	80
Number of state ward adoptions finalized	275	300	350	375
Number of minority child placements	5,500	5,500	5,500	5,500
Number of child placements in substitute care	15,750	16,500	16,500	16,500

BUDGET/LEGISLATIVE ISSUES:

See Children's Services Grants Section.

REVENUE GENERATION:

This activity generates general federal administrative reimbursement at the rate of 50% of expenditures.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Children's Services Administration Administrative Reductions

This proposal decreases the budget base by $6,000 in F.Y. 1994 and $6,000 in F.Y. 1995 to implement the Governor's request that all state agencies decrease expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($6)	($6)	($6)	($6)

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in the activity plan except for the following adjustments: transfer of Child Care Resource and Referral grants administration activity ($27,000 General Fund and $135,000 federal funds for the biennium) to the new Department of Children and Education Services, and a reduction due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: CHILDRENS SERVICES ADMIN

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,564	1,495	1,895	1,895	1,902	1,851	1,895	1,902	1,827
EXPENSES/CONTRACTUAL SRVCS	476	707	708	678	632	624	678	641	630
MISC OPERATING EXPENSES	93	111	145	145	137	136	145	137	129
SUPPLIES/MATERIALS/PARTS	28	55	45	45	45	45	45	45	41
CAPITAL EQUIPMENT	8	29	24	24	24	24	24	24	24
OTHER	793	146	592	592	590	590	592	590	583
SUBTOTAL STATE OPERATIONS	2,962	2,543	3,409	3,379	3,330	3,270	3,379	3,339	3,234
AIDS TO INDIVIDUALS	5								
LOCAL ASSISTANCE	360	265	912	912	737	737	912	700	691
TOTAL EXPENDITURES	3,327	2,808	4,321	4,291	4,067	4,007	4,291	4,039	3,925
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<6>			<6>
(A) TRANSFER TO DEPT OF CHILDREN		GEN				<9>			<18>
(A) TRANSFER TO DEPT OF CHILDREN		FED				<45>			<90>
TOTAL GOV'S INITIATIVES						<60>			<114>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	412	423	722	692	686	671	692	686	662
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	99	270	321	321	355	355	321	365	365
FEDERAL	2,816	2,115	3,278	3,278	3,026	2,981	3,278	2,988	2,898
TOTAL FINANCING	3,327	2,808	4,321	4,291	4,067	4,007	4,291	4,039	3,925

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: CHILDRENS SERVICES ADMIN

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
POSITIONS BY FUND:									
GENERAL	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
FEDERAL	32.5	36.0	37.0	37.0	37.0	37.0	37.0	37.0	37.0
TOTAL POSITIONS	36.5	39.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0

BUDGET ACTIVITY: Children's Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

Children's Service Grants consist of 17 grants programs covering early intervention, family preservation, child care, adolescent and adoption services. Individual grant activities are described below.

ACTIVITY DESCRIPTION:

1. FAMILY PRESERVATION. The purpose of this activity is to strengthen families. Counties receive allocations based on child population to provide services that: 1) prevent unnecessary out-of-home placement of children, where possible; and 2) reduce the length of time children spend in temporary placement either through family reunification or adoption.

   This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to reduce the number of children placed outside the family home.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$3,400	$3,400	$3,400	$3,400	$3,400
Federal	1,300	1,300	1,300	1,300	1,300

ACTIVITY OUTCOME OBJECTIVES:

By 1995, 75% of the families served with children at risk of placement will remain intact at the close of service. Fifty percent (50%) of families with children in placement receiving the service will be reunified.

Performance Measures:
- Number of children diverted from placement over time.
- Number of children returned home from placement over time.
- Number of children in placement per 100,000 child population. (Minnesota Milestones)
- Increase in number of families able to parent effectively.*
- Improved family communication skills to resolve conflict.*
- Reduced isolation of families.*

*Assessment to determine level of family functioning; not currently measured; development of instrument and information system required.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Families Served	1,600	1,600	1,600	1,600
Cost Per Family	$3,000	$3,000	$3,000	$3,000

ACTIVITY DESCRIPTION:

2. SPECIALIZED FAMILY PRESERVATION FOR MINORITY AND AMERICAN INDIAN FAMILIES. The purpose of this activity is to strengthen families experiencing crises. Counties receive allocations based on minority child population to provide services, called "Families First," that prevent unnecessary out-of-home placement of children of color, where possible. "Families First" is an intensive in-home crisis counseling program. Children of color account for 33% of children placed in a year yet they represent only 10% of the total child population.

   This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to reduce the number of children placed outside the family home.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$460	$460	$460	$460	$460
Federal	0	0	0	0	0

ACTIVITY OUTCOME OBJECTIVES:

By 1995, out-of-home placement of children of color will be reduced by 115 children.

Performance Measures:
- Number of children of color diverted from placement over time.
- Number of children of color returned home from placement over time.
- Number of children of color in placement per 100,000 child population. (Minnesota Milestones)
- Number of children in placement per 100,000 child of color population. (Development of data collection system is required.
- Increase in number of families able to parent effectively.
- Improved family communication skills to resolve conflict.
- Reduce isolation of families.*

*Assessment to determine level of family functioning; not currently measured; development of instrument and information system required.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Families Served	153	153	153	153
Cost Per Family	$3,000	$3,000	$3,000	$3,000

ACTIVITY DESCRIPTION:

3. FAMILIES FIRST. The purpose of this activity is to strengthen families experiencing crisis. "Families First" is an intensive home-based service provided within 24 hours of referral to alleviate a family crisis and to offer an alternative to out-of-home placement. The activity prevents unnecessary child placement by maintaining the child at home while family members receive services to remove the risk from the home. Children at risk of placement because of maltreatment, emotional disturbance, disability or the inability of parents to provide care are eligible for the service if they are deemed at imminent risk. Services include crisis counseling, parent training, conflict resolution management, advocacy and general household management. The program requires a 25% local match.

This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to reduce the number of children placed outside the family home.

BUDGET ACTIVITY: Children's Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$460	$735	$735	$735	$735
Federal	0	0	0	0	0
Local	115	184	184	184	184

ACTIVITY OUTCOME OBJECTIVES:

By 1995, 75% of the 417 families served with children at risk of placement will remain intact at the close of service.

Performance Measures:
- Number of children at risk of placement maintained in the family home at close of service.
- Number of children in placement per 100,000 child population. (Minnesota Milestones)
- Increase in number of families able to parent effectively.*
- Improved family ability to cope with emergencies and crises.*
- Increased family ability to appropriately deal with stress.*
- Improved child well-being.*

*Assessment to determine level of family functioning; not currently measured; development of instrument and information system required.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Families Served	417	417	417	417
Cost Per Family	$3,000	$3,000	$3,000	$3,000

ACTIVITY DESCRIPTION:

4. EARLY INTERVENTION FAMILY-BASED SERVICES. Early intervention family-based services are designed to strengthen families, thereby reducing the risk of child maltreatment and placement outside the family home. Counties expanding family-based counseling or family-based life management skills training may apply for an incentive bonus of up to 50% of the increased annual county expenditure for early intervention services. These are voluntary services provided to families prior to an emergency or crisis situation.

   This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to reduce the number of children placed outside the family home.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$0	$275	$725	$725	$725
Federal	0	0	0	0	0

ACTIVITY OUTCOME OBJECTIVES:

By 1995, 90% of the children will remain with their families.

Performance Measures:
- Number of children at risk of placement maintained in the family home at close of service.
- Number of children in placement per 100,000 child population. Minnesota Milestones)
- Increase in number of families able to parent effectively.*
- Improved family ability to cope with emergencies and crises.*
- Increased family ability to appropriately deal with stress.*
- Improved child well-being.*

*Assessment to determine level of family functioning; not currently measured; development of instrument and information system required.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Families Served	250	250	250	250
Cost Per Family (state share is up to 50% or $1,500)	$3,000	$3,000	$3,000	$3,000
Participating Counties	45	45	50	50

ACTIVITY DESCRIPTION:

5. INTEGRATED SERVICES FOR CHILDREN IN PLACEMENT OR AT RISK OF PLACEMENT. Counties receive grants to integrate a scheme of services in family preservation and substitute care across target populations of child protective services, mental health and delinquency services to avoid duplication and enhance service delivery coordination. The development and implementation of common service standards to improve service delivery design will result. Strategies to improve and integrate standards for out-of-home placement, to support interagency agreements, and pooled funding will be undertaken.

   This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to reduce the number of children placed outside the family home.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$0	$123	$123	$123	$123
Federal	0	0	0	0	0

ACTIVITY OUTCOME OBJECTIVES:

1. By 1994, services to children and families across target populations will be better integrated in 3 counties.

BUDGET ACTIVITY: Children's Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

Performance Measures:
- Number of interagency agreements implemented by county social services agencies to improve services to families with children at risk of placement outside the family home.

2. Barriers to effective interagency collaboration will be identified and strategies to improve services for children and families served by multiple systems will be developed.

Performance Measures:
- A report on selected interagency projects will be completed.

ACTIVITY DESCRIPTION:

6. INDIAN CHILD WELFARE SERVICES. Local agencies receive child culturally sensitive program grants to better support the delivery of child welfare services to American Indian families with children at risk of maltreatment, placement outside the family home, and/or children in placement and involved in the court system. Services include family preservation to prevent placement or return children home, child foster care and adoption services, and family advocacy. These services may be provided directly to families or in cooperation with county social services. The program supports the placement preference requirements of state and federal legislation which strive to protect the heritage of American Indian children.

This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to reduce the number of children placed outside the family home.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$1,509	$1,509	$1,509	$1,509	$1,509
Federal	0	0	0	0	0

ACTIVITY OUTCOME OBJECTIVES:

1. By 1995, 10% (300) of American Indian children at imminent risk of placement or in foster care will be living with their family at the close of service.

Performance Measures:
- Number of children in placement per 100,000 child population. (Minnesota Milestones.)
- Number of children in placement per 100,000 American Indian child population. (Development of data collection system is required.)

2. Increase in the number of families able to parent effectively.*

Performance Measure: *Risk assessment to determine level of family functioning. Not currently measured; development of an instrument information system is required.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Children Served	3,000	3,000	3,000	3,000
Cost Per Child	$503	$503	$503	$503

ACTIVITY DESCRIPTION:

7. NONRECURRING ADOPTION EXPENSE REIMBURSEMENT. The purpose of this activity is to encourage the adoption of children with special needs. Adoptive parents may be reimbursed for nonrecurring costs incurred in adopting a child with special needs. This is a federally mandated program. The Tax Reform Act of 1986 repealed the itemized deduction for this purpose. The Act replaced the deduction by amending Title IV-E of the federal Social Security Act to require states to make these payments to adoptive parents as of January 1, 1987. The amount of payment may not exceed $2,000. Parents have 21 months in which to seek reimbursement. Federal Title IV-E funds match the amount dollar for dollar.

This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to reduce the number of children placed outside the family home.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$89	$89	$89	$89	$89
Federal	89	89	89	89	89

ACTIVITY OUTCOME OBJECTIVE:

Improved child well-being for those children with special needs successfully adopted into permanent, nurturing families.

Performance Measure:
- Number of special needs children adopted.
- Improved child well-being*.

*Assessment to determine level of child functioning; not currently measured; development of instrument and information system required.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Children Adopted	147	147	147	147
Cost Per Child	$1,214	$1,214	$1,214	$1,214

ACTIVITY DESCRIPTION:

8. SUBSIDIZED ADOPTION. Families who adopt children with special needs are eligible to receive subsidy upon determination that such assistance is necessary to secure an adoptive home. Such subsidy may include payment for basic maintenance expenses of food, clothing, and shelter; ongoing supplemental maintenance expenses related to the child's special needs; non-medical expenses periodically necessary for purchase of services, items or equipment related to the special needs; and medical expenses.

BUDGET ACTIVITY: Children's Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

When it is determined that a child is eligible for adoption assistance under Title IV-E of the Social Security Act, the state obtains federal funds at the rate of 77%. If a child does not qualify for federal funds, the child is eligible for a state-funded subsidy if certain criteria are met. This state only group accounts for approximately one-fourth of the total number of children receiving subsidy. Because of an increase in the multiplicity and severity of problems affecting children placed under the guardianship of the Commissioner, almost all such children are placed in the subsidized adoption program.

This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to reduce the number of children placed outside a family home.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General**	$1,536	$1,536	$1,536	$1,536	$1,536
Federal	1,226	1,226	1,226	1,226	1,226

** NOTE: In addition, there is an annual amount of $100,000 from the general fund; $50,000 for post-adoption services grant awards and $50,000 for operation of the subsidy program.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Children Served	1,030	1,030	1,030	1,030
Cost Per Child	$2,682	$2,682	$2,682	$2,682

ACTIVITY DESCRIPTION:

9. SUBSTANCE ABUSE PREVENTION PROGRAMS. The purpose of this activity is to prevent child abuse and neglect in families affected by substance abuse. Social services agencies identify children of parents who are on probation in either Hennepin at Ramsey counties for drug related offenses. Families receive earlier intervention, in-home supervision, and case management services. The state funds provide match for a federal Bureau of Justice Assistance grant.

   This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to prevent child abuse and neglect and substance abuse.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$359	$359	$359	$359	$359
Federal	570	570	570	570	570

ACTIVITY OUTCOME OBJECTIVES:

1. By the end of 1995, 90% of the participants will maintain post-program sobriety. (Program cycle is six months with 90 clients per cycle.)

   Performance Measures:
   - Rate of participants in abstinence-based support groups within six months of program discharge.
   - Rate of participants who enter chemical dependency treatment within six months of program discharge.

2. By the end of 1995, 90% of the participants will not maltreat their children.

   Performance Measure:
   - Rate of participants for which there is no determination of maltreatment or need for protective services.

3. By the end of 1995, 90% of the participants will not engage in further criminal activity.

   Performance Measure:
   - Rate of participants who are convicted of a crime.
   - Rate of participants for whom probation is violated during program cycle.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Families Served	41	162	162	162
Cost Per Family	$5,679	$5,679	$5,679	$5,679

ACTIVITY DESCRIPTION:

10. CHRONIC NEGLECT PROJECT. The purpose of this program is to enable families to become their own case managers and to end their dependence on the social services system. State grant funds enable a metropolitan social services agency to contact with a non-profit agency that teaches families to manage their own lives so that children will grow up with skill to manage their own families, thereby breaking the cycle of neglect. In order to participate in the project, a family must have been on a child protective caseload for six months or longer or have been opened and closed as a case at least three times in a 12 month period.

    This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to prevent child abuse and neglect.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$100	$100	$100	$100	$100
Federal	0	0	0	0	0

ACTIVITY OUTCOME OBJECTIVES:

By the end of 1995, the number of participating families dependent on the social services system will be reduced by 70%.

BUDGET ACTIVITY: Children's Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

Performance Measures:
- Number of family cases closed by the local social services agency.
- Number of re-referrals to social services agency.

*Improved family functioning.
*Assessment to determine level of family functioning; not currently measured; development of instrument and information system required.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Families Served	21	24	24	24
Cost Per Family	$4,167	$4,167	$4,167	$4,167

ACTIVITY DESCRIPTION:

11. FAMILY SAFETY CENTERS. Programs receive grants to fund and operate family safety centers. The purpose of such centers is to reduce children's vulnerability to violence and trauma related to family visitation by providing safe and healthy visitation environments for children and their parents. These centers also promote compliance with court-ordered visitation requirements. The centers are neutral visitation sites to be used as drop-off places for those parents who are to have no contact with each other. Centers may also serve as visitation sites for children in foster care. The centers may also provide parent education and child development classes and parent support groups.

This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to prevent child abuse and neglect and to reduce the numbers of children in out-of-home placement.

Grants By Fund:	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$200	$200	$200	
Federal				

ACTIVITY OUTCOME OBJECTIVES:

1. By the end of 1995, 90% of the parents served will not engage in family violence and will demonstrate positive parent/child interactions during visits.

Performance Measures:
- Rate of supervised visits not resulting in determinations of maltreatment or need for protective services.
- Rate of parents engaging in abusive behavior during parent/child visits which require staff intervention.
- Rate of parents completing parent education classes and demonstrating positive parent/child interaction.
- Rate of children returning to live with their parents.

2. By the end of 1995, 75% of the children will have visits from parents who comply with court-ordered visitation requirements.

Performance Measure:
- Rate of compliance with court-ordered visitation schedule.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Families Served		675	675	675
Cost Per Family		$296	$296	$296

ACTIVITY DESCRIPTION:

12. CHILD PROTECTION TRAINING. The purpose of this activity is to develop a comprehensive, performance-based, pre-service and probationary training system for child welfare social workers. Local social services agencies receive technical assistance to improve the delivery of current child protection services and a competency-based training plan is developed and implemented for county child protection workers.

Pursuant to M.S. 626.559 and 626.5591, the Department of Human Services initiated regional child protection rule training and conducted a training needs analysis directed toward the completion of a competency-based training system. The proposed training system is an expansion of the original preservice child protection training required in statute addresses the entire spectrum of child welfare training. A state/county partnership comprised of representatives from the division and the county director's association has been established to define the parameters of the child welfare training system. The group will recommend an implementation and maintenance design for the training system that will include: developing performance standards for the course content; identifying training locations; identifying trainers; establishing standards for trainers; determining training delivery methods; and evaluating and making recommendations for improving the training system after being field tested. The group will also examine curriculum content and implementation of training for experienced social workers.

The counties and the department alike believe that workers are not equipped with the necessary knowledge and skills through academic course work to adequately perform their jobs. In addition, most social workers provide both child protection and child welfare services in the majority of Minnesota counties. Having a comprehensive child care curriculum rather than simply the child protection training affords the opportunity to reach workers with a central philosophical theme and practice skills for all child service delivery from assessment through termination of service.

This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to prevent child abuse and neglect and to reduce the numbers of children in out-of-home placement.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$369	$369	$369	$369	$369
Federal	0	0	0	0	0

ACTIVITY OUTCOME OBJECTIVES:

1. By the end of 1995, 100% of new child protection workers will be able to demonstrate child welfare competency skills and knowledge.

BUDGET ACTIVITY: Children's Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

Performance Measures:
- Rate of child protection workers passing core modules of the competency test.
- Rate of child protection workers passing probation phase of the competency test.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Counties Served	87	87	87	87
Cost Per County	Not Applicable			

ACTIVITY DESCRIPTION:

13. HOMELESS ADOLESCENT GRANT. A grant to a local agency provides short-term shelter, food and support services including crisis counseling and referred to community agencies to six homeless youth per day. Program offers assistance to help youth locate safe, stable, affordable housing. Eligible youth are ages 16-21 years of age for whom it is not possible to live in a safe environment with a relative and who have no other safe alternative living arrangement. Homeless youth are at high risk for long-term homelessness, drug and alcohol abuse, and criminal exploitation. Youth workers assist youth as they locate stable housing and employment, and refer them to necessary health and social services.

This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to help children learn to be responsible, mature adults and provide housing for those in temporary hardship.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$175	$175	$175	$175	$175
Federal	0	0	0	0	0

ACTIVITY OUTCOME OBJECTIVES:

By 1995, 60% of homeless youth (180 adolescents) at the safe house will locate stable housing and/or employment and access needed health and social services.

Performance Measures:
- Number of youth who have stable housing.
- Number of youth who are employed.
- Number of youth who access community health and social services.
- Number of youth who move into transitional housing.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Families Served	300	300	300	300
Cost Per Family	$850	$850	$850	$850

ACTIVITY DESCRIPTION:

14. INDEPENDENT LIVING SKILLS. The purpose of this activity is to prepare adolescents, who have been in foster care, for independent living. Allocations to counties and grants to private non-profit agencies are made to the extent federal funds are available. Under the Support for Emancipation and Living Functionally (SELF) program, counties receive an average of $400 per adolescent to fund activities which prepare youth to exit from foster care. Private non-profit agencies are funded at varying levels to develop and implement specialized life skills training programs which augment county activities. Eligible youth are ages 16-21 years and have been in foster care sometime after their sixteenth birthday.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$0	$0	$0	$0	$0
Federal	816	1,030	1,142	1,142	1,142

ACTIVITY OUTCOME OBJECTIVES:

By 1995, 70% of youth who receive preparation for independent living will show an improved level of functioning and fewer than 40% will continue to receive public assistance 90 days after emancipation.

Performance Measures:
- Pre- and post-tests are administered by county and private agency staff conducting training.
- Number of youth receiving AFDC, GA, MA or food stamps 90 days after emancipation.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Youth Served	1,680	1,680	1,680	1,680
Cost Per Youth	$680	$680	$680	$680

ACTIVITY DESCRIPTION:

15. MIGRANT CHILD CARE. A non-profit community agency receives grants to provide comprehensive, culturally-relevant early childhood care and education services for children of Hispanic migrant families while their parents are working in the fields. Services include early identification of health and developmental needs, child and family education component, and a 6-8 week summer child care program.

This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to help families provide a stable environment for their children, to expand non-income support strategies such as access to quality child care services and to offer early childhood opportunities that help children to be ready to learn when they start school.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$200	$200	$200	$200	$200
Federal	447	447	447	447	447

BUDGET ACTIVITY: Children's Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

ACTIVITY OUTCOME OBJECTIVES:

Developmental and learning readiness outcomes will be improved for 700 Hispanic young children.

Performance Measures:
- Developmental and health screening assessments.
- Individual child health histories.
- Attendance records.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Families Served	700	700	700	700

ACTIVITY DESCRIPTION:

16. CHILD CARE RESOURCE AND REFERRAL. The purpose of this activity is to improve and expand Minnesota's child care system. Twenty-one local agencies receive grants to develop a statewide network of child care resource and referral services that provide education and referral services to parents, technical assistance to employers, training and recruitment of providers, and data collection for public agencies. Funds are allocated using a formula based on the number of child care providers, the geographic size of the service area, the number of counties served in the service area, and the number of children. Grants range in annual amounts from $45,000 to $65,000. Grantees are required to provide a 25% match.

This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to help families provide a stable environment for their children, to expand non-income support strategies such as access to quality child care services and to offer early childhood opportunities that help children to be ready to learn when they start school.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$588	$588	$588	$588	$588
Federal	475	475	475	475	475
Local	266	266	266	266	266

ACTIVITY OUTCOME OBJECTIVES:

By 1995, 27,000 families throughout Minnesota will select stable, nurturing child care setting based on individual needs of their children. Over 35,000 children, 6 weeks to 12 years old will receive good quality child care.

Performance Measures:
- Computerized "Carefinder" data management program which tracks the supply and demand of child care as well as customer satisfaction level.
  Number of changes in child care placements per child over time.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Families Served	24,879	25,500	26,250	27,000
Cost Per Family	$53	$52	$51	$49

ACTIVITY DESCRIPTION:

17. CHILD CARE SERVICE DEVELOPMENT. The purpose of this activity is to improve and expand Minnesota's child care system. Child care service agencies and providers receive grants to develop and improve child care services. Funds can be used to improve facilities, to provide interim financing, and to train staff.

This activity supports the goals of Minnesota Milestones, the Governor's Children's Cabinet and the Department of Human Services Children's Agenda to help families provide a stable environment for their children, to expand non-income support strategies such as access to quality child care services and to offer early childhood opportunities that help children to be ready to learn when they start school, interim financing, and to train staff.

Grants By Fund:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$500	$500	$500	$500	$500
Federal	$1,500	$1,500	$1,500	$1,500	$1,500

ACTIVITY OUTCOME OBJECTIVES:

By 1995, 15% more families will access to accredited child care services (standards exceed those of licensing) throughout the state that will meet the developmental needs of their children.

A 20% increase in the number of specialty child care services will be provided to meet the increasing need for infant care, school age care, care for sick children, part-time care and care for children with special needs.

A 50% increase in the family child care providers and child care center staff will have accredited training and meet licensing requirements.

Performance Measures:
- Increase in the number of accredited family child care homes and child care centers.
- Increase in the number of children who are cared for by accredited providers.
- Increase number of spaces for special needs children.

EFFICIENCY MEASURES:	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Grants awarded to Family Child Care Providers	1,351	1,351	1,351	1,351
Cost Per Family Child Care Provider	$111	$111	$111	$111
Grants awarded to train family child care providers and child care center staff (Funds cover 25% of statewide total pool pool of licensed providers and staff)	7	31	31	31

BUDGET ACTIVITY: Children's Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Cost Per Provider	$36	$123	$123	$123
Grants awarded for Start-Up and Expansion of Services	44	74	74	74
Cost Per Program	$6,818	$8,717	$8,717	$8,717

BUDGET/LEGISLATIVE ISSUES:

Legislative Issues: Amendments to the subsidized adoption program will be necessary to clarify eligibility for subsidy for special needs children needing permanent homes but who would not be adopted without financial assistance to meet their needs. Amendments are also necessary to clarify that payments are only available to the extent funds are appropriated and that counties will share in costs of subsidy increase from 3.1% growth in CSSA for F.Y. 1994 and F.Y. 1995.

Amendments to MA, Emergency Assistance, Indian Child Welfare Grants and Family Preservation Act will be necessary in order to increase federal revenue for services to children and families. Legislation will be proposed to target increased federal dollars to family preservation programs.

Amendments to the child protection training statute are necessary to implement the child welfare training program and to delete the current county plan requirement.

Amendments to alcohol and drug abuse statutes are necessary to transfer department's maternal and child service programs to the Department of Health.

ACTIVITY PLAN:

The following decision items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Children's Services Grants Administrative Reductions

This proposal decreases the budget base by $26,000 in F.Y. 1994 and $26,000 in F.Y. 1995.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($26)	($26)	($26)	($26)

DECISION ITEM:

Subsidized Adoption

Item Summary:

This proposal increases the budget base by $770,000 in F.Y. 1994 and $963,000 in F.Y. 1995 to provide adoption subsidies to families adopting children with special needs.

Rationale:

This proposal is part of the Children's Cabinet Initiative and will address the increasing demands for adoption subsidy for eligible children. These children's special needs are such that many prospective adoptive parents would not be able to adopt without the availability of this financial support. Subsidy may include: payment for basic maintenance expenses of food, clothing, and shelter; ongoing supplemental maintenance expenses related to the child's special needs; non-medical expenses periodically necessary for purchase of services, items or equipment related to the special needs; and medical expenses.

When it is determined that a child is eligible for adoption assistance under Title IV-E of the Social Security Act, the state obtains federal funds at the rate of 50-54%. If a child does not qualify for federal funds, the child is eligible for a state-funded subsidy. This "state only" group accounts for approximately one-fifth of the total number of children receiving subsidy. Because of an increase in the multiplicity and severity of problems affecting children placed under the guardianship of the commissioner, almost all such children are placed in the subsidized adoption program.

An additional 215 eligible children for F.Y. 1994 and 250 eligible children for F.Y. 1995 are expected. These numbers are projected to increase to 279 in F.Y. 1996 and 321 in F.Y. 1997.

Impact:

This proposal will help ensure that all children with special needs will have the opportunity to live in a permanent family.

Adoption subsidy is cost-effective, averaging about $7,000 a year. If these children remain in foster care under the guardianship of the commissioner, annual costs approximate more than $15,000 per child. Currently, foster care costs are paid for with county funds and adoption subsidies are paid for with state funds. In this proposal, counties would share equally in costs of a subsidy increase.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
Children's Services Grants	$1,540	$1,925	$1,925	$1,925
CSSA	(770)	(963)	(963)	(963)

BUDGET ACTIVITY: Children's Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

DECISION ITEM:

Nonrecurring Adoption Expense Reimbursement Program

Item Summary:

This proposal increases the budget base by $57,000 in F.Y. 1994 and $80,000 in F.Y. 1995 to provide reimbursement for non-recurring costs incurred in adopting a child with special needs.

The Nonrecurring Adoption Expense Reimbursement program is Federally mandated if a state is participating in the Title IV-E Federal Adoption Assistance program. Adoptive parents of eligible children meeting the State's definition of a child with special needs are entitled to reimbursement for certain adoption related expenses. Federal financial participation matches State expenditures at the 50% level up to a maximum of $2,000 for each adoptive placement. M.S. 259.44 requires the Commissioner to provide reimbursement up to $2,000.

Rationale:

This proposal is part of the Children's Cabinet Initiative and is mandated by federal law. The Tax Reform Act of 1986 repealed the itemized deduction for this purpose. The act replaced the deduction by amending Title IV-E of the Social Security Act to require states to make these payments as of 1-1-87. The amount of payment may not exceed $2,000. Parents have 21 months in which to seek reimbursement. Federal Title IV-E funds match the amount dollar for dollar.

Impact:

If additional funds are not allocated, the Commissioner will be unable to reimburse eligible adoptive parents and the department will be in violation of federal law and state statute.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
Children's Services Grants	$57	$80	$80	$80

DECISION ITEM:

Transfer Maternal Child Service Program Grants to Department of Health

Item Summary:

This proposal decreases the budget base by $859,000 in F.Y. 1994 and $859,000 in F.Y. 1995 by transferring the Maternal Child Service Program grants from the Department of Human Services (DHS), to the Department of Health.

Rationale:

Currently, DHS, Family and Children's Services Division administers grants to local non-profit agencies to provide comprehensive services designed to improve the health and development of children, birth through preschool years, who have been prenatally exposed to drugs and/or alcohol. Efforts to consolidate children's programs of similar intent and design have led to a decision to combine this activity with compatible maternal child health activities in the Department of Health, Maternal Child Health Division.

Impact:

This proposal will be accomplished without any reduction in services to families and children. Responsibility for execution of the contracts with private agencies established by DHS will be transferred to MDH on 7-1-93.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
Children's Service Grants	($859)	($859)	($859)	($859)

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in the activity plan except for the following adjustments: transfer of Child Care Service Development grants ($750,000 for the biennium), Child Care Resource and Referral grants ($882,000 for biennium), Migrant Child Care grants ($300,000 for biennium), and Early Childhood Care and Education Council funding ($41,000 for biennium) to the new Department of Children and Education Services; federal funds totaling an estimated $5,077,500 and 2 positions supporting the above activities to be transferred to the new agency by interagency contract; and a reduction due to revised salary planning estimates.

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1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

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

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	325	388	490	490	490	483	490	490	483
EXPENSES/CONTRACTUAL SRVCS	191	287	387	362	343	329	312	293	266
MISC OPERATING EXPENSES	31	66	89	89	81	81	89	81	81
SUPPLIES/MATERIALS/PARTS	17	19	23	23	19	19	23	19	19
CAPITAL EQUIPMENT	15	39	9	9	5	5	9	5	5
OTHER	2,061		2,532	2,532	2,542	2,542	2,532	2,552	2,552
SUBTOTAL STATE OPERATIONS	2,640	799	3,530	3,505	3,480	3,459	3,455	3,440	3,406
AIDS TO INDIVIDUALS	3,217	3,916	13,489	13,489	15,486	15,486	13,489	16,294	16,294
LOCAL ASSISTANCE	40,164	46,163	44,541	44,057	43,607	42,963	44,057	44,207	42,919
TOTAL EXPENDITURES	46,021	50,878	61,560	61,051	62,573	61,908	61,001	63,941	62,619
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<7>			<7>
(A) TRANSFER TO DEPT OF CHILDREN		GEN				<658>			<1,315>
TOTAL GOV'S INITIATIVES						<665>			<1,322>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	9,963	10,617	12,331	11,847	12,559	11,894	11,847	12,967	11,645
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	1								
FEDERAL	36,048	40,235	49,145	49,145	49,955	49,955	49,145	50,965	50,965
GIFTS AND DEPOSITS	9	26	84	59	59	59	9	9	9
TOTAL FINANCING	46,021	50,878	61,560	61,051	62,573	61,908	61,001	63,941	62,619

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

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

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
POSITIONS BY FUND:									
GENERAL	8.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
FEDERAL	3.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
TOTAL POSITIONS	11.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0

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BUDGET ACTIVITY: Developmental Disabilities Administration
PROGRAM: Social Service Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity funds planning, development, and coordination of community-based services for approximately 17,000 persons with "mental retardation or related conditions", also known as persons with "developmental disabilities" (DD).

This activity supports the Minnesota Milestone goal of "Persons with disabilities will be able to meet their needs while maintaining a level of independence appropriate to their abilities and preferences" by:

1. Assisting 87 county agencies in determining the appropriateness of placements, services, and service development for persons with DD.
2. Developing appropriate alternative community services and resources for persons in intermediate care facilities for persons with mental retardation (ICF/MR) that are closing or for persons being relocated from regional treatment centers (RTC).
3. Supervising and managing the administration of community-based services, such as the Home and Community-Based Services (MR) Waiver and the Alternative Community-Based Services for Nursing Facility Residents with Developmental Disabilities (ACS) Waiver, in order to insure appropriate allocation of resources, eligibility of persons served, reasonable reimbursement to counties and service providers, compliance with federal regulations, and effective management of services and costs.
4. Protecting the rights of persons residing in RTCs and community-based services by implementing state statute and rule pertaining to the use of aversive and deprivation procedures and providing guardianship activities and oversight.
5. Mediating conciliation conferences between individuals with DD or their families and county agencies as needed.
6. Providing policy development and coordination, training, and technical assistance in: case management, determination of need, residential services, residential-based habilitation services, and day training and habilitation services.
7. Developing and managing information systems needed for policy development, monitoring, determination of need for new services, and managing grant allocations.

Assistance by the division is directed toward community integration and self-sufficiency for persons with DD in the least restrictive, most appropriate, cost-effective setting.

Funding for this activity also supports the administration of the Semi-Independent Living Services Grants program and the DD Family Support Grant program. Activity narrative pages for these programs follow this page.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: By the end of the 1994-95 biennium, increase the proportion of persons with DD using community-based services instead of institutional services by 5%.

Performance Measure: ■ Number of persons served in community-based services versus institutional services.

Objective 2: By the end of the 1994-95 biennium, relocate 100 persons with DD inappropriately placed in nursing homes per federal Omnibus Budget Reconciliation Act requirements.

Performance Measure: ■ Number of persons remaining to be relocated per OBRA requirements.

Objective 3: During the 1994-95 biennium, provide guardianship and conservatorship services as necessary.

Performance Measure: ■ Number and types of requests for assistance with public guardianship and conservatorship issues.

Objective 4: During the 1994-95 biennium, review aversive and deprivation procedures as needed.

Performance Measure: ■ Number and type of aversive/deprivation procedures developed and implemented.

Objective 5: During the 1994-95 biennium, provide mediation services during conciliation conferences between individuals with DD or their families and county agencies as needed.

Performance Measure: ■ Number of requests for conciliation conferences and results of conciliations.

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Projected Average No. of Persons					
RTC	1,233	1,081	949	802	679
State Operated Community Services	NA	23	73	90	90
Community ICF/MR	4,106	3,928	3,970	3,914	3,794
MR Waiver	2,366	2,752	3,160	3,706	4,205
ACS Waiver	15	45	60	87	100
Persons with DD designated as "wards of the commissioner"	5,535	5,350	5,216	5,086	4,959
Persons with DD receiving the following aversive/deprivation procedures					
Psychotropic Medications	293	310	285	275	250
Timeout Procedures	223	210	193	170	150
Mechanical Restraint	83	80	80	70	65
Manual Restraint	430	435	425	400	360

BUDGET ACTIVITY: Developmental Disabilities Administration
PROGRAM: Social Service Administration
AGENCY: Human Services, Department of
(Continuation)

REVENUE GENERATION:

This activity generates general federal administration reimbursement at the rate of 43% of its expenditures.

BUDGET/LEGISLATIVE ISSUES:

A budgetary/legislative issue is the funding, coordinating, and accessing supported employment opportunities for more persons with developmental disabilities, especially persons with severe disabilities within state budget limitations and federal policy restrictions. Many of these persons are currently receiving less appropriate center based programs, or are waiting to receive supported employment services.

ACTIVITY PLAN:

The following decision and information items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Developmental Disabilities Administration Reduction

This proposal decreases the budget base by $25,000 in F.Y. 1994 and $25,000 in F.Y. 1995 by incorporating an administrative reduction to implement the Governor's request that all state agencies decrease expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($25)	($25)	($25)	($25)

DECISION ITEM:

Integrated Management and Planning Act (IMPACT)

Item Summary:

This proposal decreases the budget base by $480,000 for F.Y. 1994 and $1,304,000 in F.Y. 1995 to implement a comprehensive reform of the development disabilities (DD) service system through the implementation of the Integrated Management and Planning Act (IMPACT).

Rationale:

Currently, services to persons with DD are purchased through a variety of overlapping funding streams and monitored through multiple and overlapping rules. These factors have resulted in an extremely complex service system where access to services is difficult for persons with DD and their families. In addition there are significant disincentives for cost effective service development. This proposal would reform the funding and delivery of services to persons with DD through the field testing of various demonstration projects over the next few years with the outcome of selecting 1 approach to be used state-wide after evaluating the results of the demonstrations.

Initial implementation strategies include:

1. expansion of the home and community-based waiver to include more-difficult-to-serve persons currently receiving SILS services;
2. demonstration projects, involving Intermediate Care Facilities for Persons with Mental Retardation (ICF/MR), Home and Community-based Waiver for Persons with DD, Semi-Independent Living Services (SILS), DD Family Support Program, and Day Training and Habilitation Services (DT&H);
3. the use of contractual outcome standards as 1 form of demonstration project with providers of DD services;
4. the seeking of a federal waiver for authority to integrate the funding of all DD services; and
5. improved access to DT&H services.

Primary goals of IMPACT are to cap overall DD service cost growth, eliminate complexities and duplications of overlapping funding streams, move planning of services from state to local levels, reduce amount of process oriented regulation, reward efficiency in resource use, and create disincentives for continuation and establishment of high cost service models.

Components of the IMPACT initiative include:

Expansion of Home and Community-based Waiver
Recent discussions with the federal government have indicated that they might approve expansion of the eligibility requirements of the home and community-based services waiver to include some persons currently receiving SILS services. Contingent on federal approval, such expansion would allow the state to draw additional federal monies and allow the state to serve additional persons waiting for SILS services. While a portion of the community social service aids currently spent on these persons would be used to cover the residential services of persons moving to the waiver, it is estimated that counties will receive $1.5 million dollars in saving to community social services aids as a result of the change.

Demonstration Projects
Various demonstration projects would be supported by the commissioner to encourage development and field testing of less-complex systems of service delivery to persons with DD. Evaluation of the approved projects will provide the state with a basis for the selection of 1 comprehensive system to be applied state-wide by F.Y. 1998.

Performance-based Contracting Demonstrations
As one form of demonstration, performance-based contracting demonstrations would be established in order to address the current controversial reimbursement procedures for providers of services to persons with DD and improve business conditions and stability of providers. Contracts would include general reimbursement categories, parameters for reimbursement, and client-based outcomes for reimbursement. In addition, to create a more competitive market place for DD services, this initiative would infuse new providers into the DD service delivery system by the development of a small revolving account and up front technical assistance to assure a reasonable level of vendor stability, particularly in areas where there are few vendor options and there is potential provider service delivery problems.

BUDGET ACTIVITY: Developmental Disabilities Administration
PROGRAM: Social Service Administration
AGENCY: Human Services, Department of
(Continuation)

Federal Waiver and Transfer of Funds to Single Account

Contingent on federal approval and beginning 7-1-94, this initiative would allow the commissioner to transfer monies from Medical Assistance, Minnesota Supplemental Aid, SILS, and DD Family Support Grant accounts to a united DD account in order to support the implementation of IMPACT demonstration projects. Based on expected efficiencies, the commissioner would reduce total payment for services funded through the single account to an amount not less than 95% of what would have been spent for persons with mental retardation or related conditions.

Improved Access to DT&H services

Problems of access to day training and habilitation services and appropriateness of the service has been increasing as persons with DD continue to be discharged from state regional treatment centers into community services, and as persons with severe disabilities graduate from school and need a community integrated work program. Delays in discharging persons from regional centers are occurring as a result of the lack of appropriate day services. In addition, many older individuals with DD or persons with significant health or behavioral needs continue to receive services that are not cost effective and do not provide service options that can better meet their needs.

As part of IMPACT, this initiative eliminates the funding for the implementation of a proposed client-based reimbursement system (Rule 75), allows rate adjustments for existing service vendors and thereby avoiding the unnecessary development of more expensive newly established programs, adjusts the statute that allows service alternatives for elderly persons with DD by expanding the project and making it more administratively feasible, allows service vendors and county agencies to contract directly with businesses to provide job support for persons with DD, deregulates this service area by significantly reducing administrative and statutory requirements, and increases vendor accessibility by allowing the residential program provider to serve as the provider of day habilitation in certain situations.

Impact:

This initiative will support the needs of individuals and families in the community, encourage flexibility and creativity in local service planning and delivery, and provide greater efficiencies in centralized administrative, planning and funding of services and supports for persons with mental retardation and related conditions.

The expansion of the waiver to include some current SILS recipients will draw additional federal matching funds to the waiver and will allow the SILS program to serve additional persons currently on the waiting list.

COST:	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
Fund Transfer & 5% Reduction				
IMPACT Grants	$-0-	$12,626	$39,946	$111,523
MA Grants	-0-	(12,392)	(39,107)	(108,862)
MSA Grants	-0-	(545)	(1,881)	(5,704)
SILS Grants	-0-	(276)	(828)	(2,208)
DD Family Support Grants	-0-	(77)	(232)	(620)
Administration	400	350	250	200
Prepayment: IMPACT Grants	-0-	1,033	2,226	5,813
MA Grants (Removing overlap with Perform.-based Contract Demos	-0-	10	45	160
SILS to Waiver Transfer				
MA Grants	835	2,500	3,340	3,340
SILS Grants	(370)	(1,115)	(1,480)	(1,480)
LGTF (CSSA Grants)	(540)	(1,610)	(2,160)	(2,160)
Performance-Based Contracting Demonstration				
MA Grants	(200)	(350)	(450)	(550)
Revolving Fund (DD Admin)	250	-0-	-0-	-0-
DD Administration	50	50	50	50
Day Training and Habilitation Changes				
MA Grants	(955)	(1,558)	(1,738)	(1,845)
DD Administration	50	50	50	50
NET	(480)	(1,304)	(1,969)	(2,293)

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund	$250	$225	$175	$150

~~DECISION ITEM:~~

~~Performance-based Contracting and Support~~

~~Item Summary:~~

~~This proposal increases the budget base by $100,000 for F.Y. 1994 and decreases the budget bases by $300,000 in F.Y. 1995 to implement performance-based contracting of providers of residential services to persons with developmental disabilities and provide support to such providers to maintain overall provider stability.~~

~~Objectives of this demonstration are to:~~

1. ~~Increase the influence of consumers and families in the development, monitoring, and improvement of services.~~
2. ~~Measure service quality in terms of desired outcomes for the consumer and allow those outcomes to be the basis of service improvement, redesign, and development.~~
3. ~~Design and adopt a single set of consumer outcome indicators which will be used to evaluate and improve services.~~
4. ~~Enable providers to assume more direct responsibility for providing and enhancing services and to encourage providers to implement quality improvement management.~~

Revised 3-4-93
~~Revised 2-08-93~~

BUDGET ACTIVITY: Developmental Disabilities Administration
PROGRAM: Social Service Administration
AGENCY: Human Services, Department of
(Continuation)

~~5. Refocus the state role to one of assistance and support rather than regulation and sanction.~~
~~6. Establish local service networks which will be able to provide a broader array of choices for an individual over time and increase service effectiveness, coordination, and efficiency among service providers.~~

~~7. Determine the best methods to secure, evaluate, and pay for desired consumer outcomes.~~

~~**Rationale:**~~

~~Reimbursement policy for providers of services to persons with developmental disabilities (DD) has been extremely controversial since the early 1980s. During the past year, DHS and representatives of the residential providers have met and discussed changes to the system which would improve the business conditions and stability for both the providers and the state. The use of a contract to establish and report reimbursement/costs was strongly supported. This contract would include general reimbursement categories, parameters for reimbursement, and would establish outcomes/conditions for reimbursement. In addition, to create a more competitive marketplace for DD services, this proposal would infuse new providers into the DD service delivery system by the development of a revolving account and up front technical assistance to assure a reasonable level of vendor stability, particularly in areas where there are few vendor options and there is potential provider service delivery problems.~~

~~**Impact:**~~

~~Implementation of this proposal will result in 1) reduced time for providers in generating cost reporting; 2) more efficient use of funds; 3) improved outcomes; 4) increased provider competitiveness and greater client choice of service vendor; 4) state savings based on projected growth; 5) reduced provider appeals; and 6) greater provider stability in delivery of services to persons with developmental disabilities.~~

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
MA Grants	($200)	($350)	($450)	($550)
Revolving Fund	250	0	0	0
DD Administration	50	50	50	50
Revenue				
General Fund	25	25	25	25

~~**DECISION ITEM:**~~

~~Day Training and Habilitation Reform~~

~~**Item Summary:**~~

~~This proposal decreases the budget base by $905,000 in F.Y. 1994 and $1,508,000 in F.Y. 1995 by reforming day training and habilitation (DT&H) services to persons with developmental disabilities (DD) by:~~

~~1. Allowing more and various ways of delivering DT&H services.~~
~~2. Reducing requirements of DT&H service vendors.~~
~~3. Increasing access to services.~~
~~4. Providing back up capacity if services cannot be provided by existing vendors.~~
~~5. Increasing client choices of programs and vendors through demonstrations.~~
~~6. Eliminates the funding for the implementation of the proposed client based reimbursement system for DT&H services.~~

~~**Rationale:**~~

~~DT&H services are mandated for persons with DD. Problems of access to these services and appropriateness of the service has been increasing as persons with DD continue to be discharged from state regional treatment centers (RTC) into community services, and as persons with severe disabilities graduate from school and need a community integrated work program. Delays in discharging persons from RTCs are occurring as a result of the lack of appropriate day services. In addition, many older individuals with DD or persons with significant health or behavioral needs continue to receive services that are not cost effective and do not provide service options that can better meet their needs.~~

~~Specifically, this initiative eliminates the funding for the implementation of a proposed client based reimbursement system (Rule 75), allows rate adjustments for existing service vendors and thereby avoiding the unnecessary development of more expensive newly established programs, adjusts the statutes that allow service alternatives for elderly persons with DD by expanding the project and making it more administratively feasible, allows service vendors and county agencies to contract directly with businesses to provide job support for persons with DD, aggressively deregulates this service area by significantly reducing administrative and statutory requirements, and increases vendor accessibility by allowing the residential program provider to serve as the provider of day habilitation in certain situations.~~

~~**Impact:**~~
~~Implementation of this proposal would reform DT&H services and provide county agencies more appropriate and less expensive options to fulfill their mandate to provide DT&H services to persons with DD. This measure will improve the provision of DT&H services by increasing client choice and vendor competition through adjustments to the reimbursement system and aggressive deregulation.~~

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
MA Grants	($955)	($1,558)	($1,738)	($1,845)
DD Administration	50	50	50	50
Net	(905)	(1,508)	(1,688)	(1,795)
Revenue				
General Fund	25	25	25	25

Revised 3-4-93
~~Revised 2-08-93~~

BUDGET ACTIVITY: Developmental Disabilities Administration
PROGRAM: Social Service Administration
AGENCY: Human Services, Department of
(Continuation)

INFORMATION ITEM:

Faribault Regional Center Downsizing

This proposal increases the budget base by $588,000 in F.Y. 1994 and increases the budget base by $190,000 in F.Y. 1995 by downsizing Faribault Regional Center (FRC).

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$588	$190	$40	$-0-

INFORMATION ITEM:

Moose Lake Regional Treatment Center Transfer to Corrections

This proposal increases the budget base by $32,000 $66,000 in F.Y. 1994 because of administrative costs associated with the conversion and transfer of Moose Lake Regional Treatment Center (MLRTC) campus to the Department of Corrections.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$32 $66	-0-	-0-	-0-

~~**DECISION ITEM:**~~

~~Integrated Management and Planning Act (IMPACT)~~

~~**Item Summary:**~~

~~This proposal increases the budget base by $500,000 for F.Y. 1994 and $1,260,000 in F.Y. 1995 to implement a comprehensive reform of the developmental disabilities (DD) service system through the implementation of the Integrated Management and Planning Act (IMPACT).~~

~~**Rationale:**~~

~~Currently, services to persons with DD are purchased through a variety of overlapping funding streams and monitored through multiple and overlapping rules. These factors have resulted in an extremely complex service system where access to services is difficult for persons with DD and their families. In addition, there are significant disincentives for cost effective service development. This proposal would reform the funding and delivery of services to persons with DD. Federal waivers would be sought for authority to integrate the funding and management of all DD services. Total funding obligations across all services would be established through contracts with entities. Counties would use these contractual funding obligations as a "line of credit" from which to purchase services from existing program categories or from a "menu based" services listing. The menu of services would apply to all current eligibility categories (ICF/MR, Home and Community based Waiver for Persons with DD, Semi Independent Living Services, Family Support Grant, etc.). Caseload growth would be funded through demographic funding adjustments and/or efficiencies. To the extent that federal authorization would allow, current funding and program rules would be replaced with contractual outcome standards. Primary goals are to cap overall DD service cost growth, eliminate complexities and duplications of overlapping funding streams, move planning of services from state to local levels, reduce amount of process oriented regulation, reward efficiency in resource use, and create disincentives for continuation and establishment of high cost service models.~~

~~**Impact:**~~

~~This concept of resource allocation has proven successful in several states having county administered systems, including Michigan and Wisconsin. Planning and resource allocation at the local level will better meet the needs of consumers. In allowing funding to follow service recipients, it requires careful management of the "provider pool." It will also require a fairly significant change in how the department forecasts and allocates resources.~~

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
IMPACT Grants	$0	$32,189	$98,590	$169,891
MA Grants	0	(20,660)	(95,285)	(163,825)
MSA Grants	0	(1,474)	(4,995)	(9,322)
SILS Grants	0	(1,380)	(2,760)	(4,484)
DD Family Support Grants	0	(370)	(739)	(1,201)
Administration	500	400	250	150
Prepayment (MA Grants)	0	2,555	5,385	5,712
NET	500	1,260	446	(3,079)
Revenue				
General Fund	$250	$200	$125	$75

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: DEVELOPMENTAL DISABILITY ADMIN

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,364	1,385	1,422	1,422	1,608	1,556	1,422	1,522	1,471
EXPENSES/CONTRACTUAL SRVCS	267	270	263	225	896	896	225	693	693
MISC OPERATING EXPENSES	107	102	166	164	170	170	164	172	172
SUPPLIES/MATERIALS/PARTS	20	51	31	30	46	46	30	44	44
CAPITAL EQUIPMENT	22	20	12	12	12	12	12	12	12
SUBTOTAL STATE OPERATIONS	1,780	1,828	1,894	1,853	2,732	2,680	1,853	2,443	2,392
LOCAL ASSISTANCE					500	500		13,684	13,684
TOTAL EXPENDITURES	1,780	1,828	1,894	1,853	3,232	3,180	1,853	16,127	16,076
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<52>			<51>
TOTAL GOV'S INITIATIVES						<52>			<51>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	780	1,794	1,838	1,838	3,217	3,165	1,838	16,112	16,061
STATUTORY APPROPRIATIONS:									
GENERAL	1,000	8							
SPECIAL REVENUE		26	15	15	15	15	15	15	15
GIFTS AND DEPOSITS			41						
TOTAL FINANCING	1,780	1,828	1,894	1,853	3,232	3,180	1,853	16,127	16,076

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: DEVELOPMENTAL DISABILITY ADMIN

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	26.0	26.0	27.5	27.5	29.5	29.5	27.5	29.5	29.5
TOTAL POSITIONS	26.0	26.0	27.5	27.5	29.5	29.5	27.5	29.5	29.5

BUDGET ACTIVITY: Semi-Independent Living Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity provides funds to counties to reduce reliance on more-restrictive, more-costly use of intermediate care facilities for persons with mental retardation (ICFs/MR) and enables approximately 1,700 persons with mental retardation or related conditions to maintain themselves with semi-independent living services (SILS). The funds from this activity: 1) facilitate relocation of persons residing in community ICFs/MR that are in the process of closure; and, 2) provide alternatives for persons who are not eligible for ICFs/MR or Home and Community-Based Waivered Services for Persons with Mental Retardation or Related Conditions.

SILS services include training, supervision, or assistance in budgeting, meal preparation, shopping, personal appearance, counseling, and related social supports 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 receive reimbursement for the provision of SILS to eligible clients per M.S. 252.275. Counties determine specific levels of funding and service arrangements per recipient. The state appropriation for SILS pays for 70% of total service costs. Counties use dollars from other sources to pay the balance.

Significant changes in the statute, effective 1-1-92, have altered the way in which program funds are allocated and reimbursed. The effect of these changes will likely change the program's longstanding trends of number of persons served and average cost per person. Counties are no longer limited in the number of eligible people they serve, and the allocation formula has built-in incentives for counties to serve more people. Counties can choose to serve more people than they had in the past, receiving reimbursement at lower rates. A rate cap imposed for the F.Y. 1992-93 biennium has also reduced the average cost per person.

This program relates to the following Minnesota Milestones: Persons with disabilities will be able to meet their needs while maintaining a level of independence appropriate to their abilities and preferences.

ACTIVITY OUTCOME OBJECTIVES:

1. During the F.Y. 1994-5 biennium, 50 persons will exit SILS to less-restrictive supports or total independence.
2. During the F.Y. 1994-95 biennium, 500 SILS participants will require fewer hours of service than the previous year.
3. During the F.Y. 1994-5 biennium, no more than 5% of SILS participants will exit SILS to more restrictive services.
4. During the F.Y. 1994-5 biennium, 250 persons who currently live in the community but need SILS support will begin receiving SILS.

PERFORMANCE MEASURES:

- Survey of SILS recipients by county.

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of people served (unduplicated)*	1,500	1,610	1,725	1,675	1,625
Average annual cost/person (total)**	$4,576	$4,537	$4,570	$4,707	$4,848
Average annual cost/person (state $)	$3,011	$3,135	$3,199	$3,295	$3,394

* A 3% unfunded annual inflation rate will result in 100 fewer persons served over the biennium.

** A rate cap imposed for the F.Y. 1992-93 biennium has reduced the average cost per person for these years.

~~LEGISLATIVE ISSUES:~~

~~Currently 8 states have been awarded access to federal Medical Assistance (MA) monies to cover community supported living services (CSLA) for persons with mental retardation or related conditions who do not require intermediate care (24 hour level of care) services. In the event that Minnesota was allowed to participate in this federal program, legislation would be needed to allow Minnesota to use SILS dollars to serve as the state share of MA costs to capture the federal share of CSLA dollars. As the SILS statute was changed last year to better match the requirements of the federal CSLA program, Minnesota is in a good position to capture these federal dollars and serve more persons who are currently waiting for services.~~

ACTIVITY PLAN:

The following ~~decision and information~~ items reflect adjustment of current law base level funding for this activity.

~~DECISION ITEM:~~

~~Semi-Independent Living Services Cut of 10%~~

~~Item Summary:~~

~~This proposal decreases the budget base by $96,000 in F.Y. 1994 and $96,000 in F.Y. 1995 by implementing a 10% cut in the Semi-Independent Living Services (SILS) Program.~~

BUDGET ACTIVITY: Semi-Independent Living Services Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

~~Rationale:~~

~~This proposal will reduce department expenditures given reduced state resources.~~

~~Impact:~~

~~A 10% cut in the SILS appropriation would result in the termination of approximately 175 persons from the program. It is projected that counties would replace services to these people through Medical Assistance (MA) entitlements. Specifically, 170 of these persons are anticipated to have SILS replaced with personal care attendant (PCA) services, and 5 persons would be placed in regional treatment centers (RTC). The costs of these alternative services are estimated to be:~~

~~MA/PCA: $216,000~~
~~MA/RTC: 240,000~~
~~Total MA: $456,000~~

~~While SILS has a 10% turnover rate, it is projected that counties will not replace persons who terminate services due to the effects of inflation. This program has not had an inflationary increase since S.F.Y. 1991.~~

	~~Dollars in Thousands~~			
	~~F.Y. 1994~~	~~F.Y. 1995~~	~~F.Y. 1996~~	~~F.Y. 1997~~
~~COST:~~				
~~General Fund~~				
~~SILS Grants~~	~~($552)~~	~~($552)~~	~~($552)~~	~~($552)~~
~~MA Grants~~	~~456~~	~~456~~	~~456~~	~~456~~
~~NET~~	~~(96)~~	~~(96)~~	~~(96)~~	~~(96)~~
~~Revenue~~				
~~General Fund~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~

INFORMATION ITEM:

Integrated Management and Planning Act

This proposal decreases the budget base by ~~$1,280,000~~ $370,000 in F.Y. 1994 and by $1,391,000 in F.Y. 1995 to implement a comprehensive reform of the funding and delivery of services to persons with developmental disabilities through the implementation of the Integrated Management and Planning Act (IMPACT). This proposal is discussed in further detail in the DD Administration activity.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	~~$0~~	~~($1,380)~~	~~($2,760)~~	~~($4,484)~~
	$(370)	$(1,115)	$(1,480)	$(1,480)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: SILS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
LOCAL ASSISTANCE	4,523	5,049	5,519	5,519	5,218	5,218	5,519	4,197	4,197
TOTAL EXPENDITURES	4,523	5,049	5,519	5,519	5,218	5,218	5,519	4,197	4,197
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	4,523	5,049	5,519	5,519	5,218	5,218	5,519	4,197	4,197
TOTAL FINANCING	4,523	5,049	5,519	5,519	5,218	5,218	5,519	4,197	4,197
POSITIONS BY FUND:									
TOTAL POSITIONS									

BUDGET ACTIVITY: Developmental Disabilities Family Support Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The purpose of this program is to prevent or delay the out-of-home placement of children with mental retardation or a related condition and to support families in maintaining their child in the family home. This program provides cash grants to families with a son or daughter under the age of 22 who has mental retardation or a related condition living in their biological or adoptive family home to enable the families to purchase services and items above the ordinary care for their child's support in the home.

Ongoing and one-time cash grant awards of up to $3,000 per state fiscal year are awarded to families. Ongoing grant awards may be issued to families in the form of lump sums, monthly installments or a combination of both. Applications are taken from individual families by counties. The Department of Human Services (DHS) authorizes counties to issue grant awards to families based on approved applications submitted by counties. Counties are reimbursed for these expenditures by DHS.

Each family's level of need is assessed and each eligible applicant's place on a waiting list is determined. An applicant's status on the waiting list continually changes as new applications are received and grants are awarded to eligible applicants. Grants are awarded as openings occur based on the following criteria:

1. Potential for placement outside the home;
2. Severity of disabilities;
3. Presence of behavioral excesses;
4. Amount of family stress resulting from child's disabilities;
5. Other factors regarding the family's ability to maintain their child at home.

Family support grant funds may only be used to purchase items and services for which there are no other public or private funds available to the family. Families whose income is $60,000 or more are not eligible for grants except when extreme hardship is demonstrated. Each service or item purchased with a family support grant must:

1. Be over and above the normal costs of caring for the dependent if the dependent did not have a disability;
2. Be directly attributable to the dependent's disabling condition; and
3. Enable the family to delay or prevent the out-of-home placement of the dependent.

The state appropriation for this activity pays for 100% of the support grant for each eligible family.

This program relates to the following Minnesota Milestones: 1) Families will provide a stable environment for their children; 2) Persons with disabilities will be able to meet their needs while maintaining a level of independence appropriate to their abilities and preferences.

ACTIVITY OUTCOME OBJECTIVES:

By 1995, the number of families with children who have mental retardation or related conditions that are maintained in the family home rather than served in out-of-home placements will continue at the same level as in F.Y. 1992 except as noted below.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of families served/year	455	641	671	600	600
Average annual grant/family	$2,500	$2,200	$2,200	$2,500	$2,500

[Note: Due to legislative language affecting F.Y. 1992-93, average annual grant awards are decreased for these years. This has an affect of increasing the number of families served but at a lower grant level. The restrictive language is not in effect for F.Y. 1994-95. Thus the average grant amount will increase and the number of families served will decrease.]

ACTIVITY PLAN:

The following information item reflects adjustment of current law base level funding for this activity.

INFORMATION ITEM:

Integrated Management and Planning Act

This proposal decreases the budget base by ~~$370,000~~ $77,000 in F.Y. 1995 to implement a comprehensive reform of the funding and delivery of services to persons with developmental disabilities through the implementation of the Integrated Management and Planning Act (IMPACT). This proposal is discussed in further detail under the DD Administration activity.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$0	~~($370)~~	~~($739)~~	~~($1,201)~~
	$(77)	$(232)	$(620)

Revised 3-4-93
~~Revised 2-08-93~~

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: D.D. FAMILY SUPPORT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
MISC OPERATING EXPENSES		2							
SUBTOTAL STATE OPERATIONS		2							
LOCAL ASSISTANCE	1,195	1,408	1,478	1,478	1,549	1,549	1,478	1,472	1,472
TOTAL EXPENDITURES	1,195	1,410	1,478	1,478	1,549	1,549	1,478	1,472	1,472
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,195	1,410	1,478	1,478	1,549	1,549	1,478	1,472	1,472
TOTAL FINANCING	1,195	1,410	1,478	1,478	1,549	1,549	1,478	1,472	1,472
POSITIONS BY FUND:									
TOTAL POSITIONS									

BUDGET ACTIVITY: Aging and Adult Services Administration
PROGRAM: Social Service Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity exists to 1) provide staff assistance to the Minnesota Board on Aging in its administration of programs for the state's 60+ population as required by the federal Older Americans Act and state legislation and 2) design and implement programs intended to protect the state's vulnerable adult population.

Minnesota Board on Aging

As established by M.S. 256.975, the Minnesota Board on Aging (MBA) has 25 members appointed by the Governor. It is responsible for the administration and implementation of the Older Americans Act. Statutes require the Department of Human Services to provide staff support through the aging division director, who is also the executive secretary to the board; staff of the division serve as MBA staff. Federal Older Americans Act funds are secured through the development and administration of a state plan which meets federal requirements. State appropriations in this activity meet match requirements of the Older Americans Act.

As the state unit on aging, the MBA awards grants of federal and state funds to area agencies on aging (AAAs) to help meet the cost of administering the state-approved Area Plans on Aging. The area plan for each planning and service area in the state, and a group of Indian reservations, provides 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. Staff also assists the board in administration of state funds which supplement federal funds in congregate and home-delivered meals and each of the ACTION-funded volunteer programs of Foster Grandparents, Senior Companions, and Retired Senior Volunteers.

The objective of Older Americans Act funding from its initial passage in 1965 has been to assist State Units on Aging in developing plans and administering funds that promote services to help all older persons 60+ live independent, meaningful and dignified lives, with emphasis on reducing isolation and preventing premature or unnecessary institutionalization. In this regard, staff also assists the board in its administration of the Congregate Housing Services (CHS) component of the department's Seniors Agenda for Independent Living (SAIL) initiative; additional information on this strategy is in the Long-Term Care Home and Community-based Services Budget Activity.

Adult Protection

The adult protection staff plans, arranges, designs and implements programs on Adult Protection and Vulnerable Adult Statute and Rule. These programs are delivered to federal and state agencies, 87 counties, social and health service providers, public, volunteer, church service groups, and the general population.

ACTIVITY OUTCOME OBJECTIVES:

By the end of the biennium, over 700 tenants will have congregate housing coordinator services available to them through the funding of 6 CHS projects as a part of the department's SAIL strategy.

Performance Measure: ■ Number of tenants with services available.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
State Congregate Housing Services Project (CHSP) funds	$ 0	$ 140	$ 280	$ 280	$ 280
Number of SAIL CHSP projects	0	6	6	6	6
Number of counties covered	0	36	36	36	36
Number of tenants with services avail.	0	700	700	700	700

ACTIVITY PLAN:

The following decision items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Aging and Adult Services Administration Reduction

This proposal decreases the budget base by $14,000 in F.Y. 1994 and $14,000 in F.Y. 1995.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($14)	($14)	($14)	($14)

DECISION ITEM:

Minnesota Board on Aging Grants Reduction

This proposal decreases the budget base by $220,000 in F.Y. 1994 and $220,000 in F.Y. 1995 by reducing the Congregate Housing Services Coordinator grant program.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($220)	($220)	($220)	($220)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: AGING ADMINISTRATION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	977	1,001	1,135	1,129	1,118	1,096	1,129	1,118	1,096
EXPENSES/CONTRACTUAL SRVCS	157	115	157	157	126	126	157	126	126
MISC OPERATING EXPENSES	91	94	100	100	92	92	100	92	92
SUPPLIES/MATERIALS/PARTS	29	34	15	15	15	15	15	15	15
CAPITAL EQUIPMENT	4	48	37	37	3	3	37	3	3
OTHER	68		40	40	40	40	40	40	40
SUBTOTAL STATE OPERATIONS	1,326	1,292	1,484	1,478	1,394	1,372	1,478	1,394	1,372
LOCAL ASSISTANCE	202	473	792	792	401	401	792	401	401
TOTAL EXPENDITURES	1,528	1,765	2,276	2,270	1,795	1,773	2,270	1,795	1,773
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<22>			<22>
TOTAL GOV'S INITIATIVES						<22>			<22>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	892	923	1,120	1,120	886	864	1,120	886	864
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	135	137	136	136	136	136	136	136	136
FEDERAL	495	693	997	997	756	756	997	756	756
GIFTS AND DEPOSITS	6	12	23	17	17	17	17	17	17
TOTAL FINANCING	1,528	1,765	2,276	2,270	1,795	1,773	2,270	1,795	1,773

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: AGING ADMINISTRATION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	16.0	15.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
FEDERAL	5.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
TOTAL POSITIONS	21.5	21.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0

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BUDGET ACTIVITY: Aging Ombudsman
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Office of Ombudsman for Older Minnesotans exists to advocate for nursing home residents, acute care Medicare patients and in-home service recipients by helping them to resolve grievances about quality of care, access to care and payment. Incorporated into the existing office is the federally mandated State Long Term Care Ombudsman which the Minnesota Board on Aging has administered since 1981.

The Ombudsman is a non-regulatory approach toward providing quality of care and quality of life for older persons in need of long term care (nursing homes and home care services) and other forms of health care (hospitals, surgi-centers, etc.). Mediation of disputes, negotiating outcomes acceptable to the older person, or referral to an enforcement agency are primary Ombudsman intervention methods. As a result, all types of disputes can be addressed, not only those issues directly relating to statute or regulation. Older persons are encouraged and assisted in resolving complaints and disputes on their own through education and informational programs and materials about long term care and health rights and benefits.

Informal complaint resolution and prevention approaches are also encouraged by direct program assistance to nursing home residents and their families through the development and improvement of nursing home resident and family councils to work directly with providers in complaint resolution and quality of life improvements. Federal dollars fund regional long term care ombudsman services for all 87 counties. State dollars fund regional acute care and home care ombudsman services in 40 counties; citizens in the other 47 counties are served through the ombudsman toll-free line.

Federal dollars fund regional long-term care ombudsman services for all 87 counties. State dollars fund regional acute care and home care ombudsman services in 40 counties; citizens in the other 47 counties are served through the ombudsman toll-free line.

ACTIVITY OUTCOME OBJECTIVES:

By 1995 an 80% satisfactory complaint resolution rate for closed cases will be maintained.

Performance Measure:
- Resolution rate for closed cases.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of closed cases	2,171	2,200	2,200	2,200	2,200
Percent of complaints resolved	79.4	80.0	80.0	80.0	80.0

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Aging and Adult Services State Ombudsman Reductions

This proposal decreases the budget base by $2,000 in F.Y. 1994 and $2,000 in F.Y. 1995.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($2)	($2)	($2)	($2)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: AGING OMBUDSMAN

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	288	353	363	363	363	359	363	363	359
EXPENSES/CONTRACTUAL SRVCS	24	17	38	38	37	37	38	37	37
MISC OPERATING EXPENSES	41	61	59	59	59	59	59	59	59
SUPPLIES/MATERIALS/PARTS	7	6	7	7	6	6	7	6	6
OTHER			32	32	32	32	32	32	32
SUBTOTAL STATE OPERATIONS	360	437	499	499	497	493	499	497	493
LOCAL ASSISTANCE	27	27	38	38			38		
TOTAL EXPENDITURES	387	464	537	537	497	493	537	497	493
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<4>			<4>
TOTAL GOV'S INITIATIVES						<4>			<4>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	194	199	194	194	192	188	194	192	188
STATUTORY APPROPRIATIONS:									
FEDERAL	193	265	343	343	305	305	343	305	305
TOTAL FINANCING	387	464	537	537	497	493	537	497	493
POSITIONS BY FUND:									
GENERAL	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
FEDERAL	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: AGING OMBUDSMAN

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL POSITIONS	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

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BUDGET ACTIVITY: Area Aging Service Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

As the local administering agency for Older Americans Act funds, the Area Agency on Aging (AAA) designated for each of the 14 planning and service areas (PSAs) established by the Minnesota Board on Aging (MBA) is eligible to apply for annual grants to help meet program development, administration, supportive services and nutrition services program costs. An Indian area agency on aging has been established to address the unique needs of elderly on reservations.

AAA planning and service grants are based on submission of a multi-year Area Plan on Aging and annual updates which meet federal Older Americans Act and state criteria and guidelines and are approved by the MBA. State appropriations for congregate and home delivered meals are administered in accordance with federal regulations but accounted for separately from federal funds. State appropriations for congregate meals have not increased in the past 10 years, even though food and other costs have had regular increases. Statistics show that home delivered meals is the fastest growing part of the program and that many more meals could be served with additional funds.

A federally-approved intrastate allocation formula is used to determine the amount of federal and state funds available to implement each area plan.

ACTIVITY OUTCOME OBJECTIVES:

By 1995 the number of congregate meals served will be maintained at 3,600,000/year and the number of home delivered meals served will be maintained at 1,500,000; and the number of eligible participants will be maintained at 92,000 for the congregate program and 16,000 for the home delivered program. This will be possible because current reauthorization language in the Older Americans Act was passed, which increases USDA reimbursement for eligible meals by $.0424/meal (from $.5676/meal to $.61/meal). This will provide approximately $215,000 in additional funds to offset higher food, delivery, and administrative costs.

Performance Measures:
- Number of meals served
- Number of unduplicated participants

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Congregate Dining					
State funds(000)	$1,915	$1,915	$1,915	$1,915	$1,915
Meals served(000)	3,610	3,610	3,610	3,610	3,610
Persons served	92,000	92,000	92,000	92,000	92,000
Avg. cost/meal	$2.8	$2.85	$2.85	$2.85	$ 2.85
Home Delivered Meals					
State funds(000)	$175	$175	$175	$175	$175.0
Meals served(000)	1,406	1,500	1,500	1,500	1,500.0
Persons served	15,500	16,000	16,000	16,000	16,000.0
Avg. cost/meal	$2.71	$2.75	$2.75	$2.75	$2.75

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Minnesota Board on Aging Grants Reduction

This proposal decreases the budget base by $100,000 in F.Y. 1994 and $100,000 in F.Y. 1995 by eliminating the County Maintenance Meals grant program to meet department budget reductions.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($100)	($100)	($100)	($100)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: AGING AREA SERVICES GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
LOCAL ASSISTANCE	16,557	16,992	18,205	18,205	18,105	18,105	18,205	18,105	18,105
TOTAL EXPENDITURES	16,557	16,992	18,205	18,205	18,105	18,105	18,205	18,105	18,105
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,090	2,190	2,190	2,190	2,090	2,090	2,190	2,090	2,090
STATUTORY APPROPRIATIONS:									
FEDERAL	14,467	14,802	16,015	16,015	16,015	16,015	16,015	16,015	16,015
TOTAL FINANCING	16,557	16,992	18,205	18,205	18,105	18,105	18,205	18,105	18,105
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Foster Grandparent Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

Through this program, low income elderly persons receive a stipend to serve as foster grandparents for children with exceptional or special needs. In accordance with M.S. 256.976, 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.

ACTIVITY OUTCOME OBJECTIVES:

Outcomes for the biennium include maintaining the number of special needs children with foster grandparents at 486, which is 90% of the 1992 level of 540.

PERFORMANCE MEASURES:

*Number of special needs children served.

EFFICIENCY MEASURES:

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
State funds	$666	$666	$666	$666	$666
State funded foster grandparents	193	180	172	162	162
Children served with state funds	579	540	516	486	486
Hourly stipend	$2.20	$2.50	$2.50	$2.50	$2.50

BUDGET/LEGISLATIVE ISSUES:

Federal Issues: Federal ACTION funds were used to pay for the stipend increase (from $2.20/hour to $2.45/hour) for state-funded slots from 7-1-91 to 1-1-92; an additional $.05/hour will be paid to foster grandparents beginning 1-1-93 ($2.50/hour). ACTION funds are *not* available to pay the increased stipend for state-funded slots from 1-1-92 through the biennium. Without increased state funding, fewer slots will be available in F.Y. 1994-95. Federal appropriations for ACTION are not expected to increase.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: FOSTER GRANDPARENT GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
LOCAL ASSISTANCE	666	666	666	666	666	666	666	666	666
TOTAL EXPENDITURES	666	666	666	666	666	666	666	666	666
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	666	666	666	666	666	666	666	666	666
TOTAL FINANCING	666	666	666	666	666	666	666	666	666
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Retired Senior Volunteer Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

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 and insurance coverage, 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. To assure compliance with federal standards, concurrent applications are made to the Minnesota Board on Aging and to ACTION, the federal agency awarding RSVP funds to local projects.

A "typical" medium-sized program sponsored county-wide has over 600 volunteers placed in 60 stations. Over one-half of the agencies (33) were serving people other than elderly. In the non-aging parts of this project volunteers: served persons with developmental disabilities and other handicapped; served in schools, day care and other children/youth agencies; served in hospitals and other health services; and served 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.

ACTIVITY OUTCOME OBJECTIVES:

Outcomes for the biennium include maintaining the number of volunteer service hours at 448,500.

PERFORMANCE MEASURES:

*Number of volunteer service hours.

EFFICIENCY MEASURES:

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
State funds	$347	$347	$347	$347	$347
State funded volunteers	4,485	4,485	4,485	4,485	4,485
Volunteer hours	448,500	448,500	448,500	448,500	448,500
Counties covered	65	65	65	65	65

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: RETIRED SENIOR VOLUNTEERS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
LOCAL ASSISTANCE	334	347	347	347	347	347	347	347	347
TOTAL EXPENDITURES	334	347	347	347	347	347	347	347	347
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	334	347	347	347	347	347	347	347	347
TOTAL FINANCING	334	347	347	347	347	347	347	347	347
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Senior Companion Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

Through this program, low-income elderly persons receive a stipend to serve as senior companions to adults in their own homes or in residential settings. In accordance with M.S. 256.977, grants are awarded to community agencies which establish volunteer stations, recruit, train, supervise, and provide stipends and other benefits to low-income elderly persons. The stipend income received by the low-income seniors assists them to remain independent and in their homes. 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 grants for this program are 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 funding sources are the responsibility of the grantee. Coordination and consistency with federal guidelines is achieved by awarding the funds to the community agencies which also receive the federal Senior Companion grant. In addition to providing employment and income for low-income older persons, this program also supports the state's initiative to keep older people in their homes as long as possible.

ACTIVITY OUTCOME OBJECTIVES:

Outcomes for the biennium include maintaining the number of vulnerable seniors with senior companions at 480, which is 87% of the 1992 level of 550.

Performance Measures: Number of vulnerable seniors served.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
State funds	$391	$391	$391	$391	$391.0
State funded senior companions	109	101	95	89	89.0
Clients served	570	550	515	480	480.0
Hourly stipend	$2.20	$2.50	$2.50	$2.50	$2.5

BUDGET/LEGISLATIVE ISSUES:

Federal Issues: Federal ACTION funds were used to pay for the stipend increase (from $2.20/hour to $2.45/hour) for state-funded slots from 7-1-91 to 1-1-92; an additional $.05/hour will be paid beginning 1-1-93 ($2.50/hour). ACTION funds are *not* available to pay the increased stipend for state-funded slots from 1-1-92 through the biennium. Without increased state funding, fewer slots will be available in F.Y. 1994-95. Federal appropriations for ACTION are not expected to increase.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: SENIOR COMPANION GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
LOCAL ASSISTANCE	391	391	391	391	391	391	391	391	391
TOTAL EXPENDITURES	391	391	391	391	391	391	391	391	391
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	391	391	391	391	391	391	391	391	391
TOTAL FINANCING	391	391	391	391	391	391	391	391	391
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Chemical Dependency Administration
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The purpose of this activity is to reduce the harmful effects of chemical use and abuse on Minnesota's citizens by increasing the cost-effectiveness and quality of chemical dependency (CD) services in Minnesota, ensuring the appropriate placement of publicly-funded clients, and assisting local communities in efforts to prevent alcohol- and drug-related problems, including the spread of human immunodeficiency virus (HIV) and prenatal exposure to alcohol and drugs. The department serves as the state authority on alcohol and drug abuse whose duties are established in M.S. 254A. This activity addresses the following Minnesota Milestones indicators: percentages of youth using alcohol and illicit drugs, annual percentage change in AIDS cases, and number/percentage of traffic fatalities that are alcohol related.

According to the Chemical Dependency Division's *1989 Household Survey* 19% of adult Minnesotans have experienced one or more problems with alcohol use (about 589,000 people). The rates of problems use are higher for males, especially those aged 18-26, and for American Indians (32% report having had at least one problem), followed by whites, Hispanics, Blacks, and Southeast Asians.

Many more adults in Minnesota are impacted by alcohol abuse than by drug abuse. Only 2% of the population (60,900 people) report problems with drug use vs. 19% for alcohol. A higher percentage of Minnesotans use alcohol than the national average (and fewer use drugs). According to a 1983 Health Department study, the direct costs of alcohol abuse (in terms of health care, treatment, etc.) in Minnesota are about $200,000,000 a year. Indirect costs include alcohol-related mortality and morbidity ($320,000,000 a year) plus lost productivity (estimates range from $630,000,000 to $1,194,000,000 a year). Related costs include motor vehicle accidents ($40 million a year), drunk driving and other alcohol-related offenses ($51 million a year), child abuse costs ($17 million), FAS ($42 million), and fires ($3 million). The total costs attributable to alcohol abuse in Minnesota by this 1983 study range from $684 million to $1.9 billion (depending on the costs attributed to lost productivity).

Successful treatment of alcoholism has been demonstrated in numerous studies to result in a significant reduction in future medical care/costs, sick days, accidents, unemployment, and criminal behavior. The department's new CD Treatment Accountability Plan will improve follow-up contact rates particularly for higher risk clients and incorporates more specific outcome measures for 6 dimensions of client functioning: alcohol/drug use, employment/financial status, family/social relationships, medical status, psychological status, and illegal behaviors.

This activity includes rule development/revision/simplification efforts to ensure quality services; collecting and disseminating information on trends in drug and alcohol problems and resources; analysis and dissemination of data on clients in treatment (including follow-up data) to improve treatment outcomes; managing state and federal grants; managing the Consolidated CD Treatment Fund; and developing and implementing changes in CD funding and other policy issues.

ACTIVITY OUTCOME OBJECTIVES:

Outcome objectives for this activity include: 1) increasing the percentages of CD clients who remain abstinent after treatment; 2) keeping the rate of HIV infection among injection drug users at 2% or lower in Minnesota; and 3) reducing the percentage of babies born in the state who have been exposed prenatally to drugs.

PERFORMANCE MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Percent of clients abstinent 6 months after treatment	65%	65%	66%	66%	67%
HIV seroprevalence rates for injection drug users	2.0%	2.0%	2.0%	2.0%	2.0%
Percent of infants exposed prenatally to drugs	5.0%	5.0%	4.5%	4.5%	4.0%

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of grants awarded	110	110	110	100	100
Cost per grant (admin)	$1,890	$1,890	$1,890	$1,890	$1,890
Number of rules drafted/revised	2	1	1	1	1
Cost per rule	$32,000	$32,000	$32,000	$32,000	$32,000

REVENUE GENERATION:

This activity generates general federal administrative reimbursement at the rate of 75% of expenditures.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: CHEMICAL DEPENDENCY ADMIN

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	548	459	460	460	460	448	460	460	448
EXPENSES/CONTRACTUAL SRVCS	245	74	28	28	28	28	28	28	28
MISC OPERATING EXPENSES	29	34	20	20	20	20	20	20	20
SUPPLIES/MATERIALS/PARTS	3	7	2	2	2	2	2	2	2
CAPITAL EQUIPMENT	2	5							
OTHER	6		9	9	9	9	9	9	9
SUBTOTAL STATE OPERATIONS	833	579	519	519	519	507	519	519	507
LOCAL ASSISTANCE		124	190	190	190	190	190	190	190
TOTAL EXPENDITURES	833	703	709	709	709	697	709	709	697
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<12>			<12>
TOTAL GOV'S INITIATIVES						<12>			<12>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	600	475	403	403	403	391	403	403	391
STATUTORY APPROPRIATIONS:									
GENERAL	45								
SPECIAL REVENUE		18	13	13	13	13	13	13	13
FEDERAL	188	210	293	293	293	293	293	293	293
TOTAL FINANCING	833	703	709	709	709	697	709	709	697

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: CHEMICAL DEPENDENCY ADMIN

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
POSITIONS BY FUND:									
GENERAL	8.5	7.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0
TOTAL POSITIONS	8.5	7.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0

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BUDGET ACTIVITY: American Indian Chemical Dependency Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The purpose of this activity is 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 in Minnesota. 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, and 3) intervention, assessments, and referrals. Based on the 1989 Minnesota Household Survey, 32% of the adult American Indian population report having had at least one problem with their use of alcohol. Eleven percent of adult American Indians report having had at least one problem with the use of other chemicals. Alcohol and drug use and abuse is considered the single most serious health problem of American Indians because it contributes to 3 of the 10 leading causes of death in this population: cirrhosis of the liver, suicide, and homicide. American Indian adolescents and women represent a growing proportion of clients requesting CD treatment; culturally-specific treatment services are often unavailable. Adult Indians have a 47% completion rate in non-Indian facilities and a 55% completion rate in Indian facilities. Less than 31% of American Indian adolescents, now treated primarily in non-Indian programs, actually complete treatment. This activity will impact the following Minnesota Milestones: percentages of youth using alcohol and illicit drugs and the number/percentage of traffic fatalities that are alcohol-related.

ACTIVITY OUTCOME OBJECTIVES:

Outcomes for the coming biennium include: 1) increasing the number of American Indians certified as chemical dependency practitioners from 36 to 61 (69% increase) through refining the annual American Indian Institute with the University of Minnesota; 2) decreasing the number of first time detox admits on or near reservations from 500 to 428 (14% decrease), and the number of American Indian DWI arrests from 770 to 661 (14% decrease) through continued funding of prevention/education and information/referral programs on reservations; and 3) ~~reducing~~ increase the treatment ~~recidivism~~ completion rate of American Indian adolescents from ~~96%~~ 50% to ~~68%~~ 65% through the development of specialized ~~aftercare~~ services.

PERFORMANCE MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
First time detox admissions on or near reservations	530	500	475	451	428
American Indian DWI arrests	810	770	732	696	661
American Indians certified/ licensed as CD practitioners	30	36	43	51	61
~~Recidivism~~ Completion rate of Indian adolescents	~~96%~~ 50%	~~96%~~ 50%	~~86%~~ 55%	~~77%~~ 60%	~~68%~~ 65%

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Information and referral (clients)	2,100	2,100	2,100	2,100	2,100
Cost per client	$300	$300	$300	$300	$300
Prevention/Education (clients)	2,960	2,960	2,960	2,960	2,960
Cost per client	$420	$420	$420	$420	$420
Indian Training Institute	60	60	60	60	60
Cost per participant	$674	$674	$674	$674	$674
Family Treatment (families)	260	260	260	260	260
Cost per family	$153	$153	$153	$153	$153

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Reductions in American Indian Chemical Dependency Grants

This proposal decreases the budget base for chemical dependency non-children related grants by $10,000 in F.Y. 1994 and $10,000 in F.Y. 1995 to implement the Governor's request that all state agencies decrease expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($10)	($10)	($10)	($10)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: AMERICAN INDIAN CD GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
EXPENSES/CONTRACTUAL SRVCS	30								
SUBTOTAL STATE OPERATIONS	30								
LOCAL ASSISTANCE	1,057	1,065	1,065	1,065	1,055	1,055	1,065	1,055	1,055
TOTAL EXPENDITURES	1,087	1,065	1,065	1,065	1,055	1,055	1,065	1,055	1,055
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,087	1,065	1,065	1,065	1,055	1,055	1,065	1,055	1,055
TOTAL FINANCING	1,087	1,065	1,065	1,065	1,055	1,055	1,065	1,055	1,055
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Chemical Dependency Special Grants
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The purpose of this activity is to reduce the harmful effects of chemical abuse and dependency on Minnesota citizens by providing grants to non-profit agencies and counties in order to improve and expand community-based prevention efforts; improve services for chemical abusing women, women with children, pregnant women, high risk minority youth and children under the age of 14; promote more effective ways of delivering services for hard-to-treat clients (e.g., chronic alcoholics); reimburse counties for part of the costs of detox transportation; and carry out research, evaluation, and focused studies to improve the efficiency and effectiveness of chemical dependency (CD) treatment services in Minnesota.

These grants currently support: 1) a statewide prevention resource center to assist Minnesota counties, local communities and organizations by providing alcohol and drug abuse education, information and training; 2) grants to counties or domiciliary care providers to meet health codes, provide better case management services, and explore alternatives to better meet the needs of chronic alcoholics; 3) research and evaluation projects identified through input from the department's advisory councils, policy makers, and CD professionals on topics such as drug-exposed babies, 4) detox transportation grants; 5) intervention and case management for pregnant drug abusing women; 6) education, intervention and treatment services for children under the age of 14. This budget activity includes $700,000 appropriated in the 1992 Crime Bill to the Office of Drug Policy for grants for the treatment of pregnant women, high risk youth, and children under the age of 12. These funds were transferred to the Department of Human Services to implement activities recommended by the Chemical Abuse Prevention Resource Council.

Over the biennium, over 600,000 informational pieces of prevention material will be distributed. Over 16,000 messages will be responded to over a drug talk line and 500 community prevention consultations will be conducted. Services will be improved for 120 chronic chemical abusers. Over 10,000 intoxicated individuals will receive an intervention through the use of detox transportation funds. Case management and intervention services will be provided to over 700 pregnant women, and 200 youth under the age of 14 will receive intervention services.

Grants are reviewed by the State Alcohol and Other Drug Abuse Advisory Council and staff of the CD Division. The division issues RFPs for new grant programs and requires competitive bidding every 3 years for continuing grants. Grant payments are not made until the division has received and reviewed monthly expenditure and progress reports from each grantee.

This activity addresses the Minnesota Milestones indicators which refer to the reduction of chemical use by youth and a reduction in traffic fatalities that are alcohol related.

ACTIVITY OUTCOME OBJECTIVES:

This activity will continue to enhance and make the CD service delivery system more accessible, especially for special populations (such as pregnant women, women with children, minority and other high risk youth, and young children) who need specialized approaches to treatment. The overall goal is to prevent or reduce the harmful effects of substance abuse and their associated costs. This activity will increase the number of women entering and completing treatment by 5% for each year of the biennium.

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Percentage increase in the number of substance abusing women entering and successfully completing treatment	NA	5%	5%	5%	5%
Reduction in other social service utilization by chronic alcoholics	40%	40%	40%	40%	40%

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of clients transported to detox	NA	10,000	10,000	9,400	9,400
Cost per client	NA	$39	$42	$45	$48
Number of pregnant women receiving intervention	300	350	350	375	375
Cost per client	$2,000	$1,714	$1,714	$1,600	$1,600
Prevention materials distributed	300,000	300,000	305,000	310,000	310,000
On-site prevention consultations	240	245	250	250	250

BUDGET/LEGISLATIVE ISSUES:

This budget activity has been hampered by the state moratorium on negotiated rate facilities. This moratorium prevents the department from increasing the number of beds available for chronic alcoholics who are in need of a supportive living environment. With the moratorium, these funds have been targeted at improving services within existing facilities.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Reductions in Chemical Dependency Special Grants

This proposal decreases the budget base for detox transportation, treatment and prevention grants by $48,000 in F.Y. 1994 and $48,000 in F.Y. 1995.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($48)	($48)	($48)	($48)

Revised 3-4-93
~~Revised 2-08-93~~

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: CD SPECIAL GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
EXPENSES/CONTRACTUAL SRVCS	32	45	3	3	3	3	3	3	3
MISC OPERATING EXPENSES		1							
SUPPLIES/MATERIALS/PARTS			3	3	3	3	3	3	3
SUBTOTAL STATE OPERATIONS	32	46	6	6	6	6	6	6	6
LOCAL ASSISTANCE	1,423	1,367	2,237	2,237	2,189	2,189	2,237	2,189	2,189
TOTAL EXPENDITURES	1,455	1,413	2,243	2,243	2,195	2,195	2,243	2,195	2,195
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,181	1,146	1,215	1,215	1,167	1,167	1,215	1,167	1,167
STATUTORY APPROPRIATIONS:									
GENERAL			700	700	700	700	700	700	700
FEDERAL	274	267	328	328	328	328	328	328	328
TOTAL FINANCING	1,455	1,413	2,243	2,243	2,195	2,195	2,243	2,195	2,195
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Chemical Dependency Block Grant Federal
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The purpose of this activity is to reduce the harmful effects of chemical abuse and dependency on Minnesota citizens by utilizing Federal Alcohol and Drug Abuse Block Grant monies to improve access to chemical dependency services for underserved populations at high risk for substance abuse; 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 chemical dependency (CD) services. This activity addresses Minnesota Milestones which address reduction in alcohol and other drug use among youth, alcohol related traffic accidents and new AIDS cases.

Eligible grantees are public and nonprofit private agencies and organizations. Funds must be used to increase the level of state and local funds and may not be used to supplant such funds. In certain instances, grantees, such as counties, may act as fiscal agents for disbursements of funds to local programs with the approval of the department. Grants and contracts are solicited in accord with a spending plan developed by the department and reviewed at public hearings. 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, evaluation plan and the total project budget, including other sources of funds. Proposals are reviewed by the department staff and the Alcohol and Drug Abuse Advisory Council or American Indian Advisory Council.

Approximately $10.4 million of federal block grant funds for treatment and rehabilitation services will continue to be expended through the Consolidated CD Treatment Fund. This is approximately 65% of the total award.

This activity will assist 4,603 individuals who have chemical abuse problems and are low income persons to receive treatment under the Consolidated Chemical Dependency Treatment Fund. Over 50 programs serving minority clients will receive financial assistance for providing needed services to this population. Thirteen programs serving women and their children will receive financial assistance. Three or more programs will receive assistance for improving treatment services and coordinating all service delivery aspects for minority youth. In addition, the evaluation of both grant-funded and other treatment programs will be improved through implementation of the Treatment Accountability Plan developed for the 1992 legislature.

Federal law specifies 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: 1) at least 35% must be spent on alcohol abuse; 2) at least 35% must be spent on drug abuse; 3) at least 20% must be spent on prevention and early intervention activities; 4) 5% must be spend on new or expanded treatment services for women; and 5) no more than 5% may be spent on administration.

ACTIVITY OUTCOME OBJECTIVES:

Because the Block Grant Spending Plan is revised annually, funds can be allocated to emerging needs. In S.F.Y. 1993, a growing proportion of funding has been allocated to: 1) programs serving pregnant women and women with children; 2) programs serving Southeast Asian and other underserved populations, and 3) programs serving low income Minnesotans. Outcome objectives for 1994-95 biennium include improving abstinent rates and other outcomes of treatment, especially for pregnant women/mothers and minority youth. This activity will increase the number of minority youth entering and completing treatment by 5% for each year of the biennium. The Drug and Alcohol Abuse Normative Evaluation System will be used to measure this objective.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Performance Measure					
Reductions in arrests comparing 6 months pre to post placement	75%	75%	75%	75%	75%
Readmission to treatment during the 2 years following the current treatment episode	20%	20%	20%	20%	20%
Increase the number of minority substance abusing youth who enter and complete treatment	-0-	5%	5%	5%	5%

EFFICIENCY MEASURES:

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of grants	98	98	98	94	92
Cost per grant (admin)	$1,890	$1,890	$1,890	$1,890	$1,890
CCDTF cost per placement as a % of private pay costs	90%	90%	90%	90%	90%
Cost per client	$2,609	$2,739	$2,875	$3,020	$3,171

BUDGET/LEGISLATIVE ISSUES:

Of the $16.5 million award from the Federal block Grant, $10.4 million is provided for treatment under the consolidated fund, $2.6 million is provided for prevention grants, $2.1 million for women and special population services, $1.4 million for training, evaluation and administrative activities. It appears that these awards will be increased by $.5 million for F.Y. 1992, but be reduced to the 1991 level in F.Y. 1993. Because a change in the federal formula starting in F.Y. 1993, the Cd portion of the Federal Block Grant will be reduced from 91.6% to 79.4%. If additional funds are not awarded by Congress in F.Y. 1993, this will result in a loss of funds for CD services.

ACTIVITY PLAN:

It is estimated that federal funds will be the base level of funding for 1994-95.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: CD BLOCK GRANT FEDERAL

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	721	1,033	1,602	1,602	1,602	1,602	1,602	1,602	1,602
EXPENSES/CONTRACTUAL SRVCS	300	152	110	110	110	110	110	110	110
MISC OPERATING EXPENSES	78	64	124	124	124	124	124	124	124
SUPPLIES/MATERIALS/PARTS	35	28	72	72	72	72	72	72	72
CAPITAL EQUIPMENT	51	38	101	101	101	101	101	101	101
OTHER	175		256	256	256	256	256	256	256
SUBTOTAL STATE OPERATIONS	1,360	1,315	2,265	2,265	2,265	2,265	2,265	2,265	2,265
LOCAL ASSISTANCE	10,311	15,259	14,437	14,437	14,437	14,437	14,437	14,437	14,437
TOTAL EXPENDITURES	11,671	16,574	16,702	16,702	16,702	16,702	16,702	16,702	16,702
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
FEDERAL	11,671	16,574	16,702	16,702	16,702	16,702	16,702	16,702	16,702
TOTAL FINANCING	11,671	16,574	16,702	16,702	16,702	16,702	16,702	16,702	16,702
POSITIONS BY FUND:									
FEDERAL	16.0	17.0	16.5	16.5	16.5	16.5	16.5	16.5	16.5
TOTAL POSITIONS	16.0	17.0	16.5	16.5	16.5	16.5	16.5	16.5	16.5

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BUDGET ACTIVITY: Consolidated Chemical Dependency Treatment Fund
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The goal of the Consolidated Chemical Dependency Treatment Fund (CCDTF) is to fund chemical dependency treatment services for low-income, chemically dependent Minnesotans in a cost-effective manner. Services are provided by licensed providers who may be hospital-based, freestanding, or regional treatment centers. Clients are diagnosed by county social service agencies and Indian Reservations and are placed according to the provisions of Department of Human Services (DHS) Rule 25. The department has a waiver to place Medicaid recipients through the CCDTF and collect federal Medical Assistance (MA) reimbursement (federal financial participation (FFP)). This activity addresses Minnesota Milestones indicators which address reductions in alcohol and other drug use among youth, alcohol-related traffic fatalities, and new AIDS cases.

The CCDTF combined a number of separate funding sources (MA, General Assistance Medical Care (GAMC), Regional Treatment Centers (RTCs), and General Assistance (GA) each with their own eligibility, match, and provider requirements, into 1 treatment fund for the public client. The CCDTF allows the "dollar to follow the client" to the program that can best meet his or her needs based on uniform assessment and referral criteria that are administered independent of treatment programs themselves. All programs in the state (both public and private) now compete on an equal footing for publicly-funded clients. All must be licensed by DHS and report on a client data system. Counties pay the same match (15% for all placements). Bills are paid in a timely manner with a minimum of paperwork for counties and providers. The CCDTF was recently recognized by the CORE Commissioner as a successful example of government restructuring.

The Consolidated Fund was established with 4 major objectives:

1. To provide uniform and timely assessments and placements to low income, chemically dependent persons.
2. To provide a wide range of clinical options in licensed facilities to eligible clients.
3. To encourage innovation in services and growth in programming for minorities, women, and persons with special needs.
4. To provide incentives for containing the cost of chemical dependency treatment.

The CD Fund is meeting its objectives. Counties and reservations have contained 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 CD fund is more efficient than the previous funding systems, treating more people at a cost-per-placement that continues to be 10% to 20% less (depending on type of placement) than non-CCDTF clients. Monitoring of counties and reservations indicates generally good adherence to applicable rules, laws, and clinical practice. Counties and reservations have increased their use of non-residential placements, a shift that has saved over $7 million. The CD Fund has been nationally recognized in *Broadening the Base of Treatment for Alcohol Problems*, a major national study on CD treatment performed by the Institute of Medicine of the National Academy of Sciences (NAS).

Clients are entitled to CCDTF services if they are enrolled in MA or GAMC or if they meet the MA income test. Funding for entitled clients is part of the department's forecast. The 1992 Legislature restricted funding for non-entitled clients to serve only clients whose incomes are below 60% of the state median income and who are 1) pregnant, 2) adolescent, or 3) have children in their household. Non-entitled clients who do not fall into these categories are denied treatment.

Although the CCDTF began operations in C.Y. 1988 with sufficient funding to provide treatment to persons with incomes up to 115% of the state median income, growth in eligible clients and expenditures required service limitations, the most recent of which was the targeting initiated in 1992. These service limitations have denied eligibility to chemically dependent persons who are the "working poor."

The CD fund serves clients more severely impaired by chemical dependency than private-pay clients. CD fund clients have twice as many admissions for detoxification and 60% more admissions for previous treatment than non-Fund clients. Their arrest and conviction rates are 1½ times higher. Their hospital utilization is twice as high for psychiatric illnesses and 27% higher for medical illnesses. More than two-thirds of persons of color who receive CD treatment in Minnesota are served through the fund.

The CD fund was established in part to contain treatment costs. The use of outpatient treatment (the least-costly level of care) has increased over recent years. Excluding multiple admissions by a client in a single calendar year (due to halfway house and extended care admissions, for example), only 20% of clients are readmitted to treatment during the next 2 years. Client follow-up documents a decrease in hospitalizations and arrests and convictions resulting in significant cost savings in other areas. Total abstinence is achieved by more than half the clients for six months following treatment, and daily use drops off from a rate of 57% before treatment to 8% following treatment.

ACTIVITY OUTCOME OBJECTIVES:

Objectives for the CD fund are to sustain gains in cost-efficiency and measures of successful outcomes. Specifically, the objectives include maintaining the current rate of outpatient placements while serving more high-risk clients; maintaining increases in placement costs at no more than inflation; and maintaining treatment gains in terms of abstinence rates, reduced medical care, and reduced criminality following treatment.

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Percent of clients abstinent 6 months after completing treatment	55%	55%	55%	55%	55%
Reduction in hospital days comparing 6 months pre- to post-treatment	20%	20%	20%	20%	20%
Reductions in arrests comparing 6 months pre-to post-placement	75%	75%	75%	75%	75%
Readmissions to treatment during the 2 years following the current treatment episode	20%	20%	20%	20%	20%

BUDGET ACTIVITY: Consolidated Chemical Dependency Treatment Fund
PROGRAM: Social Services Administration
AGENCY: Human Services, Department of
(Continuation)

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
CCDTF costs per placement as a percentage of private pay costs	90%	90%	90%	90%	90%
CCDTF costs per placement	~~$2,609~~	~~$2,739~~	~~$2,876~~	~~$3,020~~	~~$3,171~~
	$2,669	$2,849	$2,947	$3,065	$3,187

REVENUE GENERATION:	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
County Payments	~~$12,083~~	~~$13,069~~	~~$14,135~~	~~$15,228~~
	$9,944	$10,739	$11,616	$12,563
Collections, MA/FFP Insurance	~~$3,514~~	~~$3,492~~	~~$3,457~~	~~$3,423~~
	$2,664	$2,877	$3,111	$3,365
Federal Block Grant	$10,400	$10,400	$9,126	$9,126

BUDGET/LEGISLATIVE ISSUES:

The major issue affecting this activity is the inability to fund CD treatment for the "working poor" given current state budget constraints.

The department is seeking to amend Chapter 254B to allow counties and reservations to use alternative approaches to traditional models of treatment for CCDTF clients, where appropriate. Changes are also being proposed in billing deadlines to ensure MA collections, where appropriate. These alternative treatment modalities should permit clients to receive a broader range of services at a lower cost than presently provided through the CD Fund.

Other issues include the relationship of the CD fund to other approaches to funding chemical dependency treatment, including managed care and MinnesotaCare.

ACTIVITY PLAN:
The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:
Chemical Dependency Treatment Fund-DAANES Non-Salary Reductions

This proposal decreases the budget base for Chemical Dependency Treatments Fund DAANES account by $74,000 in F.Y. 1994 and $74,000 in F.Y. 1995.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($74)	($74)	($74)	($74)

CONSOLIDATED CHEMICAL DEPENDENCY FUND
FORECAST INFORMATION

This table shows projected placements and expenditures for F.Y. 1993 - F.Y. 1995.

	Entitlement Placements					
Fiscal Year	Annual Placements	Cost per Placement	Total Vendor Payments	Paid by Counties	Other Revenues and Collections	Net State Obligations
PROJECTED						
1993	~~16,384~~	~~$2,824~~	~~$46,272,571~~	~~$10,365,056~~	~~$10,394,786~~	~~$25,512,729~~
	16,269	$2,947	$47,943,404	$10,739,322	$10,466,632	$26,737,449
1994	~~17,040~~	~~2,921~~	~~49,769,536~~	~~11,148,376~~	~~9,913,967~~	~~28,707,193~~
	16,919	3,065	51,855,586	11,615,651	10,634,856	29,605,078
1995	~~17,721~~	~~3,055~~	~~54,132,363~~	~~12,125,649~~	~~10,732,758~~	~~31,273,956~~
	17,596	3,187	56,087,002	12,563,488	10,816,807	32,706,706

This table shows the projected increases in CCDTF expenditures for entitled recipients under current law.

	F.Y. 1994	F.Y. 1995
	(Thousands)	
F.Y. 1993 State Cost:	~~$25,513~~	~~$25,513~~
	$26,737	$26,737
Projected Changes Under Current Law		
Caseload	~~$1,438~~	~~$2,930~~
	$1,486	$2,908
Average Cost Per Placement	~~1,276~~	~~3,169~~
	1,550	3,412
Change in Revenue	~~481~~	~~(338)~~
	(168)	(350)
Total State Cost	~~28,707~~	~~31,274~~
	29,605	32,707
Increase Over F.Y. 1993	~~3,194~~	~~5,761~~
	2,868	5,970

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1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: CD CONSOLIDATED TREATMENT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	65	33	66	66	66	64	66	66	64
EXPENSES/CONTRACTUAL SRVCS	50	100	72	72	6	6	72	6	6
MISC OPERATING EXPENSES	4	2	4	4	4	4	4	4	4
SUPPLIES/MATERIALS/PARTS	3	2	1	1	1	1	1	1	1
CAPITAL EQUIPMENT	74	55	50	50	42	42	50	42	42
SUBTOTAL STATE OPERATIONS	196	192	193	193	119	117	193	119	117
AIDS TO INDIVIDUALS	52,224	51,448	49,576	49,597	53,882	53,882	49,597	56,984	56,984
LOCAL ASSISTANCE	1,440	917	908	908	908	908	908	908	908
TOTAL EXPENDITURES	53,860	52,557	50,677	50,698	54,909	54,907	50,698	58,011	58,009
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<2>			<2>
TOTAL GOV'S INITIATIVES						<2>			<2>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL				27,558	31,769	31,767	27,558	34,871	34,869
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	53,860	52,557	50,677	23,140	23,140	23,140	23,140	23,140	23,140
TOTAL FINANCING	53,860	52,557	50,677	50,698	54,909	54,907	50,698	58,011	58,009
POSITIONS BY FUND:									
SPECIAL REVENUE	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: SOCIAL SERVICES ADMIN
ACTIVITY: CD CONSOLIDATED TREATMENT

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
TOTAL POSITIONS	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

PROGRAM PURPOSE:

The Department of Human Services' (DHS) Health Care Administration exists to ensure that low income persons have access to quality medical care for both acute and chronic health-related conditions as well as for preventive and primary care services. This program manages major health care programs for the department. It is an aggregation of the following management activities: Health Care Policy, Health Care Coordinated Care, Pre-Admission Screening/Alternative Care, Long-Term Care (LTC) Facilities, Long Term Care Home and Community-Based Services, Long Term Care Facilities, General Assistance Medical Care (GAMC) Grants, Medical Assistance (MA) Grants, Long Term Care Appeals, Health Care Compliance, Health Care Operations, and Health Care Customer Service.

These programs ensure that payments are properly made to enrolled providers of medical and health care services for services provided on behalf of eligible persons of the state. These programs also develop coverage policy for all services and rate setting policy for the MA, MinnesotaCare, and GAMC programs; for program integrity and efficient claims administration; for developing and managing cost effective LTC service systems and alternatives for persons requiring those services; and for interagency agreements with the Minnesota Department of Health (MDH) for survey, inspection of care, and case mix audits for nursing homes and Intermediate Care Facilities for the Mentally Retarded (ICFs/MR), and review of prepayment capitation contracts.

Health Care Administration staff also provide program supervision 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, Health Care Administration staff make payments to providers of medical and health services; conduct post-payment audits to detect abuse and/or fraud by recipients and providers of the MA, MinnesotaCare, and GAMC programs and secure recovery of expenditures where other third parties are liable. Local agency staff determine individual eligibility for the MA, GAMC, and Home and Community-based Waiver programs.

The major goal of this program is to provide appropriate medical benefits to all eligible persons in an effective and efficient manner.

To achieve its goal, this program:

1. Administers the MA, GAMC, Early and Periodic Screening, Diagnosis and Treatment (EPSDT), Traumatic Brain Injury (TBI) program, Home and Community Waivered Service programs, including services for persons who are disabled, or chronically ill, the PAS/AC program, and the Human Immunodeficiency Virus (HIV) Insurance Plan, AZT Drug Reimbursement program, and the HIV Home Care Grant program.

2. Develops and maintains prevention oriented programs to support the delivery of effective prenatal care services.

3. Initiates the development and funding of programs that increase access to necessary health services for families and children that will improve birth outcomes.

4. Initiates the development and funding of cost-effective health services to enable persons to remain in the community as an alternative to institutional care.

5. Establishes and administers rules and procedures which provide local agencies with the ability to determine eligibility for health care programs in accordance with state and federal law.

6. Ensures that program expenditures are made according to state and federal requirements and securing recovery of expenditures where fraud, abuse, or misuse is established.

7. Ensures that medical care and services provided are medically necessary and are delivered in an appropriate, timely, and cost-effective manner.

8. Maximizes the use of third-party payments and the availability of federal funds through benefit recovery activities to minimize expenditure of state funds.

9. Establishes and administers policies and rules for payment of institutional care in hospitals, nursing facilities, ICFs/MR, and day training and habilitation (DTH).

10. Manages an effective system of auditing LTC facilities, grantees, and state contractors while resolving provider appeals filed by LTC facilities and acute care hospitals.

11. Develops, reviews, and analyzes methods of reimbursing institutional and alternative LTC services.

12. Seeks and implements federal grants for HIV infected persons.

13. Administers the MDH contract for federally mandated surveys of LTC facilities.

14. Manages the technical design of all rate setting systems for payment necessary to operate the Medicaid Management Information System (MMIS).

15. Manages the process that identifies necessary modifications to the MMIS and that updates the MMIS and long-term care payment system to enhance program efficiency and comply with new regulations, laws, rules, and policy changes.

16. Operates coordinated care initiatives that includes capitation 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.

17. Operates a centralized medical claims processing and reimbursement system for MA, GAMC, and MinnesotaCare, as well as the LTC payment system to ensure timely payment of claims.

18. Enters into arrangements with organizations and entities to insure quality, cost-effective services, maximize third-party reimbursements, and other activities to insure the economical and efficient operation of the MA/GAMC programs.

19. Establishes and implements an effective provider training activity to offer instruction on claim submission and program requirements.

PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

PROGRAM PERFORMANCE:

The mission of the Health Care Administration is directly related to goals outlined by Minnesota Milestones. Specific milestones that are addressed are:

1. Minnesotans will have the best possible chance for a healthy life.
2. Persons with disabilities will be able to meet their needs while maintaining a level of independence appropriate to their abilities and preferences
3. Government in Minnesota will be more efficient.

Indicators:

1. Percentage of persons with disabilities at risk of placement in RTCs or ICFs.
2. Percentage of frail older persons in home and community-based care relative to percentage in institutional care.
3. Infant mortality rate (per 1,000).
   - Overall
   - American Indians
   - Asians & Pacific Islanders
   - Blacks
4. Percentage of low birth weight babies.
   - Overall
   - American Indians
   - Asians & Pacific Islanders
   - Blacks
5. Percentage of children who are immunized.
6. Percentage of people who feel their health is good or excellent.
7. Life expectancy for young adults (in years).
8. Annual percentage increase or decrease in Acquired Immune Deficiency Syndrome (AIDS) cases.

Claims Processing Activities

This program has responsibility for operating and maintaining 2 claims payment systems to provide reimbursement for over 23,000 health care providers and 800 nursing homes and ICFs/MR. The MMIS systems utilize an edit structure of more than 900 possible edits to ensure integrity of the payments. Approximately 13 million claims are processed per year with 45 medical claims technicians and data entry operators, as compared to Minnesota's largest capitated health plan which utilizes 150 staff to process 4.5 million claims. Efficiency is gained from use of an optical character reader, capable of scanning 1,600 claims per hour. These systems are federally certified and receive 75% federal match. The following statistics are illustrative of the volume for this particular function. The department is in the process of replacing the current MMIS system with MMIS II, which will significantly streamline the reimbursement system by adding many efficiencies, most notably, an enhanced electronic claim capability.

This program utilizes a third party liability recovery process to ensure that all other potential sources of federal and private funding have been accessed prior to payment being made under any of these programs. In addition, the Surveillance and Utilization Review Section (SURS) is responsible for insuring that all health services are provided in an appropriate and cost-effective manner, and that all applicable requirements and regulations are adhered to by providers of health care services. Contracts with a medical review agent to screen all inpatient hospital admissions for medical necessity and appropriateness and to conduct retrospective reviews insure that appropriate services are provided. The department also operates a prior authorization system to review the need for and appropriateness of selected medical services. In the 1992 legislative session the department was appropriated staff and funding to carry out a program to ensure that individuals covered under GAMC were not eligible for MA.

All of these activities enable the department to ensure the integrity of MA and GAMC, and to maximize the effective and appropriate use of funds devoted to these programs.

HIV Insurance Program

This program is responsible for administering a HIV Insurance program, and 7 federal grants; 1 for HIV related drugs, 1 for HIV related home care services, 1 for HIV related mental health services, 1 for HIV early intervention services, 1 for covering insurance costs of unemployed HIV infected persons, 1 for transportation services, and 1 for an HIV client advocate position . These are specifically for HIV infected persons who are not eligible for MA or GAMC. It is anticipated that the availability of these funds will delay or prevent clients from becoming eligible for MA or GAMC. It is anticipated additional federal grant funds will become available and that proposals will be submitted requesting such funds in they would appear to benefit clients and the state.

Developing Low Cost Alternatives to Institutional Care

A major responsibility of this program is the development of cost containment plans for persons who are at risk of institutional placement. Many persons can be provided care in their own home or in the community for a lower cost than comparable institutional care. In response to this issue, the program has requested and obtained a number of waivers of federal MA regulations that allow it to fulfill this objective. These waivers are known as home and community-based waivers. There are presently waivers in effect to serve people with developmental disabilities, children and adults with chronic illnesses, frail elderly people, disabled adults, and persons with TBI. In addition, the alternative care/pre-admission-screening, and Seniors Agenda for Independent Living (SAIL) programs expand on this base of waiver services to provide a large pool of options for lower cost alternatives to institutional care.

The TBI program is anticipating to provide administrative case management services for 425-500 persons from 7-1-91 through 6-31-93. Many of the referred clients are diverted or converted from institutional placement to lower cost alternatives.

Utilizing Coordinated Health Care to Manage Costs

This program will continue to develop alternative approaches to the delivery of health care. Paramount in the development and implementation for such alternative approaches to health care has been ensuring that health care is provided in a coordinated, cost-effective, and appropriate manner. The development of these alternative approaches improves recipients' access to health care services, and enhances both patient and provider satisfaction. In order to maximize flexibility in developing alternative approaches for MA recipients, the program has obtained a federal waiver of MA regulations that permits it to contract with health maintenance organizations (HMOs) and other prepaid health plans to provide services to MA recipients.

To date, the department has contracted for the provision of services to MA recipients in Itasca, Lake, Dakota, and Hennepin Counties. Approximately 35% of the total statewide MA population will be receiving their care through such arrangements. The department is in the process of negotiating managed care arrangements for Ramsey County residents.

Since the total costs for administration and reimbursement for health services to the prepaid health plans is 90% to 95% of what would have been paid had the recipient been receiving services through the fee-for-service delivery system, there is an automatic savings built in to the use of prepaid plans. In addition, studies examining the differences in health outcomes between the MA fee-for-service population and the prepaid health populations determined that there were no statistically significant differences in health outcomes or in client satisfaction.

Presently, almost all GAMC recipients in Ramsey, Lake, Hennepin, and Itasca Counties are required to receive their health services through a prepaid health plan. Approximately 40% of the total statewide GAMC population will be in prepaid health plans. Plans are currently under way for managed care arrangements in St. Louis County.

The department has also expanded its Primary Care Utilization Review program (PCUR) (formerly known as the Recipient Restriction program). The PCUR program contracts with primary care physicians to provide case management services to MA and GAMC recipients who are not enrolled in a prepaid health plan and who have been determined to be inappropriately utilizing health care services. These physician contractors control the recipients' access to health care services to insure that their use of such services is necessary and appropriate.

Health Care Coverage for the Underinsured or Uninsured

The department has played an integral role in helping to address the issue of universal health coverage for the residents of Minnesota. Since 1987, changes in MA eligibility for children, pregnant women, and other definable groups have minimized the number of uninsured Minnesotans. This has been accomplished through the expanded use of eligibility options provided by federal MA program regulations covering certain pregnant women and children, and also eligibility expansion required as the result of federal mandates. Thus, many children formerly eligible under the state funded CHP became eligible for MA with 53% federal financial participation. Minnesota also has a relatively low percentage of uninsured persons. This is a direct result of the breadth of the state's MA program and the existence of the GAMC program and other state funded health plans.

Access to MA/GAMC Health Services

There is the continuing issue of recipients' ability to access health care services, especially for those recipients who do not have a regular health care provider. These recipients are often pregnant women and young families. The cause of this accessibility problem is frequently due to MA and GAMC providers' unwillingness to accept discounts in their reimbursement. Although this access issue only impacts the fee-for-service recipients, this still affects approximately 77% of all MA recipients and 60% of all GAMC recipients.

Recognizing that access is a widespread problem among MA programs, particularly as it relates to services for children and obstetrical services, the federal government has mandated that all MA programs must reimburse pediatric and obstetrical services adequately to insure sufficient participation by providers. In addition, an increase to select dental procedures was authorized. In recognition of this, the legislature authorized in the 1992 session an increase in reimbursement rates for the MA and GAMC programs.

Since this federal mandate is being imposed on the MA program, the department must be able to assure the federal government that its reimbursement rates are adequate to meet the federal guidelines. Program staff are constantly evaluating and analyzing the issue of accessibility in light of federal guidelines.

PROGRAM PROSPECTS AND OBJECTIVES:

The following issues and trends affect the operations of this program:

1. Efficiency in Program Administration:

   The program intends to undertake a variety of activities directed towards increasing program efficiency, such as:

   a. Strengthen program administration to improve federal compliance, increase access to services, and maximize federal dollars.

   b. Implementation of the enhanced MA/GAMC reimbursement system that is flexible and will contribute to the efficient and economical operation of the MA program, and will enable the processing of claims for other state health care programs.

   c. Increase SURS activities to recover monies inappropriately billed and paid by the MA program, and to evaluate the medical necessity of services provided.

   d. Increase use of electronic claim submission, to reduce costly manual processing and to speed up payments to providers.

   e. Train dentists, physicians, LTC facilities, outpatient hospitals and other providers on proper claims submission to reduce billing errors, delayed payments, and to increase provider participation.

   f. Improve consistency and integrity of provider fee-for-service reimbursement rates.

   g. Increase third-party recovery programs to maximize payments from other liable payers, thereby reducing expenditure of state funds.

2. Developing Low-Cost Alternatives to Institutional Care

The program intends to undertake a variety of activities designed to develop cost-effective alternatives to institutional care. These activities include: development of a LTC strategy emphasizing increased access to cost-effective community-oriented care. Components include: development of low-cost alterative service settings such as adult foster care, adult family day care and assisted living, the SAIL project, public information about alternatives, expanded caregiver support, and encouragement for the private pay market to use low-cost alternative services, and avoid spend-down to MA eligibility.

3. Utilizing Coordinated Health Care to Manage Costs

The program will continue to develop alternatives to the present fee-for-service health care delivery system. These alternatives will include:

a. Continuing the development of an effective and efficient prior authorization (PA) process, including a phone-in system for MA, MinnesotaCare, and GAMC providers. The department has a phone-in PA system for selected services including hearing aids, eyeglass replacements, powered air flotation beds, drugs, certain medications, and certain non-emergency ambulance trips. PA staff currently process 1,000 paper PA requests each week. As other criteria are developed, many more services requiring PA will be added to the phone-in system. This will mean less paper work for both the department and providers, and will also increase the efficiency and cost-effectiveness of the PA process.

b. Expanding the areas in which volume purchasing activities are used: i.e., the oxygen and vision contracts were rebid, the hearing aid and wheelchair contracts continue and volume purchase of enteral nutritional products is being implemented. Volume purchases of home infusion therapy and other areas are being explored.

c. Expansion of the Health Care Access Line. In 11-90, the department began implementation of an after-hours telephone service for the MA recipients of Ramsey County. The Health Care Access Line provides information, triage, and referral services. The availability of this service reduces the unnecessary use of emergency room services, improved coordination of care, and resulted in a better educated MA recipient/consumer of health services. The Health Care Access Line also operates in Anoka County. A recipient handbook is also issued to MA fee-for-service recipients so that services are more appropriately used.

d. Developing an MA/Medicare Demonstration project for the institutionalized elderly. The department has received a development grant from the Robert Wood Johnson Foundation to develop a new model of long term care delivery which includes physicians, nurses, and hospitals, whose purpose would be to provide the continuum of health services to institutionalized elderly persons. The funds of both the MA and Medicare Programs would be combined to improve the quality, appropriateness, and coordination of care, maximize the functional ability and quality of life of the patient, and to achieve all of these goals in the most cost-effective and appropriate manner. In order to accomplish this proposed pooling of funds, a waiver from the federal government is required. The development grant will fund the development and submission of a demonstration grant proposal to the Health Care Financing Administration (HCFA). This development project started 9-1-92.

e. Increasing the scope and number of recipients reviewed under the Primary Care Utilization Review Program. This program identifies and monitors the utilization patterns of recipients suspected of inappropriate utilization of services. Those clients who are determined to be inappropriately using the MA and GAMC programs are limited to one physician who acts as primary case manager to insure that the recipient receives only medically necessary services. Primary care physicians electing to sign case manager contracts receive a monthly administrative case management fee.

f. Maintaining rebate agreements with pharmaceutical companies and the DUR program. Omnibus Budget Reconciliation Act of 1990 (OBRA 90) required state MA programs to enter into agreements with pharmaceutical companies that would ensure that the MA Program receives that manufacturer's lowest price. OBRA 90 also mandated the development and implementation of a state Drug Utilization Review Committee as well as a formulary committee. Staff time is devoted to implementing and administering these federal mandates.

g. Continuing the expansion of prepaid health contracts for MA, MinnesotaCare, and GAMC recipients. Ramsey County is in the process of phasing in 100% of its AFDC and aged population to prepaid health plans. Plans are under way to establish mandatory coordinated care programs for GAMC recipients in St. Louis County. The department has also been granted authority by the federal government to proceed with other prepaid health plan projects for the MA population as long as such projects can be demonstrated to be no more costly than what MA would pay for health care under the fee-for-service system. The department anticipates expanding the prepaid health plan concept to other counties and has submitted a report to the Legislature as required.

PROGRAM PLAN:

To address the demand for health care services, increasing workloads, and the reality of limited resources, this program has prioritized needs and has formulated a number of strategies for operating with limited resources. The following budget activities and associated decision pages address these strategies and reflect adjustment of current law base level funding for this program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in the agency's plan except for the following adjustments: a reduction due to revised salary planning estimates of $737,000, and a $500,000 increase for administering the Governor's Long-Term Care initiative. ~~Any decision regarding a new LTC strategy will be deferred pending review of a report from INTERCOM, due 3-15-93.~~

Regarding the proposed Group Residential Housing fund, the Governor recommends that DHS work with the Department of Finance to restrict the growth funding for this program to growth levels required by federal law. Any other program growth would not be assumed into the DHS forecast.

The Governor recommends an interagency agreement between the proposed Department of Children and Education Services and the Department of Human Services's Early Periodic Screening,

Diagnosis and Treatment (EPSDT). This will allow the state to link the EPSDT service to school health services. It will also link funding streams to maximize utilization of federal funds.

When the Governor concurs with agency activity plans, no recommendation will occur on the budget activity narrative.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
HEALTH CARE POLICY	5,550	5,812	6,652	6,652	5,503	5,429	6,652	5,173	5,107
MA GRANTS	1,639,511	1,999,384	2,303,506	2,303,506	2,526,811	2,526,811	2,303,506	2,674,055	2,674,055
GAMC GRANTS	124,690	176,087	183,412	183,412	205,420	205,420	183,412	229,924	229,924
HC COORDINATED CARE	1,363	1,833	2,524	2,524	3,474	3,435	2,524	3,474	3,435
PAS-ALTERNATIVE CARE	12,744	17,426	30,101	30,101	32,888	32,888	30,101	38,282	38,282
LTC HOME/COMM BASED SERVICES	2,385	3,663	5,028	5,028	20,721	20,868	5,028	44,874	45,121
LTC FACILITIES DIVISION	8,918	9,402	13,857	13,857	12,057	12,051	13,857	12,057	12,051
HEALTH CARE OPERATIONS	9,970	10,263	12,827	12,968	14,567	14,425	12,968	13,582	13,441
HEALTH CARE COMPLIANCE	2,773	2,592	2,939	2,939	3,073	2,994	2,939	3,130	3,051
LONG TERM CARE APPEALS	713	546	644	644	644	627	644	644	627
TOTAL EXPENDITURES BY ACTIVITY	1,808,617	2,227,008	2,561,490	2,561,631	2,825,158	2,824,948	2,561,631	3,025,195	3,025,094
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<378>			<359>
(A) SALARY PLANNING ESTIMATES		HCA				<32>			<42>
(A) GOVERNOR'S LTC INITIATIVE		GEN				200			300
TOTAL GOV'S INITIATIVES						<210>			<101>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	691,117	838,904	973,600	973,741	1,349,797	1,349,619	973,741	1,456,421	1,456,362
HEALTH CARE ACCESS			927	927	1,123	1,091	927	1,480	1,438
OPEN APPROPRIATIONS:									
GENERAL		81,376	86,397	86,397			86,397		
STATUTORY APPROPRIATIONS:									
GENERAL	242,758	259,298	274,731	274,731	133,751	133,751	274,731	144,556	144,556
SPECIAL REVENUE	340	189	1,002	1,002	1,015	1,015	1,002	415	415
FEDERAL	874,402	1,047,241	1,224,833	1,224,833	1,339,472	1,339,472	1,224,833	1,422,323	1,422,323
TOTAL FINANCING	1,808,617	2,227,008	2,561,490	2,561,631	2,825,158	2,824,948	2,561,631	3,025,195	3,025,094

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	296.0	307.5	313.5	313.5	303.0	303.0	313.5	303.0	303.0
HEALTH CARE ACCESS			21.0	24.9	24.1	24.1	33.9	31.5	31.5
FEDERAL			1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL POSITIONS	296.0	307.5	335.5	339.4	328.1	328.1	348.4	335.5	335.5

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Human Services (INTERCOM)
PROGRAM: Health Care Administration
ACTIVITY:

ITEM TITLE: Long Term Care Initiative

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
LTC Community Based Services	$200	$300	$-0-	$-0-

Statutory Change? Yes X No ____
If yes, statutes affected: M.S. 144A.31; M.S. 256B.0911; M.S. 256B.0917

GOVERNOR'S RECOMMENDATION:

The Governor will recommend convening a group of stakeholders in the long-term care delivery system. This group would be given a very specific task. This group of stakeholders will be asked to prepare recommendations to reduce the state's rate of growth in spending for long-term care by a minimum of 10% per year for the next 5 years. The state's rate of growth in long-term care programs cannot be sustained at its current rate of growth. That rate of growth will total 27% in the 1994-95 biennium. By bringing together those members of the community that receive, provide, and finance long-term care, the Governor expects to achieve:

- agreement on the future spending priorities for long-term care services in Minnesota,
- recommendations to reduce the overall rate of spending growth in the delivery of long-term care services,
- an assessment of the current financing structure and incentives at work in the current long-term care delivery system, and
- a determination of the appropriate amount and distribution of institutional and non-institutional services for persons in need of services.

The Governor would expect the group to make recommendations to him and to the legislature in preparation for the 1994 supplemental budget.

The existing INTERCOM has been charged with developing strategies to reduce escalating expenditures in the state's long-term care (LTC) budget.

The strategy will require funding to implement a comprehensive long term care (LTC) policy and organizational structure. The number of Minnesota's elderly is growing far more rapidly than other age groups. The over-85 age population -- which comprises the heaviest consumers of high-cost institutional care -- is projected to increase by more than 25,000 by the year 2000. Health care costs continue to outpace inflation. Recent changes in the marketplace and in federal and state legislation have increased the burden on state taxpayers to pay for long-term care of the elderly. Significant changes include:

- federal rules on asset transfers,
- emergence of private pay alternatives, and
- lack of alternatives for services and insurance solutions.

The strategy will enable the state to continue to provide care for impoverished frail elderly, containing costs by building on the existing "Seniors Agenda for Independent Living" (SAIL) program. The strategy will continue the development of lower-cost alternatives to institutional care. It will expand to include other reforms, including financial reforms and restructuring of the delivery system. Major focuses of the strategy will include: development of a requisite information system to help gauge the state's overall expenditures on LTC, the availability of appropriate alternatives across the state, and the information to make critical decisions.

The state's cost for LTC for the elderly is growing much faster than other state expenditures. A sudden increase in Medical Assistance nursing home placements and conversions has created an increasing public financial burden that will reach nearly $1 billion by the year 2000. Minnesota continues to have one of the nation's highest rates of institutionalization of our elderly, many of whom could be served at lower cost and in less restrictive settings, without sacrificing quality of care. This initiative will expand our continuum of care through the development of affordable alternative forms of care, thus relieving the pressure for the more expensive institutional beds. It will refocus the mission of institutional care to provide intensive care to those elderly needing the highest level of skilled nursing services.

The current agency information systems focus on services rather than outcomes, lack integration and are not compatible across agencies. As a result, the state has insufficient information to evaluate needs, assure quality, or contain LTC costs. Identification, integration, and coordination of all major sources of LTC data will facilitate legislative and agency decision-making.

The INTERCOM board comprises representatives of Human Services, Health, Minnesota Housing Finance Agency, Finance, and the Minnesota Board on Aging.

PROGRAM OUTCOMES:

- **Refocusing:** Reserve nursing homes for those elderly requiring the highest levels of skilled nursing care.
- **Prevention:** Reduce the demand for publicly financed institutional care by developing high-quality services which enhance self-sufficiency and by promoting alternate funding sources such as LTC insurance.
- **Government reform:** Improve management of long-term care programs at the state level to allocate services more effectively.
- **Cost containment:** Slow the growth of long-term care costs.

Revised 3-4-93
~~Revised 2-08-93~~

AGENCY: Human Services (INTERCOM)
PROGRAM: Health Care Administration
ACTIVITY:

ITEM TITLE: Long Term Care Initiative
(Continuation)

- **Quality assurance:** Enable seniors to make informed choices among quality alternatives.

STRATEGIES:

The specific strategies of the INTERCOM long-term care initiative fall under 5 steps: 1) restructuring pre-admission screening, 2) education and resource development, 3) expanding moratorium reform, 4) developing a plan to finance appropriate institutional placements, and 5) examining and recommending changes in state-local relationships. The Governor has directed INTERCOM to accelerate its planning so that cost containment is first achieved in the F.Y. 1994-95 biennium.

Through this initiative, INTERCOM will immediately begin an aggressive pre-admission screening strategy. A key component of this strategy will give pre-admission screening teams power to disallow nursing home placement based on revised screening criteria that direct elderly to appropriate alternative services. To accomplish this, DHS will apply for and anticipates approval of a waiver of the federal "freedom of choice" requirement.

The inter-agency group will develop a financial plan to slow the growth rate of medical assistance expenditures. Concurrently, a database will be developed to provide relevant information for decision making, planning and evaluation. INTERCOM also will evaluate the housing service needs of frail and impoverished elderly by exploring options in assisted living or other alternative housing options. The group will explore a diverse range of alternative care and case management options.

The group will continue SAIL's efforts to educate the public about care options for the elderly. It will also assist in the development of alternative resources.

Following planning and education, INTERCOM will begin actual resource development and restructuring of the elder care services delivery system. INTERCOM will work both with county and federal groups to effect change at these levels. INTERCOM will meet regularly with county staff to assure effective communication between policy makers and implementers, and to assure that incentives exist for counties to develop the appropriate care plans for the elderly. Implementation will include an ongoing quality assurance component, as well as assessment of the appropriate level of regulatory oversight.

LONG-TERM IMPACT

Nursing homes will be reserved for those elderly requiring the highest levels of skilled nursing care, and more desirable, low-cost alternatives will become available to low-income frail elderly. As a result, the demand for Medical Assistance-funded beds in nursing homes will decrease. More seniors will take responsibility for payment of their own care, and will do so without becoming impoverished. This initiative will help state government become more efficient and effective, with improved decision making based on timely and relevant information. The state will be able to care for its growing numbers of low-income elderly without jeopardizing the state's fiscal solvency.

BUDGET ACTIVITY: Health Care Policy
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION: This activity manages the Medical Assistance (MA), General Assistance Medical Care (GAMC) and Early and Periodic Screening, Diagnosis and Treatment (EPSDT) programs and Human Immunodeficiency Virus (HIV) services 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. This activity is involved in the following functions:

1. Developing rules and policies on recipient eligibility, and providing technical assistance, consultation, and training to local agency staff to ensure the effective local implementation of the respective programs.
2. 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.
3. Managing the health care services provided by the MA and GAMC programs, including 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, and professional reviews to determine disability status of program applicants.
4. Coordinating and prioritizing all requests for modifications to the Medicaid Management Information System (MMIS) including changes in 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.
5. Administering state and federal HIV service programs.
6. Assisting in the integration of MinnesotaCare with the MA program.
7. Establishing and maintaining rate methodologies for inpatient hospital services, review activities, and monitoring of utilization.
8. Applying for, monitoring, and providing technical assistance in securing federal Medicaid waivers.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: By 1995, reducing state and local health care costs by implementing federal options to shift coverage of certain categories of persons to MA.

Performance measure:
- Number of children eligible for MA will increase.

Objective 2: By 1995, policy and standards for health services paid by MA, GAMC, and MinnesotaCare will be consistent and up to date with federal requirements.

Performance measures:
- MA policies and administration will be kept current with existing federal requirements.

Objective 3: By 1995, maintaining and updating MA/GAMC provider manual in a variety of mediums so that all service providers can be kept informed of changes in and the status of current policies, and costs can be minimized.

Performance measures:
- Number of mediums explored, costs of each analyzed, and viable options implemented.

Objective 4: By 1995, developing and updating 2 administrative rules to clarify MA/GAMC coverage thereby providing improved legal basis upon which to make financial recoveries for program fraud or abuse.

Performance measures:
- Number of rules and rule sections amended to conform authority with policy.

Objective 5: By 1995, insure that a comprehensive operation of the MMIS payment system assures positive and cost-beneficial effects, including:

1. Improved ability to respond to MA program changes thus avoiding retroactive provider charges and costly federal fiscal sanctions;
2. Better monitoring and calculation of payment rates for all providers as well as better information to providers on payments in process;
3. Improved access to management information for administrative and legislative decision making.
4. Current provider and recipient information;
5. Coordinating requests for modifications to the MMIS which result in timely and efficient modifications that complement each other and insure that the new MMIS will adequately address the needs of the MA/GAMC and other programs.

Performance measures:
- Critical programming changes impacting health care programs will be made within 30 days of request.
- Improved customer responsiveness in status of claims and payment upon reaching a claims representative.
- Number of pertinent management reports readily available to respond to internal and external requests.

Objective 6: By 1995, insure that federal mandates affecting the MA program are timely implemented to minimize penalties for non-compliance and to insure that appropriate policies and rules are developed and communicated in response to such mandates.

Performance measures:
- Service delivery between health care systems will be coordinated and operate smoothly.
- Number of federal allowances resulting from MA activities during this period will decline.

BUDGET ACTIVITY: Health Care Policy
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

- Insure that the activities relating to the MA program, GAMC program, Prepaid MA Program (PMAP), and managed care initiatives and MinnesotaCare are coordinated and operated in an efficient manner, thereby avoiding duplicative and competing activities.

Objective 7: By 1995, to obtain federal grants for low income HIV infected persons who don't qualify for MA/GAMC.

Performance Measures:

- Evaluate current federally funded programs
- Develop new or expand existing programs that address the needs of HIV persons
- Prior authorization review of services will increase 5%.
- Number of grants obtained.

Efficiency Measures:

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of HIV infected persons served					
Average number of eligibles/month					
MA	339,000	373,000	403,000	424,000	443,000
GAMC	49,000	55,000	57,000	64,000	70,000
Policy interpretations rendered to local agencies	1,000	12,000	1,350	1,500	1,675
Number of EPSDT screenings					
Number of prior authorization requests	57,000	66,000	76,000	87,000	99,000
Number of recipients enrolled in prepaid health plans					
MA	70,000				
GAMC	15,000				

REVENUE GENERATION: This activity generates general federal administrative reimbursement at the rate of 39% of expenditures. Portions of these administrative activities performed by skilled medical professionals generates 75%. Some MMIS activities generate 90% FFP.

BUDGET/LEGISLATIVE ISSUES:

Budget:

Budget administrative costs will be impacted by state legislation and federal mandates affecting health care programs.

Legislative:

MMIS II implementation timing has a direct impact on program implementation and modifications.

ACTIVITY PLAN:
The following decision and information items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:
Health Care Administration Salary Administration Reductions

This proposal decreases the budget base by $849,000 and 13.5 positions in F.Y. 1994 and by $1,207,000 and 13.5 positions in F.Y. 1995 by reducing salary costs.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$(849)	$(1,207)	$(1,207)	$(1,207)

DECISION ITEM:
Health Care Administration: Non-salary reductions

This proposal decreases the budget base by $484,000 in F.Y. 1994 and F.Y. 1995 in order to retarget administrative efforts and to achieve a reduction in expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$(484)	$(484)	$(484)	$(484)

INFORMATION ITEM:
Medical Assistance Hospital Rate Restructuring (Health Care Policy)

This proposal increases the budget base by $150,000 in F.Y. 1994 and by $50,000 in F.Y. 1995 by funding the effort to restructure the hospital rate system.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$150	$50	$0	$0

GOVERNOR'S RECOMMENDATION:
The Governor recommends funding levels as requested in the agency's plan except for the following adjustments: a reduction due to revised salary planning estimates of $737,000, and a $500,000 increase for administering the Governor's Long-Term Care initiative.

The Governor recommends an interagency agreement between the proposed Department of Children and Education Services and the Department of Human Services's Early Periodic Screening, Diagnosis and Treatment (EPSDT). This will allow the state to link the EPSDT service to school health services. It will also link funding streams to maximize utilization of federal funds.

When the Governor concurs with agency activity plans, no recommendation will occur on the budget activity narrative.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: HEALTH CARE POLICY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	2,605	2,934	2,980	2,980	2,314	2,240	2,980	2,076	2,010
EXPENSES/CONTRACTUAL SRVCS	1,804	1,959	2,650	2,650	2,316	2,316	2,650	2,216	2,216
MISC OPERATING EXPENSES	186	176	166	166	172	172	166	178	178
SUPPLIES/MATERIALS/PARTS	40	59	31	31	31	31	31	31	31
CAPITAL EQUIPMENT	39	38	62	62	27	27	62	29	29
SUBTOTAL STATE OPERATIONS	4,674	5,166	5,889	5,889	4,860	4,786	5,889	4,530	4,464
LOCAL ASSISTANCE	876	646	763	763	643	643	763	643	643
TOTAL EXPENDITURES	5,550	5,812	6,652	6,652	5,503	5,429	6,652	5,173	5,107
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<56>			<44>
(A) SALARY PLANNING ESTIMATES		HCA				<18>			<22>
TOTAL GOV'S INITIATIVES						<74>			<66>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	5,432	5,484	5,797	5,797	4,614	4,558	5,797	4,156	4,112
HEALTH CARE ACCESS			462	462	603	585	462	731	709
STATUTORY APPROPRIATIONS:									
GENERAL	30								
SPECIAL REVENUE		32	61	61	74	74	61	74	74
FEDERAL	88	296	332	332	212	212	332	212	212
TOTAL FINANCING	5,550	5,812	6,652	6,652	5,503	5,429	6,652	5,173	5,107

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: HEALTH CARE POLICY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	55.5	60.0	63.0	63.0	50.5	50.5	63.0	50.5	50.5
HEALTH CARE ACCESS			10.0	13.0	14.0	14.0	16.4	17.4	17.4
FEDERAL			1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL POSITIONS	55.5	60.0	74.0	77.0	65.5	65.5	80.4	68.9	68.9

BUDGET ACTIVITY: Medical Assistance Grants
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

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 Supplemental Security Income (SSI) are eligible for MA. Eligibility is also available to the elderly, disabled, blind, and families with children under 21 years of age if income and assets are within MA standards. Pregnant women and infants are eligible with income under 185% of federal poverty guidelines. Children between ages 1 and 5 are eligible at 133% of federal poverty guidelines. Children between ages 6 and 18, born after 9-30-83, are eligible at 100% of federal poverty guidelines. Pregnant women and children are not subject to an asset test. Certain elderly and disabled people are eligible for Medicare cost-sharing paid by MA.

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.

ACTIVITY OUTCOME OBJECTIVES:

Objective: During each year of the biennium, MA will provide medical care benefits to 250,000 enrollees monthly.

Performance Measures: ■ Average monthly number of MA recipients.

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Average expenditure per enrollee per month:	$403	$427	$462	$479	$483
Institutional enrollees	2,277	2,503	2,642	2,686	2,705
Non-institutionalized enrollees	191	213	248	268	276

REVENUE GENERATION:

As of 10-1-92 MA grants are funded with 54% federal dollars and 45.07% state and local dollars. Each year on 10-1 the federal matching dollar amount is recalculated.

BUDGET/LEGISLATIVE ISSUES:

Budget:

Program costs will be impacted by state legislation and the national economic climate.

Legislative Issues:

Federal legislative changes to the service coverage requirements or eligibility requirements may directly impact this program. Coordination of this program with MinnesotaCare will increase costs but capture federal match. State legislative changes to the service package or eligibility requirements may impact this program.

ACTIVITY PLAN:

The following decision and information items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Fund Veterans Administration Prescription Copays and Non-Medical Assistance Provider Copays

Item Summary:
This proposal results in an increase of $40,000 in F.Y. 1994 and $50,000 in F.Y. 1995 to the budget base by making copayments for individuals covered by both the Veteran's Administration (VA) and Medical Assistance (MA), and for certain other individuals who have copays that are made to vendors who do not participate in MA.

Rationale:
Veterans are required to pay a $2 copayment to the VA for prescription drugs for non-service connected conditions. Minnesota MA/General Assistance Medical Care (GAMC) has been paying these copayments since January 1992, since MA would be liable for the full cost of these drugs if the veteran does not pay the VA copayment. The Department has been billing the Health Care Financing Administration for the federal share of the MA copay as an administrative cost. A recent opinion from HCFA indicates that, while payment for the copayments is cost-effective, there is no federal match because the VA is not an enrolled provider, and because this copayment is not a "group health plan" copayment as defined in federal law. This proposal is to allow payment of 100% state dollars for this copayment. This proposal would also allow the Department to pay for copayments and other cost-sharing for providers who are non-MA/GAMC providers, if payment is cost-effective, using 100% state dollars. For example, United Behavioral Systems is not an enrolled provider, but for MA recipients who have private coverage through Medica, it is cost-effective to pay the $10 copayment for mental health visits, rather than the entire cost of the visit.

Impact:
Payment of these copays using all state dollars avoids increased expenditures to the MA grants account. MA would be required to provide full MA reimbursement for these services because MA would be 100% responsible for services obtained from an enrolled provider. Payment of nominal copays using state dollars allows MA to buy in to VA programs and private medical coverage.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund	40	50	50	50

DECISION ITEM:

Reallocate RTC Collections to General Fund

This proposal increases the budget base by ~~$149,425,000~~ $148,590,000 in F.Y. 1994 and by ~~$127,595,000~~ $125,097,000 in F.Y. 1995, and it also increases revenue to the General Fund by the same amounts in each fiscal year. This proposal will simplify and clarify the fiscal relationship in the MA grants account. It will have no net effect on the state General Fund.

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~~Revised 2-08-93~~

BUDGET ACTIVITY: Medical Assistance Grants
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
MA Grants Account	~~$149,425~~	~~$127,595~~	~~$127,595~~	~~$127,595~~
	$148,590	$125,097	$122,812	$122,875
General Fund Revenue	~~$(149,425)~~	~~$(127,595)~~	~~$(127,595)~~	~~$(127,595)~~
	$(148,590)	$(125,097)	$(122,812)	$(122,875)
Net Effect on General Fund	0	0	0	0

DECISION ITEM:

Shift of Group Residential Housing Payments

Item Summary:

This proposal has no net cost in F.Y. 1994 nor in F.Y. 1995. It allows for the shift of costs in group residential housing (GRH) settings which are currently funded by the state to be shifted to federally match medical assistance (MA) waiver programs. The proposal will also allow county agencies to increase room and board rates in certain GRH settings to a rate equivalent to Minnesota Supplemental Aid (MSA) grants to persons living independently in the community.

Rationale:

This proposal is made in the recognition that certain service and program costs have been funded by the state in GRH settings which include adult foster care. This proposal facilitates the funding of those costs through the elderly waiver, the community alternatives for disabled individuals program, or the community alternative care program. Federal waiver regulations prohibit the payment of room and board costs under waiver programs. In order to satisfy this requirement, we must allow county agencies to negotiate GRH room and board rates up to a rate which is equivalent to MSA grants for persons living independently in the community. This transfer is contingent on state and federal approval relating to a transfer of MSA and GA to GRH.

Impact:

This proposal will authorize the county agencies to increase GRH room and board rates for 481 GRH residents in 55 GRH settings to the MSA equivalent rate of $540. It will also reduce the GRH rate for 576 recipients of waiver services to the MSA equivalent rate.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
GRH Room and Board	$601	$601	$601	$601
MA Grants (Transfer to EW and CADI Waivers)	(926)	(926)	(926)	(926)
MA Grants (Waiver Cost - State Share)	325	325	325	325

~~**DECISION ITEM:**~~

~~New Occupational Safety and Health Administration Hepatitis B Vaccination Requirements~~

~~Item Summary: This proposal increases the budget base by $1,077,000 in F.Y. 1994 and $471,000 in F.Y. 1995 for Medical Assistance (MA) grants to help intermediate care facilities for the mentally retarded comply with new Occupational Safety and Health Administration (OSHA) requirements relating to Hepatitis B and bloodborne pathogens. This requirement has resulted in increased up-front costs for intermediate care facilities for the mentally retarded (ICF/MR) providers. This proposal will modify the ICF/MR reimbursement system to reflect the change.~~

~~**Rationale:**~~

~~This proposal is made in response to the new federal requirements at the request of the Association of Residential Resource Managers' (ARRM) representatives. The proposal reflects the ARRM concern with cash flow issues related to the new requirements.~~

~~**Impact:**~~

~~Precise fiscal impact is difficult at this time (more precise numbers will be available in October), though the numbers above reflect good approximations and consider ongoing costs and inflation.~~

~~Once proposed this measure would likely cause nursing facility providers to request similar treatment which would be significantly more costly.~~

	~~Dollars in Thousands~~			
	~~F.Y. 1994~~	~~F.Y. 1995~~	~~F.Y. 1996~~	~~F.Y. 1997~~
~~General Fund~~				
~~Medical Assistance Grants~~	~~$1,077~~	~~$471~~	~~$407~~	~~$424~~

DECISION ITEM:

Nursing Facilities Rate Adjustments

Item Summary:

This proposal ~~increases~~ decreases the budget base by ~~$99,000~~ $358,000 in F.Y. 1994 and increases the budget base by ~~$19,837,000~~ $16,398,000 in F.Y. 1995 by allowing for inflation increases in rates while also introducing greater cost efficiency into the current system for determining allowable costs. This proposal contains regulatory changes and reimbursement modifications that will result in services delivered in a more cost effective and economical manner. The proposed modifications are as follows:

A. Establish a threshold for short length of stay facilities at 180 days.

B. Allow workers' compensation self-insurance plans under certain conditions and adjust workers compensation expenditures by 5% to recognize and capture the savings expected from workers' compensation reform which the 1992 legislative session passed.

C. Recognize certain facility employee pension plans which satisfy IRS conditions similar to IRS Qualified Plans. These IRS plans are the 403(b) and 408(k) plans.

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~~Revised 2-08-93~~

D. Reduce the Other Operating Cost limits to 108% of the median of the array (currently 110%).

E. Establish the administrative cost limit for larger nursing facilities at 13% for homes greater than 195 licensed (nursing homes and board and care) beds, and 14% for homes larger than 150 licensed beds, but less than 196 licensed beds.

F. Revise the base property rate where the amount of the property payments is excessive when compared to the facility's debt service requirements. This is accomplished by rebasing the facility's base (hold-harmless) property rates to the greater of $2.50 or 125% of their allowed annual principal and interest payments plus the equipment allowance, but not to exceed their current property rate.

G. Permit incremental decreases in the recomputations of rental to decrease the facility's property rate.

H. Reduce the "Efficiency Incentive" payment on the facility's other operating costs to a maximum of $.75.

I. No longer require certified audited financial statements, and move to biennial rate setting.

J. Modify maximum therapy rent computation.

K. Clarify capital repair payment.

L. Reduce the payment for "Reserve Bed Days" to 85% of the rate to recognize savings that facilities incur when beds are held for residents who are on hospital or therapeutic leave.

These measures are proposed with these objectives in mind:

- To recognize full inflation in a manner consistent with the prior Fiscal Year (DRI forecasted index for nursing homes).
- To preserve the direct care component of facility rates by not proposing a change to those limits.
- To reform some portions of the reimbursement system, as well as the department's administration of that system.
- To address some provider concerns regarding specific facility costs.

Rationale:

The federal law (OBRA) no longer recognizes skilled care, but combines skilled and intermediate care facilities into nursing facility care. Facility short length of stay status before the OBRA change was based on the skilled beds. Prior session laws froze facility short length of stay status. The proposal is to establish the short length of stay status for nursing facilities at 180 days.

The 1992 legislative session reformed workers' compensation laws by requiring a base premium reduction of 16% effective 10-1-92. This law change combined with the proposed change to allow workers' compensation self-insurance should translate into lower workers' compensation insurance premiums of at least 5%.

The current reimbursement rule and law permits IRS Qualified pension plans as allowable fringe benefits. Two other IRS plans afford similar benefits and protections for employees and address DHS concerns in these areas. Therefore, the 403(b) and 401(k) plans should be recognized.

The proposed modifications to the other operating cost limit and the administrative cost limit on larger facilities is necessary to capture the economies of scale present and the other efficiencies fostered by other proposed law changes in items B, C, and I, and the proposed modified rate appeal process.

- Proposed modifications to the facility rate appeal system shorten the appeal process, make it more efficient, and save accounting and legal expenses.
- Modifications to the reimbursement rules for self-insurance for workers' compensation and recognition of certain employee pension plans will reduce appeals filed and time devoted to appeal resolutions.
- The proposals to no longer require certified audits and to set rates on a biennial basis will also promote efficiencies and reduce provider administrative costs. The biennial rate setting proposal is a necessary response to department administrative cost reduction; both staff vacancies and possible layoffs. This will enable the department to maintain its current level of auditing with a smaller work force, thus avoiding a forecast budget increase related to provider audits.
- Also, a proposed Minnesota Department of Health licensure rule revision which permits reduced meal portions should have the effect of reducing food waste, and thus costs.

The 1992 session changes to the nursing home property system result in a greater amount of property costs covered:

- Facility costs previously limited are not limited, or are less limited, if facility completes a project over minimum threshold;
- Interest expense pass through for certain debt on moratorium projects;
- Capital asset costs formerly incurred which did not result in a rate increase, now receive a rate increase;
- Capital repair account permits certain capital repairs to receive "immediate" reimbursement;
- Smaller projects get 5.6% after 21 months;
- Equity incentive payment on provider capital for major projects encourages facility investment; and,
- Recognition of debt related to facility sales is another means of recognizing a return on investment.

BUDGET ACTIVITY: Medical Assistance Grants
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

These property reimbursement law changes provide the means by which the cost of future facility additions, replacements, remodeling, and renovations will be covered. Current base property rates include amounts significantly in excess of debt service requirements. This proposal removes much of that excess payment.

The department believes it is necessary to require incremental decreases in the recomputations of the rental rate to remove the incentive to "game" those recomputations by changing their election on the assignment of costs to single bed rooms each year. If only incremental increases affect the facility's property rate, the facility's property rate could be increased artificially by changing this election each year.

Provision "J" is an attempt to simplify this computation by modifying the existing law. Presently, the computation is based on a portion of the rental formula, and "assigns" property costs to therapy services which are paid for outside the per diem. Now that rental formula is, and will not become, the rate setting system, it seems appropriate to make this change. This may become controversial as not the exact same amount will be assigned, but the computation will be more relevant.

Provision "K" is related to legislation passed in the 1992 session. It is a means of "passing through" a more immediate rate effect of certain repair and capital asset purchases. The intent was to distinguish between nominal maintenance repairs which should continue to be operating costs and more major repairs or asset purchases that are not part of a larger project. Inserting the word "capital" will achieve this as capital repairs are those subject to the practice of capitalization under Rule 50.

L. Facility costs should be lower when beds are empty. Most other state pay for fewer days than MN and at lower rates (75-85%).

Impact:

In 1994, the industry will have roughly the same $ per resident as in 1993, but the proposed changes will result in rates which are adequate to meet the costs of efficiently and economically operated facilities.

These proposals require the careful and prudent management of providers, but they can be implemented without compromising the essential quality of care to residents.

The pension and worker compensation proposals should be welcomed by the providers since they allow greater flexibility in management. They also accelerate the state's recognition of savings wrought by legislative reform of worker compensation.

Proposed modifications to the facility rate appeal system shorten the appeal process and make it more efficient, saving accounting and legal expenses. Modifications to the reimbursement rules for self-insurance for worker compensation and recognition of certain employee pension plans will reduce appeals filed and time devoted to appeal resolutions.

An MDH licensure rule revision which permits reduced meal portions will have the effect of reducing food waste.

These property reimbursement law changes do not alter in any material way the means by which the cost of future facility additions, replacements, remodeling, and renovations will be reimbursed. Current base property rates include amounts significantly in excess of debt service requirements. This proposal removes much of that excess payment.

Reductions in "other operating" limits and the efficiency incentive will cut into provider operating margins. We do not see evidence that the present limit or the incentive have effectively reduced other operating expenses.

Paying "reserve bed days" at 85% will be popular with private pay residents who have long complained that their costs should go down when they are not there. Facilities will have to more carefully manage staffing adjustments to account for these leave days.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
MA Grants (Inflation)	~~$13,992~~	~~$35,155~~	~~$39,092~~	~~$40,345~~
	$13,529	$32,104	$36,192	$38,114
MA Grants (Efficiencies)	~~(13,892)~~	~~(15,318)~~	~~(15,396)~~	~~(15,441)~~
	(13,887)	(15,706)	(16,201)	(16,688)
Net Increases	~~$99~~	~~$19,837~~	~~$23,696~~	~~$24,904~~
	$(358)	$16,398	$19,991	$21,426

DECISION ITEM:

Intermediate Care Facility for the Mentally Retarded Rate Adjustments

Item Summary: This proposal decreases the budget base by ~~$64,000~~ $341,000 in F.Y. 1994 and increases the budget base by ~~$1,626,000~~ $883,000 in F.Y. 1995 by allowing an inflationary increase in rates while introducing cost efficiencies into the rate system.

Proposed changes are as follows:

This proposal contains regulatory changes and reimbursement modifications that will result in more cost effective delivery of services. The proposed changes are as follows:

- Reduce *Equity Incentive* payment on operating costs.
- Reduce the capital debt reduction payment by 50% for those homes receiving more than $.50 per resident per day.
- Eliminate the mandate to implement the client based reimbursement system by 10-1-93 and forego the appropriation associated with it.
- Allow worker compensation self-insurance plans under certain conditions and adjust workers' compensation expenditures by 5% to recognize and capture the savings expected from workers' compensation reform which the 1992 Legislature passed.
- Recognize certain facility employee pension plans which satisfy Internal Revenue Service (IRS) conditions similar to IRS Qualified Plans. Such plans are the 403(b) and 408(k) plans.
- No longer require certified audited financial statements, and move to biennial rate setting.

BUDGET ACTIVITY: Medical Assistance Grants
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

These measures are proposed with these objectives in mind.

- To recognize full inflation in a manner consistent with the prior fiscal year (CPI forecasted index).
- To preserve the direct care component of facility rates by not proposing a change to those limits.
- To reform some portions of the reimbursement system, as well as the department's administration of that system.
- To address some provider concerns regarding specific facility costs.

Rationale:

It is in the interest of the provider community, long term care consumers and funding sources to allow for inflationary increases in rates to assure continued quality and safety of services while also introducing greater efficiency into the system.

The 1992 Legislature reformed workers' compensation laws to create savings to businesses and their clients. This proposal will, in effect, pass some of the savings on to the sources of funding of Intermediate Care Facilities for the Mentally Retarded (ICFs/MR) services, resulting in at least 5% savings on this cost, while also allowing greater flexibility to providers.

Current reimbursement rule and law permits IRS Qualified pension plans as allowable fringe benefits. The 403(b) and 408(k) plans meet IRS standards and address concerns the Department of Human Services has regarding facility employee benefits.

The mandate to implement client based reimbursement has always had mixed reviews and little support from the provider community but has had support from the legislature. Implementation has been delayed twice already and the question now is whether this idea is still such a high priority in a time of limited resources.

The changes to the efficiency incentive and the capital debt reduction allowance represent payments over and above allowable costs. Without making these changes in reimbursement, the rates set may exceed the federal upper limit, and the state could loose FFP.

The proposals to no longer require certified audits and to set rates on a biennial basis will also promote efficiencies and reduce provider administrative costs. The biennial rate setting proposal is a necessary response to department administrative cost reduction; both staff vacancies and possible layoffs. This will enable the department to maintain its current level of auditing with a small workforce, thus avoiding a forecast budget increase related to provider audits.

The other proposed changes are designed primarily to provide savings while remaining sensitive to provider needs.

Impact:

In the aggregate, providers receive a nearly 2% per resident increase in F.Y. 1994 and 4% in F.Y. 1995. The proposed changes will result in rates which are adequate to meet the costs of efficiently and economically operated facilities.

These proposals will require prudent and careful management, but they reflect cost savings that can be effected without compromising essential quality of care to residents.

Reductions in the Equity Incentive and the Capital Debt Reduction allowance will reduce provider operating margins.

The workers' compensation proposal accelerates the recognition of legislated savings to the state. The proposal permits recognition of self-insurance of workers' compensation and enhances the flexibility of providers in the management of these expenses.

The pension proposal should improve the facility's ability to attract quality employees to providers while addressing department concerns for employee benefits.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
MA Grants (Inflation)	~~$1,503~~	~~$4,168~~	~~$5,152~~	~~$4,994~~
	$1,271	$3,493	$4,302	$4,170
MA Grants (Efficiencies)	~~($1,567)~~	~~($2,542)~~	~~($2,577)~~	~~($2,577)~~
	$(1,612)	$(2,610)	$(2,645)	$(2,645)
Net	~~($64)~~	~~$1,626~~	~~$2,575~~	~~$2,417~~
	$(341)	$883	$1,657	$1,525

DECISION ITEM:

Medical Assistance Hospital Rate Restructuring

Item Summary:

This proposal ~~is budget neutral~~ decreases the budget base by $1,214,000 in F.Y. 1994 and ~~decreases the budget base~~ by ~~$4,950,000~~ $11,184,000 in F.Y. 1995 by funding 5% inflationary increases for Medical Assistance (MA) inpatient hospital rates for each year, and implementing reductions and a peer grouping system.

Rationale:

This proposal provides for inflationary increases for hospitals for MA inpatient services and a study of peer grouping. The reductions represent payment add-ons that are not associated with a cost of inpatient services. The peer grouping proposal establishes a system of payment for similar services on a comparative basis instead of a hospital specific basis.

Impact:

Granting of inflationary increases is fiscally neutral through shifting the following resources and instituting peer grouping. The proposal has the effect of eliminating less than 1/2 of a percent in projected inflation and add-ons to cost. The peer grouping would allow the department to limit payments for similar services.

Revised 3-4-93
~~Revised 2-08-93~~

BUDGET ACTIVITY: Medical Assistance Grants
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
1. Eliminate 1% Technology Factor Increase			~~($890)~~	~~($2,425)~~
	$(853)	($2,594)	$(4,633)	$(6,885)
2. Eliminate Small Rural Hospital Increase			~~(858)~~	~~(1,200)~~
	(779)	(1,145)	(1,242)	(1,316)
3. Eliminate 10-1-92 Disproportionate Share Adjustment (DPA) increase			~~(3,997)~~	(5,575)
	(3,997)	(5,575)	(5,575)	
4. Institute Peer Grouping			~~0~~	~~(11,150)~~
	-0-	(14,890)	(20,272)	(21,667)

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
MA Grants (Inflation)	~~$5,595~~	~~$15,350~~	~~$15,350~~	~~$15,350~~
	$4,265	$12,970	$15,919	$16,952
MA Grants (Efficiencies)	~~(5,745)~~	~~(20,350)~~	~~(20,350)~~	~~(20,350)~~
	(5,629)	(24,204)	(31,722)	(35,443)
HC Policy	150	50	~~0~~	~~0~~
			50	50
Net	$(1,214)	$(11,184)	$(15,753)	$(18,441)

DECISION ITEM:

Vaccines at Center for Disease Control Rates

Item Summary:

This proposal results in a reduction of $563,000 in F.Y. 1994 and $750,000 in F.Y. 1995 to the budget base.

Rationale:

Since 1-90 the Minnesota Departments of Health (MDH) and Human Services (DHS) have cooperated in using vaccine obtained from the Centers for Disease Control (CDC) and administered to Medical Assistance (MA) recipients by county public health agencies. During 1991, 30% of all vaccine administered to MA recipients came from the CDC and because of the lower vaccine rates charged to MDH by the CDC, that vaccine cost $205,000 less in state funds than if the same vaccine had been obtained from private sources. This proposal is to obtain all vaccines at CDC rates for additional annual savings of $.5 million in state MA expenditures.

At least 12 other state MA programs run a vaccine replacement or distribution program where the state health and MA agencies participate to obtain vaccine from the CDC, distribute vaccine to all providers statewide, and administer a replacement system. DHS and MDH would work together to develop a program that addresses: 1) efficient administration, including vaccine distribution, provider education, and other provider concerns; 2) accurate accountability such as federal reporting requirements and replacement inventories; and 3) appropriate interagency coordination.

Impact:

Three-fourths (750,000) in state MA dollars would be saved annually by obtaining all MA vaccine at CDC rates ($500,000 over the existing savings). In addition, this approach could increase access to vaccine for MA recipients because vaccine would be provided free of charge to providers. DHS has received favorable responses from members of the provider community on a similar approach recently undertaken in Wisconsin.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
MA Grants	($563)	($750)	($750)	($750)

DECISION ITEM:

MA Asset Transfer Restrictions

Item Summary:

This proposal decreases the budget base by $2,945,000 in F.Y. 1995 by requesting and implementing waivers of certain provisions of Title XIX of the Social Security Act in order to discourage persons from protecting assets or divesting themselves of those assets in order to gain eligibility for long term care services. Waivers will be requested to accomplish the following changes: (1) the period of time prior to institutionalization or application for medical assistance, during which a transfer of assets for less than fair market value cannot be made without penalty, shall be changed from 30 to 60 months; (2) the penalty for transfers made during the 30 or 60 month period shall be changed from ineligibility for long term care services to ineligibility for any medical assistance coverage; (3) the period of ineligibility for a transfer for less than fair market value shall not be limited to 30 months; (4) penalties that would have run concurrently under current law shall be aggregated; and (5) transfers for less than fair market value of assets that would have been allowed under current law because the assets are excluded for the purpose of determing eligibility for medical assistance shall be penalized in the same manner as other uncompensated transfers. Other changes that do not require federal waivers or changes in federal law are also porposed.

Rationale:

The growth of the "Medicaid estate planning" industry and the rising costs of long term care services are a major concern in Minnesota and across the nation. At a time when minnesota is struggling to ensure that adequate care is available for those who cannot afford it, it is important to ensure that those who may have the means to pay for any portion of their long term care costs do so.

Impact:

These changes will show savings to the Medical Assistance fund, mainly because the penalty for uncompensated transfers (loss of long term care coverage) will be extended, and fewer people will be able to make allowable uncompensated transfers because they must be made years in advance of the need for care, instead of 30 months.

BUDGET ACTIVITY: Medical Assistance Grants
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
-0-	$(2,985)	$(7,669)	$(10,372)

INFORMATION ITEM:

IMD Downsizing - Adult Mental Health Funding Conversion

This proposal increases the budget base by $110,000 in F.Y. 1994 and by $500,000 in F.Y. 1995 to implement the downsizing and conversion of Institutions for Mental Disease (IMD); thus increasing federal reimbursement for ancillary medical and nursing facility services.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$110	$500	$574	$576

DECISION ITEM:

Reschedule State Financing of Income Maintenance Programs

This proposal decreases the budget base by ~~$6,609,000~~ $6,508,000 in F.Y. 1994 and by ~~$7,868,000~~ $7,766,000 in F.Y. 1995. This proposal is part of a 2-year delay of the current state financing six year phase-in schedule which includes MA Grants, MA transportation, and 10 other programs.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
~~($6,609)~~	~~($7,868)~~	~~($1,150)~~	~~($1,269)~~
$(6,508)	$(7,766)	$(1,494)	$(1,317)

DECISION ITEM:

Reallocate MA and MA Medical Transportation Portion of County Share Base from Human Services Aid to MA and MA Medical Transportation Grants

This proposal increases the budget base by $75,573,000 in F.Y. 1994 and by $75,573,000 in F.Y. 1995. This proposal is part of an aids restructuring plan which eliminates the Department of Revenue's Human Services Aid Account and transfers the appropriation to the respective human service program. There is no general fund impact.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
MA Grants	$75,573	$75,573	$75,573	$75,573
Revenue:	($75,573)	($75,573)	($75,573)	($75,573)

~~INFORMATION ITEM:~~

~~Performance Based Contracting Support~~

~~This proposal decreases the budget base by $200,000 in F.Y. 1994 and by $350,000 in F.Y. 1995 to implement performance based contracting of providers of residential services and provide support to such providers to maintain overall provider stability.~~

~~Dollars in Thousands~~			
~~F.Y. 1994~~	~~F.Y. 1995~~	~~F.Y. 1996~~	~~F.Y. 1997~~
~~($200)~~	~~($350)~~	~~($450)~~	~~($550)~~

INFORMATION ITEM:

Integrated Management and Planning Act

This proposal decreases the budget base by ~~$30,660,000~~ $320,000 in F.Y. 1994 and $11,790,000 in F.Y. 1995 to implement a comprehensive reform of the funding and delivery of services to persons with developmental disabilities through the implementation of the Integrated Management and Planning Act (IMPACT). IMPACT funding is discussed in further detail in the Social Services Administration Program budget, under the Developmental Disabilities Administration activity.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
~~$0~~	~~($30,660)~~	~~($95,285)~~	~~($163,825)~~
$(320)	$(11,790)	$(33,458)	$(96,131)

INFORMATION ITEM:

~~Semi-Independent Living Services 10% Reduction~~ CSSA: Grants to Case Management Restoration

~~This proposal increases the budget base by $456,000 in F.Y. 1994 and by $456,000 in F.Y. 1995 by implementing a 10% reduction as part of the department's overall strategy for reducing expenditures. It is projected that counties would replace some services to those persons terminated from the program through MA entitlements.~~

This proposal decreases the budget base by $270,000 in F.Y. 1994 and $270,000 in F.Y. 1995 to restore the Developmental Disabilities Case Management CSSA base to the 1992 level. This proposal is discussed in further detail in the Community Social Services Grants page of the Social Services Administration section.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
~~$456~~	~~$456~~	~~$456~~	~~$456~~
$(270)	$(270)	$(270)	$(270)

~~INFORMATION ITEM:~~

~~Day Training and Habilitation Reform~~

~~This proposal decreases the budget base by $955,000 in F.Y. 1994 and by $1,558,000 in F.Y. 1995 by reforming day training and habilitation (DT&H) services in the following ways: 1) eliminates the funding of the implementation of the proposed client based reimbursement system for DT&H; 2) allows alternatives to existing and expensive program models; 3) provides support to reduce unnecessary or duplicative requirements of DT&H vendors; 4) increases competition among vendors and client choice of vendors; and 5) increases access to existing services for persons with significant disabilities.~~

INFORMATION ITEM:

GAMC Restructuring Proposal

This proposal decreases the budget base by $1,485,000 in F.Y. 1994 and $1,978,000 in F.Y. 1995 by maximizing recoveries from third party payors for inpatient care to a client with MA coverage and other third party coverage. This proposal is included in the GAMC restructuring proposal detailed in the GAMC budget activity.

Revised 3-4-93
~~Revised 2-08-93~~

BUDGET ACTIVITY: Medical Assistance Grants
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($1,485)	($1,978)	($1,978)	($1,978)

Dollars in Thousands			
F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
($955)	($1,558)	($1,738)	($1,845)

DECISION ITEM:

Alternative Care Grants Forecast Adjustment Cancellations

Item Summary:

This proposal decreases the budget base by ~~$2,733,000~~ $(3,732,000) in F.Y. 1994 and by ~~$3,004,000~~ $(4,389,000) in F.Y. 1995 and reflects the return of unused alternative care grant funds to the medical assistance account.

Rationale:

It is established practice to fund counties alternative care programs at a rate higher than projected statewide need to allow for variations from county to county so that no one program has a shortage. As a result some counties are overfunded. However, the funds which remain after needs are met is recaptured through this procedure.

Impact:

This is an established practice and is part of the alternative care program as operated so there will be no change resulting from this proposal.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
Medical Assistance	~~($2,733)~~ $(3,732)	~~($3,004)~~ $(4,389)	0	0

INFORMATION ITEM:

Residential Facilities Administrative Reduction

MA Grants are ~~reduced~~ increased by ~~$48,000~~ $40,000 in the biennium because of changes in the Residential Facilities Administration Activity.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
~~($20)~~ $20	~~($20)~~ $20	~~($20)~~ $20	~~($20)~~ $20

INFORMATION ITEM:

Regional Treatment Center Developmentally Disabled Downsizing

This proposal increases the budget base by $1,609,000 in F.Y. 1994 and by $7,152,000 in F.Y. 1995 as a result of lost dedicated revenues associated with the ongoing downsizing in programs operated by the Regional Treatment Centers (RTCs) for developmentally disabled individuals.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$1,609	$7,152	$11,701	$17,178

INFORMATION ITEM:

Faribault RTC

This proposal increases the budget base by $2,757,000 in F.Y. 1994 and by $12,102,000 in F.Y. 1995 as a result of lost dedicated revenues associated with downsizing of Faribault RTC.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$2,757	$12,102	$18,252	$19,059

INFORMATION ITEM:

Moose Lake RTC Transfer to Corrections

This proposal increases the budget base by ~~$937,000~~ $1,140,000 in F.Y. 1994 and by ~~$1,569,000~~ $2,398,000 in F.Y. 1995 as a result of lost dedicated revenues associated with converting the Moose Lake RTC, and transferring some of the Moose Lake residents to community-based programming.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
~~$937~~	~~$1,569~~	~~$1,541~~	~~$1,566~~
$1,140	$2,398	$3,403	$3,544

INFORMATION ITEM:

Community Alternatives: Moose Lake Regional Treatment Center Transfer to Corrections

This proposal increases the budget base by ~~$1,559,000~~ $1,134,000 in F.Y. 1994 and by ~~$3,117,000~~ $4,928,000 in F.Y. 1995 to provide funding for community alternatives for psycho-geriatric patients currently residing at the Moose Lake Regional Treatment Center (MLRTC). This is necessary due to converting and transferring the MLRTC campus to the Department of Corrections.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
~~$1,559~~	~~$3,117~~	~~$3,117~~	~~$3,117~~
$1,134	$4,928	$6,722	$6,757

INFORMATION ITEM:

ACG Forecast Increase

This proposal decreases the budget base by $2,387,000 in F.Y. 1994 and by $7,726,000 in F.Y. 1995. These reductions are a result of increased expenditures in Alternative Care Grant funding. Increased expenditures in ACG create savings to MA paid nursing home costs.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$(2,387)	$(7,726)	$(8,613)	$(6,305)

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~~Revised 2-08-93~~

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: MA GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
AIDS TO INDIVIDUALS	1,635,778	1,994,826	2,216,825	2,216,825	2,412,850	2,412,850	2,216,825	2,550,313	2,550,313
LOCAL ASSISTANCE	3,733	4,558	86,681	86,681	113,961	113,961	86,681	123,742	123,742
TOTAL EXPENDITURES	1,639,511	1,999,384	2,303,506	2,303,506	2,526,811	2,526,811	2,303,506	2,674,055	2,674,055
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	541,576	649,254	761,526	761,526	1,084,914	1,084,914	761,526	1,142,120	1,142,120
OPEN APPROPRIATIONS:									
GENERAL		67,530	72,551	72,551			72,551		
STATUTORY APPROPRIATIONS:									
GENERAL	230,091	242,581	254,938	254,938	110,847	110,847	254,938	118,034	118,034
FEDERAL	867,844	1,040,019	1,214,491	1,214,491	1,331,050	1,331,050	1,214,491	1,413,901	1,413,901
TOTAL FINANCING	1,639,511	1,999,384	2,303,506	2,303,506	2,526,811	2,526,811	2,303,506	2,674,055	2,674,055
POSITIONS BY FUND:									
TOTAL POSITIONS									

MA GRANTS
FORECAST INFORMATION

This table shows historical Medical Assistance caseload and total expenditures, with projections for F.Y. 1993 - F.Y. 1995.

Total MA Program

Fiscal Year	Monthly Average Eligibles	Monthly Average Payments	Total Annual Payments	Federal Share	State Share	CD Fund Share	County Share
1990	304,201	$389.67	$1,422,468,950	$744,994,999	$609,073,035	$2,472,333	$65,928,583
1991	338,679	403.16	1,638,494,615	868,060,302	693,485,073	2,226,810	74,722,430
1992	373,075	429.49	1,922,803,278	1,040,199,388	795,577,338	2,045,697	84,980,855
PROJECTED							
1993	~~402,623~~	~~$462.38~~	~~$2,233,979,648~~	~~$1,224,279,815~~	~~$905,850,028~~	~~$2,224,702~~	~~$101,625,103~~
	399,488	$462.28	$2,216,120,410	$1,214,491,166	$898,758,534	$2,033,550	$100,837,159
1994	~~424,375~~	~~478.79~~	~~2,438,254,511~~	~~1,334,015,876~~	~~990,756,477~~	~~2,411,202~~	~~111,070,956~~
	420,656	481.95	2,432,834,130	1,331,049,844	988,744,683	2,192,180	110,847,423
1995	~~443,243~~	~~483.13~~	~~2,569,703,002~~	~~1,404,113,161~~	~~1,045,815,830~~	~~2,573,948~~	~~117,200,064~~
	442,288	487.54	2,587,613,411	1,413,901,199	1,053,323,314	2,354,670	118,034,228

MA GRANTS
FORECAST INFORMATION

The following table sums the state share of MA, state funded county share growth, and added costs allowed for the effect of federal refugee changes. The table also deducts collections which are dedicated to the MA account. These collections come mainly from state regional treatment centers and state operated community services.

Fiscal Year	State Share	State Paid County Share Growth (MA Payments)	State Paid County Share Growth (Med. Transportation)	~~Cost of Federal Refugee Changes~~	Collections	Net State General Fund Cost
1990	$609,073,035	-0-	-0-	~~-0-~~	($143,235,795)	$465,837,240
1991	693,485,073	-0-	-0-	~~-0-~~	(153,952,945)	539,532,128
1992	795,577,338	$12,541,891	$122,746	~~-0-~~	(151,668,889)	656,573,086
PROJECTED						
1993	~~$905,850,028~~	~~$16,434,759~~	~~$1,500,000~~	~~$960,000~~	($154,101,000)	~~$770,642,787~~
	$898,758,534	$16,040,787	$715,582			$761,413,903
1994	~~990,756,477~~	~~38,399,390~~	~~2,000,000~~	~~960,000~~	(155,674,000)	~~876,441,866~~
	988,744,683	37,356,900	1,442,277			871,869,859
1995	~~1,045,815,830~~	~~47,644,145~~	~~2,500,000~~	~~960,000~~	(155,940,000)	~~940,979,975~~
	1,053,323,314	47,138,045	1,985,320			946,506,679

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MA GRANTS
FORECAST INFORMATION

This table shows MA expenditures, by category of service, from F.Y. 1990 to F.Y. 1993 (projected).

	State Share of MA Expenditures (000's)			
	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993
Nursing Homes	$215,083	$248,134	$278,194	~~$305,672~~ $304,806
Therapies Billed by Nursing Homes	2,493	2,493	2,447	~~2,515~~ 2,413
ICF/MR	50,817	55,461	59,934	63,312
Day Training & Habilitation	11,410	13,354	14,889	17,580
MR/RC Waivers	23,705	26,792	33,585	~~45,223~~ 45,260
Elderly Waiver	2,808	3,354	3,418	~~3,255~~ 4,169
Disabled Waiver (CADI)	717	1,346	1,654	~~2,280~~ 2,153
Chronically Ill Waiver (CAC)	1,730	2,402	3,381	~~5,063~~ 5,125
Traum. Brain Inj. Waiver (TBI)	-0-	-0-	-0-	81
Waiver Screenings	321	308	383	424
State Regional Treatment Center DD	41,550	42,217	40,381	~~36,170~~ 37,621
State Operated Community Services	-0-	-0-	675	2,790
State Regional Treatment Center MI	8,631	9,539	9,716	~~9,960~~ 8,883
Inpatient Hospital	90,482	89,209	103,134	~~112,348~~ 114,728
Outpatient Hospital	12,487	17,058	19,706	~~23,678~~ 25,122

MA GRANTS FORECAST INFORMATION	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993
Mental Health Centers	2,731	3,254	3,898	~~4,821~~ 4,753
Physicians	33,055	38,338	39,237	~~49,434~~ 48,672
Dental	6,802	7,117	7,229	~~8,225~~ 8,092
Psychology	3,632	4,010	3,648	~~3,927~~ 3,890
Special Education Services	-0-	-0-	40	~~203~~ 41
Home Health Agencies	5,728	6,792	7,763	~~8,730~~ 9,005
Nursing Services	12,652	20,495	26,662	~~30,242~~ 30,503
Rehabilitation Services	5,373	5,933	5,776	~~5,835~~ 5,778
Prescription Drugs	27,529	32,339	36,375	~~42,886~~ 39,249
Medical Supplies	6,826	7,741	9,060	~~9,954~~ 9,851

State Share of MA Expenditures (000's)

	F.Y. 1990	F.Y.1991	F.Y.1992	F.Y. 1993
Medical Transportation	5,789	7,015	6,798	~~7,477~~ 7,335
Capitation	14,804	26,776	54,928	~~83,164~~ 76,904
Targeted Case Management	341	577	742	~~1,414~~ 1,184

MA GRANTS FORECAST INFORMATION	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993
Other Practitioners	2,303	2,422	2,550	~~2,582~~ 2,586
Other Services	4,226	6,068	7,717	~~6,929~~ 7,089
Medicare Buy-In	7,886	8,571	9,998	~~11,507~~ 11,206
Recipient Adjustments	(6,755)	(5,942)	(8,184)	(6,507)
Pharmacy Rebates	-0-	-0-	(4,982)	~~(4,799)~~ (4,896)
Recoveries to General Fund	8,481	7,613	7,725	9,558
Residual (SWA minus stat. series)	5,437	2,700	(2,864)	-0-
Total	$609,073	$693,485	$795,577	~~$905,850~~ 898,759
County Share Growth: MA Payments	-0-	-0-	12,542	~~16,435~~ 16,041
County Share Growth: Medical Transportation	-0-	-0-	123	~~1,500~~ 716
~~Added Refugee Costs~~	~~-0-~~	~~-0-~~	~~-0-~~	~~960~~
Collections	($143,236)	($153,953)	($151,669)	($154,101)
Net State (General Fund) Cost	$465,837	$539,532	$656.573	~~$770,644~~ $761,414

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MA GRANTS
FORECAST INFORMATION

COST PROJECTIONS BY CATEGORY OF SERVICE WITH PROJECTED INCREASE OVER F.Y. 1993 COSTS

(Thousands of Dollars: State Funds Only)

MA GRANTS FORECAST INFORMATION	Projected F.Y. 1994	F.Y. 1994 Increase Over F.Y. 1993	Projected F.Y. 1995	F.Y. 1995 Increase Over F.Y. 1993
Nursing Homes	~~$319,474~~	~~$13,802~~	~~$330,717~~	~~$25,045~~
	$321,862	$17,056	$341,551	$36,745
Therapies Billed by Nursing Homes	~~2,611~~	~~96~~	~~2,705~~	~~190~~
	2,523	109	2,666	253
ICF/MR	67,226	3,914	68,261	4,949
Day Training & Habilitation	19,102	1,522	20,328	2,748
MR/RC Waivers	~~56,600~~	~~11,277~~	~~66,751~~	~~21,528~~
	56,696	11,436	66,902	21,643
Elderly Waiver	~~4,100~~	~~845~~	~~4,868~~	~~1,613~~
	5,028	859	5,798	1,629
Disabled Waiver (CADI)	~~3,130~~	~~851~~	3,773	~~1,493~~
	2,947	821		1,620
Chronically Ill Waiver (CAC)	~~6,366~~	~~1,303~~	~~7,991~~	~~2,929~~
	6,440	1,315	8,079	2,954
Traum. Brain Inj. Waiver (TBI)	970	890	2,080	1,999
Waiver Screenings	469	45	738	314
State Regional Treatment Center DD	34,824	~~(1,345)~~	34,878	~~(1,291)~~
		(2,796)		(2,743)
State Operated Community Services	3,482	693	3,488	698
State Regional Treatment Center MI	9,876	~~(84)~~	9,891	~~(69)~~
		993		1,008
Inpatient Hospital	~~115,907~~	~~3,559~~	~~122,053~~	~~9,705~~
	117,924	3,196	124,809	10,081
Outpatient Hospital	~~24,851~~	~~1,173~~	~~23,761~~	~~83~~

MA GRANTS
FORECAST INFORMATION

	Projected F.Y. 1994	F.Y. 1994 Increase Over F.Y. 1993	Projected F.Y. 1995	F.Y. 1995 Increase Over F.Y. 1993
	26,453	1,332	25,403	282
Mental Health Centers	~~5,657~~	~~827~~	~~6,398~~	~~1,577~~
	5,765	1,013	6,547	1,795
Physicians	~~55,249~~	~~5,915~~	~~54,534~~	~~5,100~~
	54,558	5,887	53,855	5,183
Dental	~~9,112~~	~~888~~	~~8,910~~	~~685~~
	8,932	840	8,743	651
Psychology	~~4,128~~	~~201~~	~~4,245~~	~~319~~
	4,985	1,096	5,492	1,603
Special Education Services	~~306~~	~~102~~	~~408~~	~~205~~
	102	61	204	163
Home Health Agencies	~~9,308~~	~~578~~	~~9,597~~	~~867~~
	9,699	693	9,970	965
Nursing Services	~~23,981~~	~~2,738~~	~~26,539~~	~~6,297~~
	34,668	4,165	37,154	6,651
Rehabilitation Services	~~6,250~~	~~415~~	~~6443~~	~~608~~
	6,291	512	6,446	668
Prescription Drugs	~~48,757~~	~~5,872~~	~~54,764~~	~~11,878~~
	45,722	6,473	51,258	12,009
Medical Supplies	~~11,245~~	~~1,291~~	~~12,269~~	~~2,415~~
	11,325	1,474	12,452	2,602
Medical Transportation	~~7,999~~	~~521~~	~~8,252~~	~~775~~
	7,943	608	8,158	822
Capitation	~~106,931~~	~~23,767~~	~~117,081~~	~~23,917~~
	100,023	23,118	109,602	32,698

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MA GRANTS FORECAST INFORMATION	Projected F.Y. 1994	F.Y. 1994 Increase Over F.Y. 1993	Projected F.Y. 1995	F.Y. 1995 Increase Over F.Y. 1993
Targeted Case Management	~~1,756~~	~~242~~	~~2,069~~	~~655~~
	1,612	428	2,069	884
Other Practitioners	~~2,706~~	~~125~~	~~2,784~~	~~203~~
	2,694	108	2,771	186
Other Services	~~7,419~~	~~490~~	~~7,722~~	~~793~~
	7,550	461	7,866	776
Medicare Buy-In	~~14,035~~	~~2,528~~	~~16,108~~	~~4,601~~
	13,541	2,335	15,143	3,937
Recipient Adjustments	(6,520)	(13)	(6,530)	(23)
Pharmacy Rebates	~~(5,257)~~	~~(458)~~	~~(5,672)~~	~~(873)~~
	(5,571)	(676)	(6,112)	(1,217)
Recoveries to General Fund*	9,577	19	9,592	34
Total	~~$990,756~~	~~$84,906~~	~~$1,045,816~~	~~$139,966~~
	$988,744	$89,986	$1,053,324	$154,565
County Share Growth: MA Payments	~~28,399~~	~~21,965~~	~~47,644~~	~~31,209~~
	37,357	21,316	47,138	31,097
County Share Growth: Medical Transportation	~~2,000~~	~~500~~	~~2,500~~	~~1,000~~
	1,442	727	1,985	1,270
~~Added Refugee Costs~~	~~960~~	~~0~~	~~960~~	~~0~~
Collections	($155,674)	($1,573)	($155,940)	($1,839)
Net State (General Fund) Cost	~~$876,442~~	~~$105,798~~	~~$940,980~~	~~$170,337~~
	$871,870	$110,456	$946,507	$185,093

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MA GRANTS
FORECAST INFORMATION

This table shows the projected increases in MA expenditures under current law, compared with projected F.Y. 1993 expenditures. These increases do not include changes proposed in the Governor's budget. They include only projected costs under current law.

MA GRANTS FORECAST INFORMATION	F.Y. 1994 State Share	F.Y. 1994 Other	F.Y. 1995 State Share	F.Y. 1995 Other
	(Thousands)			
F.Y. 1993 State Share Cost:	~~$905,850~~		~~$905,850~~	
	$898,759		$898,759	
F.Y. 1993 County Share Growth		~~$16,435~~		~~$16,435~~
		$16,041		$16,041
Projected Increases Under Current Law				
Nursing Home Caseload	~~$11,034~~		~~$21,055~~	
	$13,224		$30,841	
Nursing Home Rates	~~2,768~~		~~3,091~~	
	3,832		5,905	
ICF/MR Case-Mix Reimbursement	1,423		2,138	
ICF/MR Other Rate Issues	3,914		4,949	
DT&H Caseload	1,000		1,923	
DT&H Rates	522		825	
MR/RC Waiver Caseload	~~8,063~~		~~15,293~~	
	8,058		15,296	
MR/RC Waiver Rates and Case Mix	~~2,314~~		~~6,226~~	
	3,378		6,347	
State Regional Treatment Center DD Caseload Reduction	~~(1,345)~~		~~(1,291)~~	
	(2,796)		(2,743)	
SOCS Caseload & Rates	693		698	
Disabled Waiver (CADI) Caseload and Rates	~~851~~		~~1,493~~	
	821		1,620	
Chronically Ill Waiver (CAC) Caseload and Rates	~~1,303~~		~~2,929~~	
	1,315		2,954	
Traum. Brain Inj. Waiver (TBI) (New Waiver)	890		1,999	
Disabled Caseload (Excludes LTC & Waivers)	~~15,666~~		~~28,899~~	
	16,475		30,523	

MA GRANTS
FORECAST INFORMATION

	F.Y. 1994 State Share	F.Y. 1994 Other	F.Y. 1995 State Share	F.Y. 1995 Other
	(Thousands)			
Medically Needy Families Caseload (Excludes LTC & Waivers)	~~11,812~~		~~20,102~~	
	10,964		22,778	
Elderly Caseloads (Excludes LTC & Waivers)	~~8,451~~		~~14,213~~	
	6,613		11,401	
AFDC Recipient Caseload (Excludes LTC & Waivers)	~~7,817~~		~~14,755~~	
	7,330		14,181	
Capitation: F.Y. 1994 rate increase	1,961		2,149	
Prescription Drugs: Average Cost Inflation	~~1,875~~		~~4,132~~	
	1,759		3,867	
Net of Other Changes	~~5,747~~		~~(2,371)~~	
	8,608		(3,083)	
Increase in County Share Growth		~~$21,965~~		~~$31,209~~
		$21,316		$31,097
Total State Share/County Share Growth	~~$990,756~~	~~$38,399~~	~~$1,045,816~~	~~$47,644~~
	$988,745	$37,357	$1,053,323	$47,138
State Share Plus County Share Growth		~~$1,029,156~~		~~$1,093,460~~
		$1,026,102		$1,100,461
County Share Growth: Medical Transportation		~~2,000~~		~~2,500~~
		1,442		1,985
~~Added Refugee Costs~~		~~960~~		~~960~~
Collections		(155,674)		($155,940)
Net State (General Fund) Cost		~~$876,442~~		~~$940,980~~
		$871,870		$946,507
Increase Over F.Y. 1993		~~$105,798~~		~~$170,336~~
		$110,456		$185,093

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BUDGET ACTIVITY: General Assistance Medical Care Grants
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The purpose of the General Assistance Medical Care Program (GAMC) is to pay for medical services rendered to low income individuals who do not meet the eligibility categories of MA, such as age, disability, or family composition. Also persons who would be eligible for MA if they did not reside in an Institution for Mental Diseases (IMD) are eligible for GAMC. The majority of GAMC recipients are single persons, between age 21 and age 65. 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, medical transportation and case management for persons who have a serious and persistent mental illness for persons who would be eligible for medical assistance (MA) but for the fact that they reside in institutions for mental diseases. Provider payment rates are specified in state law.

In F.Y. 1993, approximately 44% of total GAMC expenditures went to capitated payment plans, 24% of expenditures went to inpatient hospital services, and 12% into physician services.

Approximately 4% of GAMC costs in F.Y. 1992, on average, were attributable to residents of IMD's.

ACTIVITY OUTCOME OBJECTIVES:

During each year of the biennium, GAMC will provide medical care coverage to all applicants who meet eligibility requirements established by law monthly.

Performance Measure: ■ Average number of GAMC enrollees monthly.

ACTIVITY COSTS:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Average monthly expenditure per eligible	$211	$243	$246	$264	$275

REVENUE GENERATION:

GAMC grants are funded 100% with state funds.

BUDGET/LEGISLATIVE ISSUES:

Budget:

Program costs will be impacted by state legislation and the national economic climate.

Legislative Issues:

Consideration of the relationship of GAMC to MinnesotaCare will need to be addressed.

ACTIVITY PLAN:

The following decision and information items reflect adjustment of current law base level funding for this activity.

INFORMATION ITEM:
Ineligibility for Undocumented Non-Immigrant Aliens

This proposal decreases the budget base by ~~$530,000~~ 709,000 in F.Y. 1994 and by ~~$785,000~~ 985,000 in F.Y. 1995 by making undocumented non-immigrant aliens ineligible for General Assistance, Work Readiness, and General Assistance Medical Care.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	(~~$530~~)	(~~$785~~)	(~~$806~~)	(~~$806~~)
	709	985	995	995

DECISION ITEM:
Reschedule State Financing of Income Maintenance Programs

This proposal decreases the budget base by ~~$1,254,000~~ 1,160,000 in F.Y. 1994 and ~~$1,760,000~~ 1,691,000 in F.Y. 1995. This proposal is part of a 2-year delay of the current state financing 6 year phase-in schedule which includes General Assistance Medical Care Grants (GAMC), GAMC transportation and claims processing, and 10 other programs.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	(~~$1,254~~)	(~~$1,761~~)	(~~$739~~)	(~~$754~~)
	1,160	1,691	676	643

DECISION ITEM:
Reallocate General Assistance Medical Care, GAMC Medical Transportation and Claims Processing Portion of County Share Base from Human Services Aid to General Assistance Medical Care, GAMC Medical Transportation, and Claims Processing.

This proposal increases the budget base by $12,667,000 in F.Y. 1994 and $12,667,000 in F.Y. 1995. This proposal is part of an aids restructuring plan which eliminates the Department of Revenue's Human Services Aid Account and transfers the appropriation to the respective human service program. There is no General Fund impact.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$12,667	$12,667	$12,667	$12,667
Revenue:	($12,667)	($12,667)	($12,667)	($12,667)

REVISED 3-4-93
~~Revised 2-08-93~~

BUDGET ACTIVITY: General Assistance Medical Care Grants
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

INFORMATION ITEM:

IMD Downsizing - Adult Mental Health Funding Conversion

This proposal decreases the budget base by $109,000 in F.Y. 1994 and $843,000 in F.Y. 1995 to implement the downsizing and conversion of Institutions for Mental Disease (IMD); thus increasing federal reimbursement for ancillary medical services.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
(109)	(843)	(1,005)	(1,010)

DECISION ITEM:

General Assistance Medical Care Restructuring

Item Summary:

~~This proposal decreases the budget base by $11,186,000 in F.Y. 1994 and by $19,903,000 in F.Y. 1995 through restructuring of the GAMC program.~~

This proposal decreases the budget base by $5,144,000 in F.Y. 1994, and by $16,442,000 in F.Y. 1995.

Rationale:

~~This proposal creates parity between the GAMC inpatient coverage benefit and the MinnesotaCare inpatient coverage benefit; and creates an incentive for hospitals to assure that a patient who has multiple or lengthy admissions to a hospital within 1 year is shifted to MA, if eligible.~~

This proposal proposes to: (1) maximize recoveries from third party payers for inpatient care provided to a client who has both GAMC/MA coverage and other third party coverage. This would be accomplished by restricting the MA payment rate to the lesser of the DRG payment, or the billed charge in those cases where a third party insurance has made payment. (2) Provide for an across the board rateable reduction of approximately 5%; and (3) Institute a Peer Group System of reimbursement for inpatient hospital services.

Impact:

~~No impact on 85% of GAMC recipients, due to the fact that $10,000 covers most single inpatient admissions.~~

~~No impact on a minority of GAMC recipients who can be switched to MA when they reach their $10,000 limit (approximately 5%).~~

~~Negative impact on a small minority of GAMC recipients who exceed the $10,000 limit and are not eligible for MA, as they will be liable for the uncovered portion of their inpatient care (approximately 10%).~~

This proposal does not reduce the current GAMC benefit levels. The rateable reduction does not negatively impact one provider type more than another. This proposal maintains the "safety-net" feature of the GAMC program and maintains a unitary tier system.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Proposal #1				
GAMC Grants	$(327)	$(436)	$(436)	$(436)
MA Grants	(1,485)	(1,978)	(1,978)	(1,978)
Proposal #2				
GAMC Grants	(3,332)	(7,628)	(9,943)	(12,106)
Proposal #3				
GAMC Grants	(0)	(6,400)	(6,840)	(7,857)
TOTAL	$(5,144)	$(16,442)	$(19,197)	$(22,377)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: GAMC GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
AIDS TO INDIVIDUALS	124,220	172,274	166,997	166,997	185,793	185,793	166,997	206,855	206,855
LOCAL ASSISTANCE	470	3,813	16,415	16,415	19,627	19,627	16,415	23,069	23,069
TOTAL EXPENDITURES	124,690	176,087	183,412	183,412	205,420	205,420	183,412	229,924	229,924
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	112,266	148,833	155,216	155,216	186,088	186,088	155,216	207,403	207,403
OPEN APPROPRIATIONS:									
GENERAL		11,141	11,496	11,496			11,496		
STATUTORY APPROPRIATIONS:									
GENERAL	12,424	16,113	16,700	16,700	19,332	19,332	16,700	22,521	22,521
TOTAL FINANCING	124,690	176,087	183,412	183,412	205,420	205,420	183,412	229,924	229,924
POSITIONS BY FUND:									
TOTAL POSITIONS									

GAMC GRANTS
FORECAST INFORMATION

This table shows historical GAMC caseload and total expenditures, with projections for F.Y. 1993 - F.Y. 1995.

Total GAMC Program

Fiscal Year	Monthly Average Eligibles	Monthly Average Payments	Total Annual Payments	State Share	County Share
1990	42,824	$209.32	$107,567,922	$96,811,130	$10,756,792
1991	48,929	211.22	124,015,194	111,613,675	12,401,519
1992	55,292	243.10	161,294,580	145,165,122	16,129,458
PROJECTED					
1993	~~57,426~~	~~$246.49~~	~~$169,859,527~~	~~$152,873,574~~	~~$16,985,953~~
	55,784	$249.47	$166,997,348	$150,297,613	$16,699,735
1994	~~63,974~~	~~264.31~~	~~202,908,484~~	~~182,617,636~~	~~20,290,848~~
	61,725	261.00	193,319,113	173,987,201	19,331,911
1995	~~70,170~~	~~275.01~~	~~231,567,992~~	~~208,411,192~~	~~23,156,799~~
	68,722	273.09	225,210,019	202,689,017	22,521,002

Revised 3-4-93

GAMC GRANTS
FORECAST INFORMATION

The following table sums the historic state share of GAMC, state costs for reimbursement of county share growth in medical payments, and state costs for reimbursement of county share growth in claims processing costs.

Fiscal Share	State Share	State Paid County Share Growth (GAMC Payments)	~~State Paid County Share Growth (Claims Processing)~~	Total State Cost
1990	$96,811,130	-0-	~~-0-~~	$96,811,130
1991	111,613,675	-0-	~~-0-~~	111,613,675
1992	145,165,122	$3,215,952	~~($362,165)~~	~~148,018,909~~
				$148,381,074
PROJECTED				
1993	~~$152,873,574~~	~~$5,061,771~~	~~$100,000~~	~~$158,035,346~~
	$150,297,613	$4,918,662		$155,216,276
1994	~~182,617,636~~	~~7,875,376~~	~~200,000~~	~~190,693,012~~
	173,987,201	7,172,887		181,160,089
1995	~~208,411,192~~	~~11,438,458~~	~~300,000~~	~~220,149,650~~
	202,689,017	10,615,036		213,304,053

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GAMC GRANTS
FORECAST INFORMATION

This table shows GAMC expenditures, by category of service, from F.Y. 1990 to F.Y. 1993 (projected).

(State Share of GAMC Expenditures (000's))

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993
Inpatient Hospital	$47,250	$44,251	$45,130	~~$43,511~~
				$44,040
Outpatient Hospital	6,789	8,408	8,403	~~8,995~~
				10,138
Physicians	14,826	16,254	16,473	~~18,404~~
				20,694
Dental	3,150	3,219	3,003	~~3,325~~
				3,249
Prescription Drugs	6,920	8,083	8,642	~~8,917~~
				8,794
Optometric Services	511	486	482	~~472~~
				460
Mental HealthCenters/Psychology	1,683	1,920	2,181	~~2,336~~
				2,357
Targeted Case Management	198	362	472	~~1,382~~
				988
Medical Supplies	818	916	1,071	~~1,133~~
				1,104
Medical Transportation	2,207	2,354	1,887	~~1,512~~
				1,515
Other Practitioners	694	773	794	754
Capitation	11,275	24,189	56,167	~~59,933~~
				55,167
Other Services	491	397	462	~~1,299~~
				1,266

Revised 3-4-93

GAMC GRANTS FORECAST INFORMATION	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993
Non-System Payments	-0-	-0-	-0-	900
Recoveries from Health Plans	-0-	-0-	-0-	(1,130)
Total State Share	$96,811	$111,614	$145,165	~~$152,874~~ $150,298
County Share Growth: GAMC Payments	-0-	-0-	3,216	~~5,062~~ 4,919
~~County Share Growth: Claims Processing~~	~~-0-~~	~~-0-~~	~~(362)~~	~~100~~
Total State Cost	$96,811	$111,614	~~$148,019~~ $148,381	~~$158,035~~ $155,216

GAMC GRANTS
FORECAST INFORMATION

COST PROJECTIONS BY CATEGORY OF SERVICE WITH PROJECTED INCREASE OVER F.Y. 1993 COSTS

(Thousands of Dollars: State Funds Only)

GAMC GRANTS FORECAST INFORMATION	Projected F.Y. 1994	F.Y. 1994 Increase Over F.Y. 1993	Projected F.Y. 1995	F.Y. 1995 Increase Over F.Y. 1993
Inpatient Hospital	~~$50,678~~	~~$7,167~~	~~$57,603~~	~~$14,093~~
	$50,261	$6,221	$57,208	$13,168
Outpatient Hospital	~~11,531~~	~~2,536~~	~~13,216~~	~~4,221~~
	12,713	2,575	14,572	4,435
Physicians	~~24,193~~	~~5,788~~	~~27,576~~	~~9,173~~
	26,551	5,857	30,299	9,604
Dental	~~4,317~~	~~991~~	~~4,890~~	~~1,565~~
	4,113	863	4,668	1,419
Prescription Drugs	~~11,082~~	~~2,165~~	~~13,584~~	~~4,667~~
	10,664	1,870	13,089	4,294
Optometric Services	~~551~~	~~78~~	~~623~~	~~151~~
	524	64	594	134
Mental Health/Psych.	~~2,924~~	~~588~~	~~3,255~~	~~918~~
	2,916	558	3,245	888
Case Management	~~1,264~~	~~(118)~~	~~1,437~~	~~55~~
	772	(216)	880	(108)
Medical Supplies	~~1,406~~	~~273~~	~~1,693~~	~~561~~
	1,337	233	1,613	509
Medical Transportation	~~1,723~~	~~221~~	~~1,963~~	~~451~~
	1,710	195	1,938	423

GAMC GRANTS FORECAST INFORMATION	Projected F.Y. 1994	F.Y. 1994 Increase Over F.Y. 1993	Projected F.Y. 1995	F.Y. 1995 Increase Over F.Y. 1993
Other Practitioners	~~875~~	~~120~~	~~995~~	~~240~~
	854	100	972	218
Capitation	~~69,648~~	~~9,716~~	~~78,958~~	~~19,025~~
	63,414	8,246	71,869	16,702
Other Services	~~1,518~~	~~219~~	~~1,719~~	~~420~~
	1,442	176	1,636	371
Non-System Payments	900	-0-	900	-0-
Recoveries from Health Plan	(4,184)	(3,054)	(795)	335
Total State Share	~~$182,618~~	~~$29,744~~	~~$208,411~~	~~$55,538~~
	$173,987	$23,690	$202,689	$52,391
County Share Growth: GAMC Payments	~~7,875~~	~~2,814~~	~~11,438~~	~~6,377~~
	7,173	2,254	10,615	5,696
~~County Share Growth: Claims Processing~~	~~200~~	~~100~~	~~300~~	~~200~~
Total State Cost	~~$190,693~~	~~$32,658~~	~~$220,150~~	~~$62,114~~
	$181,160	$25,944	$213,304	$58,088

GAMC GRANTS
FORECAST INFORMATION

This table shows the projected increases in GAMC expenditures under current law, compared with projected F.Y. 1993 expenditures. These do not include changes proposed in the Governor's budget; they include only projected costs under current law.

GAMC GRANTS FORECAST INFORMATION	F.Y. 1994 State Share	F.Y. 1994 Other	F.Y. 1995 State Share	F.Y. 1995 Other
		(Thousands)		
F.Y. 1993 State Share Cost	~~$152,874~~		~~$152,874~~	
	$150,298		$150,298	
F.Y. 1993 County Share Growth		~~$5,063~~		~~$5,063~~
		$4,919		$4,919
Projected Increases Under Current Law				
GAMC-Only Caseload: MinnesotaCare Effect	~~$1,973~~		~~$6,741~~	
	$-0-		$9,422	
GAMC-Only Caseload: Other Reasons	~~10,178~~		~~19,354~~	
	10,268		17,408	
GAMC-Only Physician & Dental Rates	~~2,263~~		~~2,554~~	
	2,926		3,942	
GAMC-Only Rates & Utilization	~~7,229~~		~~14,866~~	
	4,232		8,727	
GA/WR Caseload	~~5,451~~		~~8,426~~	
	5,920		8,897	
GA/WR Physician & Dental Rates	~~1,550~~		~~2,596~~	
	1,887		2,209	
GA/WR Rates & Utilization	1,511		1,452	
Recoveries from Health Plans	(3,054)		335	

GAMC GRANTS FORECAST INFORMATION	F.Y. 1994 State Share	F.Y. 1994 Other	F.Y. 1995 State Share	F.Y. 1995 Other
Increase in County Share Growth		~~$2,814~~		~~$6,277~~
		$2,254		$5,696
Total State Share/County Share Growth	~~$182,618~~	~~$7,875~~	~~$208,411~~	~~$11,438~~
	$173,987	$7,173	$202,689	$10,615
State Share Plus County Share Growth		~~$190,493~~		~~$219,850~~
		$181,160		$213,304
~~County Share Growth: Claims Processing~~		~~200~~		~~200~~
Total State Cost		~~$190,693~~		~~$220,150~~
		$181,160		$213,304
Increase Over F.Y. 1993		~~$32,658~~		~~$62,114~~
		$25,944		$58,088

BUDGET ACTIVITY: Coordinated Health Care
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION: This activity manages the coordination of and access to services under the Medical Assistance (MA), the General Assistance Medical Care (GAMC) and MinnesotaCare programs in compliance with the state and federal law. The activity develops rules and policies on coordinated care programs, which includes prepayment capitation programs, primary care utilization review (PCUR), prior authorization, volume purchases, and provides technical assistance, consultation and training to affected parties to ensure the effective implementation of the respective programs.

Responsibilities include initiation and administration of major managed care capitation contracts and volume purchase contracts, quality assurance program management, promulgation of appropriate administrative rules, and communication of these policies to health plans, contracted vendors, recipients, advocates and interested parties.

In addition, this activity is responsible for developing the managed care plan mandated by the MinnesotaCare Law. The department is required to present a plan to the Legislature by 1-1-93 for providing MA/GAMC/MinnesotaCare services through managed care arrangements.

This activity supports the goals of Minnesota Milestones to ensure access to health care for Minnesotans.

The following groups of recipients are enrolled in prepaid capitation programs:

Prepaid MA Program (PMAP)
- Hennepin County - aged, AFDC
- Dakota County - aged, AFDC
- Itasca County - aged, AFDC

MA voluntary
- Lake County - aged, AFDC
- Five County Metro Area - AFDC

GAMC
- Sole Source Model
  - Dakota
  - Itasca County
  - Lake
- Multiple Plan Model
  - Ramsey
  - Hennepin

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: Health care services will be purchased in the most cost-efficient manner while assuring access to quality care.

Performance Measure:
- Number of recipients receiving health care services through the Prepayment Mandatory MA program and Mandatory GAMC Prepaid Program increased by 50%.

Objective 2: Develop a Long Term Care Options Medical Assistance Program (LTCOP) and submit to HCFA by 7-1-93.

Performance Measure:
- Plan for enrolling all MA, GAMC, and MinnesotaCare recipients into managed care developed and first stage implemented by date established in plan.

EFFICIENCY MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Prepaid MA/GAMC enrollees served	90,000	100,000	130,000	150,000

LTCOP federal approval by 12-31-93

REVENUE GENERATION:
This activity generally earns federal administrative reimbursement at the rate of approximately 56% of expenditures. These expenditures are deposited in the state general fund. Professional health care staff earn 75% FFP.

BUDGET ISSUES:

Federal Legislation Issues: Congress may mandate changes in Medicaid or may authorize optional changes at the state's discretion. Such optional changes may be advantageous to Minnesota in allowing alternative delivery care options for the state.

State Budget/Legislative Issues: Managed care expansions will be established in the Managed Care Plan to be presented to the 1993 Legislature, which may require legislative changes and potentially additional county and state administrative funds. The expansion of prepayment programs will result in an initial cost to the MA/GAMC/MinnesotaCare programs but will result in cost containment over time. Initial costs result from the accelerated cash flow used in capitation programs and the additional staff necessary at county and state level to educate clients, provide client advocacy, administer contracts, etc.

ACTIVITY PLAN:
The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:
Coordinated Care Plan

This proposal increases the budget base by $1,200,000 and ~~3.0~~ 15.0 positions in F.Y. 1994 and by $1,200,000 and ~~3.0~~ 15.0 positions in F.Y. 1995 for costs associated with the managed care plan to be submitted to the Legislature by 1-1-93.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$1,200	$1,200	$1,200	$1,200

DECISION ITEM:

Health Care Administration Non-salary Reductions

This proposal decreases the budget base by $250,000 in F.Y. 1994 and $250,000 in F.Y. 1995.

Dollars in Thousands			
F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
$(250)	$(250)	$(250)	$(250)

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1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: HC COORDINATED CARE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	342	451	773	773	1,173	1,134	773	1,173	1,134
EXPENSES/CONTRACTUAL SRVCS	338	462	812	812	562	562	812	562	562
MISC OPERATING EXPENSES	29	47	53	53	53	53	53	53	53
SUPPLIES/MATERIALS/PARTS	88	57	27	27	27	27	27	27	27
CAPITAL EQUIPMENT	78	36	29	29	29	29	29	29	29
SUBTOTAL STATE OPERATIONS	875	1,053	1,694	1,694	1,844	1,805	1,694	1,844	1,805
AIDS TO INDIVIDUALS	4	5							
LOCAL ASSISTANCE	484	775	830	830	1,630	1,630	830	1,630	1,630
TOTAL EXPENDITURES	1,363	1,833	2,524	2,524	3,474	3,435	2,524	3,474	3,435
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<39>			<39>
TOTAL GOV'S INITIATIVES						<39>			<39>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,069	1,745	2,364	2,364	3,314	3,275	2,364	3,314	3,275
STATUTORY APPROPRIATIONS:									
GENERAL	213	4							
FEDERAL	81	84	160	160	160	160	160	160	160
TOTAL FINANCING	1,363	1,833	2,524	2,524	3,474	3,435	2,524	3,474	3,435

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: HC COORDINATED CARE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	9.0	14.0	20.0	20.0	35.0	35.0	20.0	35.0	35.0
TOTAL POSITIONS	9.0	14.0	20.0	20.0	35.0	35.0	20.0	35.0	35.0

BUDGET ACTIVITY: Alternative Care Grants/Pre-Admission Screening
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity is the vehicle for distributing grants to counties to fund activities which provide alternatives to institutions at a lower cost than institutional care and which maximize options for independent living for people in need of long-term care services.

The activity is a state and county funded activity with counties acting as agents to provide direction to participants and providers. Payment is made on a fee-for-service basis and is made through the same process as that used by Medical Assistance.

Preadmission screening assures that individuals are provided with comprehensive information on their options while also adding responsibility to the funding system by encouraging individuals to seek and enter programs which provide the appropriate level of service in accordance with their needs.

Among the services provided through alternative care grants are the following:

- Respite care at both in-home and approved facilities
- Case management to assure care is provided as appropriate
- Adult day care
- Home health aide services such as assistance with medications
- Personal care services for assistance with needs of daily living such as hygiene
- Home-delivered meals
- Homemaker services to assist in assuring a save living environment
- Companion services to enhance quality of life
- Assisted living for those in need of greater assistance
- Caregiver training and education to provide family or friends with the knowledge and support necessary to adequately care for the participant while also preventing burn out
- Chore service
- Home health nursing for when medical needs require greater attention
- Transportation
- Nutrition services to assure dietary balance

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: The percentage of light care or low care residents of nursing facilities will decrease by 2% per year.

Performance Measure:
- The percentage of nursing facility residents who are case-mix A.

Objective 2: The number of pre-admission screenings will increase by 4% per year.

Performance Measure:
- The number of screening performed in the fiscal year.

Objective 3: The alternative care grants activity will remain a lower cost alternative than institutional care.

Performance Measures:
- Average fiscal year expenditure per client in alternative care.
- Average length of participation in alternative care.
- Average state share of fiscal year expenditure for nursing facility care.
- Average length of residence in nursing facility.

PERFORMANCE MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Percentage of Case-Mix A Residents of Nursing Facilities	21.0	20.6	20.2	19.8	19.4
Number of Screenings Performed	17,500	18,600	19,300	20,100	20,900
Average Expenditure per Alternative Community Participant		$3,267			
Average Length of Alternative Community Participation (in months)		9.5			
Average State Share of Nursing Facility Resident Expenditures		$14,089			
Average Length of Stay in Nursing Facility (in months)		14			

ACTIVITY PLAN:

The following decision items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Alternative Care (AC) Forecast

This proposal ~~decreases~~increases the budget base by ~~$5,270,000~~2,000 in F.Y. 1994 and ~~$3,193,000~~decreases the budget base by $300,000 in F.Y. 1995 and identifies the decrease in alternative care expenditures under current law.to coincide with the March forecast for this program.

Statewide AC funding has been at odds with utilization patterns, showing high utilization during years of decreased funding and low utilization following funding increases. ~~Recently, AC funding use has not achieved overall state goals.~~

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	~~($5,270)~~	~~($3,193)~~	~~($1,121)~~	~~$952~~
ACG Grants	$2,389	$7,426	$7426	$7,426
MA Grants	($2,387)	($7,726)	($8,613)	($6,305)
NET	$2	($300	($1,187)	$1,121

REVISED 3-4-93
~~Revised 2-08-93~~

BUDGET ACTIVITY: Alternative Care Grants/Pre-Admission Screening
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

DECISION ITEM:
Reschedule State Financing of Income Maintenance Programs

This proposal decreases the budget base by ~~$96,000~~152,000 in F.Y. 1994 and ~~$126,000~~224,000 in F.Y. 1995. This proposal is part of a 2-year delay of the current state financing 6-year phase-in schedule which includes Preadmission Screening/Alternative Care Grants and 11 programs.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	~~($96)~~	~~($126)~~	~~$96~~	~~$151~~
	152	224	12	47

DECISION ITEM:
Reallocate Preadmission Screening/Alternative Care Grants Portion of County Share Base from Human Services Aid to Preadmission Screening/Alternative Care Grants.

This proposal increases the budget base by $1,756,000 in F.Y. 1994 and $1,756,000 in F.Y. 1995. This proposal is part of an aids restructuring plan which eliminates the Department of Revenue's Human Services Aid Account and transfers the appropriation to the respective human service program. There is no general fund impact.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$1,756	$1,756	$1,756	$1,756
Revenue:	($1,756)	($1,756)	(1,756)	($1,756)

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: PAS-ALTERNATIVE CARE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
AIDS TO INDIVIDUALS	12,744	17,426	28,142	28,142	30,232	30,232	28,142	35,110	35,110
LOCAL ASSISTANCE			1,959	1,959	2,656	2,656	1,959	3,172	3,172
TOTAL EXPENDITURES	12,744	17,426	30,101	30,101	32,888	32,888	30,101	38,282	38,282
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	12,744	14,803	25,323	25,323	29,316	29,316	25,323	34,281	34,281
OPEN APPROPRIATIONS:									
GENERAL		2,023	1,685	1,685			1,685		
STATUTORY APPROPRIATIONS:									
GENERAL		600	3,093	3,093	3,572	3,572	3,093	4,001	4,001
TOTAL FINANCING	12,744	17,426	30,101	30,101	32,888	32,888	30,101	38,282	38,282
POSITIONS BY FUND:									
TOTAL POSITIONS									

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BUDGET ACTIVITY: Long Term Care Home and Community-Based Services
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity is responsible for oversight and administration for home and community-based alternatives to institutional care for individuals in need of long-term care.

The programs administered fall under both medical assistance (MA) and alternative care funding and in addition to being the funding source to counties and providers, this activity develops rules for the providers of services.

Specifically, this activity performs the following functions:

- Administers the traumatic brain injury (TBI) program which provides case management and overall coordination TBI survivors.
- Administers the alternative care (AC) and preadmission screening program, including home health aid services, personal care, respite care, adult day care, case management, nutrition, and caregiver support.
- Oversees efforts to receive waivers within the federal guidelines in order to offer flexibility and efficiency within the state's Medicaid program and it administers and oversees waivered services. Such waivered services are community alternative care (CAC), community alternatives for disabled people (CADI), and the elderly waiver (EW).
- Maintains liaison activity with Department of Health staff to coordinate activities.
- Administers the Seniors' Agenda for Independent Living (SAIL) program. This is a major initiative set on a 20-year time line which has as it goal to create a new community-based care paradigm for long-term care in order to maximize independence of the frail older adult population and to maximize cost-effective use of financial and human resources. Components include: the Living at Home/Block Nurse (LAH/BN) program, coordinating activities under EW and alternative care, a public information campaign, and strategic planning.
- Administers MA home care prior authorization program which uses a staff of contract nurses to carry out advanced screening of potential PA participants for eligibility and determination of care needs.
- Develops long-term care policy related to the above.
- Carries out rulemaking related to the above.
- Administers the program and funding for group residential housing (GRH). This is a major initiative to move funding for GRH out of the GA and MSA programs so that the department can identify and shift certain costs to federally-matched home and community-based service programs.
- Administers the state's Caregiver Support Project and Resource Center, including state and federal grants for caregiver support and respite care projects.

ACTIVITY OUTCOME OBJECTIVES:

Objective #1: The cost of preadmission screening will decrease by 1% per year.

Performance Measure
- The average cost per screening.

Objective #2: The per client cost of private-duty nursing, skilled nursing, home health aide, and person care services will decrease by 1% per year.

Performance Measure
- The average cost per client for private-duty nursing and personal care services. The average cost per client for home health aide services.

ACTIVITY COSTS:

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Average cost of Preadmission Screening	$191	$189	$187	$185	$183
Average monthly cost per client for skilled nurse and personal care services	$1,769	$1,751	$1,733	$1,716	$1,699
Average monthly cost per client for home health aide services	190	188	186	184	182

REVENUE GENERATION:

This activity generates (general federal administrative reimbursement/non-dedicated revenue) at the rate of 51% of its expenditures.

ACTIVITY PLAN:

The following decision and information pages reflect adjustment of current law base level funding for this activity.

~~INFORMATION ITEM:~~

~~Transfer From Group Residential Housing to Mental Health~~

~~This proposal decreases the budget base by $4,335,000 in F.Y. 1994 and by $8,670,000 in F.Y. 1995 by transfer of funds to state mental health grants activity. The proposal is discussed in further detail below.~~

~~Dollars in Thousands~~			
~~F.Y. 1994~~	~~F.Y. 1995~~	~~F.Y. 1996~~	~~F.Y. 1997~~
~~($4,335)~~	~~($8,670)~~	~~($8,670)~~	~~($8,670)~~

BUDGET ACTIVITY: Long Term Care Home and Community-Based Services
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

DECISION ITEM:

Creation of Group Residential Housing Fund (GRH Fund)

Item Summary:

This proposal increases the budget base by ~~$16,206,000~~ $17,473,000 in F.Y. 1994 and by ~~$40,619,000~~ $44,384,000 in F.Y. 1995. It establishes a specific fund for GRH. The proposal consolidates funding streams from the DHS programs through the transfers identified below.

Rationale:

The department has experienced a variety of difficulties over the years as a result of funding GRH settings through the MSA and GA programs. Principal among those problems is the inclusion of GRH costs in total MSA expenditures. Because those total expenditures are used to satisfy the state's maintenance of effort requirement with SSA, we have been extremely limited in our ability to reduce or control expenditures in the area of GRH. This transfer of funds is a first step to identify those expenditures and to remove them from MSA and GA expenditures. Initially, this initiative will have virtually no impact on providers or residents of GRH. The funding will simply come from a difference source. On a long term basis, there could be substantial impact on state funding of housing since we will be able to transfer some GRH service payments to more appropriate funding sources, some of which can be federally matched.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
GRH Program	~~$16,206~~	~~$40,619~~	~~$43,189~~	~~$45,946~~
	17,473	44,384	47,189	50,145
MSA Grants	~~(13,039)~~	~~(32,452)~~	~~(35,022)~~	~~(37,779)~~
	(14,306)	(36,217	(39,022)	(41,978)
GA Grants	(3,167)	(8,167)	(8,167)	(8,167)

INFORMATION ITEM:

Shift of Group Residential Housing Payments (GRH Room and Board)

This proposal increases the budget base by $601,000 in F.Y. 1994 and by $601,000 in F.Y. 1995. It allows county agencies to increase room and board rates in certain GRH settings to a rate equivalent to Minnesota Supplemental Aid grants to persons living independently in the community.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
GRH Room & Board (MSA)	$601	$601	$601	$601

INFORMATION ITEM:

Transfer from Group Residential Housing (GRH)

This proposal transfers ~~$4,335,000~~ $2,381,000 in F.Y. 1994 and ~~$8,670,000~~ $5,139,000 in F.Y. 1995 to State Mental Health Grants. This transfer is contingent on state and federal approval relating to the creation of GRH in the first place.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	~~$(4,335)~~	~~$(8,670)~~	~~$(8,670)~~	~~$(8,670)~~
	($2,381)	($5,139)	($5,139)	($5,139)

GOVERNOR'S RECOMMENDATION:

The Governor recommends that DHS work with the Department of Finance to restrict the growth in funding for GRH to growth levels required by federal law. Any other program growth would not be assumed into the DHS forecast.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: LTC HOME/COMM BASED SERVICES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,131	1,159	1,645	1,645	1,645	1,592	1,645	1,645	1,592
EXPENSES/CONTRACTUAL SRVCS	933	1,129	1,289	1,289	1,289	1,489	1,289	1,289	1,589
MISC OPERATING EXPENSES	71	103	116	116	116	116	116	116	116
SUPPLIES/MATERIALS/PARTS	27	80	39	39	39	39	39	39	39
CAPITAL EQUIPMENT	55	38	42	42	42	42	42	42	42
SUBTOTAL STATE OPERATIONS	2,217	2,509	3,131	3,131	3,131	3,278	3,131	3,131	3,378
AIDS TO INDIVIDUALS	66				15,693	15,693		39,846	39,846
LOCAL ASSISTANCE	102	1,154	1,897	1,897	1,897	1,897	1,897	1,897	1,897
TOTAL EXPENDITURES	2,385	3,663	5,028	5,028	20,721	20,868	5,028	44,874	45,121
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<53>			<53>
(A) GOVERNOR'S LTC INITIATIVE		GEN				200			300
TOTAL GOV'S INITIATIVES						147			247
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,358	3,330	4,663	4,663	20,356	20,503	4,663	44,509	44,756
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE		97	115	115	115	115	115	115	115
FEDERAL	27	236	250	250	250	250	250	250	250
TOTAL FINANCING	2,385	3,663	5,028	5,028	20,721	20,868	5,028	44,874	45,121

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: LTC HOME/COMM BASED SERVICES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	26.0	29.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
TOTAL POSITIONS	26.0	29.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0

BUDGET ACTIVITY: Long Term Care Facilities Division
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Long Term Care Facilities Division proposes legislation; develops rules, procedures and systems to reimburse 875 long term care (LTC) facilities which participate in the Medical Assistance (MA) program as required by M.S. 256B.41 and 256B.51. Facilities include nursing facilities, boarding care homes, intermediate care facilities for the mentally retarded, for day training and habilitation centers.

In carrying out these duties this section is responsible for rulemaking for Minnesota Supplemental Aid negotiated-rate facilities (group residential housing), for certification of facilities, for assuring compliance with federal requirements, and for policies related to nursing facilities, intermediate care facilities, and institutions for mental diseases. In addition, this activity oversees a major contract the Department of Human Services has with the Minnesota Department of Health (MDH).

Specifically, the major functions of this activity are:

1. Developing, reviewing, and analyzing methods of reimbursing institutional care 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 facilities policy.
6. Administering nursing facility property evaluations.
7. Maintaining automated rate setting systems.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: Adjustments in rates will be reflected in the automated rate-setting system within 3 working days of finalization of new rates.

Performance Measure: ■ The number of days required to change rates using automated system.

Objective 2: All requests of the Activities Information and Policy office will be handled in a timely manner.

Performance Measure: ■ The average number of days before requests information and policy are filled.

Objective 3: All reports due to federal administrations will be completed well ahead of due date.

Performance Measure: ■ The average time ahead of schedule reports are filed with federal administrations.

EFFICIENCY MEASURES:

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of days required for automated rate adjustments.	2	2	2	2	2
Number of working days required to fill requests of information and policy.	22	22	22	20	20
Average number of working days prior to due date reports are submitted to federal agencies.	5	5	10	?	?

REVENUE GENERATION:

This activity generates (general federal administrative reimbursements/non-dedicated revenue) at the rate of 48% of its expenditures.

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1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: LTC FACILITIES DIVISION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	181	179	182	182	182	176	182	182	176
EXPENSES/CONTRACTUAL SRVCS	8,735	9,209	13,645	13,645	11,845	11,845	13,645	11,845	11,845
MISC OPERATING EXPENSES	2	2	22	22	22	22	22	22	22
SUPPLIES/MATERIALS/PARTS		7	2	2	2	2	2	2	2
CAPITAL EQUIPMENT		5	6	6	6	6	6	6	6
SUBTOTAL STATE OPERATIONS	8,918	9,402	13,857	13,857	12,057	12,051	13,857	12,057	12,051
TOTAL EXPENDITURES	8,918	9,402	13,857	13,857	12,057	12,051	13,857	12,057	12,051
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<6>			<6>
TOTAL GOV'S INITIATIVES						<6>			<6>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,556	2,796	4,257	4,257	4,257	4,251	4,257	4,257	4,251
STATUTORY APPROPRIATIONS:									
FEDERAL	6,362	6,606	9,600	9,600	7,800	7,800	9,600	7,800	7,800
TOTAL FINANCING	8,918	9,402	13,857	13,857	12,057	12,051	13,857	12,057	12,051
POSITIONS BY FUND:									
GENERAL	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL POSITIONS	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0

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BUDGET ACTIVITY: Health Care Operations
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity is responsible for administering centralized medical payment systems so that:

1. Health care services and long term care (LTC) services are provided to Medical Assistance (MA), General Assistance Medical Care (GAMC), and MinnesotaCare recipients;
2. All liable third parties are required to pay for medical expenses if payment is made by government entities;
3. Medicare participation in the cost of LTC services is maximized;
4. The medical care surcharge is properly billed to nursing facilities and inpatient hospitals and complies with federal laws and regulations;
5. The new Medicaid Management Information System (MMIS) will be implemented with a minimum of disruption in claim payments to medical vendors;
6. Providers are oriented to the complexity of participating in the publicly funded health care programs;
7. Provider staff are trained on the correct submission of claims; and
8. Enrolled providers continue to meet federal and state requirements and are eligible to be reimbursed for services.

The systems administered in this activity annually process approximately 13,500,000 claims for 23,500 enrolled health care providers (physicians, dentists, hospitals, etc.) and 500,000 claims for long term care facilities and related services. The payment of these claims must meet the requirements of state and federal laws, rules, and regulations. The edit structure for the (MMIS) system consists of more than 900 system edits which are variably utilized depending on the type of service billed. The comparable edit structure in the LTC subsystem contains approximately 125 edits. These edits 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. While claims that fail edits must be manually reviewed and corrected, claims which are clean can usually be processed and paid within 30 days of receipt. Prospective training efforts reduce the number of improperly submitted claims; thereby reducing the number of claims suspended or rejected for errors. A "clean" claim is adjudicated and paid faster with the result of lowering the provider's accounts receivable, which in turn, may partially reduce the impact of prevailing rate structures. The training activity involves all providers with focused training for dentists, outpatient hospitals and long-term care facilities. Training in long-term care has historically utilized live, cable broadcasts for facility and county staff. The broadcasts are coordinated at 18 area vocational technical institutes followed by a series of teleconferences to permit feedback by participants.

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 MMIS. The claims processing section operates a provider hot-line 8 hours per business day and receives in excess of 400 calls daily. Provider communications are coordinated through this activity to ensure that all claims processing related communication is consistent with department policy and responsive to the needs of the provider community. Information sought by providers includes types of covered services, proper procedure codes, reimbursement requirements, payment levels, and status of suspended claims.

To ensure that all third-party resources have been maximized, this activity uses an automated system of post-payment recovery to pursue available Third Party Liability (TPL) after a claim is paid by MA, GAMC, or MinnesotaCare. Third-party resources include health insurance, Medicare, workers' compensation, casualty/liability insurance, settlements awarded in tort actions and persons or entities responsible to provide medical support. As a condition of tort eligibility, recipients are required to cooperate in assigning benefits accruing to themselves and their dependents under health or automobile insurance, to cooperate in any legal action to collect payment of medical expenses or subsistence, and to report any legal action initiated against a liable third party.

Recent changes in federal regulations require states to primarily operate a cost-avoidance third party liability system as opposed to post-payment recovery. These changes continue to have a significant impact on the dollar recoveries realized by the activity during the remainder of this and future bienniums. Conversely, MA will avoid expenditures for clients with third-party coverage by ensuring that billings are reduced by third-party payments prior to payment by MA.

Medicare cost avoidance figures identified in the previous section represent the savings for Medicare crossover claims for which MA has paid the co-insurance and deductible on behalf of a dually eligible client, and has avoided paying the total claim charge amount.

In addition to claims payment, third party liability recovery and Medicare cost avoidance, this activity is also responsible for administering the Medical Care Surcharge (MCS) fund created by the 1991 Minnesota Legislature. The MCS fund is a broad-based, uniform method of assessment which permits Minnesota to utilize federal matching funds for health care services. The MCS fund surcharge is applied to licensed nursing homes, inpatient and outpatient hospitals and HMOs with a certificate of authority from the Department of Health.

Additionally, this activity maintains a recipient eligibility system in which local agencies record case and recipient eligibility data, and an on-line eligibility system for updating LTC eligibility information. This is essential for the proper payment of claims and for the identification of other third-party insurance. Local agencies are provided system manuals, training, and bulletins. The eligibility related activities include the printing and mailing of the recipient's Explanation of Monthly Benefits (EOMB) and the monthly MA/GAMC identification cards.

The major goal for the coming biennium will be the maintenance of the current MMIS and LTC systems, planning for and installing the new MMIS system and integrating the eligibility systems associated with MAXIS into the current claims processing environment. A critical element of maintaining the current system and installing a new system will be an aggressive provider relations/training campaign to adequately prepare health care providers.

This activity is responsible for the development and implementation of a training program for the conversion to a new MMIS in 1993. This training effort will encompass the training of 23,500 providers and their staff, as well as 3,000 internal and external users of the new system, to include DHS staff and county financial workers.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1. The operation of a centralized claims processing system for health care services (MMIS) provided to Minnesota recipients of MA, GAMC and MinnesotaCARE will meet federal certification standards and receive enhances federal funding.

Performance Measure:
- Percent of clean claims submitted to the MMIS system that are adjudicated in 30 days of receipt.

BUDGET ACTIVITY: Health Care Operations
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of
(Continuation)

Objective 2. The operation of a centralized claims processing subsystem for LTC services provided to Minnesota recipients of MA will meet federal certification standards and receive enhanced federal funding.

Performance Measure:
- Percent of clean claims submitted to the LTC payment system that are adjudicated in 30 days.

Objective 3. Maintain an accurate client information data base for all health care programs so that eligibility errors are reduced by 10%.

Performance Measures:
- Claims rejected for eligibility errors.
- Provider inquiries regarding claims rejected for eligibility errors.

Objective 4. Ensure that MA, GAMC and MinnesotaCare expenditures are made according to federal and state requirements and secure recovery of expenditures where other third parties are liable or where fraud, abuse or misuse is established.

Performance Measure:
- Recoveries and cost avoidance from liable third parties.

Objective 5. Administer an appeal process that enhances Medicare participation in payment for LTC services, thereby maximizing federal funds.

Performance Measure:
- Monthly average for resident days required to paid by Medicare.
- Number of resident days successfully won on appeal.

Objective 6. Ensure that health care providers experiencing difficulty with the claims processing activity are trained in the preparation and submission of claims.

Performance Measures:
- Number of provider training contacts for individual training.
- Number of claims rejected for avoidable billing staff errors.

Objective 7. Enroll all eligible vendors electing to participate in the publicly funded health care programs.

Performance Measures:
- Number of providers enrolled for each provider type.
- Days delay between application and actual enrollment.

Objective 8. To plan, develop, and implement a training plan for providers for conversion to a new MMIS.

Performance Measures:
- Number of providers trained before MMIS implementation.
- Number of DHS staff and county staff trained before MMIS implementation.

Objective 9. To implement the new MMIS efficiently, with minimum disruption to claims payment for health care providers.

Performance Measures:
- Percentage of claims which process without manual intervention.
- Percentage of clean claims processed in 30 days.
- Percentage of claims received in electronic format.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of claims received in MMIS (000)	12,200	14,500	15,400	16,200	17,000
Percent of MMIS claims paid within 30 days	90	90	90	90	90
Number of claims received in LTC (000)	500	500	500	500	500
Percent of RTC claims paid within 30 days	96	97	97	97	97
Third-Party Collections (Excluding Medicare) (000)	$13,841	$18,356	$18,800	$19,300	$19,800
Third-Party Cost Avoidance (Excluding Medicare) (000)	$16,483	$19,598	$20,000	$20,500	$21,000

REVENUE GENERATION:
This activity earns federal administrative earnings at the rate of 61% of its expenditures.

ACTIVITY PLAN:
The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:
Health Care Administration Salary Reductions.

This proposal decreases the budget base by $849,000 and 13 positions in F.Y. 1994 and $1,206,000 and 13 positions in F.Y. 1995 by reducing salary costs.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($849)	($1,206)	($1,206)	($1,2060

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: HEALTH CARE OPERATIONS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	3,997	4,262	4,655	4,655	4,094	3,952	4,655	4,075	3,934
EXPENSES/CONTRACTUAL SRVCS	4,808	4,099	6,943	7,084	9,201	9,201	7,084	8,201	8,201
MISC OPERATING EXPENSES	921	1,003	1,008	1,008	1,078	1,078	1,008	1,089	1,089
SUPPLIES/MATERIALS/PARTS	133	299	89	89	72	72	89	72	72
CAPITAL EQUIPMENT	101	600	132	132	122	122	132	145	145
SUBTOTAL STATE OPERATIONS	9,960	10,263	12,827	12,968	14,567	14,425	12,968	13,582	13,441
AIDS TO INDIVIDUALS	10								
TOTAL EXPENDITURES	9,970	10,263	12,827	12,968	14,567	14,425	12,968	13,582	13,441
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<128>			<121>
(A) SALARY PLANNING ESTIMATES		HCA				<14>			<20>
TOTAL GOV'S INITIATIVES						<142>			<141>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	9,810	9,550	10,916	11,057	13,400	13,272	11,057	12,843	12,722
HEALTH CARE ACCESS			465	465	386	372	465	558	538
OPEN APPROPRIATIONS:									
GENERAL		682	665	665			665		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	160	31	781	781	781	781	781	181	181
TOTAL FINANCING	9,970	10,263	12,827	12,968	14,567	14,425	12,968	13,582	13,441

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: HEALTH CARE OPERATIONS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	128.0	124.0	125.0	125.0	112.0	112.0	125.0	112.0	112.0
HEALTH CARE ACCESS			11.0	11.9	10.1	10.1	17.5	14.1	14.1
TOTAL POSITIONS	128.0	124.0	136.0	136.9	122.1	122.1	142.5	126.1	126.1

BUDGET ACTIVITY: Health Care Compliance
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity is composed of the Surveillance and Utilization Review (SURS) and audit sections which are federally mandated activities. The SURS section reviews 23,500 health care providers to determine if the incorrect payments were made as a result of fraud abuse or misuse. Potential fraud and abuse in Medical Assistance (MA), General Assistance Medical Care (GAMC), and MinnesotaCare is identified through computerized practice profile reports from the Medicaid Management Information System (MMIS), recipient complaints and referrals from other providers, state agencies and divisions within the department. The new MinnesotaCare program will add an estimated 250,000 recipients to the state's fee for service population by the end of the biennium which will increase provider claim activity.

The audit section is responsible for the compliance auditing of 750 long-term care facilities (LTC) and 30 rural health clinic (RHC) and federally qualified health centers (FQHC). The onsite (field) audits are conducted in accordance with federal audit standards and are coordinated with other audit agencies to reduce duplication of effort. This section also establishes all payment rates for RHC, FQHC, and LTC facilities paid through the MA program. On a request basis, that audit section is responsible to conduct financial and compliance audits for over 200 grantees and contractors of the department.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: To ensure that the MA, GAMC, and MinnesotaCare expenditures are made according to federal and state requirements.

Performance Measures:

- Number of fraud and abuse investigations undertaken annually by SURS.
- Total program expenditures cost avoided annually as a result of SURS activity.
- Total program expenditures cost avoided; annually as a result of LTC rate setting activity.
- Total program dollars recommended for audit adjustment as a result of LTC compliance audits.

Objective 2: To secure recovery of expenditures where fraud, abuse, or misuse is established.

Performance Measures:

- Total program expenditures recovered by the SURS section as a result of fraud and abuse investigations.
- Investigative costs recovered from providers who are deliberately billed contrary to established policy.

Objective 3. To establish RHC, FQHC, and LTC payments rates in accordance with state law and rules.

Performance Measures:

- LTC Payment rates are set within timelines established in state law and rule.

Objective 4. To protect resident/client resources from misuse and abuse by providers.

Performance Measures:

- Number of resident trust funds reviewed for misuse or abuse.

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
SURS:					
1. Fraud & abuse recoveries (000)	$3,000	$3,590	$3,200	$3,400	$3,750
2. Fraud and abuse recoveries per FTE investigators (000)	237	312	273	271	299
3. Average cost of a fraud and abuse investigation	975	1,100	1,450	1,200	1,150
4. Cost avoidance by SURS (000)	183	313	350	375	400
5. SURS investigation costs recovered (000)	0	0	10	25	40

BUDGET ACTIVITY: Health Care Compliance
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

(Continuation)

Audits:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
1. LTC field audit adjustments (000)	9,051	11,255	7,000	7,000	7,000
2. Field adjustments per FTE field auditor (000)	817	1,014	595	595	595
3. Average cost of a field audit	$19,140	$21,620	$16,670	$15,840	$15,840
4. Average adjustment per field audit (000)	226	281	127	127	127
5. Cost avoidance by LTC rate setting (000)	14,343	11,526	8,160	8,160	8,160
6. Rate setting adjustments per FTE rate setting auditor (000)	1,314	1,057	797	797	797
7. Average cost of a rate setting audit	1,010	1,140	1,050	996	996
8. Average adjustment per rate setting audit (000)	19	15	11	11	11

REVENUE GENERATION:

This activity earns general federal administrative reimbursement at the rate of 48% of its expenditures. Skilled medical professionals in SURS earn federal administrative reimbursement at the rate of 75%.

ACTIVITY PLAN:

The following information item reflects adjustment of current law base level funding for this activity.

INFORMATION ITEM:

Increase Healthcare Compliance activity base

This proposal increases the activity healthcare access fund budget base by $134,000 in F.Y. 1994 and $191,000 in F.Y. 1995 to perform medical review of MinnesotaCare enrollee admissions to inpatient hospitals.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$134	$191	$357	$525

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: HEALTH CARE COMPLIANCE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	2,316	2,273	2,342	2,342	2,342	2,263	2,342	2,342	2,263
EXPENSES/CONTRACTUAL SRVCS	205	123	323	323	457	457	323	514	514
MISC OPERATING EXPENSES	93	133	204	204	204	204	204	204	204
SUPPLIES/MATERIALS/PARTS	74	53	39	39	39	39	39	39	39
CAPITAL EQUIPMENT	85	10	31	31	31	31	31	31	31
SUBTOTAL STATE OPERATIONS	2,773	2,592	2,939	2,939	3,073	2,994	2,939	3,130	3,051
TOTAL EXPENDITURES	2,773	2,592	2,939	2,939	3,073	2,994	2,939	3,130	3,051
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<79>			<79>
TOTAL GOV'S INITIATIVES						<79>			<79>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,773	2,592	2,939	2,939	2,939	2,860	2,939	2,939	2,860
HEALTH CARE ACCESS					134	134		191	191
TOTAL FINANCING	2,773	2,592	2,939	2,939	3,073	2,994	2,939	3,130	3,051
POSITIONS BY FUND:									
GENERAL	61.5	63.5	59.5	59.5	59.5	59.5	59.5	59.5	59.5
TOTAL POSITIONS	61.5	63.5	59.5	59.5	59.5	59.5	59.5	59.5	59.5

BUDGET ACTIVITY: Long Term Care/Providers Appeals
PROGRAM: Health Care Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity is responsible for the resolution of rate appeals filed by 445 nursing homes, 318 intermediate care facilities for the mentally retarded (ICF/MR), and 180 acute care hospitals. Appeals are resolved through either settlement or contested case hearings. Each year approximately 600 appeals are filed.

This activity serves as the final step in the rate setting process to assure compliance with law and policy. The activity is handled by staff attorneys who attempt to reach settlements with providers as an alternative to the more costly formal hearing process.

The activity also administers the expedited appeal review process and is involved with the acute care hospital appeals process in an advisory role.

ACTIVITY OUTCOME OBJECTIVES:

Objective #1: By the end of the 1994-95 biennium, all appeals will be resolved or entered into the formal hearing process within a year of their receipt.

Measures: number of appeals received annually number of appeals resolved annually.

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of appeals received	680	597	600	600	600
Appeals resolved	511	348	400	600	600

REVENUE GENERATION:

This activity generates federal administrative reimbursement at the rate of 50% of activity expenditures.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: HEALTH CARE ADMIN
ACTIVITY: LONG TERM CARE APPEALS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	600	475	517	517	517	500	517	517	500
EXPENSES/CONTRACTUAL SRVCS	101	47	108	108	108	108	108	108	108
MISC OPERATING EXPENSES	6	6	13	13	13	13	13	13	13
SUPPLIES/MATERIALS/PARTS	6	3	1	1	1	1	1	1	1
CAPITAL EQUIPMENT		15	5	5	5	5	5	5	5
SUBTOTAL STATE OPERATIONS	713	546	644	644	644	627	644	644	627
TOTAL EXPENDITURES	713	546	644	644	644	627	644	644	627
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<17>			<17>
TOTAL GOV'S INITIATIVES						<17>			<17>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	533	517	599	599	599	582	599	599	582
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	180	29	45	45	45	45	45	45	45
TOTAL FINANCING	713	546	644	644	644	627	644	644	627
POSITIONS BY FUND:									
GENERAL	12.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
TOTAL POSITIONS	12.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0

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PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

PROGRAM PURPOSE:

The Family Self-Sufficiency Administration program exists to promote economic self-sufficiency of Minnesota families and individuals while providing for their basic needs.

The program includes the Assistance Payments Division, the Child Support Enforcement Division, the MAXIS Division, the Quality Initiatives Division and the Self-Sufficiency Programs Division. This program administers the financial aid programs of Aid to Families with Dependent Children (AFDC), Refugee Cash Assistance (RCA), General Assistance (GA), Work Readiness (WR), Minnesota Supplemental Aid (MSA), Food Stamps, Emergency AFDC (EA), Emergency General Assistance (EGA), the Telephone Assistance Plan (TAP), AFDC Child Care, and Basic Sliding Fee Child Care. The program operates MAXIS, an automated eligibility system, and the automated Child Support Enforcement System (CSES). It is responsible for developing and implementing the Minnesota Family Investment Program (MFIP).

The program, in cooperation with the Minnesota Department of Jobs and Training, manages employment and training services to help public assistance recipients become self-sufficient. These include Success Through Reaching Individual Development and Employment (STRIDE), an employment and training program for AFDC recipients, the Work Readiness and Food Stamp Employment and Training (FSET) Programs for GA and WR recipients, and Refugee and Immigrant Services.

The goals of the program are to:

1. Provide assistance adequate to prevent destitution to individuals and families in short-term need and those unable to become self-sufficient.
2. Provide a continuum of coordinated services to assist recipients toward self-sufficiency, including work and training, child care and child support.
3. Ensure program integrity and accountability.
4. Maintain and improve service delivery through automation and innovation with local agencies at stable or reduced costs.

To achieve its goals, the program performs the following:

1. Analyzes state legislation, federal laws and regulations, and prepares official responses, and develops statewide rules and instructions for the administration and management of the various financial aid programs based on state law and federal regulations.
2. Monitors local agency performance through quality control and management evaluation reviews, develops state corrective action plans and reviews local agency corrective action plans to improve program operation and reduce program error.
3. Develops and implements a statewide fraud prevention and control initiative.
4. Develops statewide policies for the administration of programs and services for refugees and immigrants, with an emphasis on self-sufficiency outcomes.
5. Provides training and consultation to financial workers and trainers, and child care and other service providers within the public human services system.
6. Operates MAXIS and CSES automated systems.
7. Develops and implements child support enforcement policies to improve collection methods and maximize collections.
8. Develops policies and programs to improve the public welfare system.

PROGRAM PERFORMANCE:

To achieve its mission of providing for basic needs and promoting self-sufficiency, this program has accomplished the following:

1. Welfare Reform

   Developed welfare reform initiatives supporting and emphasizing work and family self-sufficiency. Assured conformity with federal laws and regulations. Simplified and streamlined program policies and processes.

2. Refugee Assistance

   Successfully consolidated self-sufficiency and cultural orientation services for refugees into one single point of service.

3. Program Fraud Prevention

   Implemented fraud investigations and established administrative fraud disqualification hearings.

4. Automation

   Implemented the Child Support Enforcement System (CSES) and the MAXIS Automated Eligibility System.

PROGRAM PROSPECTS AND OBJECTIVES:

The program has identified 4 priorities for the 1994-95 biennium:

1. Improving the quality of life for children and welfare reform.
2. Restructuring WR and GA programs.
3. Strengthening program integrity efforts.
4. Exploring options for restructuring the delivery of child support enforcement services.

Minnesota Milestones and Indicators: Family Self-Sufficiency programs support the following Minnesota Milestone goals:

People thrown into temporary economic hardship will regain their independence.

Progress toward this goal is indicated by:

1. Increased number of recipients employed and participating in MFIP.
2. Increasing number of participants in educational, job training, job search, and employment programs in cooperation with Project STRIDE and WR programs.
3. Decreased number of families requiring AFDC for longer than 24 months.

Dependent persons or those in temporary hardship will have their basic needs met.

Progress toward this goal is indicated by:

1. Providing easily-understood public assistance material.

2. Implementing free of charge check cashing services to provide welfare recipients with the full value of assistance.
3. Expanding the electronic benefits transfer system.

Our children will not live in poverty.

Progress toward this goal is indicated by:

1. Increasing collections of child support payments.
2. Increasing numbers of paternity adjudications.

We will welcome, respect, and value all people.

Progress toward this goal is indicated by:

1. Increasing numbers of refugees becoming self-sufficient.
2. Increasing numbers of refugees completing treatment or counseling.

Government in Minnesota will be more efficient.

Progress toward this goal is indicated by:

1. Operating automated program systems, including integration with other program systems.
2. Providing worker training and assistance.
3. Developing and maintaining data collection bases for long-term program planning in determining customer needs and satisfaction.
4. Expanding fraud prevention and overpayment collection.
5. Expanding the electronic benefits transfer system.

PROGRAM PLAN:

The program has undertaken the following initiatives to achieve these goals:

Children and Welfare Reform - Approximately 1 in 8 Minnesota children live in poverty, and 1990 U.S. Census data indicate the poverty rate is growing faster for children than for any other group. Improving the quality of life for Minnesota children is a state priority. The program has several initiatives to improve economic status of Minnesota children, and support and emphasize work and self-sufficiency:

Implement and operate the Minnesota Family Investment Program (MFIP).

Modify project STRIDE to include federal work experience requirements for one parent in each two-parent family and allow counties to operate self-employment programs.

Implement the JOBS Automated System Project (JAS), a Job Opportunities and Basic Skills (JOBS) automated reporting system, allowing Minnesota to meet federal JOBS reporting requirements and report Project STRIDE program operations and services.

Restructuring WR and GA Programs - GA is a "safety net" for unemployable persons who are ineligible for other programs and cannot provide for themselves. WR is a related program for persons considered to be employable that provides limited benefits to those who participate in employment and training services. Restructuring of these programs is necessary to target GA to persons that are unemployable and assure that employable persons receive appropriate employment and training services.

Program Integrity - Minnesota has taken steps to improve its approach to preventing fraud and increase collection of overpaid assistance. However, continued efforts are required to improve collection of overpayments, control mispayments and deter fraud:

Expand the Electronic Benefits Transfer (EBT) system, controlling fraud, reducing food stamp trafficking and improving customer service.

Refine efforts to ensure program integrity and increase the ability to recover overpayments.

Adopt a limited validity period for state public assistance warrants and a 10-day period for replacement of lost warrants.

Child Support Enforcement - The Minnesota child support caseload has grown significantly over the past 5 years. The increase in nonpublic assistance child support cases and additional federal mandates for services have diverted county resources. Counties are not able to support expanded services or devote staff to recovering AFDC arrears. Innovative, cost effective approaches to service delivery are necessary. The agency is responding to this need with the following strategies:

A major computer enhancement project for the CSES is underway; alternative approaches to deliver child support enforcement services are being explored; new approaches to performance accountability are being developed.

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels and initiatives as proposed in the agency budget plan except for a reduction of $334,000 due to revised salary planning estimates and the following adjustments:

- A biennial increase of $635,000 for restructuring the child support enforcement system. This recommendation is part of the children's integrated budget. A summary of the entire integrated budget can be found in the Department of Children Education Services budget.
- A biennial increase of $5,603,000 to support expansion of the electronic benefits transfer system.
- A biennial increase of $16,732,000 to fund the state share of operation of the MAXIS system.

The above initiatives are detailed on the pages following the program fiscal page.

The program plan includes biennial funding of $640,000 for the state's share of child support enforcement data system enhancements. The Information Policy Office has reviewed and supports this system as presented in the agency plan consistent with any requirement identified in its analysis.

Where the Governor concurs with the agency's activity plans, no recommendation will occur on the budget activity narrative.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
ASSISTANCE PAYMENTS DIVISION	2,440	2,699	3,100	2,807	2,752	2,613	2,807	2,752	2,524
QUALITY INITIATIVES DIVISION	3,457	3,176	4,970	4,321	3,788	7,215	4,321	3,532	6,467
SELF-SUFFICIENCY PROG DIV	55,348	35,171	42,510	42,139	43,609	43,591	42,139	43,651	43,633
CHILD SUPPORT ENFORCE DIV	13,297	14,877	20,221	20,221	23,383	26,016	20,221	23,645	26,908
MAXIS	30,632	32,927	27,701	26,204	26,431	34,500	26,204	26,446	34,868
AFDC GRANTS	278,452	405,270	405,881	404,846	422,366	420,010	404,846	411,846	408,475
GA GRANTS	38,673	54,324	68,296	68,296	63,831	63,831	68,296	57,137	57,137
WORK READINESS GRANTS	27,151	43,668	22,147	22,147	21,121	21,121	22,147	21,573	21,573
MSA GRANTS	40,584	59,554	56,992	56,992	47,541	47,541	56,992	31,266	31,266
MFIP GRANTS					4,056	4,056		42,171	42,171
CHILD CARE FUND GRANTS	2,623	28,506	45,478	44,913	51,301	51,301	44,913	54,105	54,105
TOTAL EXPENDITURES BY ACTIVITY	492,657	680,172	697,296	692,886	710,179	721,795	692,886	718,124	729,127

GOV'S INITIATIVES:	FUND								
(A) ELECTRONIC BENEFITS TRANSFER	GEN					3,234			2,369
(A) MAXIS 94-95 OPERATING INCREASES	GEN					8,150			8,582
(A) SALARY PLANNING ESTIMATES	GEN					<171>			<163>
(A) SALARY PLANNING ESTIMATES	HCA					<9>			<9>
(A) CHILD SUPPORT ENFORCEMENT RESTRUCTURING	GEN					412			224
TOTAL GOV'S INITIATIVES						11,616			11,003

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	224,348	218,601	210,530	219,160	325,187	336,812	219,160	314,725	325,737
HEALTH CARE ACCESS		13			379	370		429	420
OPEN APPROPRIATIONS:									
GENERAL	26,100	111,705	110,484	110,484			110,484		
STATUTORY APPROPRIATIONS:									
GENERAL	7,734	87,085	100,390	99,630	105,839	105,839	99,630	110,097	110,097
SPECIAL REVENUE	25,170	39,490	37,063	24,783	27,961	27,961	24,783	28,223	28,223
FEDERAL	201,262	223,277	238,829	238,829	250,813	250,813	238,829	264,650	264,650

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
AGENCY	8,042	1							
GIFTS AND DEPOSITS	1								
TOTAL FINANCING	492,657	680,172	712,424	708,774	718,976	730,598	708,774	729,528	740,524
POSITIONS BY FUND:									
GENERAL	126.0	114.0	119.5	119.5	110.0	142.9	119.5	110.0	130.5
HEALTH CARE ACCESS	.0	.0	.0	2.0	7.0	7.0	2.0	7.0	7.0
SPECIAL REVENUE	27.0	74.0	106.5	93.0	93.0	93.0	93.0	93.0	93.0
FEDERAL	13.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5
TOTAL POSITIONS	166.5	203.5	241.5	230.0	225.5	258.4	230.0	225.5	246.0

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Human Services, Department of
PROGRAM: Family Self-Sufficiency Administration
ACTIVITY:

ITEM TITLE: Electronic Benefits Transfer System Expansion

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
Quality Initiatives	$3,500	$3,000	$3,500	$3,500
Food Stamps	$(100)	$(297)	$(297)	$(297)
Assistance Payments	$(88)	$(177)	$(177)	$(177)
MAXIS	$(78)	$(157)	$(157)	$(157)
Net General Fund Cost	$3,234	$2,369	$2,869	$2,869
Revenues: ($000s)				
General Fund	$1,600	$1,400	$1,400	$1,400

Statutory Change? Yes ____ No __X__
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of $3,234,000 and 26.4 positions in F.Y. 1994 and $2,369,000 and 14.5 positions in F.Y. 1995 to expand the Ramsey County Electronic Benefits Transfer (EBT) system to Hennepin County.

The expansion will cost $2 million to implement in F.Y. 1994. Based upon a projected 12-month conversion for 75,000 households, operational costs for F.Y. 1994 will be $2 million, for a total F.Y. 1994 cost of $4 million. Ongoing operational costs for the proposed expansion will be $3.5 million in F.Y. 1995. Food Stamps and Aid to Families with Dependent Children (AFDC) costs are eligible for 50% federal financial participation (FFP).

Ramsey County served as a national pilot in developing and implementing electronic payment of AFDC and food stamp benefits to recipients. The system is an integral extension of the MAXIS centralized benefit payment system. EBT has proven to reduce many problems for recipients, merchants, banks, county and state human service administrators.

Hennepin County has the largest caseload in the state and a burden of problems which can be effectively addressed by implementation of the EBT system. The county is actively assisting the department in planning for expansion as a means of providing better overall service and control of the benefits distribution system. Recognizing the importance of this effort, the Governor recommends proceeding even in light of the state's fiscal problems. This recommendation anticipates Hennepin County participation of $500,000 each year of 1994-95 in order to complete the expansion this biennium.

PROGRAM OUTCOMES:

1. Clients will be provided benefits in a respectful, safe manner.
2. Counties will be able to reallocate staff time that is now spent delivering benefits over the counter to clients.
3. Opportunities for client fraud and retailer fraud will be limited. Additional program safeguards will further limit program abuses.

LONG-TERM IMPACT:

The long-term impact of this proposal will be universally positive:

1. EBT will reduce foot traffic and automobile traffic at county offices; it will also have a positive impact upon the neighborhoods where these offices are located.
2. Banks and retail businesses that cash warrants for clients can eliminate complex/unique processes that burden recipients but which they have to follow to ensure payment by the state.
3. Retailers and grocers who participate in the Food Stamp program can eliminate the exception processing associated with paper food stamps.
4. EBT will eliminate all federal sanctions for duplicate food stamp issuances. This will result in significant administrative savings.

EBT will free all of these stakeholders of a cumbersome paper-processing system that is currently in place. It will also reduce the volume of warrant processing for the Department of Finance and the Office of the State Treasurer.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Human Services, Department of
PROGRAM: Family Self-Sufficiency Administration
ACTIVITY:

ITEM TITLE: MAXIS Operations

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$8,150	$8,582	$8,582	$8,582

Statutory Change? Yes _____ No X
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends $8,150,000 in F.Y. 1994 and $8,582,000 in F.Y. 1995 to reflect the state share of actual MAXIS operational requirements, including anticipated changes in data processing costs, postage, and other operating expenses.

This recommendation reflects the amount needed to operate the MAXIS system. The increase recommended each year is calculated from actual operational and administrative costs incurred since completion of MAXIS statewide implementation in December 1991. ~~The total state funds needed (including the base) for operations is $14,988,000 for 1994.~~

For F.Y.s 1995, 1996 and 1997, the estimates anticipate data processing costs as a result of increased system usage, caseload growth, reductions in federal recoveries for depreciated equipment, and decreases in payment levels for capital equipment purchased in prior years.

PROGRAM OUTCOMES:

MAXIS contributes to:

- statewide consistency and accuracy in application of program policies and benefit payments
- simplification and standardization of procedures across various programs
- improved communication between the department and the client
- ability to target specific programs and initiatives to identified clientele

In addition, MAXIS is a key factor in the implementation of several important program initiatives, including the Minnesota Family Investment Program, the MinnesotaCare program, intensive family preservation services, and the enhancement of the Child Support Enforcement and Medicaid Management Information systems.

LONG-TERM IMPACT:

The MAXIS system provides a foundation for the department's program management, administration, and automated system infrastructure. Long-term goals and impacts include:

- consolidation of issuance processes
- improved information for policymaking and program management
- increased communication among counties and between counties and the state through electronic mail, training, and help desk
- simplified and improved accuracy of reporting by providing single client and vendor database for economic benefit programs
- automated support for implementing strategic objectives and initiatives
- core support for implementation of the department's information architecture

MAXIS is a very large and complex system which requires substantial resources in order to satisfy internal criteria for system stability and external service goals for users and for program clientele. A high level of functionality is required for continued annual federal system certification and funding. Insufficient resourcing of the system will initially display itself in production instability and more frequent need on the part of users to override automated functions. If the resources remain too lean, production crises will occur more and more often as crisis management costs spiral upward. Available resources will divert from system stability and updating policy, to recovering from data corruptions and system crashes. If system reliability declines, county users, in order to get benefits to clients, will construct more and more "workarounds" and off-system processes. Recovery of the system after a certain point would not be possible by reintroduction of the proper resource level, and the statewide equity and efficiency gains offered by the investment in MAXIS would be lost.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Human Services, Department of
PROGRAM: Family Self-Sufficiency Administration
ACTIVITY:

ITEM TITLE: Child Support Restructuring

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
AFDC Grants	~~$(1,932)~~	~~$(2,646)~~	~~$(2,824)~~	~~$(2,968)~~
	($2,256)	($3,074)	($3,227)	($3,352)
Child Support	~~$2,350~~	~~$2,863~~	~~$3,050~~	~~$3,016~~
	$2,350	$3,298	$3,450	$3,584
Revenues: ($000s)				
Reimbursement	$418	~~$222~~	~~$228~~	~~$233~~
		$224	$231	$238

Statutory Change? Yes X No ____

If yes, statute affected: Chapters 256, 257, 270 and 518.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase in the budget base by ~~$418,000~~ 412,000 and 6.5 positions in F.Y. 1994 and ~~$217,000~~ 224,000 and 6.0 positions in F.Y. 1995 for the child support enforcement restructuring initiative. This initiative will generate revenue for the general fund of $418,000 in F.Y. 1994 and of $222,000 in F.Y. 1995. The net costs and revenues is a savings to the state budget of $5,000 for the biennium.

This initiative restructures program funding to reinvest increased child support arrears collections based on specific county outcomes and collection rates, and provides state assistance for selected child support functions. The initiative will:

1. Target increased administrative payments to counties based on performance outcomes, require counties recover costs through collection fees, and provide funding for jobs programs for unemployed parents owing child support for children receiving Aid to Families with Dependent Children (AFDC).
2. Privatize selected child support functions through statewide contracts.
3. Pilot a joint arrears collection project with the Department of Revenue for collection of AFDC arrears-only cases.
4. Purchase tools to increase efforts to locate parents who should be paying child support.
5. Develop and implement a public awareness program.
6. Plan implementation for a statewide administrative process and fund of a portion of county administrative law judges' costs.
7. Implement an expedited paternity establishment process with hospital incentives for obtaining paternity recognition forms.

Proposals were recommended by the commissioner's Advisory Committee for Child Support Enforcement and will result in establishing support orders and getting payments to children more quickly.

PROGRAM OUTCOMES:

1. Counties will be able to obtain information and purchase services from private contractors, providing for uniform costs and services, reduced county workloads, increased arrears collections, and decreased expenses.
2. Increased public awareness of the need for child support.
3. A simpler, faster, more uniform administrative process for establishing, modifying and enforcing child support orders.
4. A simplified, quicker process for establishing paternities.
5. Increased support collections.
6. Decreased public assistance costs and enhanced cost avoidance in Medical Assistance.

LONG-TERM IMPACT:

1. Increased numbers of paternity establishments.
2. Increased support payments to children.
3. Improved emotional and financial security for Minnesota children

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BUDGET ACTIVITY: Assistance Payments Division
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Assistance Payments Division provides a broad array of services to enable local human service agencies and the Legislature to operate public assistance and health care programs in Minnesota. It also directly administers the Telephone Assistance Plan (TAP), which provides telephone cost subsidies to low-income elderly and disabled Minnesotans. These programs provide basic economic support so that families and individuals are protected from falling into destitution.

Most division resources are devoted to activities which support local agency delivery of services. These include training, manuals, direct technical assistance, and case assistance through the Help Desk. These activities are closely integrated with MAXIS system operations.

The division also provides a number of direct services. It directly administers the TAP program, which continues to experience a growing caseload. Direct contract with helping agencies enable recipients of state-funded General Assistance (GA) to receive benefits from federally funded Social Security Income (SSI). Contracts with banks enable recipients in every county to cash assistance checks without additional charge, and the office of customer assistance provides help to recipients and information to the public about assistance programs.

In addition to direct program administration and providing services to local agencies, the division works closely with the Legislature and federal agencies which develop program policy. The division drafts program budgets, does legislation analysis, and develops agency responses to individual and class-action lawsuits.

Program administration has been especially changed in the past few years by the advent of the MAXIS system. With the details of program operation embedded in the computer system, the division now works in much closer partnership with local agencies in planning and implementing administrative changes.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: 95% of new county financial workers will be trained within 2 months of hiring so that any newly-hired county financial workers will have full-course MAXIS and program training prior to beginning case work.

Performance Measure: ■ Percent of new county financial workers trained.

Objective 2: All TAP program cases will be reviewed annually to ensure only eligible persons get TAP benefits.

Performance Measure: ■ The number of TAP cases reviewed annually.

Objective 3: Local agency workers will receive help within 2 days on average when they encounter difficulties processing cases in the MAXIS system.

Performance Measure: ■ Length of time to resolve workers' difficulties.

Objective 4: Program instructions must be written clearly and be rated "satisfactory" by 80% or more of front-line county workers.

Performance Measure: ■ Rating provided by front-line county workers.

Objective 5: All notices and forms must be at the 7th grade reading level and must be easily comprehensible.

Performance Measure: ■ Reading level of notices and forms produced.

Objective 6: Free public assistance check cashing services must be available in every county.

Performance Measure ■ Presence of an institution which cashes checks for free in each county.

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of help desk contacts	71,000	70,000	40,000	50,760	46,000
Cost per help desk contact	$4.05	$4.34	$4.47	$4.98	$4.98
Number of new workers trained	4,036	3,615	2,775	2,775	2,775
Cost per worker trained	$399.00	$375.00	$240.00	$240.00	$240.00
Number of TAP case actions	9,000	30,325	32,500	55,000	55,000
Cost per case action	$20.66	$13.84	$9.66	$5.70	$5.70
Number of public assistance warrants processed through contract institutions	N/A	42,000	50,000	60,000	70,000
Average transaction cost per warrant cashed	N/A	$.88	$.65	$.60	$.55

REVENUE GENERATION:

This activity generates general federal administrative reimbursement/non-dedicated revenue at the rate of 50% of its expenditures.

LEGISLATIVE ISSUES:

Legislative changes will be proposed to reduce and control duplicate grant issuances and food stamp trafficking and provide additional tools for counties to use in expanding program integrity.

BUDGET ACTIVITY: Assistance Payments Division
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of
(Continuation)

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Reduction in Administrative Base

This proposal decreases the budget base for administration by $55,000 in F.Y. 1994 and by $55,000 in F.Y. 1995 in order to retarget administrative efforts.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($55)	($55)	($55)	($55)

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in the activity plan except for the following adjustment: a reduction of $265,000 for the biennium resulting from expansion of the Electronic Benefits Transfer System. This initiative is detailed on the page following the program fiscal page. Proposed funding has also been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: ASSISTANCE PAYMENTS DIVISION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,777	1,869	1,672	1,672	1,672	1,621	1,672	1,672	1,621
EXPENSES/CONTRACTUAL SRVCS	427	544	1,128	835	800	712	835	800	623
MISC OPERATING EXPENSES	155	126	130	130	116	116	130	116	116
SUPPLIES/MATERIALS/PARTS	42	54	36	36	33	33	36	33	33
CAPITAL EQUIPMENT	27	12	34	34	31	31	34	31	31
OTHER		94	100	100	100	100	100	100	100
SUBTOTAL STATE OPERATIONS	2,428	2,699	3,100	2,807	2,752	2,613	2,807	2,752	2,524
LOCAL ASSISTANCE	12								
TOTAL EXPENDITURES	2,440	2,699	3,100	2,807	2,752	2,613	2,807	2,752	2,524
GOV'S INITIATIVES:		FUND							
(A) ELECTRONIC BENEFITS TRANSFER		GEN				<88>			<177>
(A) SALARY PLANNING ESTIMATES		GEN				<51>			<51>
TOTAL GOV'S INITIATIVES						<139>			<228>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,251	2,265	2,756	2,463	2,408	2,269	2,463	2,408	2,180
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	186	434	344	344	344	344	344	344	344
AGENCY	3								
TOTAL FINANCING	2,440	2,699	3,100	2,807	2,752	2,613	2,807	2,752	2,524

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: ASSISTANCE PAYMENTS DIVISION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	36.5	33.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0
SPECIAL REVENUE	.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL POSITIONS	36.5	36.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0

BUDGET ACTIVITY: Quality Initiatives Division
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Quality Initiatives activity performs the functions necessary for the collection and analysis of client data for purposes of cost containment, activity analysis, program planning, program integrity and standards. This activity conducts federally mandated quality control reviews utilizing a statewide sampling of Aid to Families with Dependent Children (AFDC), Food Stamps, and Medical Assistance (MA) cases; determines causes of case errors; determines and identifies trends and proposes changes to reduce errors and improve administration. The activity manages 6 different computer matches to detect unreported income and assets of clients. The activity is responsible for local agency monitoring to meet food stamp and child support mandates and the ongoing determination of program effectiveness and planning. This activity manages the implementation and collaboration of program integrity for assistance programs, as a part of the effort to assure program standards. In addition, this activity is responsible for the ongoing analysis, implementation and communication of Continuous Quality Improvement efforts administration-wide.

The quality initiatives activities encompass the responsibility for the collection, analysis, planning and implementation of data-generated trends and activities. Through this activity, the Family Self-Sufficiency Administration will realize the comprehensive examination and investigation of activities most likely to lead to self-sufficiency for the client population on assistance in Minnesota. Functions of this activity will allow the development of data collection and maintenance which would allow the formulation of integrated long-range planning in determining customer needs and satisfaction with assistance programs.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: By the 1994-95 biennium have in place an integrated, comprehensive data base to be utilized in long-range planning, the determination and analysis of program direction, and the examination of customer need and satisfaction with assistance programs.

Performance Measures:
- Development of an integrated data base applicable to long-range program planning and development.
- Development of a process for analysis prior to determination of programmatic direction.

Objective 2: Annual determination of accurate error rate information within the parameters set by the federal funding sources.

Performance Measures:
- Completion of the annual sample of integrated case reviews for the Food Stamp, MA, and AFDC programs.
- Determination of annual error rates based upon collection of federally required QC data.

Objective 3: By F.Y. 1994-95 biennium have in place training/monitoring initiatives for Fraud Prevention Initiatives (FPI) in 20 counties to reduce fraud and overpayments in public assistance programs.

Performance Measures:
- Number of FPI training initiatives.
- Identification of corrective action plans for 20 counties.

Objective 4: In conjunction with county human service agencies (county agencies) develop long-range plan for improving the quality of program delivery in Minnesota.

Performance Measures:
- Development of the long-range plan for quality improvement.
- Participation in regional and county initiatives to implement the plan.

Objective 5: In conjunction with county agencies establish benchmarks for evaluation of the quality of program delivery.

Performance Measures:
- Development of progress reports including performance plans to strengthen program delivery and achieve plan goals and modifications.

Objective 6: Increase the collection of public assistance overpayments.

Performance Measures:
- Increase the collection of public assistance overpayments by 10%.
- Decrease in the percentage of duplicate issuances in public assistance.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Quality Control:					
Number of Review Completed	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
Number of Federal Differences	42.0	40.0	35.0	30.0	25.0
Data Analysis:					
Error Rates by Program (State/Federal %)					
AFDC	2.6/4.0	4.0/4.0	4.0/4.0	4.0/4.0	4.0/4.0
Food Stamps	7.9/10.8	9.0/10.8	9.0/10.8	9.0/10.8	9.0/10.8
MA	1.0/3.0	1.0/3.0	1.0/3.0	1.0/3.0	1.0/3.0
Program Improvement:					
Number of Corrective Action Plans	2.0	2.0	2.0	2.0	2.0
Number of County Contacts	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0

BUDGET ACTIVITY: Quality Initiatives Division
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of
(Continuation)

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Program Integrity:					
Number of Calls to the Fraud Hot Line	1,800.0	2,200.0	2,500.0	2,700.0	2,900.0
Number of Investigations by FPI	1,650.0	4,950.0	6,300.0	6,800.0	7,500.0
Number of Negative Actions Related to FPI	700.0	1,920.0	2,250.0	2,400.0	2,650.0
Benefit Savings (Average monthly in 000's)	$210.0	$630.0	$1,600.0	1,800.0	$2,100.0
Overall Cost Benefit (AFDC/Food Stamps)*	1.25	1.43	1.34	1.43	1.48

* Cost benefit ratio: Benefit dollars saved per one dollar of program cost.

REVENUE GENERATION:

This activity generates general federal administrative reimbursement/non-dedicated revenue at the rate of 59% of expenditures.

LEGISLATIVE ISSUES:

Proposed legislative initiatives in program integrity would serve to improve efforts to collect improperly obtained benefits.

ACTIVITY PLAN:

The following decision and information items reflect adjustment of current law base funding for this activity.

DECISION ITEM:

Reduction in Administrative Base

This agency plan reflects a decrease for administration of $112,000 in F.Y. 1994 and $112,000 in F.Y. 1995 in order to retarget administrative efforts and achieve a reduction in expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($112)	($112)	($112)	($112)

DECISION ITEM:

Reduce Family Self-Sufficiency Salary Expenditures

This activity plan reflects a decrease for salaries by $608,000 and 9.5 positions in F.Y. 1994 and by $864,000 and 9.5 positions in F.Y. 1995 from current spending as part of an overall agency plan to reduce operating expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($608)	($864)	($864)	($864)

INFORMATION ITEM:

Increase Quality Initiatives activity base

This proposal increases the activity Healthcare Access fund budget base by $187,000 and 5.0 positions in F.Y. 1994 and $187,000 and 5.0 positions in F.Y. 1995 to provide for random audits and quality control review.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$187	~~$2,187~~ $187	$187	$187

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in the activity plan except for the following adjustment: $6,500,000 for the extension of the Electronic Benefits Transfer system to serve the Hennepin County area. The total estimated cost for implementation and operation of the system in Hennepin County is $7,500,000 for the biennium, and the Governor recommends that the county share in these costs during this biennium at the level of $500,000 each year. This initiative is detailed on the page following the program fiscal page. Proposed funding has also been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: QUALITY INITIATIVES DIVISION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	2,310	2,437	2,646	2,607	2,186	3,204	2,607	1,930	2,519
EXPENSES/CONTRACTUAL SRVCS	799	292	1,143	1,143	1,065	2,809	1,143	1,065	3,110
MISC OPERATING EXPENSES	161	150	208	203	187	493	208	187	457
SUPPLIES/MATERIALS/PARTS	38	40	44	44	36	145	44	36	42
CAPITAL EQUIPMENT	49	70	73	73	68	318	73	68	93
OTHER	92								
SUBTOTAL STATE OPERATIONS	3,449	2,989	4,114	4,075	3,542	6,969	4,075	3,286	6,221
LOCAL ASSISTANCE	8	187	856	246	246	246	246	246	246
TOTAL EXPENDITURES	3,457	3,176	4,970	4,321	3,788	7,215	4,321	3,532	6,467
GOV'S INITIATIVES:		FUND							
(A) ELECTRONIC BENEFITS TRANSFER		GEN				3,500			3,000
(A) SALARY PLANNING ESTIMATES		GEN				<67>			<59>
(A) SALARY PLANNING ESTIMATES		HCA				<6>			<6>
TOTAL GOV'S INITIATIVES						3,427			2,935
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,901	3,140	4,901	4,252	3,532	6,965	4,252	3,276	6,217
HEALTH CARE ACCESS					187	181		187	181
STATUTORY APPROPRIATIONS:									
GENERAL	481								
SPECIAL REVENUE	35	36	69	69	69	69	69	69	69
AGENCY	40								
TOTAL FINANCING	3,457	3,176	4,970	4,321	3,788	7,215	4,321	3,532	6,467

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: QUALITY INITIATIVES DIVISION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	63.5	60.0	63.0	63.0	53.5	79.9	63.0	53.5	68.0
HEALTH CARE ACCESS	.0	.0	.0	.0	5.0	5.0	.0	5.0	5.0
TOTAL POSITIONS	63.5	60.0	63.0	63.0	58.5	84.9	63.0	58.5	73.0

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BUDGET ACTIVITY: Self-Sufficiency Program Division
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity manages the following self-sufficiency programs and services and supervises county agency provision of these programs and services:

1. **Transition Support Programs:** In cooperation with the Department of Jobs and Training, manage Project Success Through Reaching Individual Development and Employment (STRIDE) employment and training (E&T) services for targeted Aid to Families with Dependent Children (AFDC) recipients; and the Work Readiness (WR) and the Food Stamp Employment and Training (FSET) programs for targeted recipients of General Assistance (GA) and WR.

2. **JOBS Automated System Project (JAS):** The project to develop, implement, operate and manage a Job Opportunities and Basic Skills (JOBS) automated reporting system. This project will permit Minnesota to meet federal JOBS reporting requirements, and to properly report project STRIDE program operations and services. The program will be used by county agencies and local employment and training service providers who serve AFDC recipients receiving project STRIDE services. A strategic plan for employment and training services will be developed within the context of this project.

3. **Refugee and Immigrant Services:** The provision of specialized self-sufficiency services, cash and medical aid for refugees. This includes promoting effective resettlement and economic self-sufficiency of refugees and the receipt of federal grants. Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) are limited to refugees within their first 8 months in this country who are not eligible for AFDC or Medical Assistance (MA). Refugee social services are available to all refugees in the state (the majority of clients are AFDC recipients).

ACTIVITY OUTCOME OBJECTIVES:

1. Transition Support Programs:

PROJECT STRIDE:
During each year of the biennium, at least 6,000 AFDC recipients will enroll in post-secondary education; 4,000 recipients will participate in adult basic or remedial education; 2,000 recipients will participate in job search; and 2,000 will become employed in unsubsidized jobs.

Performance Measures: Number of recipients participating in: post-secondary education; adult basic or remedial education; job search; and employment following services.
Number of AFDC cases on assistance for longer than 24 months uninterrupted (per 1,000 families).

WORK READINESS:

During each year of the biennium, at least 30,000 clients will participate in WR employment and training services; 6,000 will participate in adult basic or remedial education; and 6,000 will become employed in unsubsidized jobs.

Performance Measure: Number of recipients participating in: WR E&T services; adult basic or remedial education; and employment following services.

2. JAS:

By 6-30-94, the JOBS automated reporting system will begin producing required federal reports and will meet minimum federal reporting requirements.

Performance Measures: Production of federal JOBS reports; meet minimum reporting requirements.

3. Refugee and Immigrant Services:

During each year of the biennium, 350 refugee families and 100 refugees without minor children will begin earning sufficient income to end their dependence on cash assistance; 1,000 refugees will receive mental health and social adjustment treatment and counseling; and an average of 500 refugees will receive RCA/RMA per month.

Performance Measures: Number of refugees moved from public aid to employment.
Number of refugees completing treatment or undergoing counseling.
Number of refugees receiving cash and medical aid.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
PROJECT STRIDE					
Average Monthly Participants:	10,623	10,904	11,000	11,000	11,000
Number In Post-Secondary Training:	6,549	7,562	7,520	7,520	7,520
Number In Job Search:	3,804	5,245	5,152	5,152	5,152
Number Placed In Employment:	2,365	2,389	2,272	2,272	2,272
Hourly Wage At Placement:	$6.48	$6.73	$6.73	$6.73	$6.73
WORK READINESS					
Average Monthly Participants:	2,696	2,687	2,690	2,690	2,690
Number Placed In Employment:	4,765	4,170	4,170	4,170	4,170
Hourly Wage At Placement:	$5.46	$5.53	$5.53	$5.53	$5.53

REVENUE GENERATION:

This activity generates general federal administrative reimbursement/non-dedicated revenue as follows:

BUDGET ACTIVITY: Self-Sufficiency Program Division
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of
(Continuation)

1. **Transition Support Programs:**

PROJECT STRIDE:
This activity earns general federal administrative earnings at the rate of 50, 60, and 90% of its expenditures, based on the type of expenditure. Federal earnings are dedicated funds and are returned to the project STRIDE program.

WORK READINESS:
This activity earns general federal administrative earnings at the rate of 50 and 100% of its expenditures for activities which qualify for FSET program reimbursement, based on the type of expenditure. Federal earnings are dedicated funds and are returned to the WR program.

2. JAS:

This activity earns general federal administrative earnings at the rate of 50 or 60% of its expenditures, based on the type of expenditure. Federal earnings are returned to the general fund.

3. **Refugee and Immigrant Services:**

Except for bicultural case management services for refugees in project STRIDE, the Asianyouth crime prevention initiative, and child welfare services for Asian youth, this activity is reimbursed for 100% of program costs through grants allocated by the Office of Refugee Resettlement.

BUDGET/LEGISLATIVE ISSUES:

PROJECT STRIDE:

Federal regulations specify that by 10-1-93, states must require 1 parent in each 2-parent AFDC family to participate in a work experience component within the project STRIDE program. Minnesota will implement this requirement during S.F.Y. 1993. Program costs will increase during S.F.Y. 1994 and are expected to remain relatively constant through the decade. Also, the department anticipates expanding entrepreneurial opportunities for project STRIDE participants so that recipients throughout the state may take part in such services.

WORK READINESS:

A legislative initiative is proposed to provide an alternative approach to WR program services and benefits for recipients. This initiative, developed in partnership with the Department of Jobs and Training, allows for participation in an Employment Experience Program.

REFUGEE AND IMMIGRANT SERVICES:

Decreased federal appropriations proposed for F.F.Y. 1993 may bring an end to RCA and RMA. These programs would be replaced by grants to voluntary resettlement agencies (VOLAGS) to provide cash assistance for up to 6 months, and a nationwide health insurance policy providing coverage for up to 12 months, for newly arrived refugees who are not eligible for categorical programs (AFDC and MA).

ACTIVITY PLAN:

The following decision items include agency proposals for the current budget activity. They reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Reduction in Family Self-Sufficiency Administration (non-entitlement grants).

This proposal decreases the Work Readiness employment and training services budget base by $549,000 in F.Y. 1994 and by $549,000 in F.Y. 1995 in order to implement the Governor's request that all agencies target services and programs and achieve a decrease in non-entitlement grant expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($549)	($549)	($549)	($549)

DECISION ITEM:

Reduction in Administrative Base

This proposal decreases the budget base for administration by $76,000 in F.Y. 1994 and by $76,000 in F.Y. 1995 in order to retarget administrative efforts and to achieve a reduction in expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($76)	($76)	($76)	($76)

BUDGET ACTIVITY: Self-Sufficiency Program Division
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of
(Continuation)

DECISION ITEM:

Establish a Work Experience Component for Aid to Families with Dependent Children-Unemployed Parent Families Under Project STRIDE

Item Summary:

This proposal increases the budget base by ~~$1,210,000~~ 1,076,000 in F.Y. 1994 and by ~~$1,614,000~~ 1,950,000 in F.Y. 1995 by mandating that 1 parent in each Aid to Families with Dependent Children-Unemployed Parent (AFDC-UP) family participate in a project Success Through Reaching Individual Development and Employment (Project STRIDE) work experience component at least 16 hours per week. The work experience component may be: 1) grant diversion--employment in a newly created permanent job where the person's AFDC grant is diverted to the employer for a set number of months to subsidize the person's wages; 2) Community Work Experience Program (CWEP)--often called "workfare," where the person continues to receive AFDC but must "earn" the AFDC benefits by working at a public service job for the length of time on AFDC; 3) On-the-Job Training (OJT)-- permanent employment for which Project STRIDE pays a wage subsidy to the employer for the months that the person is being trained to do the job; or 4) other state designed work program approved by the Department of Health and Human Services. In Minnesota, CWEP positions are expected to be the primary tool used to meet new federal work experience requirements because there is a better chance of developing a sufficient number of non-permanent public service jobs than of developing a sufficient number of permanent employment positions.

Additionally, members of families who are under age 25 and who have not completed high school or an equivalent course of education must attend educational activities in lieu of participating in a work experience component. The educational activities may include, but are not limited to: high school attendance, General Educational Development (GED) diploma classes, English proficiency classes, basic, and remedial education.

Rationale:

The Federal Family Support Act of 1988 requires states to provide a work experience component by 10-1-93.

Impact:

Federal regulations specify that federal reimbursement for Project STRIDE expenditures will be reduced from the current 50%, 60%, and 90% rates, to a flat 50% level, if the state fails to provide work experience to AFDC-UP recipients.

The work experience component will enhance the employability of AFDC-UP households by providing recent work experience, salable job-keeping habits, work references, and in some cases, permanent employment.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
Self-Sufficiency Programs	~~$1,210~~	~~$1,614~~	~~$1,614~~	~~$1,614~~
	1,076	1,950	1,950	1,950

DECISION ITEM:
Reschedule State Financing of Income Maintenance Programs

This proposal decreases the budget base by $68,000 in F.Y. 1994 and $68,000 in F.Y. 1995. This proposal is part of a 2 year delay of the current state financing 6-year phase-in schedule which includes Work Readiness Services and 11 other programs.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	($68)	($68)	($0)	($0)

DECISION ITEM:
Reallocate Work Readiness Services Portion of County Share Base from Human Services Aid to Work Readiness Services Grants.

This proposal increases the budget base by $1,699,000 in F.Y. 1994 and $1,699,000 in F.Y. 1995. This proposal is part of an aids restructuring plan which eliminates the Department of Revenue's Human Services Aid Account and transfers the appropriation to the respective Human Service program. There is no general fund impact.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$1,699	$1,699	$1,699	$1,699
Revenue:	($1,699)	($1,699)	($1,699)	($1,699)

DECISION ITEM:
Reschedule State Financing of Income Maintenance Programs

This proposal decreases the budget base by $43,000 in F.Y. 1994 and $43,000 in F.Y. 1995. This proposal is part of a 2 year delay of the current state financing 6-year phase-in schedule which includes STRIDE Case Management and 11 other programs.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	($43)	($43)	($0)	($0)

DECISION ITEM:
Reallocate STRIDE Case Management Portion of County Share Base from Human Services Aid to STRIDE Case Management Grants

This proposal increases the budget base by $1,069,000 in F.Y. 1994 and $1,069,000 in F.Y. 1995. This proposal is part of an aids restructuring plan which eliminates the Department of Revenue's

BUDGET ACTIVITY: Self-Sufficiency Program Division
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of
(Continuation)

Human Services Aid Account and transfers the appropriation to the respective human service program. There is no general fund impact.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$1,069	$1,069	$1,069	$1,069
Revenue:	($1,069)	($1,069)	($1,069)	($1,069)

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the activity plan; however, proposed funding has been reduced due to revised salary planning estimates.

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1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: SELF-SUFFICIENCY PROG DIV

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	691	769	1,038	738	1,051	1,033	738	1,039	1,021
EXPENSES/CONTRACTUAL SRVCS	106	259	1,117	1,049	1,393	1,393	1,049	1,283	1,283
MISC OPERATING EXPENSES	26	22	36	33	33	33	33	33	33
SUPPLIES/MATERIALS/PARTS	50	21	24	24	24	24	24	24	24
CAPITAL EQUIPMENT	37	52	22	22	22	22	22	22	22
OTHER	266		813	813	797	797	813	797	797
SUBTOTAL STATE OPERATIONS	1,176	1,123	3,050	2,679	3,320	3,302	2,679	3,198	3,180
AIDS TO INDIVIDUALS	1,407	1,999	742	742	1,691	1,691	742	1,691	1,691
LOCAL ASSISTANCE	52,765	32,049	38,718	38,718	38,598	38,598	38,718	38,762	38,762
TOTAL EXPENDITURES	55,348	35,171	42,510	42,139	43,609	43,591	42,139	43,651	43,633
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<18>			<18>
TOTAL GOV'S INITIATIVES						<18>			<18>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	30,409	8,973	14,601	14,230	17,772	17,754	14,230	18,296	18,278
OPEN APPROPRIATIONS:									
GENERAL		2,570	2,657	2,657			2,657		
STATUTORY APPROPRIATIONS:									
GENERAL	3,030	3,121	4,063	4,063	4,063	4,063	4,063	4,063	4,063
FEDERAL	21,908	20,507	21,189	21,189	21,774	21,774	21,189	21,292	21,292
GIFTS AND DEPOSITS	1								
TOTAL FINANCING	55,348	35,171	42,510	42,139	43,609	43,591	42,139	43,651	43,633

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: SELF-SUFFICIENCY PROG DIV

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	6.0	7.0	11.5	11.5	11.5	11.5	11.5	11.5	11.5
FEDERAL	13.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5
TOTAL POSITIONS	19.5	22.5	27.0	27.0	27.0	27.0	27.0	27.0	27.0

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BUDGET ACTIVITY: Child Support Enforcement Division
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

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. These services are provided to virtually all families receiving Aid to Families with Dependent Children (AFDC) and non-AFDC families upon their request.

Division focus is on operation of the statewide child support computer system, the state parent locator service, and policy development and implementation.

The overriding goal of Child Support Enforcement is to assure that absent parents having the ability to support their children actually provide for their support, thereby reducing public assistance cost and the burden on Minnesota taxpayers.

ACTIVITY OUTCOME OBJECTIVES:

During each year of the biennium child support collections will increase by 10%

Performance Measure: ■ Total amount of annual child support collections.

At least 9,000 families will leave the public assistance roles each year of the biennium because of the amount of child support collected to support the family's children.

Performance Measure: ■ Number of families leaving public assistance due to child support collection.

At least 5,100 paternity adjudications will be completed each year of the biennium.

Performance Measure: ■ Number of paternity adjudications completed annually.

Each year the average collection per case with a court order will equal or exceed $1,050.

Performance Measure: ■ Average collection per case with court order

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Total Costs (000's)	$42,191	$46,052	$50,437	$54,822	$59,206
Total Collections (000's)	$166,098	$185,146	$204,574	$224,002	$243,429
Total Cases	163,375	180,849	190,453	200,056	209,659
Collections Per Case	1,017	1,024	1,074	1,120	1,161
Collection/Cost Ratio	4	4	4	4	4

REVENUE GENERATION:

This activity generates general federal administrative reimbursement/non-dedicated revenue at the rate of 66% of program expenditures.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Reduction in Administrative Base

This proposal decreases the budget base for administration by $16,000 in F.Y. 1994 and by $16,000 in F.Y. 1995 in order to retarget administrative efforts and to achieve a reduction in expenditures.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($16)	($16)	($16)	($16)

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in the activity plan except for the following adjustment: an additional $5,213,000 for restructuring of the child support enforcement system. This initiative, which is detailed on the page following the program fiscal page, will greatly improve the capacity of the system and increase child support payments. Proposed funding has also been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: CHILD SUPPORT ENFORCE DIV

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,213	1,293	1,889	1,889	2,661	2,866	1,889	2,661	2,855
EXPENSES/CONTRACTUAL SRVCS	5,659	4,826	6,611	6,611	8,776	8,970	6,611	9,038	9,060
MISC OPERATING EXPENSES	293	590	702	702	1,327	1,494	702	1,327	1,415
SUPPLIES/MATERIALS/PARTS	131	98	66	66	71	71	66	71	71
CAPITAL EQUIPMENT	550	141	423	423	18	18	423	18	18
SUBTOTAL STATE OPERATIONS	7,846	6,948	9,691	9,691	12,853	13,419	9,691	13,115	13,419
AIDS TO INDIVIDUALS			8,500	8,500	8,500	8,500	8,500	8,500	8,500
LOCAL ASSISTANCE	5,451	7,929	2,030	2,030	2,030	4,097	2,030	2,030	4,989
TOTAL EXPENDITURES	13,297	14,877	20,221	20,221	23,383	26,016	20,221	23,645	26,908
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<35>			<35>
(A) CHILD SUPPORT ENFORCEMENT RESTRUCTURING		GEN				2,668			3,298
TOTAL GOV'S INITIATIVES						2,633			3,263
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	5,582	2,298	2,772	6,746	6,730	9,363	6,746	6,730	9,993
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	2,316	6,107	8,949	4,975	8,153	8,153	4,975	8,415	8,415
FEDERAL	5,399	6,472	8,500	8,500	8,500	8,500	8,500	8,500	8,500
TOTAL FINANCING	13,297	14,877	20,221	20,221	23,383	26,016	20,221	23,645	26,908

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: CHILD SUPPORT ENFORCE DIV

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	20.0	14.0	13.0	13.0	13.0	19.5	13.0	13.0	19.0
SPECIAL REVENUE	.0	.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
TOTAL POSITIONS	20.0	14.0	32.0	32.0	32.0	38.5	32.0	32.0	38.0

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BUDGET ACTIVITY: MAXIS Division
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity represents the operations of the statewide automated eligibility system (MAXIS) used by the department and counties to supervise and administer a number of major programs, including Aid to Families with Dependent Children, Food Stamps, General Assistance, Work Readiness, Minnesota Supplemental Aid, Medical Assistance, General Assistance Medical Care, and Emergency Assistance. The activity also includes the operating costs for an automated printing, insertion, and mailing center for the distribution of benefit checks, food stamps, client notices, vendor payments, and other documents to clients, counties, and vendors.

The development and implementation of this system was completed and the system entered full statewide operation on 12-1-91. Federal certification was received which allows substantial cost areas for the operations phase to receive continued funding from 3 federal agencies. The system is a product of the combined efforts of contractors and state staff, using a proven system from another state as a development base.

The Minnesota MAXIS system is now the cornerstone of client eligibility determination and benefit issuance. Over 500,000 people rely on the operation of this system for their monthly subsistence and medical needs. In addition, MAXIS provides recipient eligibility information to the Medicaid Management Information System (MMIS), forming the basis for approving medical claims from providers throughout Minnesota.

Highlights of the system include statewide equity in eligibility determination, an automated mailing facility for client benefits and notices, elimination of federal fiscal sanctions, and a single statewide database reflecting the client population. This database is serving to detect and prevent duplicate applications for assistance and will provide information for program/fiscal planning and management into the future. MAXIS also maintains automated data interfaces with several other systems, including the Child Support Enforcement System, the Medicaid Management Information System, and federal Social Security and Internal Revenue Service systems.

The MAXIS system undergoes constant change and upgrading to reflect changes in policy and to support other priority initiatives. For example, MAXIS will serve as the point of entry for MinnesotaCare and Minnesota Family Investment Program (MFIP) applications.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: The MAXIS system will interface with the medical payment system to assist with processing of Minnesota Care applications.

Performance Measure: ■ System interface completion date by F.Y. 1994 MMIS deadline.

Objective 2: The MAXIS system will provide integrated processing for the Minnesota Family Investment Program.

Performance Measure: ■ Integrated processing is available for MFIP by 4-1-94.

Objective 3: Customer (user) surveys will show an overall satisfaction rate of 80% or higher.

Performance Measure: ■ Customer satisfaction survey ratings for F.Y. 1993.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of persons on MAXIS data base	281,000	854,000	1,100,000	1,300,000	1,500,000
Average on-line response time (seconds)	3.5	2.9	2.5	2.5	2.5
Number of pieces mailed from Issuance Operations Center (monthly)	*	634,000	850,000	1,000,000	1,000,000
Customer satisfaction ratings	*	*	80%	80%	80%

* Due to phased implementation during this period, data is not reliable/comparable.

REVENUE GENERATION:

This activity is operated from the Department of Human Services Major Systems Account which receives federal matching funds based on the state funds appropriated to, and expended from, the account. During the biennium, the activity is expected to earn federal participation at an average rate of about 50%.

ACTIVITY PLAN:

The following information item reflects adjustment of current law base level funding for this activity.

INFORMATION ITEM:

Restructure GA and WR and Benefit Ineligibility for Undocumented Aliens and Non-Immigrant Aliens.

This proposal increases the budget base by $35,000 in F.Y. 1994 to cover necessary systems costs associated with this proposal.

Dollars in Thousands			
F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
$35	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in the activity plan except for the following adjustment: an additional $16,732,000 to fund the state share of operation of the MAXIS system for the 1994-95 biennium. Although the MAXIS system is larger and more costly to operate than previously assumed, it is critical to the uniform application of human services benefit policies throughout the state and the centralized issuance of benefits to recipients. This initiative is detailed on the page following the program fiscal page. Proposed funding has also been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: MAXIS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	5,809	6,067	3,939	3,170	3,252	4,018	3,170	3,252	4,018
EXPENSES/CONTRACTUAL SRVCS	12,834	19,322	15,281	14,635	14,780	18,016	14,635	14,795	18,084
MISC OPERATING EXPENSES	852	2,965	4,959	4,902	4,902	6,825	4,902	4,902	7,125
SUPPLIES/MATERIALS/PARTS	1,443	336	305	280	280	335	280	280	335
CAPITAL EQUIPMENT	7,356	1,998	2,017	2,017	2,017	3,167	2,017	2,017	3,167
SUBTOTAL STATE OPERATIONS	28,294	30,688	26,501	25,004	25,231	32,361	25,004	25,246	32,729
LOCAL ASSISTANCE	2,338	2,239	1,200	1,200	1,200	2,139	1,200	1,200	2,139
TOTAL EXPENDITURES	30,632	32,927	27,701	26,204	26,431	34,500	26,204	26,446	34,868

GOV'S INITIATIVES:	FUND								
(A) ELECTRONIC BENEFITS TRANSFER	GEN					<78>			<157>
(A) MAXIS 94-95 OPERATING INCREASES	GEN					8,150			8,582
(A) SALARY PLANNING ESTIMATES	HCA					<3>			<3>
TOTAL GOV'S INITIATIVES						8,069			8,422

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL				6,809	6,844	14,916	6,809	6,809	15,234
HEALTH CARE ACCESS		13			192	189		242	239
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	22,633	32,913	27,701	19,395	19,395	19,395	19,395	19,395	19,395
AGENCY	7,999	1							
TOTAL FINANCING	30,632	32,927	27,701	26,204	26,431	34,500	26,204	26,446	34,868

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: MAXIS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
HEALTH CARE ACCESS	.0	.0	.0	2.0	2.0	2.0	2.0	2.0	2.0
SPECIAL REVENUE	27.0	71.0	84.5	71.0	71.0	71.0	71.0	71.0	71.0
TOTAL POSITIONS	27.0	71.0	84.5	73.0	73.0	73.0	73.0	73.0	73.0

BUDGET ACTIVITY: Aid to Families with Dependent Children Grants
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION: The Aid to Families with Dependent Children (AFDC) program provides support to children and their caretaker adults living with them who, without financial assistance, could not obtain the basic necessities of life: food, shelter, clothing, etc. Assistance may be in the form of a one-time grant of Emergency Assistance (EA), or continuing monthly grants if significant barriers to self-sufficiency exist and the family needs longer term support.

Opportunities for AFDC recipients to become self-supporting are provided through earnings incentives, Child Care Fund subsidies for child care, and through voluntary or mandatory participation in STRIDE employment and training services.

ACTIVITY OUTCOME OBJECTIVES: Each month AFDC will prevent at least 64,000 families with minor children from becoming destitute by providing the family with cash assistance necessary to meet its basic subsistence needs.

Performance Measure: ■ Average monthly number of AFDC cases.

Each month AFDC will assist with the emergency costs of shelter, clothing, household repairs and appliances, moving expenses, employment related expenses, and utility bills for at least 2,400 families who cannot provide these emergency needs for themselves.

Performance Measure: ■ Average monthly number of AFDC-EA cases.

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
AFDC					
Average family size (case)	3.0	3.0	3.0	3.0	3.0
Average payment per case	$436	$434	$434	$427	$425
Average payment per person	$144	$144	$145	$143	$143
EA					
Average payment per case	$481	$452	$475	$479	$484

ACTIVITY PLAN: The following decision and information items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Reschedule State Financing of Income Maintenance Programs

This proposal decreases the budget base by ~~$1,238,000~~ 1,223,000 in F.Y. 1994 and ~~$1,351,000~~ 1,338,000 in F.Y. 1995. This proposal is part of a 2 year delay of the current state financing 6-year phase-in schedule which includes AFDC, EA, and 10 other programs.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	(~~$1,238~~) $1,223	(~~$1,251~~) $1,338	(~~$102~~) $95	(~~$105~~) $97

DECISION ITEM:

Reallocate AFDC and EA Portion of County Share Base from Human Services Aid to AFDC and EA

This proposal increases the budget base by $27,705,000 in F.Y. 1994 and $27,705,000 in F.Y. 1995. This proposal is part of an aids restructuring plan which eliminates the Department of Revenue's Human Services Aid Account and transfers the appropriation to the respective Human Service program. There is no general fund impact.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$27,705	$27,705	$27,705	$27,705
Revenue:	($27,705)	($27,705)	($27,705)	($27,705)

DECISION ITEM:

Reallocate Mortgage and Deed Base from Human Services to Aid to AFDC

This proposal increases the budget base by $54,542,000 in F.Y. 1994 and $54,542,000 in F.Y. 1995. This proposal is part of an aids restructuring plan which transfers the Mortgage and Deed Base from the Human Services Aid Account to the AFDC appropriation. There is no general fund impact.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$54,542	$54,542	$54,542	$54,542
Revenue:	($54,542)	($54,542)	($54,542)	($54,542)

BUDGET ACTIVITY: Aid to Families with Dependent Children Grants
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of
(Continuation)

DECISION ITEM: State Issuance Cost Containment

Item Summary:

This proposal increases the budget base by $706,000 in F.Y. 1994 and $706,000 in F.Y. 1995. With state central issuance of program benefits, the state assumed responsibility for duplicate issuances. Forged warrants, forged documents, and food stamp mail losses result in a small amount of duplicate warrant and food stamp issuances which were previously borne by county agencies when counties issued warrants and food stamps. This cost was not budgeted when warrant and food stamp issuances became a state responsibility. The department is taking aggressive steps to reduce duplicate issuances, including 2 measures that are coming before the Legislature for a decision this year:

1. A shortened validity period of 7 days for most public assistance warrants.

2. Expansion of Electronic Benefits Transfer (EBT).

Rationale:

Duplicate issuance costs are currently being paid from program funds. This request assumes approval of the shortened 7-day validity period. If that proposal is not approved, duplicate issuance costs will increase to $1,109,000. This change is effective 7-1-93.

Impact:

The department is constantly attempting to reduce these losses; however, a certain level of losses is unavoidable. Losses will continue to reduce significantly as more counties are converted to EBT.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
Aid to Families with Dependent Children	$50	$50	$50	$50
Food Stamps	630	630	630	630
General Assistance	10	10	10	10
Work Readiness	9	9	9	9
Minnesota Supplemental Aid	7	7	7	7
Total Costs	$706	$706	$706	$706
Actual Costs	$1,109	$1,109	$1,109	$1,109
7-day validity period	(403)	(403)	(403)	(403)
Net Costs	706	706	706	706

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in the activity plan except for the following adjustments: a biennial reduction of $397,000 resulting from expansion of the Electronics Benefit Transfer System, and a biennial reduction of $4,578,000 resulting from restructuring of the child support enforcement system. Both of these initiatives are detailed on pages following the program fiscal page.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: AFDC GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
AIDS TO INDIVIDUALS	62,758	397,918	379,079	378,044	392,668	390,312	378,044	381,074	377,703
LOCAL ASSISTANCE	215,694	7,352	26,802	26,802	29,698	29,698	26,802	30,772	30,772
TOTAL EXPENDITURES	278,452	405,270	405,881	404,846	422,366	420,010	404,846	411,846	408,475
GOV'S INITIATIVES:		FUND							
(A) ELECTRONIC BENEFITS TRANSFER		GEN				<100>			<297>
(A) CHILD SUPPORT ENFORCEMENT RESTRUCTURING		GEN				<2,256>			<3,074>
TOTAL GOV'S INITIATIVES						<2,356>			<3,371>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	78,222	75,194	69,811	69,536	157,282	154,926	69,536	151,502	148,131
OPEN APPROPRIATIONS:									
GENERAL	26,100	81,957	81,139	81,139			81,139		
STATUTORY APPROPRIATIONS:									
GENERAL	2,798	61,065	71,909	71,149	76,276	76,276	71,149	79,422	79,422
FEDERAL	171,332	187,054	183,022	183,022	188,808	188,808	183,022	180,922	180,922
TOTAL FINANCING	278,452	405,270	405,881	404,846	422,366	420,010	404,846	411,846	408,475
POSITIONS BY FUND:									
TOTAL POSITIONS									

AFDC GRANTS
FORECAST INFORMATION

This table shows total AFDC caseload, expenditures, and the amount of revenue taxes offset against AFDC for F.Y. 1990 through F.Y. 1995.

Total AFDC Program
(Including Emergency Assistance)

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total Annual Payments	Federal Share	State Share	County Share
1990	167,280	$151.73	$304,567,971	$160,591,750	$118,544,534	$25,431,687
1991	~~180,184~~	~~149.87~~	~~324,057,244~~	~~172,275,077~~	~~125,449,498~~	~~26,332,668~~
	180,141	149.91	324,057,248	172,275,079	125,449,500	26,332,669
1992	~~189,237~~	~~148.03~~	~~336,159,814~~	~~181,720,444~~	~~127,586,772~~	~~26,852,598~~
	189,097	148.14	336,149,363	181,714,782	127,582,702	26,851,879
PROJECTED						
1993	~~195,113~~	~~$149.24~~	~~$349,421,152~~	~~$190,991,246~~	~~$130,692,869~~	~~$27,727,037~~
	190,912	146.18	$334,880,442	$183,022,210	$125,106,946	$26,751,286
1994	~~192,946~~	~~150.66~~	~~348,840,798~~	~~190,249,239~~	~~130,331,433~~	~~28,160,025~~
	190,657	151.24	346,023,531	188,807,731	129,235,261	27,980,539
1995	~~189,695~~	~~148.25~~	~~337,472,896~~	~~183,864,801~~	~~124,769,361~~	~~28,838,734~~
	186,266	148.57	332,087,189	180,921,512	122,496,477	28,669,200

AFDC GRANTS
FORECAST INFORMATION

Before F.Y. 1992, 97.5% of Mortgage and Deed tax collections were offset against the state share of AFDC expenditures. Beginning with F.Y. 1992, a fixed revenue amount is provided from the Income Maintenance Aid Account. In F.Y. 1992 additional dedicated revenue of $1,311,000 was received from the federal government in State Legalization Impact Assistance Grants (SLIAG); in F.Y. 1993 this revenue was $1,233,000.

Fiscal Year	State Share	State Paid County Share Growth	Income Maintenance Aid Offset	Net State General Fund Cost
1990	$118,544,534		($56,393,552)	$62,150,982
1991	~~125,449,498~~		(56,338,000)	~~69,111,498~~
	125,449,500			69,111,500
1992	~~127,586,772~~	~~($312,754)~~	(55,853,000)	~~71,632,758~~
	127,582,702	($101,014)		71,628,688
PROJECTED				
1993	~~$130,692,869~~	~~$697,594~~	~~(54,542,000)~~	~~$76,848,463~~
	$125,106,946	$204,359	(53,309,000)	$70,769,306
1994	~~130,331,433~~	~~1,481,542~~	(54,542,000)	~~77,270,975~~
	129,235,261	883,965		75,577,227
1995	~~124,769,361~~	~~2,145,508~~	(54,542,000)	~~72,372,869~~
	122,496,477	1,957,700		69,912,176

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AFDC GRANTS
FORECAST INFORMATION

The following tables show AFDC caseload and expenditures by program segments.

Regular Segment

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total Annual Payments	Federal Share	State Share	County Share
1990	135,984	$150.56	$245,681,828	$129,775,284	$98,520,563	$17,385,982
1991	~~145,205~~	~~149.82~~	~~261,054,280~~	~~139,030,983~~	~~103,719,802~~	~~18,303,495~~
	145,170	149.87	261,074,836	139,041,931	103,727,969	18,304,936
1992	~~153,984~~	~~147.35~~	~~272,281,540~~	~~147,522,138~~	~~106,045,491~~	~~18,713,910~~
	153,824	147.68	272,604,604	147,697,174	106,171,315	18,736,114
PROJECTED						
1993	~~159,010~~	~~$148.56~~	~~$282,476,518~~	~~$155,359,306~~	~~$108,899,630~~	~~$19,217,582~~
	157,507	$144.66	$273,418,099	$149,846,789	$105,035,614	$18,535,697
1994	~~162,732~~	~~146.61~~	~~286,307,968~~	~~156,667,720~~	~~110,194,211~~	~~19,446,037~~
	162,725	146.96	286,972,005	157,031,081	110,449,785	19,491,139
1995	~~166,471~~	~~145.89~~	~~291,430,609~~	~~159,266,828~~	~~112,339,214~~	~~19,824,567~~
	166,463	146.23	292,111,865	159,639,134	112,601,821	19,870,910

Unemployed Parent Segment

AFDC GRANTS FORECAST INFORMATION Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total Annual Payments	Federal Share	State Share	County Share
1990	31,296	$129.57	$48,658,800	$25,702,795	$19,512,605	$3,443,401
1991	~~34,979~~	~~127.44~~	~~53,495,282~~	~~28,490,303~~	~~21,254,317~~	~~3,750,762~~
	34,971	127.43	53,474,830	28,479,358	21,246,152	3,749,321
1992	~~35,253~~	~~127.76~~	~~54,047,095~~	~~29,282,716~~	~~21,049,722~~	~~3,714,657~~
	35,273	126.90	53,713,580	29,102,018	20,919,828	3,691,734
PROJECTED						
1993	~~36,104~~	~~$127.76~~	~~$55,351,166~~	~~$30,335,206~~	~~$21,263,565~~	~~$3,752,394~~
	33,405	$126.90	$50,868,873	$27,878,686	$19,541,659	$3,448,528

AFDC GRANTS FORECAST INFORMATION	Monthly Average Recipients	Monthly Average Payments	Total Annual Payments	Federal Share	State Share	County Share
Fiscal Year						
1994	~~34,578~~	~~127.76~~	~~52,011,288~~	~~29,007,777~~	~~20,402,985~~	~~2,600,527~~
	32,640	126.90	49,704,633	27,198,375	19,130,319	3,375,939
1995	~~34,086~~	~~127.76~~	~~52,256,979~~	~~28,558,439~~	~~20,143,759~~	~~3,554,781~~
	32,232	126.90	49,083,493	26,824,129	18,920,459	3,338,905

Emergency Assistance

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total Annual Payments	Federal Share	State Share	County Share
1990	6,407	$133.03	$10,227,343	$5,113,672	$511,367	$4,602,304
1991	5,508	143.86	9,507,582	4,753,791	475,379	4,278,412
1992	5,922	138.34	9,831,179	4,915,590	491,559	4,424,031
PROJECTED						
1993	6,318	$139,73	$10,593,469	$5,296,734	$529,673	$4,767,061
1994	6,710	141.12	11,363,248	5,681,624	568,162	5,113,461
1995	7,093	142.53	12,131,969	6,065,984	606,598	5,459,386

AFDC Funds Redirected to MFIP

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total Annual Payments	Federal Share	State Share	County Share
PROJECTED						
1994	~~4,365~~	~~$140.64~~	~~($1,841,706)~~	~~($1,007,782)~~	~~($833,924)~~	-0-
	4,709	$142.64	($2,016,355)	($1,103,349)	($913,006)	
1995	~~10,861~~	~~140.77~~	~~(18,346,661)~~	~~(10,026,450)~~	~~(8,320,211)~~	-0-
	12,430	142.40	($21,240,137)	(11,607,735)	(9,632,402)	

Revised 3-4-93

AFDC GRANTS
FORECAST INFORMATION

This table shows the projected increases in AFDC under current law.

	F.Y. 1994	F.Y. 1995
	(Thousands)	
F.Y. 1993 State Share Cost	~~$130,693~~	~~$130,693~~
	$125,107	$125,107
F.Y. 1993 County Share Growth	~~698~~	~~698~~
	204	204
Total F.Y. 1993 State Cost	~~131,390~~	~~131,390~~
	125,311	125,311
Projected Changes Under Current Law		
Caseload Growth	~~2,394~~	~~5,369~~
	6,963	10,225
Increased IV-D Collections	(1,922)	~~(2,972)~~
		(3,203)
Transfer to MFIP	~~(834)~~	~~(8,320)~~
	(913)	(9,632)
Increase in County Share Growth	~~784~~	~~1,448~~
	680	1,753
Total State Cost	~~131,812~~	~~126,915~~
	130,119	124,454
Increase Over F.Y. 1993	~~422~~	~~(4,475)~~
	$4,808	(857)
Income Maintenance Aid Offset	(54,542)	(54,542)
Net Expenditures	~~77,270~~	~~72,373~~
	75,577	69,912

BUDGET ACTIVITY: General Assistance Grants
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity provides General Assistance (GA) grants to meet the monthly maintenance and emergency needs of Minnesota residents who are not eligible for other monthly income maintenance programs, have net income and resources below state limits, and who meet 1 of the categories of GA eligibility. For some recipients, assistance is temporary while the person overcomes an emergency situation or temporary problem, such as awaiting approval for other forms of assistance. For others with more intractable barriers to self-support, assistance is needed for a longer term.

ACTIVITY OUTCOME OBJECTIVES:

Each month GA will prevent at least 25,000 persons (including families with minor children who do not qualify for AFDC) who cannot provide for themselves from becoming destitute by issuing cash assistance necessary to meet their basic subsistence needs.

Performance Measure:
- Average monthly number of GA recipients.

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Average payment per case (monthly)	$245	$266	$266	$266	$266

REVENUE GENERATION:

GA grants are funded with 75% state funds and 25% county share. State liability for reimbursement of the county share began on 1-1-91.

LEGISLATIVE ISSUES:

A legislative proposal is planned that will deny GA, Work Readiness (WR), and General Assistance Medical Care (GAMC), eligibility to undocumented aliens, non-immigrant, and lawful temporary residents. This provision does not apply to minor children, or aged, blind, or disabled aliens. This proposal follows federal law and will be effective 10-1-93.

ACTIVITY PLAN:

The following decision and information items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Restructure Work Readiness and Benefit Ineligibility for Undocumented and Non-Immigrant Aliens

Item Summary:

This proposal decreases the budget base by $4,228,000 in F.Y. 1994 and $6,323,000 in F.Y. 1995 by:

- Requiring participants in Work Readiness (WR) to participate in an Employment Experience Program (EEP).
- Requiring that WR recipients use their program eligibility months consecutively. Good cause provisions such as eligibility for General Assistance (GA) or accepting employment will apply.
- Creating a consistent policy of WR ineligibility for persons participating in post-secondary education half-time or more.
- Application of a second level of sanction for failure to comply with program requirements within a 12-month period.
- Undocumented and non-immigrant aliens will be ineligible for program benefits from WR, GA, and General Assistance Medical Care (GAMC).

Rationale:

Under EEP, WR participants will work at public service positions in order to improve work habits and skills. Equal treatment and operational concerns are addressed by specifying that all WR recipients must use their months of program eligibility consecutively.

This proposal assures consistency of program policy by clarifying that WR eligibility is denied to all persons attending a post-secondary educational program unless the program is one of adult basic education, literacy training, English as a second language, or general education diploma (GED) preparation.

County agencies and employment and training providers have recommended to the department that a second-level sanction be imposed involving a 3-month disqualification from WR for recipients who fail to comply with WR requirements 2 or more times in a 12-month period.

This initiative proposes to follow federal law and will deny GA, WR, and GAMC eligibility to undocumented aliens, non-immigrant and lawful temporary residents (this provision does not apply to minor children or aged, blind, or disabled aliens).

These changes will be effective 10-1-93.

BUDGET ACTIVITY: General Assistance Grants
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of
(Continuation)

Impact:

All counties will be asked to provide an EEP program for WR recipients who are mandatory participants.

Recipients will no longer be permitted to pick and choose which months they will utilize WR benefits and services, but must use benefits in consecutive months until eligibility is exhausted. County agencies and employment and training service providers will be able to provide timely, structured services with better knowledge of the number of participants they will have monthly and the resources that will be needed.

Eligibility for WR cash benefits will be denied to applicants and recipients who are attending post-secondary education more than half-time. This provision will not apply to persons completing adult basic education, literacy or English as a second language training, or GED preparation classes. Greater uniformity of statewide program policy will result from this change.

Recipients who fail to comply with WR employment and training requirements more than once per year will be subject to a minimum of 3 months termination from WR benefits and services for the second and any subsequent instances of failure to comply. This provision will create greater consistency with project STRIDE sanctions for AFDC recipients.

Undocumented and non-immigrant aliens will be ineligible for GA, WR, and GAMC. This change will create consistency between state and federal assistance programs, and will address the problems service providers encounter when attempting to provide employment and training services to aliens who are prohibited under federal law from accepting employment.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
WR Grants	~~($1,243)~~	~~($1,903)~~	~~($2,006)~~	~~($2,059)~~
	574	860	885	881
GA Grants	~~(2,455)~~	~~(3,635)~~	~~(3,730)~~	~~(3,730)~~
	2,923	4,327	4,441	4,441
GAMC	~~(530)~~	~~(785)~~	~~(806)~~	~~(806)~~
	709	985	995	995
MAXIS	$35	-0-	-0-	-0-

~~DECISION~~INFORMATION ITEM:

State Issuance Cost Containment

This proposal increases the budget base by $10,000 in F.Y. 1994 and by $10,000 in F.Y. 1995 in order to cover the costs of duplicate benefit issuances. These costs, previously covered by county agencies, are now the responsibility of the state.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$10	$10	$10	$10

DECISION ITEM:

Reschedule State Financing of Income Maintenance Programs

This proposal decreases the budget base by ~~$455,000~~ 511,000 in F.Y. 1994 and ~~$439,000~~ 537,000 in F.Y. 1995. This proposal is part of a 2 year delay of the current state financing 6-year phase-in schedule which includes GA grants and 11 other programs.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
~~($455)~~	~~($439)~~	~~$8~~	~~$7~~
$511	$537	$26	$25

DECISION ITEM:

Reallocate GA Portion of County Share Base from Human Services Aid to GA Grants

This proposal increases the budget base by $14,414,000 in F.Y. 1994 and $14,414,000 in F.Y. 1995. This proposal is part of an aids restructuring plan which eliminates the Department of Revenue's Human Services Aid Account and transfers the appropriation to the respective human service program. There is no general fund impact.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$14,414	$14,414	$14,414	$14,414
Revenue:	($14,414)	($14,414)	($14,414)	($14,414)

INFORMATION ITEM:

Transfer Group Residential Housing Funds (GA Grants)

This proposal decreases the budget base by $3,167,000 in F.Y. 1994 and by $8,167,000 in F.Y. 1995. It transfers General Assistance designated for Group Residential Housing (GRH) to a specific fund for the GRH program. The GRH program is discussed in further detail in the Long Term Home and Community Based Services activity of the Health Care Administration program.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($3,167)	($8,167)	($8,167)	($8,167)

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1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: GA GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
AIDS TO INDIVIDUALS	4,434	46,204	55,994	55,994	49,826	49,826	55,994	42,899	42,899
LOCAL ASSISTANCE	34,239	8,120	12,302	12,302	14,005	14,005	12,302	14,238	14,238
TOTAL EXPENDITURES	38,673	54,324	68,296	68,296	63,831	63,831	68,296	57,137	57,137
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	37,577	33,635	41,670	41,670	50,785	50,785	41,670	43,934	43,934
OPEN APPROPRIATIONS:									
GENERAL		15,067	13,837	13,837			13,837		
STATUTORY APPROPRIATIONS:									
GENERAL	1,096	5,622	12,789	12,789	13,046	13,046	12,789	13,203	13,203
TOTAL FINANCING	38,673	54,324	68,296	68,296	63,831	63,831	68,296	57,137	57,137
POSITIONS BY FUND:									
TOTAL POSITIONS									

GA GRANTS
FORECAST INFORMATION

This table shows total GA caseload and expenditures, including projections through F.Y. 1995.

Total GA Program

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Net Annual Payments	State Share	County Share
1990	19,413	$240.37	$55,996,564	$43,206,200	$12,790,364
1991	~~15,619~~	~~245.15~~	~~45,947,582~~	~~35,453,154~~	~~10,494,428~~
	15,611	244.44	45,790,079	35,331,625	10,458,454
1992	~~15,033~~	~~265.74~~	~~47,939,118~~	~~36,989,823~~	~~10,949,294~~
	15,648	275.49	51,730,692	39,915,402	11,815,290
PROJECTED					
1993	~~16,425~~	~~$265.74~~	~~$52,379,342~~	~~$40,415,900~~	~~$11,963,442~~
	14,995	$311.18	$55,993,767	$43,204,790	$12,788,976
1994	~~16,910~~	~~266.46~~	~~54,070,204~~	~~41,694,319~~	~~12,375,885~~
	14,922	318.28	56,993,691	43,947,915	13,045,776
1995	~~16,666~~	~~263.39~~	~~52,676,246~~	~~40,397,683~~	~~12,278,563~~
	14,689	320.51	56,496,806	43,293,564	13,203,241

GA GRANTS
FORECAST INFORMATION

Total GA Program

GA GRANTS FORECAST INFORMATION Fiscal Year	State Share	State Paid County Share Growth	Total State Cost
1990	$43,206,200	-0-	$43,206,200
1991	~~25,452,154~~	-0-	~~25,452,154~~
	35,331,625		35,331,625
1992	~~26,989,823~~	($180,241)	~~26,809,582~~
	39,915,402		39,735,161
PROJECTED			
1993	~~$40,415,900~~	~~($2,380,909)~~	~~$38,034,991~~
	$43,204,790	($1,535,144)	$41,669,647
1994	~~41,694,319~~	~~(1,789,397)~~	~~39,904,923~~
	43,947,915	(985,859)	42,962,056
1995	~~40,397,683~~	~~(1,648,056)~~	~~38,749,627~~
	43,293,564	(752,483)	42,541,082

GA GRANTS
FORECAST INFORMATION

This table shows the projected increases in GA expenditures under current law.

	F.Y. 1994	F.Y. 1995
	(Thousands)	
F.Y. 1993 State Share Cost:	~~$40,416~~	~~40,416~~
	$43,205	$43,205
F.Y. 1993 County Share Growth	~~(2,381)~~	~~(2,381)~~
	(1,535)	(1,535)
Total F.Y. 1993 State Cost	~~38,035~~	~~38,035~~
	41,670	41,670
Projected Changes Under Current Law		
Caseload Increase	~~1,393~~	~~1,065~~
	2	(414)
Increase in Average Grant	865	1,894
Transfer to MFIP	~~(115)~~	~~(1,083)~~
	(124)	(1,311)
Increase in County Share Growth	~~592~~	~~733~~
	549	783
Total State Cost	~~$39,905~~	~~$38,750~~
	$42,962	$42,542
Increase Over F.Y. 1993	~~$1,870~~	~~$715~~
	$1,290	$1,286

BUDGET ACTIVITY: Work Readiness Grants
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity provides Work Readiness (WR) grants to meet the monthly maintenance and emergency needs of Minnesota residents who are not eligible for other monthly income maintenance programs, have net income and resources below state limits, and who do not qualify for General Assistance (GA).

Opportunities for WR recipients (and GA recipients) to become self-supporting are provided through mandatory (or voluntary) participation in WR employment and training services.

ACTIVITY OUTCOME OBJECTIVES:

Each month WR will prevent at least 17,000 single persons and married couples without minor children who cannot provide for themselves from becoming destitute by issuing cash assistance necessary to meet their basic subsistence needs.

Performance Measure: Average monthly number of WR cases.

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Average payment per person (monthly)	$209	$210	$210	$210	$210

REVENUE GENERATION:

WR grants are funded with 75% state funds and 25% county share. State liability for reimbursement of the county share began on 1-1-91.

ACTIVITY PLAN:

The following decision and information items reflect adjustment of current law base level funding for this activity.

INFORMATION ITEM:

Restructure GA and WR and Benefit Ineligibility for Undocumented and Non-Immigrant Aliens

This proposal decreases the budget base by ~~$1,243,000~~ 574,000 in F.Y. 1994 and by ~~$1,903,000~~ 860,000 in F.Y. 1995 by implementing new program sanctions and "workfare" requirements, and by denying GA, WR, and General Assistance Medical Care to undocumented and non-immigrant aliens.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	~~($1,243)~~	~~($1,903)~~	~~($2,006)~~	~~($2,006)~~
	$574	$860	$885	$881

INFORMATION ITEM:

State Issuance Cost Containment

This proposal increases the budget base by $9,000 in F.Y. 1994 and by $9,000 in F.Y. 1995 in order to cover the costs of duplicate benefit issuances. These costs, previously covered by county agencies, are now the responsibility of the state.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$9	$9	$9	$9

DECISION ITEM:

Reschedule State Financing of Income Maintenance Programs

This proposal decreases the budget base by ~~$258,000~~ 116,000 in F.Y. 1994 and ~~$376,000~~ 141,000 in F.Y. 1995. This proposal is part of a 2 year delay of the current state financing 6-year phase-in schedule which includes WR grants and 11 other programs.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	~~($258)~~	~~($376)~~	~~($96)~~	~~($93)~~
	$116	$141	$24	$21

DECISION ITEM:

Reallocate WR Portion of County Share Base from Human Services Aid to WR Grants

This proposal increases the budget base by $6,146,000 in F.Y. 1994 and $6,146,000 in F.Y. 1995. This proposal is part of an aids restructuring plan which eliminates the Department of Revenue's Human Services Aid Account and transfers the appropriation to the respective human service program. There is no general fund impact.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$6,146	$6,146	$6,146	$6,146
Revenue:	($6,146)	($6,146)	($6,146)	($6,146)

REVISED 3-4-93
~~Revised 2-08-93~~

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: WORK READINESS GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
AIDS TO INDIVIDUALS		39,229	16,949	16,949	16,474	16,474	16,949	16,769	16,769
LOCAL ASSISTANCE	27,151	4,439	5,198	5,198	4,647	4,647	5,198	4,804	4,804
TOTAL EXPENDITURES	27,151	43,668	22,147	22,147	21,121	21,121	22,147	21,573	21,573
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	27,151	27,948	12,018	12,018	16,780	16,780	12,018	17,080	17,080
OPEN APPROPRIATIONS:									
GENERAL		4,949	5,900	5,900			5,900		
STATUTORY APPROPRIATIONS:									
GENERAL		10,771	4,229	4,229	4,341	4,341	4,229	4,493	4,493
TOTAL FINANCING	27,151	43,668	22,147	22,147	21,121	21,121	22,147	21,573	21,573
POSITIONS BY FUND:									
TOTAL POSITIONS									

WORK READINESS GRANTS
FORECAST INFORMATION

This table shows total Work Readiness caseload and expenditures, including projections for F.Y. 1995.

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total WR Program Net Annual Payments	State Share	County Share
1990	8,045	$174.94	$16,887,888	$12,674,464	$4,213,424
1991	~~15,236~~	~~208.70~~	~~38,158,098~~	~~28,637,887~~	~~9,520,211~~
	15,226	208.72	38,134,850	28,620,439	9,514,411
1992	~~11,197~~	~~210.19~~	~~28,241,869~~	~~21,195,696~~	~~7,046,173~~
	10,661	193.21	24,718,490	18,551,378	6,167,111
PROJECTED					
1993	~~$8,155~~	~~$210.19~~	~~$20,568,413~~	~~$15,436,720~~	~~$5,131,693~~
	$6,763	$208.85	$16,948,689	$12,720,095	$4,228,594
1994	~~9,600~~	~~210.19~~	~~24,214,233~~	~~18,172,931~~	~~6,041,303~~
	$6,807	$213.03	$17,400,996	$13,059,554	$4,341,442
1995	~~10,730~~	~~210.19~~	~~27,064,450~~	~~20,312,036~~	~~6,752,414~~
	6,906	217.29	18,007,155	13,514,480	4,492,675

Fiscal Year	State Share	State Paid County Share Growth	Total State Cost
1990	$12,674,464	-0-	$12,674,464
1991	~~28,637,887~~	-0-	~~28,637,887~~
	28,620,439		28,620,439
1992	~~21,195,696~~	$1,713,773	~~$22,909,469~~
	18,551,378		20,265,151

Revised 3-4-93

WORK READINESS GRANTS
FORECAST INFORMATION

Fiscal Year	State Share	State Paid County Share Growth	Total State Cost
PROJECTED			
1993	~~$15,436,720~~	~~$188,728~~	~~$15,625,448~~
	$12,720,095	($702,352)	$12,017,743
1994	~~18,172,931~~	~~(301,949)~~	~~17,870,982~~
	13,059,554	(1,745,084)	11,314,470
1995	~~20,312,036~~	~~626,930~~	~~20,938,966~~
	13,514,480	(1,587,838)	11,926,642

WORK READINESS
FORECAST INFORMATION

This table shows the projected increases in Work Readiness under current law.

	F.Y. 1994	F.Y. 1995
	(Thousands)	
F.Y. 1993 State Share Cost:	~~15,437~~	~~$15,437~~
	$12,720	$12,720
F.Y. 1993 County Share Growth	~~189~~	~~189~~
	(702)	(702)
Total F.Y. 1993 State Cost	~~15,625~~	~~15,625~~
	12,018	12,018
Projected Changes Under Current Law		
Caseload Increase	~~2,726~~	~~4,875~~
	101	354
Increase in average grant	239	794
Increase in County Share Growth	~~(491)~~	~~438~~
	(1,043)	(885)
Total State Cost	~~17,871~~	~~20,939~~
	11,315	11,926
Increase Over F.Y. 1993	~~2,245~~	~~5,313~~
	(804)	(91)

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BUDGET ACTIVITY: Minnesota Supplemental Aid Grants
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

Minnesota Supplemental Aid (MSA) provides cash assistance to aged, blind, and disabled persons who are in financial need. Federal law requires states to supplement payments made by the Supplemental Security Income (SSI) program to aged, blind, and disabled persons. Eligibility for MSA follows many of the federal SSI program's policies and procedures.

The MSA grant is composed of 3 factors: the basic need standard, the shelter standard, and the standard for special needs. The combined monthly standard for a single individual living alone in his/her own home with shelter costs in excess of the shelter maximum and with no special needs is $483. The amount of the monthly MSA grant is the difference between the amount of the recipient's countable income and the combined total of the standard.

Eligible recipients living in a medical facility where Medical Assistance pays for the cost of care are limited to a clothing and personal needs allowance of $54 per month. MSA also provides cash assistance to recipients who face emergency situations.

Individuals who are living in a group residential housing setting may be eligible for payment of room and board or monthly rates paid from MSA. These currently include adult foster homes, boarding and lodging houses, supervised living facilities and boarding homes not certified for payment from Medicaid. Past legislation has imposed a moratorium on new beds and monthly rates.

ACTIVITY OUTCOME OBJECTIVES:

Each month MSA will provide an income supplement to individuals who receive federal SSI benefits to enable these persons to meet their basic subsistence needs.

Performance Measure: ■ Average monthly number of MSA recipients.

Each month MSA will provide group residential housing payments to SSI recipients whose resources are insufficient to pay the housing cost, so that these recipients can reside in a setting where other services essential to their well-being or physical health are provided.

Performance Measure: ■ Average monthly number of MSA recipients for whom a group residential housing payment is made.

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Average payment per person in own house or apartment	$130	$131	$133	$133	$133
Average payment for persons in group housing	$521	$515	$367	$370	$370

REVENUE GENERATION:

MSA grants are funded with 85% state funds and 15% county share. State liability for reimbursement of county share began on 1-1-91.

ACTIVITY PLAN:

The following decision and information items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Reschedule State Financing of Income Maintenance Programs

This proposal decreases the budget base by ~~$404,000~~ $386,000 in F.Y. 1994 and ~~$541,000~~ $520,000 in F.Y. 1995. This proposal is part of a two year delay of the current state financing 6-year phase-in schedule which includes MSA grants and 11 other programs.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	~~($404)~~	~~($541)~~	~~($131)~~	~~($145)~~
	$(386)	$(520)	$(122)	$(135)

DECISION ITEM:

Reallocate MSA Portion of County Share Base from Human Services Aid to MSA Grants

This proposal increases the budget base by $7,241,000 in F.Y. 1994 and $7,241,000 in F.Y. 1995. This proposal is part of an aids restructuring plan which eliminates the Department of Revenue's Human Services Aid Account and transfers the appropriation to the respective human service program. There is no general fund impact.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	$7,241	$7,241	$7,241	$7,241
Revenue:	($7,241)	($7,241)	($7,241)	($7,241)

~~DECISION~~ INFORMATION ITEM:

Integrated Management and Planning Act

This proposal decreases the budget base by ~~$1,474,000~~ $545,000 in F.Y. 1995 to implement a comprehensive reform of the funding and delivery of services to persons with developmental disabilities through the implementation of the Integrated Management and Planning Act (IMPACT). This proposal is discussed in further detail in the DD Administration activity of the Social Services program.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
	~~$0~~	~~($1,474)~~	~~($4,995)~~	~~($9,322)~~
		$(545)	$(1,881)	$(5,704)

Revised 3-4-93
~~Revised 2-08-93~~

BUDGET ACTIVITY: Minnesota Supplemental Aid Grants
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of
(Continuation)

INFORMATION ITEM:
State Issuance Cost Containment

This proposal increases the budget base by $7,000 in F.Y. 1994 and by $7,000 in F.Y. 1995 in order to cover the costs of duplicate benefit issuances. These costs, previously covered by county agencies, are now the responsibility of the state.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$7	$7	$7	$7

INFORMATION ITEM:
Reduce State Mental Health Funding for Adults, Develop Alternative Funding Sources

This proposal decreases the budget base by $104,000 in F.Y. 1994 and $208,000 in F.Y. 1995 to implement the downsizing and conversion of Institutions for Mental Disease (IMD); thus increasing federal reimbursement for nursing facility services.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($104)	($208)	($208)	($208)

INFORMATION ITEM:
Faribault Regional Center Transfer to Corrections

This proposal increases the budget base by $74,000 in F.Y. 1994 by $230,000 in F.Y. 1995 by downsizing Faribault Regional Center.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$74	$230	$316	$326

INFORMATION ITEM:
Transfer of Group Residential Housing Funds (MN Supplemental Aid)

This proposal decreases the budget base by ~~$13,395,000~~14,306,000 in F.Y. 1994 and by ~~$32,452,000~~36,217,000 in F.Y. 1995. It transfers Minnesota Supplemental Aid funds designated for GRH to a specific fund for the GRH program. GRH is discussed in further detail under the Long-Term Care Home and Community Based Services activity of the Health Care Administration program.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
~~($13,039)~~	~~($32,452)~~	~~($35,022)~~	~~($37,779)~~
$(14,306)	$(36,217)	$(39,022)	$(41,978)

INFORMATION ITEM:

Moose Lake Regional Treatment Center Transfer to Corrections

This proposal increases the budget base by $26,000 in F.Y. 1994 and by $48,000 in F.Y. 1995. These costs are associated with the proposal to close the Moose Lake Regional Treatment Center discussed in further detail under the Regional Treatment Centers Systemwide Budget Activity.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$26	$48	$50	$50

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1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: MSA GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
AIDS TO INDIVIDUALS	2,132	49,125	49,331	49,331	39,108	39,108	49,331	21,941	21,941
LOCAL ASSISTANCE	38,452	10,429	7,661	7,661	8,433	8,433	7,661	9,325	9,325
TOTAL EXPENDITURES	40,584	59,554	56,992	56,992	47,541	47,541	56,992	31,266	31,266
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	40,255	45,886	42,641	42,641	39,428	39,428	42,641	22,350	22,350
OPEN APPROPRIATIONS:									
GENERAL		7,162	6,951	6,951			6,951		
STATUTORY APPROPRIATIONS:									
GENERAL	329	6,506	7,400	7,400	8,113	8,113	7,400	8,916	8,916
TOTAL FINANCING	40,584	59,554	56,992	56,992	47,541	47,541	56,992	31,266	31,266
POSITIONS BY FUND:									
TOTAL POSITIONS									

MSA GRANTS
FORECAST INFORMATION

This table shows total MSA caseload and expenditures, with projections for F.Y. 1993 - F.Y. 1995.

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total MSA Program Total Annual Payments	State Share	County Share
1990	15,113	$237.75	$43,116,805	$36,649,284	$6,467,521
1991	17,334	230.15	47,874,000	40,692,900	7,181,100
1992	20,127	218.66	52,811,140	44,889,469	7,921,671
PROJECTED					
1993	~~22,941~~	~~180.72~~	~~49,751,063~~	~~42,288,404~~	~~7,462,660~~
	22,346	183.97	49,331,822	41,932,049	7,399,773
1994	~~26,229~~	~~176.16~~	~~55,443,864~~	~~47,127,285~~	~~8,316,580~~
	24,824	181.57	54,087,778	45,974,611	8,113,167
1995	~~28,728~~	~~176.81~~	~~60,950,713~~	~~51,808,106~~	~~9,142,607~~
	26,753	185.14	59,437,196	50,521,617	8,915,579

The following table sums the historic state share and the state costs for reimbursement of growth in the county share over the base amount for F.Y. 1990.

	State Share	State Paid County Share Growth	Total Share Cost
1990	$36,649,284	-0-	$36,649,284
1991	40,692,900	-0-	40,692,900
1992	44,889,469	$587,095	~~45,476,564~~
			44,889,469
PROJECTED			
1993	~~$42,288,404~~	~~$370,421~~	~~$42,658,825~~
	41,932,049	709,263	42,641,312
1994	~~47,127,285~~	~~1,051,921~~	~~48,179,205~~
	45,974,611	901,820	46,876,431
1995	~~51,808,106~~	~~1,960,730~~	~~53,768,836~~
	50,521,617	1,793,458	52,315,075

MSA GRANTS
FORECAST INFORMATION

The following tables show MSA caseload and expenditures by the living arrangement of the recipient.

Recipients in Negotiated Rate Facilities

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total Annual Payments	State Share	County Share
1990	5,086	$522.60	$31,895,319	$27,111,021	$4,784,298
1991	5,402	520.98	33,769,973	28,704,477	5,065,496
1992	5,568	529.99	35,414,553	30,102,370	5,312,183
PROJECTED					
1993	~~5,666~~	~~$415.15~~	~~$28,227,326~~	~~$23,993,227~~	~~$4,234,099~~
	5,877	427.82	30,170,010	25,644,508	4,525,501
1994	~~6,255~~	~~397.08~~	~~29,804,714~~	~~25,334,007~~	~~4,470,707~~
	6,463	421.63	32,700,345	27,795,293	4,905,052
1995	~~6,752~~	~~397.41~~	~~32,198,935~~	~~27,369,095~~	~~4,829,840~~
	6,959	430.77	35,972,222	30,576,389	5,395,833

Recipients in Nursing Homes

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total Annual Payments	State Share	County Share
1990	3,784	$23.14	$1,050,684	$893,081	$157,603
1991	3,604	26.82	1,159,942	985,951	173,991
1992	3,392	25.08	1,020,898	867,763	153,135
PROJECTED					
1993	~~3,290~~	~~27.08~~	~~$1,069,227~~	~~$908,843~~	~~$160,384~~
	3,307	28.09	1,114,554	947,371	167,183
1994	~~3,191~~	~~29.08~~	~~1,113,738~~	~~946,677~~	~~167,061~~
	3,224	30.09	1,164,069	989,459	174,610
1995	~~3,095~~	~~31.58~~	~~1,173,189~~	~~997,210~~	~~175,978~~
	3,144	32.59	1,229,274	1,044,883	184,391

Recipients in Private Dwellings

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total Annual Payments	State Share	County Share
1990	6,337	$140.11	$10,654,823	$9,056,600	$1,598,224
1991	8,328	129.52	12,944,085	11,002,473	1,941,613
1992	10,969	127.67	16,804,549	14,283,867	2,520,682
PROJECTED					
1993	~~13,985~~	~~$121.88~~	~~$20,454,510~~	~~$17,386,334~~	~~$3,068,177~~
	13,163	114.26	18,047,258	15,340,170	2,707,089
1994	~~16,783~~	~~121.78~~	~~24,525,412~~	~~20,846,600~~	~~3,678,812~~
	15,137	111.33	20,223,364	17,189,859	3,033,505
1995	~~18,880~~	~~121.73~~	~~27,578,589~~	~~23,441,800~~	~~4,136,788~~
	16,651	111.28	22,235,700	18,900,345	3,335,355

MSA GRANTS
FORECAST INFORMATION

This table shows the projected increases in MSA expenditures under current law.

	F.Y. 1994	F.Y. 1995
	(Thousands)	
F.Y. 1993 State Share Cost	~~$42,288~~	~~$42,288~~
	41,932	41,932
F.Y. 1993 County Share Growth	~~370~~	~~370~~
	709	709
Total F.Y. 1993 State Cost	~~$42,659~~	~~$42,659~~
	42,641	42,641
Projected Increases Under Current Law		
MR/RC Waiver Recipients		
Caseload:	~~$1,165~~	~~$2,203~~
	1,214	2,333
Average Cost	~~(403)~~	~~(292)~~
	(150)	(7)
Other Recipients in Negotiated Rate Facilities		
Caseload:	~~944~~	~~1,707~~
	927	1,690
Average Cost:	~~(365)~~	~~(242)~~
	159	915
Recipients in Private Dwellings		
Caseload:	~~3,477~~	~~6,085~~
	2,301	4,065
Average Cost:	~~(17)~~	~~(30)~~
	(451)	(505)
Recipients in Nursing Homes		
Caseload:	~~(27)~~	~~(54)~~
	(24)	47
Average Cost:	~~65~~	~~142~~
	66	144
Increase in County Share Growth	~~681~~	~~1,590~~
	193	1,084
Total State Cost	~~$48,179~~	~~$53,769~~
	46,876	52,315
Increase Over F.Y. 1993	~~$5,520~~	~~$11,110~~
	4,235	9,674

BUDGET ACTIVITY: Minnesota Family Investment Grants
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Minnesota Family Investment Program (MFIP) is a comprehensive reform of welfare for families that consolidates Aid to Families with Dependent Children, Food Stamps, and Family General Assistance into one unified system. MFIP restructures the welfare system around 3 key values: working should be more profitable than welfare; welfare should support the family unit; and, the relationship of welfare to families served should be based on a social contract in which both the system and its clientele carry responsibilities.

Field trials of MFIP will begin in 4-94. Seven counties (3 metro and 4 rural) will participate. A portion of the caseload will receive MFIP and their experience will be compared to cases receiving benefits from current programs. At its height, in F.Y. 1995, the MFIP caseload will include 5,000 families. Thereafter, the project's caseload will decline as families in metro counties who leave MFIP are not replaced.

In advance of implementation, funds are required for the development of program operations and evaluation functions. State activities include the reprogramming of MAXIS to include an MFIP component, the development of policy manuals for financial workers and for case managers, the redesign of forms, the provision of technical assistance to counties, the training of staff, and the development of evaluation methods and contracts. Funds also cover costs at the county level for developing a service delivery system, detailed preparation for conversion, baseline data collection, and the conversion of caseloads and operations.

ACTIVITY OUTCOME OBJECTIVES:

The key objective for the F.Y. 1994-95 biennium is successful implementation of the project.

Performance
Measure: Initiation of field trial operations in 4-94.

Longer range objectives include:

By the end of the 1996-97 biennium, 63% of MFIP cases: will be employed (37%); or cooperating with a signed agreement leading to greater self-support (26%).

Performance
Measure: Percent of MFIP participants employed
Percent of MFIP participants with signed agreement

By the end of the 1996-97 biennium, 44% of the MFIP cases with a long-term welfare history will be employed.

Performance
Measure: Percent of MFIP participants who have a long-term welfare history who are employed.

EFFICIENCY MEASURES:

Field trials are designed to obtain maximum information at minimum cost. This design principle results in a declining caseload as the project progresses, from a projected 4,583 cases after 12 months to a projected 2,488 cases in the 60th month.

REVENUE GENERATION:

While the majority of MFIP benefits are financed by federal and state funds redirected from current programs replaced by MFIP, this budget activity presents the additional costs borne by the state.

Federal reimbursement for the development of operations is available at a rate of approximately 45%. Following implementation, federal funding for benefits and administration is limited to the amount that would have been spent in programs replaced by MFIP. Federal reimbursement for the costs of evaluation is 50%.

BUDGET/LEGISLATIVE ISSUES:

Substantive issues of reform strategy, program design, and the structure and funding of field trials have been engaged by previous legislative sessions. The focus now is operations and implementation. No current issue requires legislative review.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: MFIP GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
AIDS TO INDIVIDUALS					4,056	4,056		42,171	42,171
TOTAL EXPENDITURES					4,056	4,056		42,171	42,171
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL					1,947	1,947		19,694	19,694
STATUTORY APPROPRIATIONS:									
FEDERAL					2,109	2,109		22,477	22,477
TOTAL FINANCING					4,056	4,056		42,171	42,171
POSITIONS BY FUND:									
TOTAL POSITIONS									

MFIP
FORECAST INFORMATION

This table shows total MFIP caseload and expenditures for F.Y. 1994 through F.Y. 1995.

MFIP Program

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total Annual Payments	Federal Share	State Share	County Share
Total						
1994	~~5,738~~	~~$218.95~~	~~$3,769,049~~	~~$2,017,298~~	~~$1,751,751~~	$-0-
	5,317	$219.93	$3,507,933	$2,033,735	$1,474,198	
1995	~~13,816~~	~~225.49~~	~~37,385,548~~	~~20,195,952~~	~~17,189,596~~	-0-
	13,777	221.65	36,643,678	21,596,582	15,047,096	
Redirected from AFDC						
1994	~~4,365~~	~~$140.64~~	~~$1,841,706~~	~~$1,007,782~~	~~$833,924~~	$-0-
	4,709	$142.73	$2,016,355	$1,103,349	$913,006	
1995	~~10,861~~	~~140.77~~	~~18,246,661~~	~~10,026,450~~	~~8,320,211~~	-0-
1995	12,430	142.40	21,240,137	11,607,735	9,632,402	-0-
Redirected from General Assistance						
1994	~~273~~	~~$140.33~~	~~$114,930~~	~~$-0-~~	~~$114,930~~	$-0-
	241	$172.42	$124,417		$124,417	
1995	~~643~~	~~140.33~~	~~1,082,786~~	~~-0-~~	~~1,082,786~~	-0-
	621	175.87	1,310,731		1,310,731	
Redirected from Food Stamps						
1994	~~5,108~~	~~$65.88~~	~~$1,009,516~~	~~$1,009,516~~	~~$-0-~~	$-0-
	4,629	$67.00	$930,386	$930,386		
1995	~~12,248~~	~~69.19~~	~~10,169,502~~	~~10,169,502~~	~~-0-~~	-0-
	11,956	69.62	9,988,847	9,988,847		

Revised 3-4-93

MFIP
FORECAST INFORMATION

Fiscal Year	Monthly Average Recipients	Monthly Average Payments	Total Annual Payments	Federal Share	State Share	County Share
New Funds						
1994	$-0-	$-0-	~~$802,897~~	$-0-	~~$802,897~~	$-0-
			$436,775		$436,775	
1995	-0-	-0-	~~7,786,599~~	-0-	~~7,786,599~~	-0-
			4,103,963		4,103,963	

BUDGET ACTIVITY: Child Care Fund Grants
PROGRAM: Family Self-Sufficiency Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Child Care Fund provides financial assistance to defray the child care costs of employed low income persons and to Aid to Families with Dependent Children (AFDC) recipients in training or education leading to employment. Payments are usually made directly to providers of child care. Parents receiving assistance through the transition year and Basic Sliding Fee Programs pay a copayment on a sliding scale according to their income. Families have free choice of any legal provider of child care.

ACTIVITY OUTCOME OBJECTIVES:

Approximately 17,300 families in 1994 and 17,000 families in 1995 will receive child care assistance in order to participate in employment or education and training which lead to self-sufficiency. The decrease in families served assumes the fund will not receive any additional federal or state program funding dollars.

Performance Measure: ■ Total annual number of families receiving child care subsidies.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of Families Receiving Assistance	11,764	13,000	15,000	15,000	15,000
Average Cost Per Family	$2,727	$2,912	$3,019	$3,324	$3,560

REVENUE GENERATION:

Basic Sliding Fee Program: Employment expenditures earn federal AFDC At-Risk funds at a rate of 55% up to Minnesota's limit of entitlement which is $2.6 million per year. In addition to state funds and federal At-Risk funds, approximately $7.5 million per year of federal Child Care and Development Block Grant (CCDBG) funds requiring no state match are also allocated to the Basic Sliding Fee Program. The block grant funds do have federal, state, and local Maintenance of Effort requirements.

AFDC: All expenditures eligible for the AFDC Child Care Program, including project STRIDE the ACCESS Child Care Program, Employment Related Training, and Transition Year Child Care earn federal match from the AFDC entitlement at a rate of 55%.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

STRIDE Evaluation

This proposal increases the budget base by $7,000 in F.Y. 1994 and by $78,000 in F.Y. 1995 for child care costs incurred by AFDC families involved in an evaluation of the STRIDE program.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$7	$78	$76	$53

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: FAMILY SELF-SUFFICIENCY ADMIN
ACTIVITY: CHILD CARE FUND GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
LOCAL ASSISTANCE	2,623	28,506	45,478	44,913	51,301	51,301	44,913	54,105	54,105
TOTAL EXPENDITURES	2,623	28,506	45,478	44,913	51,301	51,301	44,913	54,105	54,105
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL		19,262	19,360	18,795	21,679	21,679	18,795	22,646	22,646
STATUTORY APPROPRIATIONS:									
FEDERAL	2,623	9,244	26,118	26,118	29,622	29,622	26,118	31,459	31,459
TOTAL FINANCING	2,623	28,506	45,478	44,913	51,301	51,301	44,913	54,105	54,105
POSITIONS BY FUND:									
TOTAL POSITIONS									

AFDC CHILD CARE
FORECAST INFORMATION

This table shows total AFDC child care caseload and expenditures for F.Y. 1990 through F.Y. 1995.

Total AFDC Child Care Entitlement

Fiscal Year	Average Number of Families	Annual Cost per Family	Total Annual Payments	Federal Share	State Share	County Share
1990	~~6,086~~	~~$2,385~~	$14,514,239	$6,963,854	$6,966,625	$583,760
	6,129	$2,368				
1991	~~5,740~~	~~2,913~~	16,719,448	8,246,032	8,473,416	-0-
	5,881	2,843				
1992	~~5,750~~	~~3,266~~	18,777,885	10,160,714	8,617,171	-0-
	5,780	3,249				
PROJECTED						
1993	~~8,434~~	~~3,393~~	~~$28,609,245~~	~~$15,680,727~~	~~$12,928,518~~	-0-
	7,088	3,440	$24,382,639	$13,364,125	$11,018,515	
1994	~~8,836~~	~~3,620~~	~~31,983,591~~	~~17,501,421~~	~~14,482,170~~	-0-
	8,426	3,658	30,825,379	16,867,648	13,957,732	
1995	~~9,204~~	~~3,869~~	~~35,605,569~~	~~19,458,444~~	~~16,147,126~~	-0-
	8,685	3,941	34,226,996	18,705,053	15,521,942	

AFDC CHILD CARE
FORECAST INFORMATION

This table shows the projected increases in AFDC under current law.

	F.Y. 1994	F.Y. 1995
	(Thousands)	
Total F.Y. 1993 State Cost	~~$12,929~~	~~$12,929~~
	11,019	11,019
Projected Changes Under Current Law		
Caseload Growth	~~670~~	~~1,208~~
	2,646	3,373
Increase in Rates	~~884~~	~~1,911~~
	231	400
Total State Cost	~~14,483~~	~~16,147~~
	13,896	14,792
Increase Over F.Y. 1993	~~1,553~~	~~3,218~~
	2,877	3,773

PROGRAM: MinnesotaCare
AGENCY: Human Services, Department of

PROGRAM PURPOSE:

The Minnesota Health Right Act of 1992 expanded the Children's Health Plan (CHP) to build a state-subsidized program of health care coverage for the uninsured. This plan was established to promote access to appropriate health care services to assure healthy children and adults. It helps pay for medical, dental, and preventive care. Families pay a monthly premium based on their income and family size. The program is administered by the Department of Human Services and will be coordinated with the Medical Assistance (MA) Program and other health care program activities administered by the state.

OBJECTIVES:

Eligibility for this program is phased-in; children already enrolled in CHP as of 9-30-92, are eligible for MinnesotaCare provided they meet the eligibility criteria. Children enrolled in CHP pay a $25 enrollment fee which provides coverage benefits until 7-1-93. Starting 7-1-93, these children are eligible for a subsidized premium and can remain enrolled provided the premium payment is made monthly. The first expansion was 10-1-92 to offer coverage to uninsured and underinsured parents and older siblings of children enrolled in the CHP and families with children who are at or below the 185% Federal Poverty Level CHP income limit. After 1-1-93, other Minnesota families with children may be eligible. On 7-1-94, eligible individuals and couples without children are phased into the program. Applicants to the program pay a monthly premium based upon family size income and number of people covered. Premium payment is required before enrollment is complete and to maintain eligibility. Families and individuals are eligible for subsidized premium payments based on a sliding fee scale and family size and income. Spending for this program requires the maintenance of a minimum reserve equal to 5% of the expected cost of the state premium subsidies.

What the program pays for:

Doctor and health clinic visits
Dental visits, except orthodontics
Eye check-ups and prescription glasses
Immunizations
Most prescription drugs
Chiropractic services
Outpatient laboratory and x-ray services
Certain outpatient mental health services
Home care services, except private nursing and other personal care services
Outpatient surgery and emergency room services
Some outpatient treatment for alcohol and drug dependency

All services are covered in the same way the MA program covers these services except for certain dollar caps and copayments for adults.

What the program does not pay for:

Inpatient hospital costs (some hospital costs will be covered starting 7-1-93)
Long-term care facility services
Hospice
Individual Education Plan services provided by school personnel
Emergency medical transportation (will be covered starting 7-1-93)

A Minnesota residency requirement of 6 months immediately before application is necessary for eligibility.

Linkage to Minnesota Milestone Goals/Indicators

The MinnesotaCare program addresses a number of Minnesota Milestone goals, both indirectly and directly, the primary goals addressed by this program include:

"Minnesotans will have the best possible chance for a healthy life."

Progress toward this goal is indicated by:

1. The subsidized health plan enrolls the maximum number of clients while remaining within the appropriation.
2. Successful launching of a media campaign to promote a healthy lifestyle by offering discounted premiums for selected wellness factors.
3. Successful transfer of MinnesotaCare children to MA as they meet the MA income criteria for children.

"We will welcome, respect and value all people."

Progress toward this goal is indicated by:

1. Develop an effective coordination mechanism between MinnesotaCare and MA to help eliminate the "welfare stigma."
2. Implement a client satisfaction survey.
3. Create a "client assistant specialist" staff position to provide consultation and support to enrollees regarding application process, coverage benefits, MA referrals, and other related needs.

PROGRAM PLAN:

To address the demand for MinnesotaCare services, increased work loads, and the reality of limited resources, this program has prioritized needs and has formulated a number of strategies for operating with limited available resources. The following budget activities address these strategies.

GOVERNOR'S RECOMMENDATIONS:

In this presentation it appears the Governor is recommending the agency request. This is not the case. ~~The Governor recommends deferring budget related decisions until March 1993. There are numerous reports and plans due in January 1993 that will impact this program. This deferral will allow the Health Care Commission and other interested parties enough time to make necessary recommendations concerning MinnesotaCare.~~

The Governor recommends working with the Legislative Oversight Commission and the Health Care Access Commission in developing the biennial budget based on reports and recommendations required by current law and the March forecast.

As the legislation implementing these strategies progresses through the legislative process, the budget will be submitted as a fiscal note for the bill. The timing of Governor's Supplemental Budget is premature to include resources needed to further implement Minnesota's health care reform efforts.

Funds in the amount of ~~$29,532,000~~ $27,126,000 have been transferred from the Health Care Access Fund to the General Fund to pay for increased costs to the General Fund due to the implementation of MinnesotaCare.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: MINNESOTACARE

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
MINNESOTACARE ADMINISTRATION	729	835	3,515	3,376	4,850	4,775	3,376	7,643	7,551
MINNESOTACARE GRANTS	3,661	7,732	16,584	16,559	47,880	47,880	16,559	112,256	112,256
TOTAL EXPENDITURES BY ACTIVITY	4,390	8,567	20,099	19,935	52,730	52,655	19,935	119,899	119,807
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		HCA				<75>			<92>
TOTAL GOV'S INITIATIVES						<75>			<92>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	3,907	7,912	14,209	14,209			14,209		
HEALTH CARE ACCESS		6	4,428	4,264	43,521	43,446	4,264	98,688	98,596
STATUTORY APPROPRIATIONS:									
GENERAL	483	649	850	850			850		
HEALTH CARE ACCESS			612	612	9,209	9,209	612	21,211	21,211
TOTAL FINANCING	4,390	8,567	20,099	19,935	52,730	52,655	19,935	119,899	119,807
POSITIONS BY FUND:									
GENERAL	11.0	11.0	11.0						
HEALTH CARE ACCESS			20.4	27.0	54.0	54.0	43.4	76.0	76.0
TOTAL POSITIONS	11.0	11.0	31.4	27.0	54.0	54.0	43.4	76.0	76.0

BUDGET ACTIVITY: MinnesotaCare Administration
PROGRAM: MinnesotaCare
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This program is a significant expansion of the old Children's Health Plan. Both the costs and administrative complexity are greatly increased. Once the program is fully operational the administrative costs will not exceed the 10% administrative cost guideline. The administration activity exists to provide the structure for extending health coverage to uninsured Minnesotans under the Minnesota Health Right Act of 1992. The administrative functions include:

1. Determining eligibility of enrollees.
2. Processing applications of enrollees.
3. Processing premium payments of enrollees.
4. Paying providers for services rendered.
5. Developing rules to implement the plan.
6. Managing spending to maintain a minimum 5% reserve.
7. Performing random audits to verify reported income and eligibility.
8. Publicizing the plan to get information to potential enrollees.
9. Operating a toll-free information number about the plan.
10. Coordinating activities with Medical Assistance policy, Department of Health, Legislative Oversight Committee.

ACTIVITY OUTCOME OBJECTIVES:

During each year of the biennium, MinnesotaCare will enroll all eligible applicants who meet eligibility requirements established by law.

ACTIVITY:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Average # of children enrolled under Children's Health Plan	12,133	22,896	~~30,194~~ 28,430	0	0
Average # of MinnesotaCare enrollees			~~3,198~~ 4,418	~~53,915~~ 57,776	~~85,317~~ 97,355
Average # of enrolled households			~~1,681~~ 2,324	~~15,422~~ 16,513	~~20,558~~ 37,206

REVENUE GENERATION:

None.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Administration Costs for MinnesotaCare

Item Summary:

This proposal increases the Health Care Access Fund budget base by ~~$2,392,000~~ $2,095,000 and ~~42.5~~ 36.4 ~~complement and 4 non-complement~~ positions in F.Y. 1994 and ~~$2,066,000~~ $3,331,000 and ~~42.5~~ 40.0 ~~complement and 4 non-complement~~ positions in F.Y. 1995 to provide for additional staffing and additional administrative costs.

Rationale:

The application processing function has increased significantly from original projections. Instead of being able to process a families' application as a whole, each family member must be processed individually. There is an average of 3+ individuals per application.

The original base for MinnesotaCare did not include a provision for client appeals. The enrollment process will generate appeals by individuals for denial of coverage, premium calculations, and other disputes. This proposal will provide ~~the staffing~~ 3.5 staff to administer those appeals which are estimated to be 800 per year.

The original base for MinnesotaCare did not include a provision for quality control review and auditing of enrollee applications. This function is necessary for the collection and analysis of client data for purposes of cost containment, activity analysis, program planning, program integrity, and standards. This proposal provides for 500 random audits per year. The staffing includes 4.5 FTE reviewers and .5 FTE research analyst.

The original base for MinnesotaCare did not include a provision for hospital utilization reviews. This function is done for Medical Assistance and General Assistance Medical Care admissions and has proven to be cost effective. This function includes admission certification, medical record review, concurrent review, diagnosis-related group validation, review of hospital utilization review plans, and review of readmissions, transfers and second medical opinions.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Fund 19				
MinnesotaCare Administration	~~$1,899~~ $1,589	~~$1,516~~ $2,781	~~$5,670~~ $11,099	~~$8,672~~ $18,275
Appeals	172	172	172	172
Quality Initiatives	187	187	187	187
HealthCare Compliance	134	191	357	525

Revised 3-4-93
~~Revised 2-08-93~~

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: MINNESOTACARE
ACTIVITY: MINNESOTACARE ADMINISTRATION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	391	415	1,094	1,094	1,904	1,829	1,094	2,609	2,517
EXPENSES/CONTRACTUAL SRVCS	233	261	2,070	1,931	2,426	2,426	1,931	4,180	4,180
MISC OPERATING EXPENSES	77	98	254	254	395	395	254	533	533
SUPPLIES/MATERIALS/PARTS	18	26	42	42	53	53	42	91	91
CAPITAL EQUIPMENT	10	34	55	55	72	72	55	230	230
OTHER		1							
SUBTOTAL STATE OPERATIONS	729	835	3,515	3,376	4,850	4,775	3,376	7,643	7,551
TOTAL EXPENDITURES	729	835	3,515	3,376	4,850	4,775	3,376	7,643	7,551
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		HCA				<75>			<92>
TOTAL GOV'S INITIATIVES						<75>			<92>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	729	829	798	798			798		
HEALTH CARE ACCESS		6	2,717	2,578	4,850	4,775	2,578	7,643	7,551
TOTAL FINANCING	729	835	3,515	3,376	4,850	4,775	3,376	7,643	7,551
POSITIONS BY FUND:									
GENERAL	11.0	11.0	11.0						
HEALTH CARE ACCESS			20.4	27.0	54.0	54.0	43.4	76.0	76.0
TOTAL POSITIONS	11.0	11.0	31.4	27.0	54.0	54.0	43.4	76.0	76.0

BUDGET ACTIVITY: MinnesotaCare Grants
PROGRAM: MinnesotaCare
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity exists to pay medical payments and subsidize premiums for the uninsured under the Minnesota Health Right Act of 1992. Beginning 10-1-92, enrollees will pay a premium based on a sliding scale of income and family size. Premiums are calculated on a monthly basis and may be paid monthly or quarterly. Premium payment is required before enrollment is complete. Nonpayment results in disenrollment. People disenrolled for nonpayment may not reenroll for 4 months. Children enrolled under the old Children's Health Plan, with its $25 annual premium, will be transferred to the MinnesotaCare sliding premium scale on 7-1-93.

ACTIVITY OUTCOME OBJECTIVES:

During each year of the biennium, MinnesotaCare will provide covered medical care to all applicants who meet eligibility requirements established by law.

Performance Measure: Average number of MinnesotaCare enrollees.

REVENUE GENERATION:

MinnesotaCare medical payments are partially funded from enrollee payments. The appropriation reflects the state's total obligation including the enrollees premium payments.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Dedicated Receipts	~~$8,558~~	~~$17,992~~	~~$36,100~~	~~$50,391~~
	$9,207	$21,211	$35,964	$49,696

~~ACTIVITY COSTS:~~	~~Dollars in Thousands~~			
	~~F.Y. 1994~~	~~F.Y. 1995~~	~~F.Y. 1996~~	~~F.Y. 1997~~
~~MinnesotaCare Grants~~	~~$24,671~~	~~$74,391~~	~~$138,635~~	~~$213,950~~
~~MinnesotaCare Premium Reserve~~	~~2,429~~	~~3,004~~	~~4,965~~	~~5,059~~
~~Children's Health Plan - Close out~~	~~2,641~~	~~0~~	~~0~~	~~0~~
~~Dedicated Receipts~~	~~8,558~~	~~17,992~~	~~36,100~~	~~50,391~~
~~Total Program Costs~~	~~$39,299~~	~~$95,387~~	~~$179,700~~	~~$269,400~~

ACTIVITY COSTS:	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
MinnesotaCare Grants	$30,134	$85,690	$174,999	$265,437
MinnesotaCare Premium Reserve	3,187	3,926	5,836	5,757
Children's Health Plan - Close out	3,182	-0-	-0-	-0-
Dedicated Receipts	9,207	21,211	35,964	49,696
Total Program Costs	$45,710	$110,827	$216,799	$320,890

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: MINNESOTACARE
ACTIVITY: MINNESOTACARE GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
AIDS TO INDIVIDUALS	3,661	7,732	16,559	16,559	47,880	47,880	16,559	112,256	112,256
LOCAL ASSISTANCE			25						
TOTAL EXPENDITURES	3,661	7,732	16,584	16,559	47,880	47,880	16,559	112,256	112,256
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	3,178	7,083	13,411	13,411			13,411		
HEALTH CARE ACCESS			1,711	1,686	38,671	38,671	1,686	91,045	91,045
STATUTORY APPROPRIATIONS:									
GENERAL	483	649	850	850			850		
HEALTH CARE ACCESS			612	612	9,209	9,209	612	21,211	21,211
TOTAL FINANCING	3,661	7,732	16,584	16,559	47,880	47,880	16,559	112,256	112,256
POSITIONS BY FUND:									
TOTAL POSITIONS									

MINNESOTACARE
Enrollment and Cost Projections

Total Program

Projected	Monthly Average Households Enrolled	Monthly Average Enrollees	Total Medical Payments	MA Medical Payments	MinnesotaCare Medical Payments	Revenue From Enrollee Payments	MinnesotaCare Net Cost
						(Accrued Costs and Revenues)	
1993	~~1,681~~	~~3,198~~	~~$3,787,044~~	$-0-	~~$3,787,044~~	~~$497,962~~	~~$3,289,082~~
	2,324	4,418	$5,257,813		$5,257,813	$612,407	$4,645,406
1994	~~15,422~~	~~53,915~~	~~50,075,357~~	~~8,482,026~~	~~41,593,331~~	~~8,558,018~~	~~33,035,313~~
	16,513	57,776	63,722,174	9,078,736	54,643,438	9,209,026	45,434,412
1995	~~30,558~~	~~85,317~~	~~103,748,175~~	~~11,209,797~~	~~92,538,378~~	~~17,992,073~~	~~74,546,305~~
	37,206	97,355	134,386,552	12,208,964	122,177,588	21,210,922	100,966,666
1996	~~59,999~~	~~133,040~~	~~193,526,331~~	~~13,451,946~~	~~180,074,385~~	~~36,083,707~~	~~143,990,677~~
	64,283	141,736	239,442,730	14,759,602	224,683,128	35,963,896	188,719,232
1997	~~84,368~~	~~170,207~~	~~284,576,228~~	~~14,879,837~~	~~269,696,391~~	~~50,391,343~~	~~219,305,048~~
	87,780	179,705	343,070,027	16,614,376	326,455,651	49,696,152	276,759,499

MINNESOTACARE
Enrollment and Cost Projections

Total Program

Projected			Total Medical Payments	MA Medical Payments	MinnesotaCare Medical Payments	Revenue From Enrollee Payments	MinnesotaCare Net Cost
					(Case Basis Costs and Revenues)		
1993			~~$1,596,937~~	~~$-0-~~	~~$1,596,937~~	~~$497,962~~	~~$1,098,975~~
			$2,298,720		$2,298,720	$612,407	$1,686,313
1994			~~46,006,044~~	~~7,421,773~~	~~38,584,271~~	~~8,558,018~~	~~30,026,253~~
			51,632,320	6,934,657	44,697,633	9,209,026	35,488,637
1995			~~110,007,595~~	~~12,270,050~~	~~97,737,544~~	~~17,992,073~~	~~79,745,472~~
			124,328,396	12,072,074	112,256,322	21,210,922	91,045,400
1996			~~193,526,331~~	~~13,451,946~~	~~180,074,385~~	~~36,083,707~~	~~143,990,677~~
			231,309,197	14,991,571	216,317,626	35,963,896	180,353,730
1997			~~284,576,228~~	~~14,879,837~~	~~269,696,391~~	~~50,391,343~~	~~219,305,048~~
			337,260,719	16,772,247	320,488,472	49,696,152	270,792,320

Notes

1. Projected MA costs for MinnesotaCare enrollees are included in the MA forecast. They are not counted in MinnesotaCare net costs.
2. Beginning F.Y. 1995 all payments are assumed to be made for managed care; thus cash basis payments equal accrued obligations beginning the next year.
3. These enrollments and costs projects do not include the forecast for increased enrollment to MA or GAMC due to the implementation of MinnesotaCare.

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PROGRAM: Community Mental Health and RTC Administration
AGENCY: Human Services, Department of

PROGRAM PURPOSE:

The Department of Human Services' (DHS) Community Mental Health and State Operated Services Administration exists to ensure an array of integrated services to persons with developmental disabilities, mental illness and chemical dependency. This includes the following budget activities: Mental Health Administration, State Mental Health Grants (for community programs), and Federal Mental Health Grants, the RTC Systemwide budget, Residential Facilities Management, budget activities for each RTC, the state-operated nursing home and state-operated services for persons with developmental disabilities (DD-SOCS). Since this does not include the full array of services for each population, this administration works closely with the other parts of DHS and other agencies which have a role in serving these populations. The goal of this administration is to make life as normal and productive as possible for individuals who have handicaps. This includes providing choices of how and where to live while maintaining appropriate accountability for public resources. Within these broader goals, this administration's role in relation to developmental disabilities and chemical dependency is primarily the administration of state-operated services; however, in relation to mental health, this administration's role is the overall development and implementation of a statewide mental health plan according to legislative directives in the Comprehensive Children's and Adult Mental Health Acts. This includes the development and maintenance of: 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.

PROGRAM PERFORMANCE:

Additional description of the budget activities in this administration is contained in the activity narratives that follow. These activities were combined into one administration in 1991 in order to develop better coordination between RTC and community mental health services. As described below and in the pages that follow, this improved coordination is occurring. The result is that more clients are moving towards self-sufficiency.

During F.Y. 1992, this administration saved counties approximately $1,000,000 (in comparison to F.Y. 1991) by largely eliminating waiting lists for appropriate RTC hospitalizations. This was accomplished through improved management at the RTCs and aggressive promotion and funding of community programs such as Anoka Alternatives (see State Mental Health Grants activity narrative for additional detail).

During the past year, this administration instituted several new approaches to the ways in which it interacts with local organizations, including county agencies, service providers, advocates, and other stakeholders.

- Frequent meetings at the local level involving all stakeholders including counties, RTCs, providers, local advisory committees and advocates.
- Emphasis on technical assistance over penalty in review of county plans.
- Inclusion of the full range of stakeholders in writing and revision of state rules to focus rules on results, or outcomes, and decrease emphasis on detailed procedural requirements.

The local meetings have been held for the purpose of fostering direct communication among stakeholders, rather than indirect communications through the Department. This type of communication is expected to lead to enhanced unity of the mental health system.

This administration has conducted client assessment studies of both RTC and community mental health clients. These studies have determined that a significant number of former RTC residents are being successfully served in the community, and that at least 25% of current RTC residents could be served in community settings. As has been demonstrated with state-operated services for persons with developmental disabilities, the expertise of RTC staff need not be limited to institutional settings. RTC staff can, and should, be used to provide appropriate services in community settings. For example, this administration is working with RTCs, counties and community providers to develop community-based crisis response services utilizing RTC staff.

The Mental Health Division (MHD) has worked with the Health Care Management Division, counties and providers to improve availability of case management for adults with serious and persistent mental illness and children with severe emotional disturbance. This has included rule revision, technical assistance and computerization of provider billings with the intended outcomes of serving more eligible clients, reducing caseload sizes and maximizing federal reimbursement. Total number of adults served has increased from 6,300 in 1987 to an estimated 9,000 in 1992. Average caseload size for adults was: 48 in 1985; 46 in 1990; 41 in 1991; and estimated 39 in 1992. Percent of total case management expenditures funded from Medical Assistance has increased from zero in 1987 to an estimated 20% in 1992. (Comparable data are not available for children's case management.)

The MHD has implemented new state grants to counties for children's community-based mental health services. For F.Y. 1992-93, all counties in the state were offered grants; 53 submitted applications that were approved for funding effective 4-91; 86 submitted approvable applications effective 4-92.

The MHD has also implemented a housing initiative for adults with serious and persistent mental illness, including greatly expanded availability of housing support services and new grants for housing subsidies. The MHD has also initiated grants to counties to downsize Institutions for Mental Disease (IMD). This effort has resulted in improved services for adults with mental illness and savings to the state due to increased federal reimbursement. During F.Y. 1991-92, 6 Rule 36 facilities and 11 nursing facilities were undeclared as IMDs.

PROGRAM PROSPECTS AND OBJECTIVES:

As a result of the process of "listening to its customers," this administration has developed the following objectives:

- The department will move towards operation of fewer beds within RTC institutional settings, with a significant number of current beds to be consolidated, closed or transferred for other uses (such as Corrections); the remaining beds will be used for persons with increasingly specialized needs which cannot be met in other settings such as psychopathic personalities.

- Mental health services will be better integrated and coordinated, including effective utilization of RTC staff in provision of community-based services. The Department will move towards coordinated care which will cut across funding sources and service systems.

- Continued implementation of the Comprehensive Children's Mental Health Act will be a high priority, including development of additional community-based services and improved in-state capacity to provide secure treatment for children with severe emotional disturbance who exhibit violent or destructive behavior.

Linkage to *Minnesota Milestones* Goals:

"Dependent persons or those in temporary hardship will have their basic needs met."
Progress towards this goal is indicated by:

1. Number of disabled individuals receiving services.
2. Client satisfaction surveys.
3. Lack of waiting list for appropriate RTC hospitalization.

"Families will provide a stable environment for their children."
Progress towards this goal is indicated by:

1. Reduction in out-of-home placements for children with severe emotional disturbance.
2. Reduction in out-of-state placements for children with severe emotional disturbance.

"Government in Minnesota will be more efficient."
Progress towards this goal is indicated by:

1. Simplification of administrative rules and procedural requirements.
2. Consolidation of grant programs.

"We will welcome, respect and value all people."
Progress towards this goal is indicated by:

1. Percentage of minorities receiving mental health services.
2. Cultural sensitivity and appropriateness of services provided.

"Rapid communication of high volumes of information will be possible to and from all parts of Minnesota"
Progress towards this goal is indicated by:

1. Improved use of interactive video technology for mental health technical assistance and policy development.
2. Implementing mental health information systems.

PROGRAM PLAN:

The objectives listed above will help the state live within its means while focusing resources on the most effective, most appropriate services. The decision items that follow describe how the Department intends to accomplish the above objectives, implement the required reductions focus resources more effectively and alleviate the reductions through increased federal funding.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's program plan. The state employees currently providing services to RTC clients are highly regarded for the knowledge, expertise, and experience they possess. As responsibility for providing direct services is shifted to the private sector, reasonable efforts will be made to enable those state employees to continue pursuing their occupations as service providers within the context of the state's private, community-based service infrastructure. Policy and costs attributable to those efforts are reflected elsewhere in the Governor's budget. The proposed funding has been reduced due to revised salary planning estimates.

No additional recommendations appear at the activity level.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
MH PROGRAM ADMIN	1,176	1,299	1,532	1,482	1,274	1,239	1,452	1,166	1,134
STATE MENTAL HEALTH GRANTS	22,583	27,652	32,772	32,772	35,124	35,122	32,772	39,787	39,785
FEDERAL MH GRANTS	1,946	1,840	3,097	3,097	4,720	4,720	3,097	4,720	4,720
RTC SYSTEMWIDE					4,415	4,415		<13,240>	<13,240>
RESIDENTIAL FACILITIES MGMT	2,396	4,213	3,699	3,389	3,331	3,247	3,389	3,331	3,247
ANOKA METRO RTC	23,052	23,917	24,253	24,245	24,245	23,619	24,167	24,167	23,541
BRAINERD RHSC	26,405	28,408	27,672	27,817	27,817	27,056	27,738	27,738	26,977
CAMBRIDGE RHSC	25,730	24,791	21,171	21,339	21,217	20,621	21,292	21,170	20,574
FARIBAULT RC	40,153	39,660	34,567	34,785	34,030	33,086	34,696	33,941	32,997
FERGUS FALLS RTC	23,776	23,786	23,715	23,845	23,845	23,210	23,782	23,782	23,147
MOOSE LAKE RTC	21,231	21,715	21,435	21,612	21,410	20,855	21,541	21,339	20,784
ST PETER RTC	28,030	28,452	28,388	28,612	28,612	27,859	28,475	28,475	27,719
SECURITY HOSPITAL	9,355	10,235	12,401	12,460	12,460	11,969	12,460	12,460	11,948
WILLMAR RTC	28,289	28,603	29,476	29,636	29,636	28,814	29,539	29,539	28,717
ROCHESTER STATE HOSPITAL	74	133	100	100	100	97	100	100	97
DD SOCS	343	2,578	6,414	6,427	7,506	7,322	6,427	7,506	7,322
AH-GWAH-CHING NURSING HOME	13,308	13,628	14,936	15,066	15,066	14,671	14,981	14,981	14,586
OAK TERRACE NURSING HOME	6,708	1,113	120	120	120	116	120	120	116
TOTAL EXPENDITURES BY ACTIVITY	274,555	282,023	285,748	286,804	294,928	288,038	286,028	281,082	274,171
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<6,890>			<6,911>
TOTAL GOV'S INITIATIVES						<6,890>			<6,911>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	250,678	258,345	260,300	262,294	268,795	261,905	261,548	254,979	248,068
STATUTORY APPROPRIATIONS:									
GENERAL	4,640	5,922	6,047	5,203	5,203	5,203	5,203	5,203	5,203
SPECIAL REVENUE	508	642	624	574	574	574	544	544	544
FEDERAL	2,045	1,960	3,258	3,248	4,871	4,871	3,248	4,871	4,871

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
AGENCY	4,429	4,525	4,835	4,835	4,835	4,835	4,835	4,835	4,835
GIFTS AND DEPOSITS	68	72	88	88	88	88	88	88	88
ENDOWMENT		15	6	6	6	6	6	6	6
ENTERPRISE	12,187	10,542	10,590	10,556	10,556	10,556	10,556	10,556	10,556
TOTAL FINANCING	274,555	282,023	285,748	286,804	291,499	284,609	286,028	279,606	272,695
POSITIONS BY FUND:									
GENERAL	5,416.2	5,166.0	4,748.4	4,745.9	4,234.9	4,234.9	4,745.9	3,846.9	3,846.9
FEDERAL	13.0	11.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6
ENTERPRISE	217.5	216.7	179.8	179.8	179.8	179.8	179.8	179.8	179.8
TOTAL POSITIONS	5,646.7	5,394.3	4,941.8	4,939.3	4,428.3	4,428.3	4,939.3	4,040.3	4,040.3

BUDGET ACTIVITY: Mental Health Program Administration
PROGRAM: Community Mental Health and State-operated Services Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity funds most of the staff and administrative costs of the Mental Health Division. The division is responsible for statewide implementation of the Comprehensive Adult and Children's Mental Health Acts, assuring high quality, cost-effective, and efficient services to 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 with severe emotional disturbance. This includes 5 primary functions: standard setting, resource allocation/development, monitoring for compliance/evaluation, technical assistance/consultation, and statewide planning.

To accomplish its responsibilities, the division works with counties, regional treatment centers, other state agencies, advocacy organizations, consumer groups, and a variety of community-based programs to assure provision of a quality array of services for persons with mental illness. The division reviews and approves county mental health plans and provides technical assistance to counties as required by the Comprehensive Mental Health Acts. It also is responsible for implementation of a mental illness information system as required by M.S. 245.721. Grants relating to community residential treatment, community support services, family community support services, and federal block grant monies, as well as special project grants, are administered by this division. The division is also responsible for measuring effectiveness of grant programs, gathering and analyzing client outcome data, and working with counties and facilities to ensure fiscal accountability of grant monies. The division actively seeks additional federal funding for mental health services.

In recent years, legislation has included as many as 19 different statutory requirements for the Department of Human Services (DHS) report to the Legislature regarding various mental health issues. The Mental Health Division has combined most of these requirements in 1 annual report to the Legislature, presented during February of each year. Additional background and information regarding this activity can be found in those annual reports.

This division has worked with other DHS divisions 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 began collecting data as of 1-89 (1 year ahead of the legislative deadline) and produced its first annual reports by 4-90. Data are collected from over 400 state-funded programs. All counties have received copies of the system's reports in order to allow local utilization of the data and verification of accuracy.

During the past year, the division instituted several new approaches to the ways in which it interacts with local organizations, including county agencies, service providers, advocates, and other stakeholders.

- Frequent meetings at the local level involving all stakeholders including counties, regional treatment centers (RTCs), local advisory committees and advocates.
- Emphasis on technical assistance over penalty in review of county plans.
- Inclusion of the full range of stakeholders in writing and revision of state rules.

The local meetings have been held for the purpose of fostering direct communication among stakeholders, rather than indirect communications through the department. This type of communication is expected to lead to enhanced unity of the mental health system.

In response to complaints from counties that the Mental Health Division responded to deficiencies in local mental health plans by threatening to withhold funding, the department has shifted to an increase in discussion with counties about the deficiencies and increased technical assistance without compromise of standards for care.

In addition to the Mental Health Division, the Residential Programs Management Division and the Health Care Administration (MA/GAMC) also administer mental health funds. The department has increased the extent of collaboration among these 3 divisions, in particular through routine discussions of issues and exchanges of data.

The division also participates in numerous inter-departmental work groups to ensure coordination of its efforts with other affected parties. This includes the Departments of Education, Jobs and Training, Housing Finance, Health, Corrections, and others.

This division, in cooperation with the Long Term Care Management Division, implements federal (Omnibus Budget Reconciliation Act of 1987 ("OBRA")) requirements relating to nursing facilities and persons with mental illness. This includes Preadmission Screening (PAS) for all nursing facility admissions of persons suspected of having mental illness; and it includes Annual Resident Review (ARR) for all residents who have mental illness. All 87 counties in Minnesota have implemented the PASARR process as of the end of 1991. Approximately 3300 PAS evaluations and 3500 ARR evaluations were made during 1991. Department staff provided ongoing technical assistance to county and facility personnel throughout the state. In 1993, the department will conduct more regional training sessions when the final federal regulations are published.

In 1989, the department estimated that 300 persons in Minnesota were inappropriately residing in nursing facilities (NFs) due to mental illness. These persons would be better served in community mental health programs. However, data from actual reviews of individual residents revealed that 143 NF residents, not the estimated 300, were subject to relocation. As of 7-1-92, all but 8 relocations have been completed. The additional relocations will be completed by 12-31-92, in full compliance with the federally approved Alternative Disposition Plan. Specialized mental health services are also being provided to those long-term NF residents who, under federal law, have the option of remaining in the facility. The division is providing counties with funding through the State Mental Health Grants activity to pay for alternative services for persons who have been relocated or diverted from NFs due to the new federal requirements.

In 1991, the division subscribed to a series of 3 national teleconferences *SELF HELP LIVE* produced by and for persons with major mental illness. Through coordinated efforts of advocacy groups, providers, counties and the division, 900 people at 40 sites across the state have participated in the first 2 teleconferences.

BUDGET ACTIVITY: Mental Health Program Administration
PROGRAM: Community Mental Health and State-operated Services Administration
AGENCY: Human Services, Department of
(Continuation)

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: To develop and implement a statewide mental health plan according to legislative directives in the Comprehensive Children's and Adult Mental Health Acts.

Performance Measures:
- statewide community support programs;
- statewide case management services;
- statewide service standards;
- statewide access to an array of basic services; and
- a statewide mental illness information system.

Objective 2: To improve the availability of case management services for adults with serious and persistent mental illness and children with severe emotional disturbance.

Performance Measures:
- number of adults and children served
- average caseload size
- percent of total case management expenditures funded from Medical Assistance

Objective 3: To simplify the administrative procedures relating to county planning and grants administration.

Performance Measure: For 1994-95, the division will integrate the grant application process for the Children's Community-based Mental Health Services grant and a number of Rule 14 special project grants into the county plan.

REVENUE GENERATION:

This activity generates (general federal administrative reimbursement/nondedicated revenue) at the rate of X% of its expenditures.

ACTIVITY PLAN:

The following decision items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Reduce Mental Health Administrative Salary Cost:

This proposal decreases the activity General Fund base by $188,000 and 3 positions in F.Y. 1994 and $266,000 and 3 positions in F.Y. 1995 in salaries and fringe benefits for staffing the Community Mental Health and State-operated Services Administration. This administration will implement this reduction through consolidation and simplification of mental health grants where possible and through increased use of inter-active video for technical assistance and communication.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($188)	($266)	($266)	($266)

DECISION ITEM:

Reduce Mental Health Administrative Non-salary Cost:

This proposal decreases the activity General Fund base by $20,000 each year for non-salary administrative expenses. The Mental Health Division will implement this reduction through consolidation and simplification of all mental health grants where possible and through increased use of inter-active video for technical assistance and communication.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
($20)	($20)	($20)	($20)

INFORMATION ITEM:

Moose Lake Regional Treatment Center Transfer to Corrections

This proposal increases the budget base by $100,000 in F.Y. 1994 and by $100,000 in F.Y. 1995 for purposes of providing technical assistance to community mental health programs as a result of the closure of Moose Lake Regional Treatment Center. More detail on the closure of Moose Lake can be found in the Regional Treatment Centers Systemwide Budget Activity.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$100	$100	$100	$100

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: MH PROGRAM ADMIN

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,001	1,042	1,217	1,217	1,029	994	1,217	951	919
EXPENSES/CONTRACTUAL SRVCS	65	107	187	137	117	117	107	87	87
MISC OPERATING EXPENSES	60	87	106	106	106	106	106	106	106
SUPPLIES/MATERIALS/PARTS	23	34	13	13	13	13	13	13	13
CAPITAL EQUIPMENT	27	29	9	9	9	9	9	9	9
SUBTOTAL STATE OPERATIONS	1,176	1,299	1,532	1,482	1,274	1,239	1,452	1,166	1,134
TOTAL EXPENDITURES	1,176	1,299	1,532	1,482	1,274	1,239	1,452	1,166	1,134
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<35>			<32>
TOTAL GOV'S INITIATIVES						<35>			<32>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,109	1,266	1,432	1,432	1,224	1,189	1,432	1,146	1,114
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	67	33	100	50	50	50	20	20	20
TOTAL FINANCING	1,176	1,299	1,532	1,482	1,274	1,239	1,452	1,166	1,134
POSITIONS BY FUND:									
GENERAL	18.3	19.3	20.3	20.3	17.3	17.3	20.3	17.3	17.3
TOTAL POSITIONS	18.3	19.3	20.3	20.3	17.3	17.3	20.3	17.3	17.3

BUDGET ACTIVITY: State Mental Health Grants
PROGRAM: Community Mental Health and State-operated Services Administration
AGENCY: Human Services, Department of

This activity includes a number of grant programs established by the Legislature to assist counties in providing community mental health services. Each grant is described separately below. The first 2 apply only to children; the Compulsive Gambling program applies to both adults and children; the others apply only to adults.

1. CHILDREN'S COMMUNITY-BASED MENTAL HEALTH SERVICES (RULE 78):

ACTIVITY DESCRIPTION:

The 1991 Legislature enacted M.S., sec. 245.4886, which establishes the Children's Community-Based Mental Health Services fund. These funds may be used to provide both family community support services and case management services for children who are non-Medical Assistance (MA) eligible. The case manager assists the child with severe emotional disturbance, and the child's family, to understand the benefits of case management and family community support services, to obtain needed services, and to assure continuity of care. Family community support services include: 1) outreach; 2) medication monitoring; 3) independent living skills development; 4) parenting skills development; 5) assistance with leisure and recreational activities; 6) crisis assistance; 7) professional home-based family treatment; 8) day treatment; 9) assistance in locating respite care and special needs day care; 10) assistance in obtaining financial resources and benefits; and 11) foster care with therapeutic support. Services are currently not reimbursable by MA, with the exception of day treatment, home-based services and crisis assistance (in the form of outpatient individual therapy only). These grants are designed to encourage collaborative activities with schools, social services, corrections, mental health, and health agencies.

This grant program is very similar to Rule 14 grants, which have successfully supported counties in providing community support programs for adults with serious and persistent mental illness since 1980. (See grant #5 below.) In order to simplify administration of these grants, the Mental Health Division has coordinated the Rule 78 and Rule 14 grant processes to the extent that these rules are now being combined into one rule (new Rule 78). Beginning with calendar 1994, counties will apply for these funds through one integrated community social services (CSSA) and mental health plan. However, to comply with legislative requirements, these grants will continue as separate grants.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: To provide grants to all counties of the state to develop a system of community-based services to help children with emotional disturbance to remain and function in their home communities with their families and to reduce out-of-home placements of children.

Performance Measures:
- Number of counties receiving grants.
- Number of out-of-home placements.

For F.Y. 1992-93, all counties in the state were offered grants; 53 submitted applications that were approved for funding effective 4-91; 86 submitted approvable applications effective 4-92.

2. MENTAL HEALTH SCREENING AND TREATMENT FOR JUVENILES IN DETENTION:

ACTIVITY DESCRIPTION:

As part of the 1992 Crime Bill (M.S. 260.152), the Legislature established pilot projects to reduce the recidivism rates of juvenile offenders, by identifying and treating underlying mental health problems that can be addressed through nonresidential services. At the same time, the Mental Health Division had been working with the Department of Human Services (DHS) Children's Division and the Departments of Education, Health and Corrections on a broader plan relating to children's mental health identification and intervention, utilizing limited federal funds. The cooperating state agencies agreed to include the Crime Bill projects in the broader identification and intervention efforts. A request for proposals was issued to counties in 5-92, including federal identification and intervention and state Crime Bill funds. These funds were awarded to 12 counties effective 10-1-92.

3. ADULT RESIDENTIAL GRANTS (RULE 12):

ACTIVITY DESCRIPTION:

This activity was established by the Legislature in 1981 under M.S. 245.73 to assist facilities in meeting minimum program licensure standards. To implement the legislative requirements, the department promulgated M.R. 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.

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. Rule 12 state grants pay 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 budgets and program plans. Awards are based on compliance with the statute and Rule 12, reasonableness of costs, and availability of funds. The joint effort of the Legislature, private sector, department, and counties to assure compliance of Rule 36 facilities with licensure standards has been highly successful. Only 7 were licensed as of 5-81. Seventy-nine were licensed as of 5-90. 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 51% and 49% respectively. Some of the newer facilities that were developed during 1985-1989 have specialized services for persons who have a mental illness together with other conditions such as hearing impairment, chemical dependency or behavioral aggressiveness. 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 and a higher cost per person. However, the shift to smaller facilities improves the federal share for the other services needed by facility residents.

BUDGET ACTIVITY: State Mental Health Grants
PROGRAM: Community Mental Health and State-operated Services Administration
AGENCY: Human Services, Department of

A 1989 program audit by the Legislative Audit Commission found that "on average, client hospitalization rates in the 6 months following Rule 36 discharge are about half of the rates in the 6 months preceding Rule 36 admission."

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: To ensure that all community residential facilities for adults with mental illness meet and maintain compliance with program licensing standards.

Performance Measure:
- Number of licensed facilities.

Objective 2: To help adults with serious and persistent mental illness to remain and function independently in their home communities.

Performance Measure:
- Time in hospitals during the 6 months following Rule 36 admission compared to the 6 months preceding admission.

EFFICIENCY MEASURES:	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
No. licensed facilities	79	76	78	75	72
Number of licensed beds	1,669	1,617	1,581	1,526	1,469
Number of facilities receiving Rule 12 funds *	76	75	75	72	70
Number of beds funded under Rule 12	1,439	1,399	1,352	1,305	1,256
Average cost per person per day:					
Room and board (GA, MSA, SSI)	$27.71	$28.72	$28.82	$29.83	$30.87
Program (state Rule 12 and match)	28.94	30.95	31.34	32.44	33.58
Total per person per day	56.65	59.67	60.16	62.27	64.45

* A few facilities maintain Rule 36 licensure without Rule 12 funding.

4. IMD ALTERNATIVES GRANTS:

ACTIVITY DESCRIPTION:

In 1988 and 1990, the federal government clarified laws and rules relating to Institutions for Mental Diseases (IMDs). As a result, all Rule 36 facilities with more than 16 beds and 11 nursing facilities which specialized in care for persons with mental illness were 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.

The department is working with individual facilities to reduce their size to 16 beds or less or to convert facilities to different uses and provide mental health services in different settings. This change not only restores Medical Assistance benefits, but also has a positive impact on client services. In order to assist these efforts, the 1991 Legislature appropriated two new grants to develop alternatives for two types of IMDs: facilities which are licensed under Rule 36 (Rule 36-IMDs) and nursing facilities (NF-IMDs).

In both types of facilities, the state and the counties have worked with the facilities and their clients to develop downsizing or conversion plans appropriate to each situation. Alternative services for clients requiring relocation have included support services to allow them to live in their own homes, expanded services to enable the existing programs to deal with the clients' physical and mental health needs, and other services as needed by these individuals to allow them to continue in the community. This has included reimbursement to offset lost revenue for facilities which chose to downsize. As a result of these efforts, 6 Rule 36 facilities and 11 nursing facilities were undeclared as IMDs during F.Y. 1991-92.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: To restore Medical Assistance benefits.

	F.Y. ~~1993~~ 1991	F.Y. ~~1994~~ 1992	F.Y. ~~1995~~ 1993	F.Y. ~~1996~~ 1994	F.Y. ~~1997~~ 1995
Cumulative number of IMD residents converted from GAMC to MA since 7/90	40	100	479	560	560
Cumulative number of NF-IMD residents converted from MSA to MA since 7/90	0	0	201	201	201

	Dollars in Thousands				
	F.Y. ~~1993~~ 1991	F.Y. ~~1994~~ 1992	F.Y. ~~1995~~ 1993	F.Y. ~~1996~~ 1994	F.Y. ~~1997~~ 1995
Annual savings to other state programs as a result of this activity (net of increase to MA):					
GAMC/MA	$46.7	$139.2	$744.7	$1,056.2	$1,116.6
MSA/MA	0.0	0.0	1,668.3	1,878.6	1,869.5

Note: These savings are in comparison to 1989. The savings are in line with savings already factored into the budget by the 1991 and 1992 Legislatures. Cutbacks in this grant will jeopardize the budgeted savings.

BUDGET ACTIVITY: State Mental Health Grants
PROGRAM: Community Mental Health and State-operated Services Administration
AGENCY: Human Services, Department of

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5. GRANTS FOR COMMUNITY SUPPORT SERVICES FOR ADULTS WITH SERIOUS AND PERSISTENT MENTAL ILLNESS (RULE 14):

ACTIVITY DESCRIPTION:

This activity awards grants to counties under provision of M.S. § 256E.12 and M.R. 9535.1000 to 9535.1600 (Rule 14) for services to persons with serious and persistent mental illness. To be eligible for grants, counties must provide the following community support program (CSP) services: 1) client outreach; 2) medication monitoring; 3) assistance in independent living skills; 4) development of employability and work-related opportunities; 5) crisis assistance; 6) psychosocial rehabilitation; 7) help in applying for government benefits; 8) housing support; 9) day treatment (waivers of the provision of day treatment services can be requested) and 10) case management for non-MA eligible persons.

The Mental Health Division has awarded 68% of F.Y. 1993 Rule 14 funds on a formula which is primarily based on each county's population, with a minimum allocation of $41,000 per county. For calendar years 1992-93, the application process for this "basic" Rule 14 grant was integrated with each county's community social services and mental health plan. The division awarded the other 32% of Rule 14 funds on a special project basis in order to implement federal requirements and legislative intent. Rule 14 special projects include development of alternative services for persons who need to be relocated or diverted from nursing facilities due to federal ("OBRA-90") requirements; matching funds for the federal Projects for Assistance in Transition from Homelessness (PATH) grant; housing support pilot projects; employability pilot projects; an annual CSP training conference; and development of specialized crisis services.

For calendar years 1994-95, the division plans to integrate most of the above special Rule 14 project grants with the Rule 14 basic allocation. This will enable 97% of Rule 14 funds to be awarded based on a unified Community Social Services Act (CSSA)/mental health county plan. The primary exception is the funds which are used to match the federal PATH grant. In order to meet federal requirements, these funds must be tracked separately and services must be directed to persons who are homeless.

In F.Y. 1993, new grants are going to 19 counties for expansion of CSP housing support services.

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). This cooperation and coordination has resulted in the joint funding of four demonstration projects of coordinated community-based employability services for persons with serious and persistent mental illness in 6 counties.

An independent evaluation of client characteristics conducted 6-90 concluded that "the aggressiveness of Minnesota's community service programs allows the maintenance of clients whose level of disability might keep them housed in state mental hospitals in other states."

ACTIVITY OUTCOME OBJECTIVES:

Objective 1: The purpose of the program is to provide 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 to assist individuals to stay in or near their home community and function at their maximum ability level.

Performance Measures:	F.Y. ~~1993~~ 1991	F.Y. ~~1994~~ 1992	F.Y. ~~1995~~ 1993	F.Y. ~~1996~~ 1994	F.Y. ~~1997~~ 1995
No. of counties	86	86	86	87	87
Total clients served during year	10,100	10,250	10,550	10,181	9,824

Objective 2: To support stability in the lives of persons with serious and persistent mental illness.

Performance Measures:
- Reduce the number of persons needing to be hospitalized for their mental illness
- Increase the number of clients obtaining employment.

6. HOUSING SUBSIDIES:

In response to the Department's Mental Health Housing Initiative, the 1991 Legislature approved $1 million for a pilot program of housing subsidies for adults with serious and persistent mental illness. The program began 7-92 in 15 counties. It is expected that about 230 people will be served. All of these people are either on waiting lists for federal housing subsidies or otherwise ineligible for federal subsidies. Before their state subsidy, these individuals were homeless, living in regional treatment centers (RTCs) or in group housing funded by Minnesota Supplemental Aid (MSA).

EFFICIENCY MEASURES:

	Dollars in Thousands				
	F.Y. ~~1993~~ 1991	F.Y. ~~1994~~ 1992	F.Y. ~~1995~~ 1993	F.Y. ~~1996~~ 1994	F.Y. ~~1997~~ 1995
Average subsidy per person per month	0	0	$300	$310	$321

7. ANOKA ALTERNATIVES:

The Anoka Alternatives Project was implemented in 1990 to increase the rate of discharge from the Anoka Metro Regional Treatment Center (AMRTC). The goal of the project is to develop alternative community services and program capacity in the metro counties, and then to discharge into these programs those AMRTC residents who are ready for community living. The alternative services are to be flexible, individualized, mental health and supportive services, such as housing support and subsidies, enhanced in home community support services, medications, home care and family supports.

BUDGET ACTIVITY: State Mental Health Grants
PROGRAM: Community Mental Health and State-operated Services Administration
AGENCY: Human Services, Department of

Discharges through this project are over 160 as of 6-30-92, exceeding projections. Data collected on these persons subsequent to discharge suggest that this group is representative of RTC residents in general in terms of diagnosis, functioning, and level of care needs, and that alternative services apparently provide the needed care at much less cost. Furthermore, rates of readmission for this group are lower than for other discharged patients.

The Anoka Alternatives Project's initial legislative authorization of $500,000 for S.F.Y. 1991 was decreased to $300,000 per year for S.F.Y. 1992 and S.F.Y. 1993, with the understanding that the department might supplement the $300,000 with additional mental health funds. The department has increased the S.F.Y. 1992 total to $370,000 and the S.F.Y. 1993 total to $430,000 through reallocation of funds within the base for State Mental Health Grants.

The Anoka Alternatives project has demonstrated that, with enhanced alternative services, many long-term and difficult to treat residents of RTCs can be discharged to the community and successfully maintained there. Many of these persons are able to live in their own homes rather than in residential facilities. The success of the project argues strongly for expansion of the community based treatment and services system, and for creative, individualized approaches to service development and funding.

8. COMPULSIVE GAMBLING:

This program was initiated by the Legislature in 1989 in response to a widespread concern about the social consequences of a large scale expansion of gambling. Gambling has become a $2.5 billion industry in Minnesota and at $548 per capita annually, Minnesota ranks fourth in the nation in spending on gambling. Research conducted 1990 with funds from this activity found that 1.5 % of Minnesota adults studied were classified as probable pathological gamblers (approximately 45,000 individuals). A study of adolescents age 15 to 18 years estimated 6.3% of the sample as problem gamblers and another 19.9% as at risk gamblers.

Services presently available include: a) statewide toll-free hotline providing information and referral services; b) outpatient treatment services; c) training for mental health professionals and certified addiction counselors, and d) public information & awareness programs.

The goals of this activity include:

1. Develop and integrate compulsive gambling treatment services into the existing statewide system of mental health and human services.
2. Provide on-going public education and information services concerning the potentially addictive nature of gambling and the value of seeking treatment services.
3. Provide gambling specific training for mental health professionals and certified addiction counselors.
4. Conduct on-going research to monitor the social/human impact of gambling on persons of all ages.
5. Support expansion of self-help groups for compulsive gamblers and family members.

EFFICIENCY MEASURES: (Compulsive Gambling)

	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Toll-Free Hotline calls	0	2,300	3,600	4,800	4,800
Treatment Program Grants	0	6	6	6	6
Persons Receiving Treatment Svcs.	0	0	360	490	560
MH & CD Professionals Trained	35	37	40	40	0
Probation Officers Trained	0	10	350	0	0
Research Projects	0	3	1	0	0

9. OTHER SPECIAL PROJECTS:

The Legislature has provided funding 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. These funds have been used for: a statewide public education campaign to reduce the stigma of mental illness, housing subsidies needed by persons relocated or diverted from nursing facilities to comply with federal requirements ("OBRA-90"), demonstration projects, technical assistance for counties and providers, information system operating costs, a statewide community client assessment survey, State Mental Health Advisory Council expenses, rule development, legislatively mandated programs to provide camping activities and self-help groups for persons with mental illness, and a new appropriation in F.Y. 1993 for development of a pilot integrated mental health services delivery system in Dakota County.

Summary by Grant Category	Dollars in Thousands				
	F.Y. ~~1993~~ 1991	F.Y. ~~1994~~ 1992	F.Y. ~~1995~~ 1993	F.Y. ~~1996~~ 1994	F.Y. ~~1997~~ 1995
1. Child's Comm.-based MH (Rule 78)	$300	$1,740	$3,360	$3,360	$3,360
2. Scrng/Trtmt. Juveniles in Detention	0	0	500	500	500
3. Adult residential (Rule 12)	11,229	11,618	11,614	11,614	11,614
4. IMD Alternatives	0	252	1,380	1,380	1,380
5. Community support (Rule 14)	9,835	12,519	13,297	13,297	13,297
6. Housing Subsidies	0	0	1,000	1,000	1,000
7. Anoka Alternatives	500	370	430	430	430
8. Compulsive Gambling	249	683	688	688	688
9. Other Special projects	470	470	503	503	503
TOTAL:	$22,583	$27,652	$32,772	$32,772	$32,772

Note: F.Y. 1994 and F.Y. 1995 are shown to illustrate the base, prior to the impact of deciison items.

BUDGET ISSUES:

Lack of funding for inflation has had a particularly significant impact on Rule 12/36 programs. The 1991 Legislature provided a salary increase of 2.5 % for F.Y. 1992 and zero for F.Y. 1993; all other components of these programs have not received an inflation increase since F.Y. 1991. This has required a reduction in services and number of persons served.

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BUDGET ACTIVITY: State Mental Health Grants
PROGRAM: Community Mental Health and State-operated Services Administration
AGENCY: Human Services, Department of

LEGISLATIVE ISSUES:

As requested by the 1988 Legislature, the Legislative Audit Commission conducted an extensive program audit of the Rule 12 grant program and Rule 36 facilities. The audit made a number of major recommendations including the need for additional staff in Rule 36 facilities serving "difficult" clients, rather than the funding of new Rule 36 beds. The audit recommended that additional clients be served through expanded funding for non-facility-based case management and housing support services.

ACTIVITY PLAN:

The following decision item reflects adjustment of current law base level funding for this activity.

DECISION ITEM:

Item Summary:

This proposal ~~reduces~~ increases the department's budget base in F.Y. 1994 ~~each year~~ by $463,000 ~~$2,767,000, including~~ and transfers ~~of~~ $1,320,000 per year to other departments.

Rationale:

~~Significant cuts in state funding are necessary in these programs to address the state's budget deficit.~~ In order to ~~alleviate the impact of these cuts and to~~ focus resources on the most effective, most appropriate services, this will include the following steps regarding mental health services for adults with serious and persistent mental illness:

1. Work with individual counties to develop locally appropriate ways to ~~deal with the budget cuts~~ maximize use of available funds.
2. Consolidate some grants and provide counties with additional flexibility regarding allowable use of grants, including simplification of funding for residential treatment (Rule 36) facilities by transferring Long Term Care Group Residential Housing (GRH) funding for these facilities to State MH Grants. (This transfer is contingent on state and federal approval relating to a transfer of MSA and GA to GRH.) The amount to be transferred includes the full amount of current GRH payments for beds which will be eliminated from the GRH census in the IMD downsizing process and, effective 1-1-94, the amount that GRH would have paid for Rule 36 over $550 per person per month. The transfer includes a one-time increase of $443,000 to account for a difference in payment schedules.
3. Continue the process of downsizing or converting Institutions for Mental Disease (IMD), defined by the federal government as any facility with more than 16 beds whose primary purpose is the care and treatment of persons with mental illness; this could also include working with counties and providers to rearrange referral and admission patterns to take advantage of federal policies allowing federal funding for persons over age 65 in IMDs.
4. Continue to explore the feasibility of Medical Assistance (MA) waivered services for persons with mental illness who are at risk of nursing facility admission.
5. Transfer to the Minnesota Housing Finance Agency (MHFA) funding which is now administered by DHS for housing subsidies for adults with mental illness; it is anticipated that MHFA will be in a better position to use these funds to generate additional federal matching funds.
6. Transfer to the Department of Jobs and Training, Division of Rehabilitation Services (DJT/DRS), funding which is now administered by Department of Human Services (DHS) for employability services for adults with mental illness; current federal provisions allow DJT to use these funds to maintain or generate federal matching funds which are not available to DHS.

Impact:

The transfers to other departments may result in improved federal matching funds which would ~~offset the impact of some of the cuts and possibly~~ meet some of the unmet need for housing and employability services.

~~The cut in state mental health grants will result in significant short term impact, especially when coupled with the lack of funding for inflation. The specific types of reductions will depend on negotiations with individual counties. The department will work with counties, providers and advocates to ensure that high priority needs are met and to develop more cost-effective alternatives.~~

~~The 5% cut is also applied to the compulsive gambling treatment program. This portion of the cut will require elimination of training and research efforts relating to compulsive gambling.~~

BUDGET ACTIVITY: State Mental Health Grants
PROGRAM: Community Mental Health and State-operated Services Administration
AGENCY: Human Services, Department of

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
~~State Mental Health (MH) Grants - 5% Cut~~	~~($1,447)~~	~~($1,447)~~	~~($1,447)~~	~~($1,447)~~
Transfer from Group Residential Housing (GRH):				
Long Term Care (GRH Grants)	~~(4,335)~~	~~(8,670)~~	~~(8,670)~~	~~(8,670)~~
	(2,381)	(5,139)	(5,139)	(5,139)
State MH Grants	~~4,335~~	~~8,670~~	~~8,670~~	~~8,670~~
	(2,844)	(5,139)	(5,139)	(5,139)
IMD Downsizing/Conversion:				
State MH Grants	103	551	551	551
Medical Assistance (MA) Grants - Ancillaries	53	386	460	462
General Assistance Medical Care Grants	(109)	(843)	(1,005)	(1,010)
MA Grants - Nursing Facilities	57	114	114	114
Minnesota Supplemental Aid (MSA) Grants: for Nursing Facilities	(104)	(208)	(208)	(208)
Transfers:				
Housing Subsidies to Housing Finance Agency	(1,200)	(1,200)	(1,200)	(1,200)
Employability Grants to Dept. of Jobs and Training	(120)	(120)	(120)	(120)
Net DHS Budget	~~(2,767)~~	~~(2,767)~~	~~(2,855)~~	~~(2,858)~~
	(857)	(1,320)	(1,408)	(1,411)
Net State Budget (excl. transfers)	~~(1,447)~~	~~(1,447)~~	~~(1,535)~~	~~(1,538)~~
	$463	$-0-	$(88)	$(91)

INFORMATION ITEM:

Moose Lake Regional Treatment Center Transfer to Corrections

This proposal increases the budget base by $725,000 in F.Y. 1994 and by $2,645,000 in F.Y. 1995. These funds are to be used for providing additional community alternatives for those mentally ill residents who are to receive services after the closure of the Moose Lake Regional Treatment Center. The closure of Moose Lake is discussed in more detail under the Regional Treatment Center Budget Activity.

Dollars in Thousands			
F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
$725	$2,645	$2,645	$2,645

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: STATE MENTAL HEALTH GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	89	87	80	80	80	78	80	80	78
EXPENSES/CONTRACTUAL SRVCS	94	193	81	81	81	81	81	81	81
MISC OPERATING EXPENSES	47	26	38	38	38	38	38	38	38
SUPPLIES/MATERIALS/PARTS	1	4	3	3	3	3	3	3	3
SUBTOTAL STATE OPERATIONS	231	310	202	202	202	200	202	202	200
AIDS TO INDIVIDUALS		8							
LOCAL ASSISTANCE	22,352	27,334	32,570	32,570	34,922	34,922	32,570	39,585	39,585
TOTAL EXPENDITURES	22,583	27,652	32,772	32,772	35,124	35,122	32,772	39,787	39,785
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<2>			<2>
TOTAL GOV'S INITIATIVES						<2>			<2>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	22,583	27,652	32,772	32,772	35,124	35,122	32,772	39,787	39,785
TOTAL FINANCING	22,583	27,652	32,772	32,772	35,124	35,122	32,772	39,787	39,785
POSITIONS BY FUND:									
GENERAL	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
TOTAL POSITIONS	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7

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BUDGET ACTIVITY: Federal Mental Health Grants
PROGRAM: Community Mental Health and State-operated Services Administration
AGENCY: Human Services, Department of

This activity includes a number of federal grants relating to community mental health services. Each grant is described separately below.

ACTIVITY DESCRIPTION:

1. FEDERAL MENTAL HEALTH BLOCK GRANT

For F.F.Y. 1991-1992, the federal mental health block grant was 8.38% of Minnesota's allocation under the Alcohol, Drug Abuse and Mental Health Services Block Grant. For F.F.Y. 1993, Congress has established the mental health portion into a separate block grant and increased the mental health share to 20.6% of the combined total.

Federal law states that these funds must be used to carry out the state's mental health plan, which is required to be submitted to the federal government each year. The federal law sets specific requirements that must be met by each state plan, including the establishment and implementation of an organized community-based system of care for adults with a serious mental illness and children with a serious emotional disturbance. For F.F.Y. 1993, at least 10% of the funds must be used to increase funding for community mental health services for children with a serious emotional disturbance within an integrated system of social, educational, juvenile and health services. For F.F.Y. 1994, an additional 10% of the funds must be directed towards integrated children's mental health services. Federal law also allows these funds to be used to evaluate the programs and services carried out under the state plan, and to plan, administer and conduct educational activities relating to providing services under the state plan.

Federal law allows states to award these funds only to public and nonprofit private agencies; funds cannot be used for inpatient hospital services or for acquisition of land or construction. A number of other federal restrictions apply. 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.

State law (M.S. § 245.713) allocates these funds as follows:

1. 25% for Indian mental health services and advisory committees for Indians and other minorities;
2. 55% for statewide demonstration projects for services to children and underserved populations;
3. 15% for statewide planning and evaluation; and
4. 5% for state administration.

The 25% for Indian services funds 8 projects on Indian reservations and 1 in the urban area of Minneapolis. These projects provide culturally relevant mental health services. Coordination and linkages occur with the county community support programs and reservation social service programs. Services include outreach, crisis assistance, education/prevention and help in applying for government benefits. Mental health issues addressed are: suicide, depression, and dual disability (particularly mental health/chemical dependency).

Most of the 55% for demonstration projects is used for projects which provide statewide leadership by demonstrating improved mental health services for children with severe emotional disturbance. Funds for children's projects are awarded cooperatively with the Departments of Education, Health, and Corrections and are focused on identification and intervention services provided within local interagency agreements. Other demonstration projects have included specialized mental health services for the elderly and for persons with hearing impairment. For F.F.Y. 1992, the department is redirecting some of these funds towards development of self-help groups and innovative crisis services.

The 15% for planning and evaluation is used to fund staff to implement planning and evaluation requirements of both the federal law and the state Comprehensive Mental Health Act. Much of the recent development required to implement new services required by federal and state laws would have been impossible without this funding.

ACTIVITY OUTCOME OBJECTIVES:

Objective 1. To make grants to 9 Indian tribal organizations for special Indian mental health services for 2,500 persons.

Performance Measures:
- Number of grants to Indian tribal organizations.
- Number of persons served.

Objective 2. To award special statewide demonstration project grants for underserved populations and other special projects. To demonstrate innovative ways to meet the needs identified in the Mental Health Acts.

Performance Measures:
- Client satisfaction surveys.
- Independent evaluations.

2. PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH)

This activity utilizes federal McKinney Act 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 counties that receive these grants.

Goals for this activity include provision of grants to 8 counties having significant numbers of homeless persons in order to 1) identify homeless persons with serious and persistent mental illness and dual diagnosis with substance abuse; 2) through outreach, assess the nature and severity of the problems of identified persons; 3) refer homeless persons with serious and persistent mental illness to appropriate community-based services; and 4) assist counties with ongoing funding support for the provision of community support program services for homeless persons with serious and persistent mental illness.

BUDGET ACTIVITY: Federal Mental Health Grants
PROGRAM: Community Mental Health and State-operated Services Administration
AGENCY: Human Services, Department of
(Continuation)

3. MENTAL HEALTH STATISTICS IMPROVEMENT PROJECT

This project is funded by a 3-year National Institute of Mental Health (NIMH) grant to help organizations that provide mental health services make improvements in their data systems. Improvements include installation of national data standards and use of these standards to serve local management decision-making. Involved organizations include county operated and county contracted community mental health centers and freestanding community support programs.

The grant covers the period from 10-89 through 12-92. These funds support 1 professional, 1 clerical and a half-time student position. Some grant funds are subcontracted to provider organizations to support changes to local data systems. The department applied for a 3-year renewal in 7-92; approval is expected by 4-93.

4. HUMAN RESOURCE DEVELOPMENT

The Human Resource Development (HRD) Capacity Building Project aims to increase the department's ability to address the human resource issues involved in implementing the Comprehensive Mental Health Act. Upon completion of the project, which has been extended to its fourth year (9-89 to 7-93), DHS should have the capability to plan, monitor, and influence the size, quality, utilization, and distribution of the mental health services work force.

The goals of the HRD Project are to: 1) create an identified focal point or mechanism for state mental health HRD; 2) establish a public academic liaison as well as linkages with other related agencies (as required by M.S. 245.4861); 3) develop a State HRD Plan, which is integrated with the State Mental Health Services Plan; and 4) create capacity and commitment to collect and analyze data on the mental health workforce. The HRD Project funds 1.0 FTE professional and .4 FTE clerical positions.

5. CHILD ADOLESCENT SERVICE SYSTEM PROGRAM (CASSP)

The CASSP grant award was received 10-90 for a 3-year period. The project designs and implements state and local training designed to promote state and local-level coordination and collaboration in the development of a comprehensive array of community-based mental health services for children with emotional disturbances and their families.

6. RECRUITMENT AND TRAINING OF CONSUMERS AND FAMILIES

This NIMH grant is for 4-91 to 6-94. Most of these funds go to the League of Women Voters to assist local mental health advisory councils in recruiting and training consumers and families. This project helps to implement requirements in the state Comprehensive Mental Health Act relating to involvement of consumers and families in the planning and evaluation of the mental health system of care.

7. CRISIS COUNSELING FOR VICTIMS OF PRESIDENTIALLY-DECLARED DISASTERS

During the past year, the Mental Health Division worked with the Department of Public Safety and 4 mental health centers serving 10 western and southwestern counties to obtain a grant for crisis counseling for victims of the severe storms and tornados of 6-16 through 6-17-92.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Grants by Category:					
MH Block Grant	$1,364	$1,029	$2,196	$3,900	$4,216
PATH	334	398	367	354	354
Statistics Improve.	120	137	120	150	150
HRD	84	57	98	12	0
CASSP	44	118	170	160	0
Consumers and Families	0	101	146	144	0
Crisis Counseling*	0	0	85	0	0
TOTAL:	$1,946	$1,840	$3,182	$4,720	$4,720

* This grant was received after the Biennial Budget System update and is not included on the fiscal page.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: FEDERAL MH GRANTS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	451	432	593	593	894	894	593	894	894
EXPENSES/CONTRACTUAL SRVCS	53	85	55	55	30	30	55	30	30
MISC OPERATING EXPENSES	20	12	15	15	14	14	15	14	14
SUPPLIES/MATERIALS/PARTS	3	1	5	5	4	4	5	4	4
OTHER	38		115	115	108	108	115	108	108
SUBTOTAL STATE OPERATIONS	565	530	783	783	1,050	1,050	783	1,050	1,050
LOCAL ASSISTANCE	1,381	1,310	2,314	2,314	3,670	3,670	2,314	3,670	3,670
TOTAL EXPENDITURES	1,946	1,840	3,097	3,097	4,720	4,720	3,097	4,720	4,720
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
FEDERAL	1,946	1,840	3,097	3,097	4,720	4,720	3,097	4,720	4,720
TOTAL FINANCING	1,946	1,840	3,097	3,097	4,720	4,720	3,097	4,720	4,720
POSITIONS BY FUND:									
FEDERAL	12.0	10.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6
TOTAL POSITIONS	12.0	10.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6

BUDGET ACTIVITY: Regional Treatment Centers Systemwide
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This budget activity is an aggregation of budget activity decisions for regional treatment centers (RTC):

Ah-Gwah-Ching Center (AGCC)
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)
*Oak Terrace Nursing Home (OTNH)
*Rochester State Hospital (RSH)

* OTNH closed 6-30-91, and RSH closed 6-81 and these budget activities are limited to ongoing payments for workers' compensation claims.

ACTIVITY OUTCOME OBJECTIVES:

To provide active treatment consistent with industry standards and state/federal regulations for persons with mental illness, developmental disabilities, chemical dependency, and elderly persons who have complex medical conditions and challenging behaviors requiring a nursing home setting. 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.

REVENUE GENERATION:

Expenditures for this activity are included in rates calculated for the 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.

ACTIVITY PLAN:

The following decision items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Regional Treatment Center Developmentally Disabled Downsizing

Item Summary:

This proposal decreases the budget base by $979,000 in F.Y. 1994 and $4,250,000 in F.Y. 1995 as a result on ongoing downsizing in programs operated by the regional treatment centers (RTC) for developmentally disabled individuals.

Rationale:

This budget reduction proposal can be accomplished without any reduction in services to clients of the RTC. Since 1960, when the number of developmentally disabled individuals cared for in state hospitals was in excess of 6,000 people, the population has steadily declined to an average daily population of 976 for 7-92. This downward trend is anticipated to continue through the 1994-95 biennium resulting in an anticipated average population of approximately 625 by 7-95.

Impact:

Corresponding to the population reduction is a reduced staffing need for direct care and general support positions. For F.Y. 1994, ~~443~~ 199 full-time equivalent positions (FTE) can be reduced, and this number is projected to increase to ~~628~~ 384 FTE for F.Y. 1995.

The RTC expenditure figures are affected by the cost of laying off staff per the state's labor contracts with unions. RTC collection figures are not identified in the revenue section since all such receipts are dedicated to the state Medicaid account.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
RTCs	(2,588)	(11,402)	(19,824)	(26,852)
~~RTC~~ MA Grants (Collections)	2,792	13,308	23,407	32,132
MA Grants (State Share)	(1,183)	(6,156)	(11,706)	(14,954)
NET:	(979)	(4,250)	(8,123)	(9,674)

Revised 3-4-93
~~Revised 2-08-93~~

BUDGET ACTIVITY: Regional Treatment Centers Systemwide
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of
(Continuation)

DECISION ITEM:

Faribault Regional Center Transfer to Corrections

Item Summary:

This proposal increases the budget base by $2,596,000 and decreases 153 positions in F.Y. 1994 and decreases the budget base by $144,000 and 343 positions in F.Y. 1995 by closing Faribault Regional Center (FRC) and transferring the facility to the Department of Corrections (DOC) for conversion to a prison.

Rationale:

Rochester State Hospital (RSH) closed in 6-82, as directed by the 1981 Legislature. In the 11 years since the closure of RSH, the average daily population served by the 8 remaining regional treatment centers (RTCs) has decreased from 4,383 in F.Y. 1982 to 2,440 as of 7-92. During this same period of time, the number of persons with developmental disabilities who are served by the RTCs has decreased from an average daily population of 2,372 in F.Y. 1982 to 976 for the month of 7-92. The recommendation to close FRC is based on: 1) long-term savings that can be realized by eliminating excess capacity and consolidating RTC operations and 2) savings to DOC resulting from using existing FRC facilities, rather than the more expensive alternative of new construction, to meet the need for additional prison space.

Impact:

This budget reduction proposal will be accomplished without any reduction in services to FRC residents. In keeping with ongoing objectives to assist individuals in living their life in the least restrictive manner possible, the closure of FRC will accelerate efforts to relocate individuals with developmental disabilities to more appropriate community settings. At the same time, closure of FRC will free up needed space for expansion of correctional facilities. As of 7-92, the average daily population at FRC was 375 and is anticipated to reach 320 by the end of F.Y. 1993. In F.Y. 1994, 50 difficult-to-manage persons will transfer to Cambridge Regional Human Services Center, 95 will relocate to privately-operated community services, and 60 will transfer to state-operated community services with the understanding that the services will become privately-operated by the start of the F.Y. 1996-97 biennium. In F.Y. 1995, an additional 115 individuals will relocate to privately-operated community services.

The RTC expenditure figures are effected by the cost of laying off staff per the state's labor contracts with unions. RTC collection figures are not identified in the revenue section since all such receipts are dedicated to the state Medicaid account. Increased expenditures in Medical Assistance grants and Minnesota Supplemental Aid represent per diem costs for residents placed in community facilities. Developmental Disabilities administration expenditures represent assistance to counties in expediting placement assessments for FRC residents.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
RTCs	($1,098)	($13,235)	($19,332)	($19,043)
MA Grants (Collections)	2,279	13,038	18,791	18,108
MA Grants (State Share)	(966)	(6,031)	(9,397)	(8,427)
Supplement (Grant)	275	569	-0-	-0-
Net:	$490	($5,659)	($9,938)	($9,362)
~~Waiver~~ MA Grants (Waiver)	$1,444	$5,095	$8,858	$9,378
~~Waiver~~ MSA Grants (Waiver)	74	230	316	326
Administration	588	190	40	-0-
Net:	$2,106	$5,515	$9,214	$9,704
TOTAL NET	2,596	(144)	(724)	342

DECISION ITEM:

Moose Lake Regional Treatment Center Transfer to Corrections

Item Summary:

This proposal ~~decreases~~ increases the budget base by ~~$2,081,000~~ $1,330,000 and descreases the number of positions by 156 in F.Y. 1994 and ~~by $2,515,000~~ increases the budget base by $3,833,000 and decreases the number of positions by 169 in F.Y. 1995 by closing the Moose Lake Regional Treatment Center (MLRTC), transferring the MLRTC campus to the Department of Corrections (DOC) and establishing a new 100-bed treatment facility for Psychopathic Personality (PP) commitments.

Rationale:

Rochester State Hospital (RSH) closed 6-82, as directed by the 1981 Legislature. In the 11 years since the closure of RSH, the average daily population served by the 8 remaining regional treatment centers (RTCs) has decreased from 4,383 in F.Y. 1982 to 2,440 as of 7-92. The recommendation to reduce excess capacity at MLRTC is based on: 1) long-term savings that can be realized by eliminating excess capacity and consolidating RTC operations, and 2) savings to DOC resulting from using existing MLRTC facilities, rather than the more expensive alternative of new construction, to meet the need for additional prison space.

Revised 3-4-93
~~Revised 2-08-93~~

BUDGET ACTIVITY: Regional Treatment Centers Systemwide
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of
(Continuation)

During the time period from 7-91 through 7-92, there were 20 persons committed to the Minnesota Security Hospital (MSH) under the PP commitment. In comparison, there were only 24 PP commitments during the 20 years of the 1970s and 1980s. In response to the large increase in the number of PP commitments it became necessary in 7-92 to convert 30 beds at MSH to serve PP commitments. In addition, the 1992 Legislature appropriated $8,100,000 for a 50-bed expansion of the MSH. In order to meet the growing need for space to treat PP commitments and to assure the safety of other vulnerable patients, this proposal will shift the site of the PP unit to Moose Lake and increase the size of the facility to 100 beds.

Impact:

This proposal will be accomplished without any reduction in services to MLRTC clients. As of 7-92, the average daily population of MLRTC is 221 (mental illness and developmental disabilities) and is anticipated to be 223 at the end of F.Y. 1993. In F.Y. 1994, ~~70~~ 45 psychogeriatric patients will transfer to alternative community settings, ~~17~~ 33 developmentally disabled (DD) individuals will transfer to ~~Brainerd Regional Human Services Center (BRHSC), and 16 DD individuals will transfer to~~ privately operated community services. In F.Y. 1995, psychiatric bed capacity for 50 individuals will be transferred to BRHSC, psychiatric bed capacity for ~~25~~ 35 individuals will be established in ~~both~~ Duluth and another Range community, 40 individuals will transfer to other community settings, and the equivalent of 20 psychiatric beds will be absorbed by other RTCs. The MLRTC chemical dependency program will relocate off-campus and remain operational as an enterprise fund operation.

This proposal would also provide care and treatment, within a high security environment, for patients committed as PP that meets required standards and provides safety for mentally ill patients who are considered to be vulnerable to PP committed patients.

The RTC expenditure figures are effected by the cost of laying off staff per the state's labor contracts with unions. RTC collection figures are not identified in the revenue section since all such receipts are dedicated to the state Medicaid account.

	~~Dollars in Thousands~~			
	~~F.Y. 1994~~	~~F.Y. 1995~~	~~F.Y. 1996~~	~~F.Y. 1997~~
~~General Fund~~				
~~RTCs~~	~~($4,609)~~	~~($7,201)~~	~~($7,946)~~	~~($7,829)~~
~~RTC Collections~~	~~1,143~~	~~1,964~~	~~2,024~~	~~1,909~~
~~MA Grants~~	~~(485)~~	~~(909)~~	~~(1,012)~~	~~(888)~~
~~NET:~~	~~($3,951)~~	~~($6,146)~~	~~($6,934)~~	~~($6,808)~~
~~Community Psychogeriatric~~	~~1,559~~	~~3,117~~	~~3,117~~	~~3,117~~
~~Waiver MA~~	~~279~~	~~514~~	~~529~~	~~545~~
~~Waiver MSA~~	~~-0-~~	~~-0-~~	~~-0-~~	~~-0-~~
~~Administration~~	~~32~~	~~-0-~~	~~-0-~~	~~-0-~~
~~NET~~	~~1,870~~	~~3,631~~	~~3,646~~	~~3,662~~
~~TOTAL NET:~~	~~($2,081)~~	~~($2,515)~~	~~($3,288)~~	~~($3,146)~~

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
RTCs (Operations)	$(1,861)	$(6,286)	$(9,509)	$(9,392)
RTC Collections MA Grants (Collections)	1,978	4,462	6,807	6,629
MA Grants (State Share)	(838)	(2,064)	(3,404)	(3,085)
SUBTOTAL:	$(721)	$(3,888)	$(6,106)	$(5,848)
MA Grants (MH)	$229	$3,349	$5,092	$5,092
MH Grants	725	2,645	2,645	2,645
MH Administration	100	100	100	100
MA Grants (Waiver)	905	1,579	1,630	1,665
MSA Grants (Waiver)	26	48	50	50
DD Administration	66	-0-	-0-	-0-
SUBTOTAL:	$2,051	$7,721	$9,517	$9,552
TOTAL:	$1,330	$3,833	$3,411	$3,704

DECISION ITEM:

Salary Holdings

This proposal increases the budget base by $6,617,000 in F.Y. 1994 and $13,465,000 in F.Y. 1995 to implement the directive that all state agencies absorb the costs of salary planning estimates for F.Y. 1994 and F.Y. 1995. This is a "pass-through" account. These funds will be transferred to RTC operating accounts when salary settlements are known.

Dollars in Thousands			
F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
$6,617	$13,465	$13,465	$13,465

Revised 3-4-93
~~Revised 2-05-93~~

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: RTC SYSTEMWIDE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES					4,844	4,844		<11,517>	<11,517>
EXPENSES/CONTRACTUAL SRVCS					9	9		<390>	<390>
SUPPLIES/MATERIALS/PARTS					<495>	<495>		<1,333>	<1,333>
CAPITAL EQUIPMENT					57	57			
SUBTOTAL STATE OPERATIONS					4,415	4,415		<13,240>	<13,240>
TOTAL EXPENDITURES					4,415	4,415		<13,240>	<13,240>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL					4,415	4,415		<13,240>	<13,240>
TOTAL FINANCING					4,415	4,415		<13,240>	<13,240>
POSITIONS BY FUND:									
GENERAL					<508.0>	<508.0>		<896.0>	<896.0>
TOTAL POSITIONS					<508.0>	<508.0>		<896.0>	<896.0>

BUDGET ACTIVITY: Residential Facilities Management
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The major functions of this activity are to:

1. Support, monitor and evaluate the quality and appropriateness of client care and treatment in regional treatment centers (RTCs), through the quality assurance and utilization review mechanisms, to resolve identified problems and assure active treatment.

2. 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.

3. Coordinate and maintain the development of information and communication technology for the residential facilities to enhance the delivery of quality health care services.

4. Prepare legislatively required reports.

5. Assist residential facilities in meeting applicable accreditation, certification, and licensure requirements.

6. 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, in coordination with other divisions i.e., Developmental Disabilities, Mental Health, Chemical Dependency and Long Term Care.

7. Coordinate the statutorily required special review board function which governs the transfer, provisional discharge, or discharge of special category patients.

8. Coordinate preparation of biennial and capital improvement budgets, allocate and monitor operating expenditures to assure resources are efficiently and effectively utilized to meet programmatic and administrative functions.

9. Monitor staffing requirements, physical plant needs, forms management, and provide coordination for matters concerning the *Jarvis* litigation and the Memorandum of Understanding.

10. Prepare population census and other management reports pertinent to the operation of the residential facilities.

11. Facilitate the delivery of mutually beneficial and cost-effective services through shared service agreements.

ACTIVITY OUTCOME OBJECTIVES:

To provide administrative and programmatic support for the 9 regional treatment facilities so uniform and effective management of human and fiscal resources, quality care, and active treatment are provided to individuals served by the residential facilities.

PERFORMANCE MEASURES

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of RTCs licensed and/or certified	9	9	9	9
Number of MI programs accredited	6	6	6	6
Number of MI client *Jarvis* hearings at the time of initial commitment hearing	100	200	300	400

REVENUE GENERATION:

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.

ACTIVITY PLAN:

The following decision items reflect adjustment of current law base level funding for this activity.

DECISION ITEM:

Six Percent Reduction in Administrative Base

Item Summary:

This proposal decreases the budget base for administration by $37,000 in F.Y. 1994 and by $38,000 in F.Y. 1995 in order to re-target administrative efforts and to achieve a reduction in expenditures.

Rationale:

Cost reductions will be accomplished by restructuring priorities within available resources.

BUDGET ACTIVITY: Residential Facilities Management
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of
(Continuation)

Impact:

Reduction in training, library, administrative support, and reimbursement to regional treatment centers for Jarvis costs.

	Dollars in Thousands			
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
General Fund				
Residential Facilities Management	($58)	($58)	($58)	($58)
~~RTC~~ MA Grants (Collections)	35	35	35	35
MA Grants (State Share)	(15)	(15)	(15)	(15)
NET:	(38)	(38)	(38)	(38)

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1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: RESIDENTIAL FACILITIES MGMT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,631	1,419	2,473	2,473	2,473	2,389	2,473	2,473	2,389
EXPENSES/CONTRACTUAL SRVCS	373	518	594	349	324	324	349	324	324
MISC OPERATING EXPENSES	93	2,007	494	494	463	463	494	463	463
SUPPLIES/MATERIALS/PARTS	118	87	55	54	52	52	54	52	52
CAPITAL EQUIPMENT	109	108	83	19	19	19	19	19	19
SUBTOTAL STATE OPERATIONS	2,324	4,139	3,699	3,389	3,331	3,247	3,389	3,331	3,247
AIDS TO INDIVIDUALS	2	4							
LOCAL ASSISTANCE	70	70							
TOTAL EXPENDITURES	2,396	4,213	3,699	3,389	3,331	3,247	3,389	3,331	3,247
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<84>			<84>
TOTAL GOV'S INITIATIVES						<84>			<84>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,383	4,192	3,665	3,365	3,307	3,223	3,365	3,307	3,223
STATUTORY APPROPRIATIONS:									
FEDERAL	13	21	34	24	24	24	24	24	24
TOTAL FINANCING	2,396	4,213	3,699	3,389	3,331	3,247	3,389	3,331	3,247
POSITIONS BY FUND:									
GENERAL	22.0	17.5	13.0	13.0	13.0	13.0	13.0	13.0	13.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: RESIDENTIAL FACILITIES MGMT

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
TOTAL POSITIONS	22.0	17.5	13.0	13.0	13.0	13.0	13.0	13.0	13.0

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BUDGET ACTIVITY: Anoka Metro Regional Treatment Center
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

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 also has a CD outpatient program which started in 5-88.

ACTIVITY OUTCOME OBJECTIVES:

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, and to make documented progress toward personal habilitative or rehabilitative goals which are necessary for their successful reintegration into normal community life.

PERFORMANCE MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness - Adult				
Median length of current hospitalization (days) - total census excluding 72-hour hold orders	162	140	125	100
Percent of readmissions within 30 days of discharge	3	3	5	5
Discharge median length of stay (days) - excluding 72-hour hold orders	167	151	142	132
Chemical Dependency				
Average length of stay (days):				
- Primary	24	25	25	25
- Extended	51	55	55	55
Percent of clients completing treatment	63	62	62	62
Percent of clients maintaining sobriety for 6 months	46	45	45	45

EFFICIENCY MEASURES:

PER DIEM RATES	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness	$236.0	$233.6		
Chemical Dependency				
Primary	175.0	175.0		
Extended	150.0	150.0		
Outpatient (per hour)	27.0	27.0		

The delivery of MI program services will be re-organized allowing for an increase in patient treatment hours. Also, a transition team will be developed to follow patients for an initial period after discharge. This team would be responsible for intervention/education with the patient and the various community placements to minimize a readmission to AMRTC.

REVENUE GENERATION:

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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: ANOKA METRO RTC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	19,597	20,297	19,826	19,783	19,783	19,157	19,783	19,783	19,157
EXPENSES/CONTRACTUAL SRVCS	770	725	737	688	688	688	688	688	688
MISC OPERATING EXPENSES	758	769	923	923	923	923	923	923	923
SUPPLIES/MATERIALS/PARTS	1,763	1,745	1,804	1,816	1,816	1,816	1,816	1,816	1,816
CAPITAL EQUIPMENT	23	236	155	227	227	227	149	149	149
OTHER	140	126	807	807	807	807	807	807	807
SUBTOTAL STATE OPERATIONS	23,051	23,898	24,252	24,244	24,244	23,618	24,166	24,166	23,540
AIDS TO INDIVIDUALS	1	19	1	1	1	1	1	1	1
TOTAL EXPENDITURES	23,052	23,917	24,253	24,245	24,245	23,619	24,167	24,167	23,541
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<626>			<626>
TOTAL GOV'S INITIATIVES						<626>			<626>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	19,494	20,804	21,134	21,252	21,252	20,626	21,174	21,174	20,548
STATUTORY APPROPRIATIONS:									
GENERAL	380	537	582	490	490	490	490	490	490
SPECIAL REVENUE	49	15	22	22	22	22	22	22	22
AGENCY	434	449	485	485	485	485	485	485	485
GIFTS AND DEPOSITS		23							
ENTERPRISE	2,695	2,089	2,030	1,996	1,996	1,996	1,996	1,996	1,996
TOTAL FINANCING	23,052	23,917	24,253	24,245	24,245	23,619	24,167	24,167	23,541

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: ANOKA METRO RTC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	428.3	428.5	420.5	418.0	418.0	418.0	418.0	418.0	418.0
ENTERPRISE	46.1	42.6	32.0	32.0	32.0	32.0	32.0	32.0	32.0
TOTAL POSITIONS	474.4	471.1	452.5	450.0	450.0	450.0	450.0	450.0	450.0

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BUDGET ACTIVITY: Brainerd Regional Human Services Center
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Brainerd Regional Human Services Center (BRHSC) provides inpatient services to the mentally ill, chemically dependent, developmentally disabled, and geriatric clients of the 12 counties of north central Minnesota. The center works with county social services and area mental health centers in developing programs to meet the needs of the consumer public. The center offers special programs for mentally ill adolescents, a chemical dependency program for adult Native Americans based on cultural beliefs, and a program for individuals diagnosed as both mentally ill and developmentally disabled.

ACTIVITY OUTCOME OBJECTIVES:

To provide active treatment consistent with industry standards and state and federal regulations for persons with mental illness, developmental disabilities, or chemical dependency, and people with problems and diseases of old age. 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.

PERFORMANCE MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness - Adult				
Median length of current hospitalization (days) - total census excluding 72-hour hold orders	81.0	80.0	79.0	78.0
Percent of readmissions within 30 days of discharge	9.4	9.0	8.5	8.0
Discharge median length of stay (days) - excluding 72-hour hold orders	76.5	75.0	74.0	73.0
Mental Illness - Adolescent				
Median length of current hospitalization (days) - total census excluding 72-hour hold orders	54.0	52.0	51.0	50.0
Percent of readmissions within 30 days of discharge	6.7	7.0	7.0	7.0
Developmental Disabilities				
Client population beginning of FY	157.0	138.0	121.0	106.0
Percent of residents placed	16.6	12.0	12.0	12.0
Percent in continued placement:				
- 3 months	100.0	100.0	100.0	100.0
- 1 year	N/A	95.0	95.0	95.0
Number of individuals discharged from crisis service	11.0	13.0	15.0	15.0
Chemical Dependency				
Average length of stay (days):				
- Primary	27.0	27.0	21.0	21.0
- Extended	58.0	58.0	58.0	58.0
Percent of clients completing treatment	85.0	85.0	90.0	90.0
Percent of clients maintaining sobriety for 6 months	60.0	60.0	70.0	70.0
Nursing Facilities				
Median length of current inpatient stay (days)	831.0	825.0	820.0	815.0
Median discharge length of stay (days)	752.0	730.0	710.0	690.0
Number of individuals discharged to community facility	3.0	4.0	5.0	6.0
Percent of individuals discharged to community facility	50.0	57.0	63.0	67.0

EFFICIENCY MEASURES:

PER DIEM RATES

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness	$257.6	$271.8		
Developmental Disabilities	271.5	287.7		
Chemical Dependency				
Primary	135.0	135.0		
Extended	100.0	100.0		
Outpatient (per hour)	27.0	27.0		
Nursing Facility	177.5	177.2		

REVENUE GENERATION:

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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: BRAINERD RHSC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	22,616	24,470	23,576	23,712	23,712	22,951	23,712	23,712	22,951
EXPENSES/CONTRACTUAL SRVCS	1,014	834	639	648	648	648	648	648	648
MISC OPERATING EXPENSES	752	821	908	908	908	908	908	908	908
SUPPLIES/MATERIALS/PARTS	1,806	1,957	1,986	1,966	1,966	1,966	1,966	1,966	1,966
CAPITAL EQUIPMENT	130	217	211	231	231	231	152	152	152
OTHER	84	87	347	347	347	347	347	347	347
SUBTOTAL STATE OPERATIONS	26,402	28,386	27,667	27,812	27,812	27,051	27,733	27,733	26,972
AIDS TO INDIVIDUALS	3	22	5	5	5	5	5	5	5
TOTAL EXPENDITURES	26,405	28,408	27,672	27,817	27,817	27,056	27,738	27,738	26,977
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<761>			<761>
TOTAL GOV'S INITIATIVES						<761>			<761>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	23,776	25,970	25,265	25,410	25,410	24,649	25,331	25,331	24,570
STATUTORY APPROPRIATIONS:									
GENERAL	493	335	450	450	450	450	450	450	450
SPECIAL REVENUE	133	217	127	127	127	127	127	127	127
FEDERAL	27	39	42	42	42	42	42	42	42
AGENCY	460	449	504	504	504	504	504	504	504
GIFTS AND DEPOSITS		3							
ENTERPRISE	1,516	1,395	1,284	1,284	1,284	1,284	1,284	1,284	1,284
TOTAL FINANCING	26,405	28,408	27,672	27,817	27,817	27,056	27,738	27,738	26,977

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: BRAINERD RHSC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	557.1	588.9	534.4	534.4	534.4	534.4	534.4	534.4	534.4
ENTERPRISE	30.5	27.6	23.1	23.1	23.1	23.1	23.1	23.1	23.1
TOTAL POSITIONS	587.6	616.5	557.5	557.5	557.5	557.5	557.5	557.5	557.5

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BUDGET ACTIVITY: Cambridge Regional Human Services Center
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

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 and off campus for severely and profoundly mentally retarded persons who have additional functional problems such as physical disabilities or significant health problems, and for mildly to moderately retarded persons who have challenging behaviors or exhibit significant signs of mental illness. The CRHSC operates 3 State-Operated Community Services (SOCS) Waivered Services homes and one intermediate care facility for the mentally retarded (ICF/MR) SOCS home for clients who have been discharged from the regional human services center. A Community Support Services team from the CRHSC assists community facilities to serve difficult clients and prevent admission from a community facility to a regional center. The CRHSC has also developed a short term crisis admissions unit to provide a more appropriate alternative to community acute psychiatric units for persons with developmental disabilities.

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.

ACTIVITY OUTCOME OBJECTIVES:

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.

PERFORMANCE MEASURES:

Developmental Disabilities	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Client population beginning of F.Y.	217.0	195.0	182.0	173.0
Percent of residents placed	30.0	30.0	30.0	30.0
Percent in continued placement:				
- 3 months	97.3	97.0	97.0	97.0
- 1 year	91.7	90.0	88.0	86.0
Number of individuals discharged from crisis service	9.0	39.0	39.0	39.0

EFFICIENCY MEASURES:

PER DIEM RATES

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Developmental Disabilities	$271.5	$287.7		

Total per diem cost provides residential, day program, community residential an day program, medical and dental, and community support service to prevent readmission to regional treatment centers (RTCs).

REVENUE GENERATION:

Expenditures for this activity are included in rates calculated for the RTCs. 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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: CAMBRIDGE RHSC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	23,122	22,353	18,389	18,499	18,377	17,781	18,499	18,377	17,781
EXPENSES/CONTRACTUAL SRVCS	327	394	574	593	593	593	593	593	593
MISC OPERATING EXPENSES	685	633	881	881	881	881	881	881	881
SUPPLIES/MATERIALS/PARTS	1,479	1,344	1,306	1,304	1,304	1,304	1,304	1,304	1,304
CAPITAL EQUIPMENT	113	55	21	62	62	62	15	15	15
OTHER	1	1							
SUBTOTAL STATE OPERATIONS	25,727	24,780	21,171	21,339	21,217	20,621	21,292	21,170	20,574
AIDS TO INDIVIDUALS	3	11							
TOTAL EXPENDITURES	25,730	24,791	21,171	21,339	21,217	20,621	21,292	21,170	20,574
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<596>			<596>
TOTAL GOV'S INITIATIVES						<596>			<596>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	24,642	23,620	19,657	19,839	19,717	19,121	19,792	19,670	19,074
STATUTORY APPROPRIATIONS:									
GENERAL	783	877	1,102	1,088	1,088	1,088	1,088	1,088	1,088
SPECIAL REVENUE	8	12	13	13	13	13	13	13	13
AGENCY	253	250	347	347	347	347	347	347	347
GIFTS AND DEPOSITS	44	32	52	52	52	52	52	52	52
TOTAL FINANCING	25,730	24,791	21,171	21,339	21,217	20,621	21,292	21,170	20,574

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: CAMBRIDGE RHSC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	588.9	540.4	422.9	422.9	422.9	422.9	422.9	422.9	422.9
TOTAL POSITIONS	588.9	540.4	422.9	422.9	422.9	422.9	422.9	422.9	422.9

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BUDGET ACTIVITY: Faribault Regional Center
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Faribault Regional Center (FRC) provides residential and day habilitation training for Developmentally disabled persons from 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, 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 persons within the service area through 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 and minimizes the likelihood of physical harm to self or others within a less restrictive environment.

ACTIVITY OUTCOME OBJECTIVES:

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.

PERFORMANCE MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Developmental Disabilities				
Client population beginning of F.Y.	435	382	336	295
Percent of residents placed	12	12	12	12
Percent in continued placement:				
- 3 months	98	97	96	95
- 1 year	85	90	91	92
Number of individuals discharged from crisis service	0	30	35	40
Nursing Facilities				
Median length of current inpatient stay (days)	365	365	365	365
Median discharge length of stay (days)	126	120	120	120
Number of individuals discharged to community facility	0	1	1	1
Percent of individuals discharged to community facility	0	3	3	3

EFFICIENCY MEASURES:

PER DIEM RATES

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Developmental Disabilities	$271.5	$287.7		
Nursing Facility	84.5	114.9		

Total per diem costs to support following activities:

- Onsite residential, medical and day habilitation programming
- 4 waivered homes
- Present and developing SOCS homes
- Community outreach activities
- Temporary care "Crisis Intervention"
- Community Health Clinic
- Supportive Employment
- Present - developing community day habilitation sites
- Expanding regional outreach activities
- Community support team to support persons "at risk" in the community.

REVENUE GENERATION:

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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: FARIBAULT RC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	35,862	34,505	30,081	30,236	29,481	28,537	30,236	29,481	28,537
EXPENSES/CONTRACTUAL SRVCS	690	1,653	1,147	1,184	1,184	1,184	1,184	1,184	1,184
MISC OPERATING EXPENSES	987	826	1,048	1,048	1,048	1,048	1,048	1,048	1,048
SUPPLIES/MATERIALS/PARTS	2,355	2,289	2,284	2,222	2,222	2,222	2,222	2,222	2,222
CAPITAL EQUIPMENT	258	326	7	95	95	95	6	6	6
OTHER		35							
SUBTOTAL STATE OPERATIONS	40,152	39,634	34,567	34,785	34,030	33,086	34,696	33,941	32,997
AIDS TO INDIVIDUALS	1	26							
TOTAL EXPENDITURES	40,153	39,660	34,567	34,785	34,030	33,086	34,696	33,941	32,997
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<944>			<944>
TOTAL GOV'S INITIATIVES						<944>			<944>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	37,841	36,116	31,697	31,925	31,170	30,226	31,836	31,081	30,137
STATUTORY APPROPRIATIONS:									
GENERAL	1,657	2,885	2,127	2,117	2,117	2,117	2,117	2,117	2,117
SPECIAL REVENUE	140	153	203	203	203	203	203	203	203
FEDERAL	6	6							
AGENCY	507	496	525	525	525	525	525	525	525
GIFTS AND DEPOSITS	2	4	15	15	15	15	15	15	15
TOTAL FINANCING	40,153	39,660	34,567	34,785	34,030	33,086	34,696	33,941	32,997

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: FARIBAULT RC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	931.9	917.9	730.4	730.4	730.4	730.4	730.4	730.4	730.4
TOTAL POSITIONS	931.9	917.9	730.4	730.4	730.4	730.4	730.4	730.4	730.4

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BUDGET ACTIVITY: Fergus Falls Regional Treatment Center
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Fergus Falls Regional Treatment Center (FFRTC) provides inpatient and outpatient care, treatment, rehabilitation, and habilitation services to the mentally ill (MI), chemically dependent (CD), and developmentally disabled (DD) clients. The majority of residents are from 17 northwest counties of Minnesota, although client referrals are from throughout the state.

FFRTC provides a range of acute and extended care inpatient services and outpatient CD services. Other treatment opportunities are developed by contractual and shared service agreements with community human services agencies. Such agreements are designed to extend the services of state staff into the community to enhance community program, are needed to expand opportunity for client treatment choice, and improve the availability and cost effectiveness of services for residents of northwestern Minnesota.

ACTIVITY OUTCOME OBJECTIVES:

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 the shortest length of stay possible, to make documented progress toward personal habilitative and rehabilitative goals which are necessary for their successful reintegration into normal community life.

PERFORMANCE MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness - Adult				
Median length of current hospitalization - total census excluding 72-hour hold orders	63	60	60	59
Percent of readmissions within 30 days of discharge	8	8	8	8
Discharge median length of stay (days) - excluding 72-hour hold orders	49	49	48	48
Developmental Disabilities				
Client population beginning of F.Y.	118	107	97	85
Percent of residents placed	15	15	10	10
Percent in continued placement:				
- 3 months	94	95	95	95
- 1 year	94	95	95	95
Number of individuals discharged from crisis service	8	8	7	6
Chemical Dependency				
Average length of stay (days):				
- Primary	27	27	27	27
- Extended	55	55	54	54
- Detox	2	2	2	2
Percent of clients completing treatment	74	75	76	76
Percent of clients maintaining sobriety for 6 months	68	70	70	70

EFFICIENCY MEASURES:

PER DIEM RATES	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness	$257.95	$251.60		
Developmental Disabilities	271.45	287.70		
Chemical Dependency				
Primary	175.00	175.00		
Extended	140.00	140.00		
Specialized Programs (average)	198.00	198.00		
Outpatient (per hour)	33.00	33.00		

REVENUE GENERATION:

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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: FERGUS FALLS RTC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	20,820	20,774	19,908	20,275	20,275	19,640	20,275	20,275	19,640
EXPENSES/CONTRACTUAL SRVCS	406	274	574	598	598	598	598	598	598
MISC OPERATING EXPENSES	1,199	1,214	1,265	660	660	660	660	660	660
SUPPLIES/MATERIALS/PARTS	1,097	1,318	1,295	1,618	1,618	1,618	1,618	1,618	1,618
CAPITAL EQUIPMENT	118	52	125	146	146	146	83	83	83
OTHER	128	121	546	546	546	546	546	546	546
SUBTOTAL STATE OPERATIONS	23,768	23,753	23,713	23,843	23,843	23,208	23,780	23,780	23,145
AIDS TO INDIVIDUALS	8	33	2	2	2	2	2	2	2
TOTAL EXPENDITURES	23,776	23,786	23,715	23,845	23,845	23,210	23,782	23,782	23,147
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<635>			<635>
TOTAL GOV'S INITIATIVES						<635>			<635>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	20,140	20,444	20,287	21,088	21,088	20,453	21,025	21,025	20,390
STATUTORY APPROPRIATIONS:									
GENERAL	980	887	852	181	181	181	181	181	181
SPECIAL REVENUE	21	18	39	39	39	39	39	39	39
FEDERAL	10								
AGENCY	361	389	438	438	438	438	438	438	438
GIFTS AND DEPOSITS	4	2							
ENTERPRISE	2,260	2,046	2,099	2,099	2,099	2,099	2,099	2,099	2,099
TOTAL FINANCING	23,776	23,786	23,715	23,845	23,845	23,210	23,782	23,782	23,147

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: FERGUS FALLS RTC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	477.3	474.2	415.8	415.8	415.8	415.8	415.8	415.8	415.8
ENTERPRISE	38.5	41.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
TOTAL POSITIONS	515.8	515.2	449.8	449.8	449.8	449.8	449.8	449.8	449.8

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BUDGET ACTIVITY: Moose Lake Regional Treatment Center
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

Moose Lake Regional Treatment Center (MLRTC) serves mentally ill, chemically dependent, and developmentally disabled patients in northeastern Minnesota. In each of the listed disabilities, highly specialized programs have been developed in response to the type of patients coming to the center. All of the patients admitted for treatment have acute or chronic disabilities exacerbated by one or more additional problems. The mental illness program includes a large number of older adults for whom short-term intensive treatment is not clinically indicated and therefore the median length of stay is skewed. Alternate treatments have been ineffective or unavailable. MLRTC provides a full range of community support services including technical assistance, crisis intervention, state operated residential and day program services, supported employment, consultation, and training.

ACTIVITY OUTCOME MEASURES:

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.

PERFORMANCE MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness - Adult				
Median length of current hospitalization (days) total census excluding 72-hour hold orders	93	84	76	69
Percent of readmissions within 30 days of discharge	13	10	10	10
Discharge median length of stay (days) - excluding 72-hour hold orders	55	50	50	50
Developmental Disabilities				
Client population beginning of F.Y.	63	43	28	27
Percent of residents placed	33	34	5	5
Percent in continued placement:				
- 3 months	95	95	95	95
- 1 year	95	95	95	95
Number of individuals discharged from crisis service	0	2	6	6
Chemical Dependency				
Average length of stay (days):				
- Primary	26	26	26	26
- Extended	50	50	50	50
Percent of clients completing treatment	75	78	80	80
Percent of clients maintaining sobriety for 6 months	36	40	45	45

EFFICIENCY MEASURES:

PER DIEM RATES

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness	$210.5	$231.5		
Developmental Disabilities	271.5	287.7		
Chemical Dependency				
Primary	189.0	189.0		
Extended	119.0	119.0		
Outpatient (per hour)	25.0	25.0		

REVENUE GENERATION:

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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: MOOSE LAKE RTC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	18,302	18,529	17,779	17,887	17,685	17,130	17,887	17,685	17,130
EXPENSES/CONTRACTUAL SRVCS	756	734	523	548	548	548	548	548	548
MISC OPERATING EXPENSES	656	716	684	684	684	684	669	669	669
SUPPLIES/MATERIALS/PARTS	1,371	1,481	1,692	1,685	1,685	1,685	1,685	1,685	1,685
CAPITAL EQUIPMENT	24	124	30	81	81	81	25	25	25
OTHER	122	116	727	727	727	727	727	727	727
SUBTOTAL STATE OPERATIONS	21,231	21,700	21,435	21,612	21,410	20,855	21,541	21,339	20,784
AIDS TO INDIVIDUALS		15							
TOTAL EXPENDITURES	21,231	21,715	21,435	21,612	21,410	20,855	21,541	21,339	20,784
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<555>			<555>
TOTAL GOV'S INITIATIVES						<555>			<555>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	18,330	19,168	18,713	18,890	18,688	18,133	18,819	18,617	18,062
STATUTORY APPROPRIATIONS:									
GENERAL		1	191	191	191	191	191	191	191
SPECIAL REVENUE	13	16	12	12	12	12	12	12	12
AGENCY	430	484	440	440	440	440	440	440	440
ENTERPRISE	2,458	2,046	2,079	2,079	2,079	2,079	2,079	2,079	2,079
TOTAL FINANCING	21,231	21,715	21,435	21,612	21,410	20,855	21,541	21,339	20,784

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: MOOSE LAKE RTC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	439.6	430.1	384.4	384.4	384.4	384.4	384.4	384.4	384.4
ENTERPRISE	45.8	47.8	36.6	36.6	36.6	36.6	36.6	36.6	36.6
TOTAL POSITIONS	485.4	477.9	421.0	421.0	421.0	421.0	421.0	421.0	421.0

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BUDGET ACTIVITY: St. Peter Regional Treatment Center
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

The Mental Illness (MI), Chemical Dependency (CD), and Developmentally Disabled (DD) Divisions of St. Peter Regional Treatment Center (SPRTC) provides inpatient care, treatment, rehabilitation, and habilitation services to mentally ill, chemically dependent, and developmentally disabled clients.

The MI Division has 5 treatment units offering a continuum of care to adults suffering from acute and chronic major mental illness. The division also offers specialized treatment services to clients who are hearing impaired and mentally ill. The CD Division offers both in-patient and out-patient treatment services. Specialized programs for women and individuals with both chemically dependency and psychiatric problems are also available. The DD Division operates a highly effective day activity program, as well as excellent vocational training program, which is focussed on facilitating community integration.

In carrying out these activities, SPRTC is developing local relationships with the community, and meeting identified needs within the service area. All programs deliver quality care to clients in the least restrictive environment.

ACTIVITY OUTCOME OBJECTIVES:

To provide active treatment consistent with industry standards, 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.

PERFORMANCE MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness - Adult				
Median length of current hospitalization - total census excluding 72-hour hold orders	95	90	85	85
Percent of readmissions within 30 days of discharge	12	12	12	12
Discharge median length of stay (days) - excluding 72-hour hold orders	70	65	60	60
Developmental Disabilities				
Client population beginning of F.Y.	104	86	70	60
Percent of residents placed	31	35	40	45
Percent in continued placement:				
■ 3 months	93	93	93	93
■ 1 year	93	93	93	93
Number of individuals discharged from crisis service	1	10	20	30
Chemical Dependency				
Average length of stay (days):				
■ Primary	28	28	28	28
■ Extended	48	48	48	48
Percent of clients completing treatment	74	75	75	75
Percent of clients maintaining sobriety for 6 months	80	80	80	80

EFFICIENCY MEASURES:

PER DIEM RATES

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness	$206.6	$228.7		
Developmental Disabilities	271.5	287.7		
Chemical Dependency				
Primary	150.0	150.0		
Extended	105.0	105.0		
Specialized Programs (Average)	128.8	128.8		
Outpatient (4 weeks, 5 days/wk + 12 aftercare sessions)	1,200.0	1,200.0		

REVENUE GENERATION:

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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: ST PETER RTC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	22,298	22,730	22,311	22,452	22,452	21,699	22,452	22,452	21,696
EXPENSES/CONTRACTUAL SRVCS	1,334	1,008	944	992	992	992	992	992	992
MISC OPERATING EXPENSES	1,583	1,651	1,758	1,758	1,758	1,758	1,758	1,758	1,758
SUPPLIES/MATERIALS/PARTS	2,635	2,736	2,910	2,856	2,856	2,856	2,856	2,856	2,856
CAPITAL EQUIPMENT	74	200	50	139	139	139	2	2	2
OTHER	103	81	411	411	411	411	411	411	411
SUBTOTAL STATE OPERATIONS	28,027	28,406	28,384	28,608	28,608	27,855	28,471	28,471	27,715
AIDS TO INDIVIDUALS	3	46	4	4	4	4	4	4	4
TOTAL EXPENDITURES	28,030	28,452	28,388	28,612	28,612	27,859	28,475	28,475	27,719
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<753>			<756>
TOTAL GOV'S INITIATIVES						<753>			<756>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	25,867	26,343	26,084	26,328	26,328	25,575	26,191	26,191	25,435
STATUTORY APPROPRIATIONS:									
GENERAL	79	33	114	94	94	94	94	94	94
SPECIAL REVENUE	46	156	72	72	72	72	72	72	72
FEDERAL	1	14	15	15	15	15	15	15	15
AGENCY	814	916	970	970	970	970	970	970	970
GIFTS AND DEPOSITS			3	3	3	3	3	3	3
ENDOWMENT			6	6	6	6	6	6	6
ENTERPRISE	1,223	990	1,124	1,124	1,124	1,124	1,124	1,124	1,124

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: ST PETER RTC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL FINANCING	28,030	28,452	28,388	28,612	28,612	27,859	28,475	28,475	27,719
POSITIONS BY FUND:									
GENERAL	561.4	569.0	498.2	498.2	498.2	498.2	498.2	498.2	498.2
ENTERPRISE	19.0	19.1	19.1	19.1	19.1	19.1	19.1	19.1	19.1
TOTAL POSITIONS	580.4	588.1	517.3	517.3	517.3	517.3	517.3	517.3	517.3

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BUDGET ACTIVITY: Minnesota Security Hospital
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

Minnesota Security Hospital (MSH) provides multi-disciplinary forensic evaluation and therapy services in a 266-bed, secure setting located at the St. Peter Regional Treatment Center (RTC). This facility serves adults 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. Included within this population are individuals who have been committed under the Psychopathic Personality statute. These disorders may manifest in severely sexually aggressive behaviors, which presents an imminent danger of grave harm to others. The need for appropriate protection of society from such aggressive and dangerous individuals is a recognized function of our mission.

A multi-disciplinary approach (psychiatric, medical, psychological, social, nursing, behavior analysis, vocational, educational, and activity therapy services) is used to treat mental illness and modify behavior. The goal of treatment is to improve the functioning of individuals in order that they may return to society. MSH also serves as a resource for individuals who need long-term care and a secure setting due to the chronicity and intractability of their illness, and persistence of their dangerousness.

ACTIVITY OUTCOME OBJECTIVES:

The primary purpose is to provide quality forensic services to the court system and to safeguard, treat, habilitate, and rehabilitate mentally ill and dangerous clients 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.

PERFORMANCE MEASURES:

Security Hospital	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Average Length of stay (days):				
■ Court ordered evaluations	46	46	46	46
■ Treatment	610	620	630	640
Occupancy rate	93	95	96	96

EFFICIENCY MEASURES:

PER DIEM RATE

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Security Hospital	$206.7	$228.7		

REVENUE GENERATION:

Expenditures for this activity are included in rates calculated for the 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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: SECURITY HOSPITAL

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	9,364	10,237	12,382	12,441	12,441	11,950	12,441	12,441	11,929
EXPENSES/CONTRACTUAL SRVCS	1	1	1	1	1	1	1	1	1
SUPPLIES/MATERIALS/PARTS	18	12	18	18	18	18	18	18	18
OTHER	<28>	<15>							
SUBTOTAL STATE OPERATIONS	9,355	10,235	12,401	12,460	12,460	11,969	12,460	12,460	11,948
TOTAL EXPENDITURES	9,355	10,235	12,401	12,460	12,460	11,969	12,460	12,460	11,948
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<491>			<512>
TOTAL GOV'S INITIATIVES						<491>			<512>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	9,331	10,220	12,374	12,433	12,433	11,942	12,433	12,433	11,921
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	24	15	27	27	27	27	27	27	27
TOTAL FINANCING	9,355	10,235	12,401	12,460	12,460	11,969	12,460	12,460	11,948
POSITIONS BY FUND:									
GENERAL	267.0	267.0	293.2	293.2	293.2	293.2	293.2	293.2	293.2
TOTAL POSITIONS	267.0	267.0	293.2	293.2	293.2	293.2	293.2	293.2	293.2

BUDGET ACTIVITY: Willmar Regional Treatment Center
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

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 services as the primary public agency in providing inpatient services to patient/residents who need assistance in dealing with problems associated with mental illness (MI), chemical dependency (CD), or developmental disabilities. Specialized programs which serve all counties in Minnesota include: 1) adolescent treatment, 2) a protective component unit for adolescents, 3) Methadone withdrawal, and 4) MI/CD dual disability.

ACTIVITY OUTCOME OBJECTIVES:

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.

PERFORMANCE MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness - Adult				
Median length of current hospitalization (days) - total census excluding 72-hour hold orders	96	95	93	90
Percent of readmissions within 30 days of discharge	11	11	11	11
Discharge median length of stay (days) - excluding 72-hour hold orders	69	67	65	63
Mental Illness - Adolescent				
Median length of current hospitalization (days)	163	159	155	150
Percent of readmissions within 30 days of discharge	5	5	5	5
Developmental Disabilities				
Client population beginning of F.Y.	59	51	49	45
Percent of residents placed	44	39	35	30
Percent in continued placement:				
■ 3 months	93	93	95	95
■ 1 year	93	93	95	95
Number of individuals discharged from crisis service	N/A	7	10	12
Chemical Dependency				
Average length of stay (days):				
■ Primary	27	28	28	30
■ Extended	41	42	40	40
Percent of clients completing treatment	66	70	71	75
Percent of clients maintaining sobriety for 6 months	75	75	75	75

EFFICIENCY MEASURES:

PER DIEM RATES

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Mental Illness	$222.4	$234.9		
Developmental Disabilities	271.5	287.7		
Chemical Dependency				
Primary	145.0	145.0		
Extended	100.0	100.0		
Specialized Programs (Average)	170.0	170.0		
Outpatient (per hour)	34.0	34.0		

Pursue partnerships with other public and private organizations to provide shared services agreements and services to other providers as downsizing occurs. This would provide additional revenues to WRTC in addition to maximizing the utilization of staff.

Lease vacant or under-used areas on a revenue basis or in return for needed services.

Complete the installation of a new computer system to provide staff with increased information handling capabilities in a more efficient manner. In addition, locate up-to-date equipment throughout the campus to increase efficiencies.

REVENUE GENERATION:

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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: WILLMAR RTC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	24,479	24,861	25,305	25,410	25,410	24,588	25,410	25,410	24,588
EXPENSES/CONTRACTUAL SRVCS	1,014	608	773	762	762	762	762	762	762
MISC OPERATING EXPENSES	846	919	933	933	933	933	933	933	933
SUPPLIES/MATERIALS/PARTS	1,760	1,922	2,057	2,049	2,049	2,049	2,049	2,049	2,049
CAPITAL EQUIPMENT	112	203	52	126	126	126	29	29	29
OTHER	72	62	351	351	351	351	351	351	351
SUBTOTAL STATE OPERATIONS	28,283	28,575	29,471	29,631	29,631	28,809	29,534	29,534	28,712
AIDS TO INDIVIDUALS	6	28	5	5	5	5	5	5	5
TOTAL EXPENDITURES	28,289	28,603	29,476	29,636	29,636	28,814	29,539	29,539	28,717
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<822>			<822>
TOTAL GOV'S INITIATIVES						<822>			<822>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	25,975	26,210	26,992	27,189	27,189	26,367	27,092	27,092	26,270
STATUTORY APPROPRIATIONS:									
GENERAL	146	262	424	387	387	387	387	387	387
SPECIAL REVENUE	6	6	8	8	8	8	8	8	8
FEDERAL	35	33	62	62	62	62	62	62	62
AGENCY	761	826	796	796	796	796	796	796	796
GIFTS AND DEPOSITS	4	2							
ENTERPRISE	1,362	1,264	1,194	1,194	1,194	1,194	1,194	1,194	1,194
TOTAL FINANCING	28,289	28,603	29,476	29,636	29,636	28,814	29,539	29,539	28,717

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: WILLMAR RTC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	588.2	586.8	542.9	542.9	542.9	542.9	542.9	542.9	542.9
FEDERAL	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
ENTERPRISE	26.6	27.6	24.0	24.0	24.0	24.0	24.0	24.0	24.0
TOTAL POSITIONS	615.8	615.4	567.9	567.9	567.9	567.9	567.9	567.9	567.9

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BUDGET ACTIVITY: Rochester State Hospital
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

Rochester State Hospital, which closed on 6-30-82, provided treatment and evaluations for mentally ill, developmentally disabled, or chemically dependent.

ACTIVITY OUTCOME OBJECTIVES:

To provide payments, as mandated by the Workers Compensation Act, to former employees of Rochester State Hospital.

PERFORMANCE MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of worker's compensation cases	8	7	7	7

REVENUE GENERATION:

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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: ROCHESTER STATE HOSPITAL

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	70	133	100	100	100	97	100	100	97
EXPENSES/CONTRACTUAL SRVCS	3								
SUPPLIES/MATERIALS/PARTS	1								
SUBTOTAL STATE OPERATIONS	74	133	100	100	100	97	100	100	97
TOTAL EXPENDITURES	74	133	100	100	100	97	100	100	97
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<3>			<3>
TOTAL GOV'S INITIATIVES						<3>			<3>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	74	133	100	100	100	97	100	100	97
TOTAL FINANCING	74	133	100	100	100	97	100	100	97
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Developmental Disability State-Operated Community Services
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

This activity supports the deinstitutionalization policy of the state for persons with developmental disabilities and consists of three components: Community Support Services, State-Operated Community Residential Services, and State-Operated Day Treatment and Habilitation Services.

All regional treatment center mental retardation programs operate Community Support Services. These services include technical support for persons at risk of regional center placement. The technical support includes behavioral and psychological assessment, program development, hands on program implementation support, staff training, and emergency short term placement.

There are 7 state operated waiver residential programs and 7 intermediate care facilities for the mentally retarded (ICFs/MR) residential programs in operation. These programs serve persons with developmental disabilities in 4 and 6-bed programs located in residential neighborhoods that allow for integration of the activities of daily living with non-disabled persons. Three ICF/MR residential programs are to be opened by 9-92 and 5 projected to be opened by 2-93.

There is 1 state operated day training and habilitation program in operation and 2 under development that will be in operation by 9-92. These programs are located in local communities that allow for integration of vocational activities with non-disabled persons.

ACTIVITY OUTCOME OBJECTIVES:

To stabilize individuals in their current placements and avoid the need for admission to the regional center. To decrease the length of stay in the regional center. To enhance the community service providers capacity to serve individuals with challenging behaviors.

To maintain stability in placement for individuals residing in waiver services and ICF/MR residential homes. To operate within the licensing requirements for operating in the homes.

To maintain stability in placement for individuals residing in these programs. To perform within the licensing requirements for operating the programs.

PERFORMANCE MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Community Support Services				
End of FY RTC in-house DD population	1,033	846	721	601
Percent of individuals identified at risk remaining in the community 6 months after initial contract with RTCs	50	60	65	70
Percent of RTC admissions under Temporary Care status	40	45	50	55
State-Operated Community Residential Services				
Number of individuals served	63	118	118	118
Number of licensed sites	13	22	22	22
State-Operated Community Day Treatment and Habilitation Services				
Number of individuals served	16	30	30	30
Number of licensed sites	2	3	3	3

REVENUE GENERATION:

Programs are funded through the Home and Community-Based Waiver Program and rates established under M.R. 9553.0010 to 9553.0890 and M.S. 252.46.

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 revenue is found on the Reimbursement Division budget page.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: DD SOCS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES		1,427	4,554	4,567	5,646	5,462	4,567	5,646	5,462
EXPENSES/CONTRACTUAL SRVCS	27	96	166	166	166	166	166	166	166
MISC OPERATING EXPENSES		22	43	43	43	43	43	43	43
SUPPLIES/MATERIALS/PARTS	69	421	1,651	1,651	1,651	1,651	1,651	1,651	1,651
CAPITAL EQUIPMENT	243	606							
OTHER	4	6							
SUBTOTAL STATE OPERATIONS	343	2,578	6,414	6,427	7,506	7,322	6,427	7,506	7,322
TOTAL EXPENDITURES	343	2,578	6,414	6,427	7,506	7,322	6,427	7,506	7,322
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<184>			<184>
TOTAL GOV'S INITIATIVES						<184>			<184>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	343	2,578	6,414	6,427	7,506	7,322	6,427	7,506	7,322
TOTAL FINANCING	343	2,578	6,414	6,427	7,506	7,322	6,427	7,506	7,322
POSITIONS BY FUND:									
GENERAL	.0	21.4	175.4	175.4	175.4	175.4	175.4	175.4	175.4
TOTAL POSITIONS	.0	21.4	175.4	175.4	175.4	175.4	175.4	175.4	175.4

BUDGET ACTIVITY: Ah-Gwah-Ching Center
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

Ah-Gwah-Ching Center (AGCC) is a 343-bed nursing home facility which also has 40 Rule 35 chemical dependency beds. It provides 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 chemical dependency. The services provided include behavior management, rehabilitation, and nursing home care for the elderly client and treatment for the chronic, long-term chemically dependent client.

Traditionally, the center only accepted residents from state hospitals, but today the center admits residents from different providers throughout the state. In terms of state operated facilities, the center accepts residents from the veterans homes, Department of Corrections, and several of the state regional treatment centers. The center receives more than half (55%) of its admissions from community nursing homes and hospitals and the VA system.

ACTIVITY OUTCOME OBJECTIVES:

To provide nursing care and treatment consistent with industry standards and state and federal regulations for elderly persons with complex medical conditions and challenging behaviors, and long-term, chronic chemically dependent persons. 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.

PERFORMANCE MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Nursing Facilities				
Median length of current inpatient stay (days)	1,093	1,106	1,075	1,025
Median discharge length of stay (days)	1,115	1,206	1,250	1,200
Number of individuals discharged to community facility	30	32	34	32
Percent of individuals discharged to community facility	71	75	76	80
Chemical Dependency				
Average length of stay (days)				
- Extended	154	140	140	140
Percent of clients completing treatment	63	65	65	65
Percent of clients maintaining sobriety for 6 months	37.5	37.5	37.5	37.5

EFFICIENCY MEASURES:

PER DIEM RATES

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Nursing Facility	$81.4	$101.2		
Chemical Dependency				
Extended	95.0	95.0		
Outpatient (per hour)	21.0	21.0		

REVENUE GENERATION:

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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: AH-GWAH-CHING NURSING HOME

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	11,229	11,565	12,204	12,273	12,273	11,878	12,273	12,273	11,878
EXPENSES/CONTRACTUAL SRVCS	483	305	458	444	444	444	444	444	444
MISC OPERATING EXPENSES	382	417	503	503	503	503	503	503	503
SUPPLIES/MATERIALS/PARTS	1,069	1,151	1,353	1,375	1,375	1,375	1,375	1,375	1,375
CAPITAL EQUIPMENT	96	122	170	223	223	223	138	138	138
OTHER	49	52	248	248	248	248	248	248	248
SUBTOTAL STATE OPERATIONS	13,308	13,612	14,936	15,066	15,066	14,671	14,981	14,981	14,586
AIDS TO INDIVIDUALS		16							
TOTAL EXPENDITURES	13,308	13,628	14,936	15,066	15,066	14,671	14,981	14,981	14,586
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<395>			<395>
TOTAL GOV'S INITIATIVES						<395>			<395>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	12,262	12,518	13,594	13,724	13,724	13,329	13,639	13,639	13,244
STATUTORY APPROPRIATIONS:									
GENERAL	110	103	205	205	205	205	205	205	205
SPECIAL REVENUE	1	1	1	1	1	1	1	1	1
FEDERAL	7	7	8	8	8	8	8	8	8
AGENCY	248	266	330	330	330	330	330	330	330
GIFTS AND DEPOSITS	7	6	18	18	18	18	18	18	18
ENDOWMENT		15							
ENTERPRISE	673	712	780	780	780	780	780	780	780

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: AH-GWAH-CHING NURSING HOME

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL FINANCING	13,308	13,628	14,936	15,066	15,066	14,671	14,981	14,981	14,586
POSITIONS BY FUND:									
GENERAL	305.0	303.3	295.3	295.3	295.3	295.3	295.3	295.3	295.3
ENTERPRISE	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
TOTAL POSITIONS	316.0	314.3	306.3	306.3	306.3	306.3	306.3	306.3	306.3

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BUDGET ACTIVITY: Oak Terrace Nursing Home
PROGRAM: Community Mental Health and Regional Treatment Center Administration
AGENCY: Human Services, Department of

ACTIVITY DESCRIPTION:

Oak Terrace Nursing Home, which closed on 6-30-91, provided skilled nursing care and mental health services to elderly persons with behavioral disabilities and complex medical conditions. The catchment area included 12 southeast Minnesota counties.

ACTIVITY OUTCOME OBJECTIVES:

To provide payments, as mandated by the Workers Compensation Act, to former employees of Oak Terrace Nursing Home.

PERFORMANCE MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of worker's compensation cases	20	20	20	20

REVENUE GENERATION:

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.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: OAK TERRACE NURSING HOME

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	5,597	679	120	120	120	116	120	120	116
EXPENSES/CONTRACTUAL SRVCS	498	276							
MISC OPERATING EXPENSES	286	63							
SUPPLIES/MATERIALS/PARTS	321	95							
CAPITAL EQUIPMENT	6								
SUBTOTAL STATE OPERATIONS	6,708	1,113	120	120	120	116	120	120	116
TOTAL EXPENDITURES	6,708	1,113	120	120	120	116	120	120	116
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<4>			<4>
TOTAL GOV'S INITIATIVES						<4>			<4>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	6,528	1,111	120	120	120	116	120	120	116
STATUTORY APPROPRIATIONS:									
GENERAL	12	2							
AGENCY	161								
GIFTS AND DEPOSITS	7								
TOTAL FINANCING	6,708	1,113	120	120	120	116	120	120	116
POSITIONS BY FUND:									
GENERAL	229.5	.0	.0	.0	.0	.0	.0	.0	.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HUMAN SERVICES, DPT
PROGRAM: COMMUNITY MH SERV & RTC ADMIN
ACTIVITY: OAK TERRACE NURSING HOME

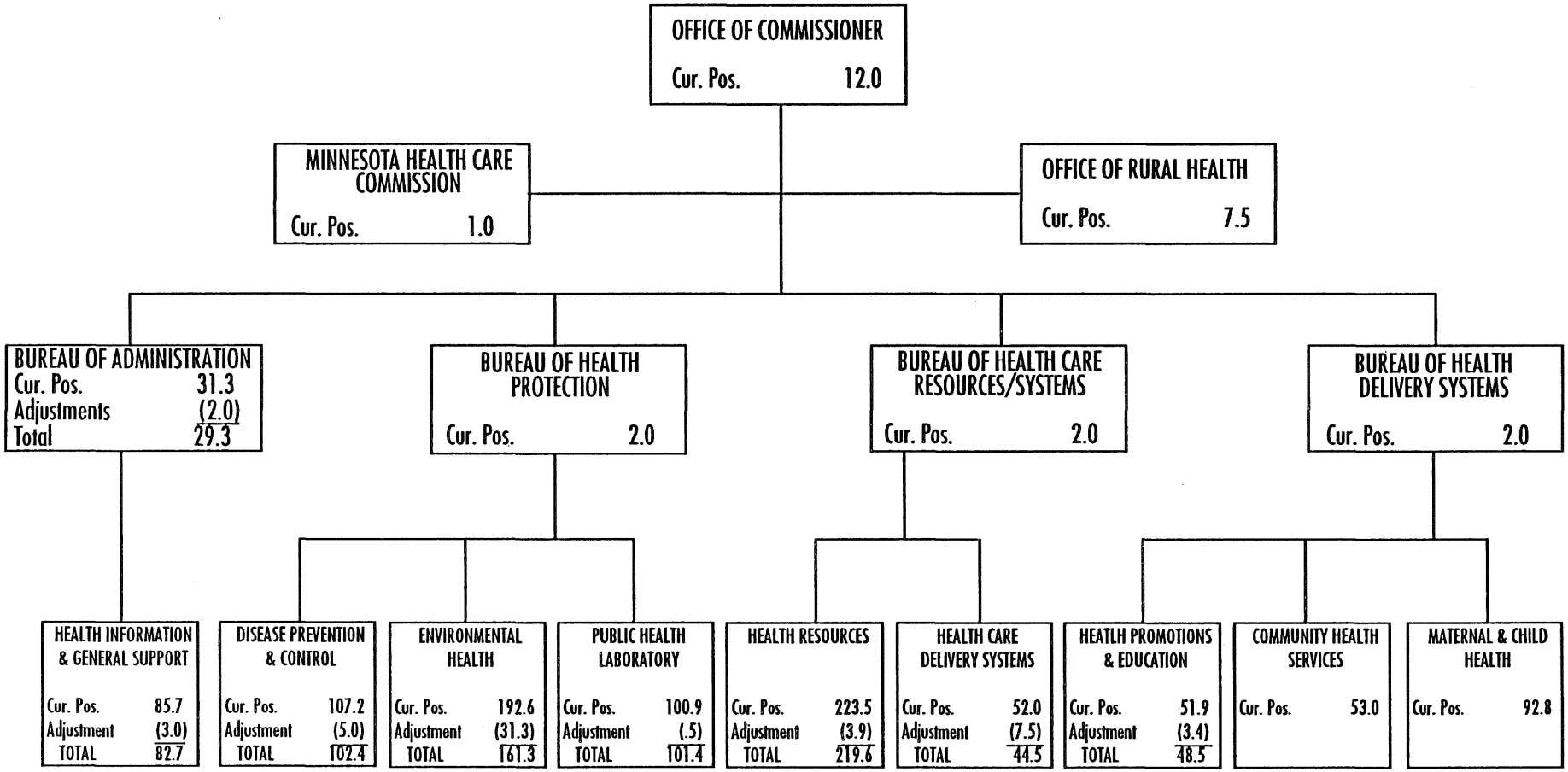
				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
TOTAL POSITIONS	229.5	.0	.0	.0	.0	.0	.0	.0	.0

1994-95 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: HEALTH, DEPARTMENT OF

Department of Health
Organization Chart 7/1/92



Department of Health

Position and Employee Status Information

Position Reconciliation:

Authority	Current F.Y. 1993	Requested for 6/30/95
Legislative Complement:		
General Fund	400.7	170.6
State Government S.R.	9.5	188.6
Health Care Access	24.0	24.0
Special Revenue	312.0	344.0
Trunk Highway	14.5	14.5
Federal	224.7	218.5
Metro Landfill Contingency	1.0	1.8
Gift	6.0	
Budgetary Authorized:		
Special Revenue	21.0	
LAC Approved:		
Federal	4.0	-0-
Total Permanent Positions	1,017.4	962.0
Other Complement (FTE)	55.3	55.3
TOTAL Positions	1,072.7	1,017.3
Employees on 6/30/92	962.0	

Employees by Employment Status:

	6/30/92
Full-Time Unlimited	845
Full-Time Temporary	53
Full-Time Emergency	1
Full-Time Seasonal	2
Part-Time Unlimited	24
Part-Time Temporary	25
Part-Time Seasonal	12
TOTAL	962

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Health, Department of **Fund:** General

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$48,367	$48,380	$96,747
Forecast Adjustments	2,451	1,320	3,771
AGENCY BASE	$50,818	$49,700	$100,518
Inflation Cost Increase	628	1,017	1,645
Agency Management Decisions			
Consolidation and Reductions:			
Supplies & Expense Reduction	(99)	~~(173)~~	~~(272)~~
Equipment Purchase Delay	-0-	(39)	(39)
Marketing/Advertising Reduction	(600)	(600)	(1,200)
Eliminate Positions	(466)	(888)	(1,354)
Hold Positions Vacant	(323)	(399)	(722)
Restructuring & Cost Improvements:			
Maximize the use of non-GF Resoures	(230)	(429)	(659)
Absorb Supplies/Expense Inflation	(37)	(75)	(112)
Molecular Epidemiology Testing	122	108	230
Office of Mental Health Practice	100	100	200
Discontinue Infectious Waste Program	(114)	(114)	(228)
Decrease for Drinking Water Lab Analyis Cost	(924)	(326)	(1,250)
Transfers:			
Revenue Generating Programs to SGSR Fund	(14,170)	(13,379)	(27,549)
OSHA Program to the Department of Labor and Industry	(416)	(416)	(832)
Maternal and Child Activities from DHS	859	859	1,718
Grant Reductions	(693)	(762)	(1,524)
Subtotal	$(16,991)	$(16,533)	$(33,524)
TOTAL AGENCY PLAN	$34,455	$34,184	$68,639
Governor's Initiatives			
MCH Special Projects Grant	1,110	1,110	2,220
Family Planning Special Project Grant	2,000	2,000	4,000
AIDS Prevention Grant	93	93	186
~~Transfer Fetal Alcohol Syndrome Grant from Department of Public Safety~~	~~200~~	~~200~~	~~400~~
Transfer School Health to MDC	(28)	(55)	(83)
Transfer Home Visiting Program to MDC		(300)	(300)
Salary Planning Estimates	(257)	(249)	(506)
GOVERNOR'S RECOMMENDATION	~~$37,573~~ 37,373	~~$36,983~~ 36,783	~~$74,556~~ 74,156

Brief Explanation of Agency's Overall Actions:
The plan includes the transfer of all revenue generating activities from the General Fund to the State Government Special Revenue Fund and the transfer of the Occupational Health and Safety Activity to the Department of Labor and Industry.

The agency will implement various restructuring, consolidation and reduction plans in order to generate savings of approximately $1,165,000 in F.Y. 1994 and $1,700,000 in F.Y. 1995. These plans will include improving the use of computer technology, discontinue discretionary training, reorganizing staff and discontinuing activities. These actions will not affect response to emergency activities for which the department is responsible, i.e., food born disease outbreaks, and they will not affect activities of a higher risk nature. However, routine activities may be delayed, put on a less frequent schedule, or in some cases discontinued.

The agency will attempt to identify non-General Fund sources for 5.5 FTE positions in F.Y. 1994 and 6.8 FTE in F.Y. 1995. The majority of the funding will be federal. Therefore, the level of funding is uncertain, and as a result, the department will be more reliant on these funds to maintain the same level of services. If other funds are available, there will be no reduction in current level of services.

The plan includes transfer of base funding to the Public Health Laboratory for a new method of detecting TB ($230,000), General Fund support for the Office of Mental Health Practice for complaint investigation ($200,000) and transfer of $1,718,000 from the Department of Human Services for Maternal and Child Health activities.

Nearly 68% of the agency's General Fund appropriations are allocated for various grants. The agency made special efforts to minimize the reductions in grant activities.

As a result of a competitive bid process and an increase in laboratory technology, funds previously requested for water testing are reduced $924,000 in F.Y. 1994 and $326,000 in F.Y. 1995.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions Eliminated	15.7	18.0
Additional Vacancies Required	12.0	12.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Nondedicated:			
Agency Plan	$(410)	$(20)	$(430)
Transfer Revenue Generating Programs to State Government Special Revenue	$(14,170)	$(13,379)	$(27,549)

4. Affected Statutes:
M.S. 116.79

~~REVISED 2-4-93~~
Revised 3-16-93

5. Governor's Recommendation

The Governor recommends a biennial appropriation of ~~$74,556,000~~ 74,156,000 for the Minnesota Department of Health (MDH) which includes part of the children's integrated budget. The recommended increase in the Maternal and Child Health Special Project Grant Program and the Family Planning special Grant Program are detailed in the investment initiative pages following the Health Delivery Systems Program. A summary of the entire integrated children's budget is described in the Department of Children and Education Services.

The Governor recommends transferring a school health position and the Home Visiting Program to the new Department of Children and Education Services. These functions will join other activities to facilitate statewide coordination of child abuse prevention and improved health status.

The Governor recommends coordination through interagency agreements in the areas of maternal and child health, including women, infant, children (WIC) efforts. An additional area of interagency cooperation is coordination of effort in lead and lead poisoning issues.

As a disciplined and structured process for system analysis and evaluation is implemented, it is contemplated that other responsibilities will be moved to the new ~~division~~ department over the next years.

~~The Governor recommends transferring the funding supporting an existing interagency agreement to the MDH from the Department of Public Safety. The interagency agreement charges MDH to design and implement a coordinated prevention effort designed to reduce the rates of fetal alcohol syndrome and drug exposed infants. This recommendation allows the funding to be located in the department providing the service.~~

The Governor's recommendation includes restoration of $186,000 for the AIDS Grant Program.

The Governor recommends consolidating existing dedicated sources of funding for solid waste management and landfill cleanup into a single source. Revenues now deposited into the Metropolitan Landfill Contingency Action Trust Funds will be transferred to the Landfill Cleanup account in the Environment Fund.

Consistent with review of special revenue and fee supported activities, the Governor recommends expenditures, positions, and associated fee generated revenues be transferred from the General Fund to the State Government Special Revenue Fund.

The Governor recommends working with the Legislative Oversight Commission and the Health Care Access Commission in developing the biennial budget based on reports and recommendations required by current law and the March forecast.

As the legislation implementing these strategies progresses through the legislative process, the budget will be submitted as a fiscal note for the bill. The timing of Governor's Supplemental Budget is premature to include resources needed to further implement Minnesota's health care reform efforts.

The proposed funding for the agency plan has been reduced by $506,000 due to revised salary planning estimates.

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Health, Department of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$714	$714	$1,428
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$714	$714	$1,428
Inflation Cost Increase	~~678~~	~~1,179~~	~~1,795~~
	877	1,256	2,133
Agency Management Decisions			
Transfer Revenue Generating Activities to State Gov Spcl Revenue	~~$12,739~~	~~$12,718~~	~~$25,457~~
	~~14,170~~	~~13,379~~	~~27,549~~
	$14,229	$13,438	$27,667
~~Consolidation & Reduction of Activities~~	~~(648)~~	~~(863)~~	~~(1,511)~~
Discontinue Funding for Office of Mental Health Practice From Fund	(120)	(120)	(240)
Eliminate Positions	(237)	(102)	(339)
Supplies and Expenses Reduction	(80)	(148)	(228)
Maximize ~~the~~ use of Non-General~~Federal~~ Funds Sources	~~(88)~~	~~(117)~~	~~(205)~~
	(200)	(274)	(474)
~~Increase Drinking Water Lab Cost~~	~~1,477~~	~~944~~	~~2,421~~
Hold Positions Vacant	~~(394)~~	~~(408)~~	~~(802)~~
	(274)	(558)	(832)
Absorb Supplies/Expense Inflation	(85)	(173)	(258)
Subtotal	~~$13,480~~	~~$12,682~~	~~$26,162~~
	13,233	12,063	25,296
TOTAL AGENCY PLAN	~~$14,194~~	~~$13,396~~	~~$27,590~~
	14,824	14,033	28,857
Governor's Initiative			
Salary Planning Estimates	$(278)	$(270)	$(548)
GOVERNOR'S RECOMMENDATION	$14,546	$13,763	$28,309

Brief Explanation of Agency's Overall Actions:
The plan includes the transfer of all revenue generating activities from the General Fund to the State Government Special Revenue Fund with all revenue collected by these activities to be deposited to this fund and appropriations made from this fund. This is not a dedicated revenue fund. This amount includes a $59,000 reversal to correct a base adjustment in the General Fund.

The agency will implement various restructuring, consolidation and reduction plans in order to generate savings of approximately ~~$648,000~~217,000 in F.Y. 1994 and ~~$863,000~~250,000 in F.Y. 1995. These plans include improving the use of computer technology, reducing frequency of inspections, discontinue discretionary training, reorganizing staff and discontinuing activities. These actions will not affect response to enforcement activities for which the department is responsible. However, routine monitoring activities may be delayed, put on a less frequent schedule, or in some cases discontinued. The funding for the Office of Mental Health Practice was reduced by $40,000 and transferred to the General Fund ($200,000).

The agency will attempt to identify non-General Fund sources for ~~1.7 FTE positions~~$200,000 in 1994 and ~~2.2 FTE~~$274,000 in F.Y. 1995. The majority of the funding will be federal. Therefore, the level of funding is uncertain, and as a result, the department will be more reliant on these funds to maintain the same level of services. If other funds are available, there will be no reduction in current level of services.

~~The plan includes a request for additional funding of $2,671,000 for the completion of analytical testing on water samples required under the federal Safe Drinking Water Act. This request was prepared based on the numbers in the fiscal note completed last year. However, the agency issued a request for bid for analytical laboratory services in preparation to implement the Drinking Water Program. As a result of this competitive bidding process and an increase in MDH laboratory technology, the agency can reduce the original estimate by approximately $1,250,000. The majority of these savings are attributed to the testing of water samples for copper and lead.~~

The department has included a reduction to cover the $2,133,000 ~~estimate of the~~ inflationary increases. ~~($1,795,000) to be funded within current resources for the next biennium~~. In addition to these reductions ~~T~~the agency expects each activity manager to develop plans to operate within existing supply and expense allocations~~.~~and ~~T~~the agency will hold vacant approximately 9.0 FTE positions to generate salary savings of ~~$802,000~~832,000.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions Eliminated	~~12.8~~5.5	~~16.2~~2.5
Additional Vacancies Required	9.0	9.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	~~$-0-~~14,170	~~$-0-~~13,379	~~$-0-~~27,549

4. Affected Statutes:
None.

5. Governor's Recommendation:

Consistent with review of special revenue and fee supported activities, the Governor recommends expenditures, positions, and associated fee generated revenues to be transferred from the General Fund to the State Government Special Revenue Fund. The proposed funding has been reduced due to revised salary planning estimates.

Revised 3-4-93

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Health, Department of **Fund: Health Care Access**

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$2,606	$2,606	$5,212
Forecast Adjustments	~~0~~	~~0~~	~~0~~
	93	136	229
AGENCY BASE	~~$2,606~~	~~$2,606~~	~~$5,212~~
	2,699	2,742	5,441
Inflation Cost Increase	~~93~~	~~136~~	~~229~~
	94	96	190
Agency Management Decisions			
Agency Operations:			
Absorb Inflation	(94)	(96)	(190)
TOTAL AGENCY PLAN	$2,699	$2,742	$5,441
Governor's Initiatives			
Salary Planning Estimates	$(37)	$(37)	$(74)
GOVERNOR'S RECOMMENDATION	$2,662	$2,705	$5,367

Brief Explanation of Agency's Overall Actions:

The department has requested a level of funding consisted with the department's fiscal note proposed during the last legislative session for the following activities: Health Care Commission ($1,507,000), Health Care Analysis ($714,000), Regional Boards ($204,000), the Office of Rural Health ($2,543,000), Department of Health ($238,000) and Attorney General Office ($235,000). All inflationary increases for both salaries and supplement expense will be absorbed by these activities.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions left Vacant or Eliminated	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

~~The Governor recommends deferring all decisions on MinnesotaCare until the supplemental budget is prepared for March, 1993 submission. This deferral will allow the Minnesota Health Care Commission and other relevant parties to examine information reports not due until January 1993, but impacting this plan's budget. Proposed funding has been reduced due to revised salary planning estimates.~~

The Governor recommends working with the Legislative Oversight Commission and the Health Care Access Commission in developing the biennial budget based on reports and recommendations required by current law and the March forecast.

As the legislation implementing these strategies progresses through the legislative process, the budget will be submitted as a fiscal note for the bill. The timing of Governor's Supplemental Budget is premature to include resources needed to further implement Minnesota's health care reform efforts.

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Health, Department of **Fund:** Trunk Highway

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$1,482	$1,482	$2,964
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$1,482	$1,482	$2,964
Inflation Cost Increases	28	50	78
Agency Management Decisions			
Management and Administrative Services:			
~~Hold Positions Vacant~~	~~$(28)~~	~~$(28)~~	~~$(56)~~
Reduce Indirect Costs	(4)	(4)	(8)
Transfer Responsibility for Ambulance Attendant Testing	~~(51)~~	~~(51)~~	~~(102)~~
	(68)	(90)	(158)
Reduce EMS Regional Grants	(30)	(30)	(60)
Subtotal	~~$(81)~~	~~$(81)~~	~~$(162)~~
	(102)	(124)	(226)
TOTAL AGENCY PLAN	~~$1,401~~	~~$1,401~~	~~$2,802~~
	1,408	1,408	2,816
Governor's Initiatives			
Salary Planning Estimates	$(18)	$(18)	$(36)
GOVERNOR'S RECOMMENDATION	~~$1,383~~	~~$1,383~~	~~$2,766~~
	1,390	1,390	2,780

Brief Explanation of Agency's Overall Actions:

The department will discontinue the testing of ambulance attendants (EMT's, EMT-I's, EMT-P's) and will rely on the institution providing the training programs to administer the National Registry Test for certification purposes.

~~The department has included an estimate of the inflationary increases ($78,000) to be funded within current resources for the next biennium. The agency will hold vacant approximately 0.5 FTE positions to generate salary savings of $56,000.~~

In addition, EMS regional grants will be decreased by 5% ($30,000) per year on a base of $600,000.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions Eliminated	0.0	0.0
~~Additional Vacancy Required~~	~~0.5~~	~~0.5~~

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced by $36,000 due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(A) ELIMINATE MLCATF	ENV	191	204	395			
	MLC	<191>	<204>	<395>			
(A) EXPAND MCH PROJECT GRANT PROGRAM	GEN	1,110	1,110	2,220			
(A) EXPAND MCH/FAMILY PLANNING	GEN	2,000	2,000	4,000			
(A) RESTORE AGENCY REDUCTION-AIDS GRANTS	GEN	93	93	186			
(A) SALARY PLANNING ESTIMATES	GEN	<257>	<249>	<506>			
	SGS	<278>	<270>	<548>			
	HCA	<37>	<37>	<74>			
	THI	<18>	<18>	<36>			
(A) TRANSFER HOME VISITING PROG TO DOCH	GEN		<300>	<300>			
(A) TRANSFER SCHOOL HEALTH POSITION	GEN	<28>	<55>	<83>			
TOTAL BY FUND	GEN	2,918	2,599	5,517			
	SGS	<278>	<270>	<548>			
	HCA	<37>	<37>	<74>			
	THI	<18>	<18>	<36>			
	ENV	191	204	395			
	MLC	<191>	<204>	<395>			
TOTAL INVESTMENT INITIATIVES		2,585	2,274	4,859			

AGENCY: Health, Department of

MISSION STATEMENT:

The mission of the Minnesota Department of Health (MDH) is to protect, maintain and improve the health of the citizens of Minnesota.

To achieve this end, the MDH conducts public health studies and investigations; collects and analyzes health and vital data; identifies and describes health problems; designs, implements and supports programs and services for reducing morbidity and mortality; establishes and enforces health standards; provides education and technical assistance; coordinates local, state and federal health programs and services; assesses and evaluates the effectiveness and efficiency of health service systems and public health program efforts; and advises the Governor and the Legislature on matters relating to the public's health.

The department is organized into 4 programmatic areas: 1) Health Protection; 2) Health Delivery Systems; 3) Health Care Resources and Systems; and, 4) Health Support Services. These programs perform the functions listed above in order to achieve the following objectives:

- to prevent and control the transmission of communicable disease in Minnesota;
- to reduce the occurrence and severity of acute and chronic disease;
- to reduce the occurrence of disease and conditions that are environmentally induced, occupationally induced, and influenced by lifestyle choices and cultural norms;
- to ensure access to coverage for Minnesotans who are uninsured as well as ensuring financial, geographic and cultural access to quality health care for all Minnesotans;
- to safeguard and promote the health and safety of persons receiving services from health care providers;
- to assure efficient and effective coordination of health related activities and services among state and local public health agencies; and
- to improve decision making and health related planning and research at all levels of government and in the private sector.
- to reduce the rate of increase in health care expenditures in Minnesota.

MINNESOTA MILESTONES:

The Minnesota Department of Health contributes to the following goals:

- Families will provide a stable environment for their children.
- All children will come to school ready to learn.
- Minnesotans will be healthy.
- Our communities will be safe, friendly and caring.
- People with disabilities will have the opportunity to participate in society.
- People who need help providing for themselves will receive the help they need.
- We will welcome, value and respect people of all cultures, races and ethnic backgrounds.
- All Minnesotans will have the economic means to maintain a reasonable standard of living.
- All Minnesotans will have decent, safe and affordable housing.
- We will improve the quality of the air, water and earth.
- Government in Minnesota will be cost-efficient and services will be designed to meet the needs of the people who use them.
- Controlling acute and chronic disease.
- Promoting positive health behaviors.
- Rotecting Minnesota citizens from public health hazards.
- Enabling access to health care coverage for Minnesotans who are uninsured.
- Reducing the growth rate of health care expenditures.

This section lists the Milestones to which MDH is a lead contributor, as well as those to which it makes a contribution that supplements other agencies' lead roles. For those Milestones in which the department plays a central role, the section also describes other factors influencing the agency's ability to help the state reach Milestones targets.

Leading role among state agencies. MDH takes primary responsibility among state agencies for the state's ability to achieve Milestones targets regarding immunization, acute disease prevention, and tobacco use.

There are, however, other factors influencing the agency's ability to reach these targets. Examples of other immunization and disease prevention factors include the Centers for Disease Control, and federal childhood immunization programs. In addition, various local programs contribute to immunization education, standards, and vaccine dispensing. The Public Health Service of the U.S. Department of Health and Human Services oversees nationwide anti-smoking campaigns.

Supporting role among state agencies. The department plays a supportive role among state agencies to the appropriate lead agency on a number of indicators. This is the case for a number of Milestones grouped under the "Community" theme. As examples, MDH acts as data collector for the indicator marriage dissolutions in families with children. In addition, MDH supports Milestones in the "Our Surroundings" theme. Specifically, the agency tests samples for the Milestones indicator, "Percentage of water supply systems meeting state drinking water standards."

CLIMATE:

The following factors are shaping the development of policies and programs at the Health Department:

- **Aging Population.** The number and percentage of our population aged 65 or older is rapidly increasing. This creates a greater need for nursing homes, home care, and other services which are utilized heavily by the elderly. The Health Department needs to respond with increased efforts to ensure that this population group has access to quality services in as homelike a setting as possible.

  Federal Action: Legislation, Funding and New Requirements. Recent federal policies that affect the operations of the Health Department including new federal legislation, funding restraints and new requirements for participation in federal programs.

  Recent federal legislation, including nursing home and clinical lab regulation, have placed increased demands on the Health Department for program development and expansion. Existing federal programs, such as the Women, Infants and Children (WIC) supplemental food program, are facing decreased revenues. The Health Department will have to address the problem of how, with fewer resources, the needs of many high-risk groups can continue to be met. New

federal requirements, such as data collection for measuring the agency's Year 2000 Objectives, necessitate development of or changes in other programs.

- **Technical Advancements and Their By-Products.** Technical advancements provide knowledge and information which affect the Health Department in 2 ways: more health threats can be identified and more effective methods of interventions are available. As a result, there is an increased need to develop programs for protecting citizens.

  Technical advancements in our society also produce by-products which can be threatening to our health. These include toxic, radioactive and other hazardous substances. As a result, the Health department has increased responsibilities for identifying and monitoring these substances and for reducing their health risks.

- **Recognized Need to Develop New and Different Interventions for Reaching all Populations.** Many traditional public health interventions have proven very effective. However, they have not been equally effective with all groups. There is a growing realization that new methods of interventions need to be developed and implemented for reaching all citizens. For example, traditional non-smoking interventions have not been as successful in changing the smoking behavior of young women. Another example is prenatal care: our existing efforts to promote prenatal care have not had as much impact on some cultural and ethnic groups as they have had on others. The development of effective interventions for these populations could significantly improve the overall health of our state.

- **Increases in Medical and Health Care Costs.** Increases in medical and health care costs create challenges for the Health Department, both to provide necessary services and to ensure that all Minnesotans have access to affordable health care. Related to the increase in medical and health care costs is a growing value of preventive health programs which can decrease the need for health care services. A crucial component of evaluating the cost-effectiveness of preventive care and all other health services is the collection of data and supporting clinical practice parameters.

- **Greater Emphasis on Lifestyle Factors.** The importance of lifestyle factors, such as diet and physical activity, in preventing and/or reducing morality and morbidity continues to receive strong support. More programs which encourage appropriate lifestyle behaviors need to be developed and implemented. An example of an existing one is the Nonsmoking Program.

- **Emergence of new Public Health Problems.** In recent years new public health problems have appeared, and existing problems have escalated. These include: "crack" babies, fetal alcohol syndrome, acquired immunodeficiency syndrome (AIDS), human immunodeficiency virus (HIV) infection, new challenges in food borne disease and the protection of drinking water quality. Programs must be created, enlarged or refocused to deal with these health care challenges.

- **Access to Health Care Coverage and Health Care Services.** The importance of access to health care has received significant support in Minnesota. Insurance reform and the expansion of Children's Health Plan are significant areas to improve access to health care coverage. Geographic access to health services has emerged as a critical issue in rural areas of Greater Minnesota.

AGENCY BUDGET PLAN:

Priority decisions included in the department's budget proposals are based upon Minnesota Milestones and Minnesota Health Goals and Objectives for the Year 2000. These goals and objectives are intended to serve as a guide for public health planning and policy making. They will play a key role in the public health decision-making process during the coming decade, as we work to improve the health of our state's people.

Program staff at the Health Department began working on these objectives in 1990. Their first task was to identify specific goals and objectives that would serve to further the Health Department's larger mission -- protecting, improving and maintaining the health of our citizens. The goals and objectives were then reviewed at the division level and at a departmental management retreat. Priorities were set, and a work group representing Health Department management made additional revisions. The document was approved in October of 1991.

The Year 2000 goals and objectives are not intended to cover all of the Health Department's activities. Rather, they focus on areas that will require special attention during the next decade, because of their significant potential impact on the health status of Minnesotans. The Goals are:

1. To reduce the occurrence of diseases or conditions that are influenced by lifestyle choices and cultural norms.
2. To reduce the incidence of vaccine-preventable disease.
3. To reduce the transmission of HIV infection and the incidence of sexually transmitted disease in Minnesota.
4. To reduce the occurrence and severity of chronic disease.
5. To reduce the occurrence of environmentally induced and occupationally induced disease.
6. To reduce the incidence of mortality and morbidity resulting from injury.
7. To improve the health status of Minnesota's communities of color.
8. To improve the health status of women of child-bearing age and their children.
9. To improve the health status of Minnesota's elderly citizens.
10. To increase access to affordable, quality health care and health care coverage for all Minnesotans.
11. To increase the effectiveness and efficiency of Minnesota's public health infrastructure.

The department's budget plan identifies reductions in operational and grant activities that will have the least negative impact on the public health of the citizens of Minnesota. The major elements of the plan and the biennial fiscal impact include the transfer of ~~11~~ 12.3 positions to non-General Fund

sources $1,212,000; a reduction in grant activities $1,455,000; restructuring/consolidation or reduction of services $2,865,000; management of position vacancies to assure that only the highest priority positions are filled and that options for increased efficiencies are reviewed on an ongoing basis $970,000; transfer of the OSHA program to the Department of Labor and Industry, and to the Workers Compensation Fund $832,000.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial appropriation of $74,156,000 for the agency's plan. Included is increased funding for the administration's commitment to children as part of the children's integrated budget. The recommended increase in the Maternal and Child Health Special Project Grant Program and the Family Planning Special Grant Program are detailed in the investment initiative pages following the Health Delivery Systems Program. A summary of the entire integrated budget is described in the Department of Children and Education Services.

The Governor recommends transferring a school health position and the Home Visiting Program to the new Department of Children and Education Services. These functions will join other activities to facilitate statewide coordination of child abuse prevention and improved health status.

The Governor recommends coordination through interagency agreements in the areas of maternal and child health, including women, infant, children (WIC) efforts. An additional area of interagency cooperation is coordination of effort in lead and lead poisoning issues.

As a disciplined and structured process for system analysis and evaluation is implemented, it is contemplated that other responsibilities will be moved to the new division over the next years.

~~The Governor recommends transferring the funding supporting an existing interagency agreement to the MDH from the Department of Public Safety. The interagency agreement charges MDH to design and implement a coordinated prevention effort designed to reduce the rates of fetal alcohol syndrome and drug exposed infants. This recommendation allows the funding to be located in the department providing the service.~~

The Governor's recommendation includes restoration of $186,000 for the AIDS Grant Program.

The Governor recommends consolidating existing dedicated sources of funding for solid waste management and landfill cleanup into a single source. Revenues now deposited into the Metropolitan Landfill Contingency Action Trust Funds will be transferred to the Landfill Cleanup account in the Environment Fund.

Consistent with review of special revenue and fee supported activities, the Governor recommends expenditures, positions, and associated fee generated revenues be transferred from the General Fund to the State Government Special Revenue Fund.

The Governor recommends working with the Legislative Oversight Commission and the Health Care Access Commission in developing the biennial budget based on reports and recommendations required by current law and the March forecast.

As the legislation implementing these strategies progresses through the legislative process, the budget will be submitted as a fiscal note for the bill. The timing of Governor's Supplemental Budget is premature to include resources needed to further implement Minnesota's health care reform efforts.

The proposed funding for the agency plan has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF

PROGRAM RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
HEALTH PROTECTION	24,531	25,616	32,187	32,127	33,302	33,092	32,127	32,475	32,279
HLTH CARE RESOURCE/SYSTEMS	16,282	17,563	24,187	23,536	23,671	23,533	23,127	23,305	23,167
HEALTH DELIVERY SYST	78,991	87,495	96,432	95,191	95,229	98,213	95,191	95,366	98,024
SUPPORT SERVICES	13,893	13,117	14,627	14,707	14,668	14,617	14,683	14,668	14,618
TOTAL EXPENDITURES BY PROGRAM	133,697	143,791	167,433	165,561	166,870	169,455	165,128	165,814	168,088
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	44,988	46,392	49,485	48,367	34,455	37,373	48,380	34,184	36,783
MN RESOURCES	403								
STATE GOVT SPEC REV	200	320	714	714	14,824	14,546	714	14,033	13,763
HEALTH CARE ACCESS			3,005	2,606	2,699	2,662	2,606	2,742	2,705
TRUNK HIGHWAY	1,470	1,487	1,482	1,482	1,408	1,390	1,482	1,408	1,390
ENVIRONMENTAL						191			204
METRO LANDFILL CONTN	128	132	168	168	191		168	204	
OPEN APPROPRIATIONS:									
STATE GOVT SPEC REV	61	5							
SPECIAL REVENUE	389								
STATUTORY APPROPRIATIONS:									
GENERAL	528	410	604	249	249	249	249	249	249
SPECIAL REVENUE	19,449	19,764	23,500	23,500	24,526	24,526	23,500	24,593	24,593
TRUNK HIGHWAY	10	24							
FEDERAL	65,325	74,494	86,924	86,924	86,967	86,967	86,924	87,296	87,296
AGENCY		145							
GIFTS AND DEPOSITS	746	618	1,551	1,551	1,551	1,551	1,105	1,105	1,105
TOTAL FINANCING	133,697	143,791	167,433	165,561	166,870	169,455	165,128	165,814	168,088
POSITIONS BY FUND:									
GENERAL	415.4	414.7	400.7	399.0	185.2	186.2	399.0	181.6	182.6
MN RESOURCES	2.0								
STATE GOVT SPEC REV	3.0	8.0	9.5	9.5	199.4	199.4	9.5	194.4	194.4

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF

PROGRAM RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
HEALTH CARE ACCESS			24.0	24.0	24.0	24.0	24.0	24.0	24.0
SPECIAL REVENUE	306.1	319.4	333.0	335.0	344.0	344.0	335.0	344.0	344.0
TRUNK HIGHWAY	14.0	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
FEDERAL	257.6	218.4	228.7	231.3	219.3	219.3	231.3	220.3	220.3
ENVIRONMENTAL						1.5			1.8
METRO LANDFILL CONTN	1.0	1.0	1.0	1.0	1.5		1.0	1.8	
GIFTS AND DEPOSITS			6.0	6.0	6.0	6.0			
TOTAL POSITIONS	999.1	976.0	1,017.4	1,020.3	993.9	994.9	1,014.3	980.6	981.6

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: HEALTH, DEPT OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	167,433	167,433	50,089	50,089	30,420	30,420	86,924	86,924
TECHNICAL ADJUSTMENTS								
ONE-TIME APPROPRIATIONS	<124>	<124>	<124>	<124>				
APPROPRIATIONS CARRIED FWD	<1,332>	<1,332>	<1,332>	<1,332>				
NON-RECURRING EXPENDITURES	<599>	<1,045>	<200>	<200>	<399>	<845>		
DOCUMENTED RENT/LEASE INC/DEC	20	33	20	33				
INSURANCE PREMIUM HOLIDAY	80	80	80	80				
PLANT MANAGEMENT REBATES	83	83	83	83				
SUBTOTAL TECH. ADJ.	<1,872>	<2,305>	<1,473>	<1,460>	<399>	<845>		
CURRENT SPENDING	165,561	165,128	48,616	48,629	30,021	29,575	86,924	86,924
FORECAST ADJUSTMENTS								
LEG-DIRECTED ADJUSTMENTS	50	50	50	50				
ANNUALIZING NEW PROG COSTS	3,520	2,499	2,401	1,270	1,119	1,229		
FEDERAL RECEIPTS	359	598					359	598
SUBTOTAL FORECAST ADJ.	3,929	3,147	2,451	1,320	1,119	1,229	359	598
AGENCY BASE	169,490	168,275	51,067	49,949	31,140	30,804	87,283	87,522

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PROGRAM: Health Protection
AGENCY: Health, Department of

PROGRAM PURPOSE:

Protective health services exists to prevent and control acute and chronic disease, promote positive health behaviors, and protect Minnesota citizens from public health hazards. The program contributes directly to several Milestones themes, "A Caring and Secure Community," "Our Surroundings," and "We the People." Within these themes, the Minnesota Department of Health (MDH) works directly with the goals that: Minnesotans will have the best possible chance for a healthy life; we will welcome, respect and value all people; we will improve the quality of the air, water and earth; and government decision-making will be decentralized and accommodate community participation. Indicators for measuring progress toward these goals are the percentage of children who are adequately immunized, percentage increase or decrease in AIDS cases, percentage of water supply systems meeting state drinking water standards, the department's contributions and cooperation with other agencies to meet air and water quality standards and clean up of Superfund sites, and the number of delegation agreements between the MDH and local units of government to provide public health protection services at the local level.

PROSPECTS:

1. Acute and Chronic Disease Prevention and Control:

- The MDH monitors the state for the occurrence of communicable disease to prevent and control disease spread. Minnesota is experiencing an alarming increase in the incidence of some sexually transmitted diseases (STD), particularly in the inner cities. In addition to the morbidity and complications, open lesions typically occur with an STD. These lesions facilitate the transmission of HIV, the virus that causes AIDS.

- In the past year there has been a resurgence of tuberculosis (TB) nationally as a significant disease with increased cases and the occurrence of multidrug resistant cases. TB control efforts need to be reviewed and improved to respond to this resurgence of a disease once thought controlled. New laboratory methods (BACTEC) are in place to significantly reduce the time for identification of the TB bacillus and enhance rapid diagnosis and treatment of infected individuals to limit the spread of the disease.

- Problems with food safety are expected to increase in the 1990s. The potential for foodborne disease has changed dramatically due to changes in types of foods consumed, new methods of food production and processing and the emergence of new infectious agents. The ability of MDH to rapidly detect, control and resolve disease outbreaks and design control strategies will be enhanced by the development of new molecular DNA-based rapid laboratory techniques which will greatly reduce the diagnostic time for an increasing number of infectious agents. This technology will increase public health protection through rapid identification of the causative agent, limiting the number of individuals exposed during a foodborne disease or other communicable disease outbreak and earlier treatment for the exposed.

- Immunization levels in Minnesota indicate that levels are not consistent throughout the state. In 1990 and the late 1980s, Minnesota experienced epidemics of measles, especially among unimmunized inner city populations and other college/high school aged students. Programs are needed to ensure that young children receive a first measles vaccination by age 15 months and a second dose by age 12-13 years. Surveys have found that immunizations among preschoolers can vary widely depending on where a child lives, and which diseases the child is being protected against. Through federal funding, an intervention program is being developed statewide to improve immunization levels among select populations with currently low levels.

2. Promoting Positive Behaviors:

- Behavioral risk factors are directly associated with the transmission of communicable disease, foodborne illness, hepatitis, AIDS, cancer, lead poisoning, and other infectious, environmental or occupational illness or injury. Through surveillance, epidemiologic and complaint investigations, regulation, consultation, education and information, the MDH provides technical and scientific expertise to help change behaviors among workers, employers, other regulated entities or individuals, communities, professional groups, families and individual citizens.

3. Protecting Minnesota Citizens from Public Health Hazards:

- The federal Safe Drinking Water Act amendments increase the number of contaminants which must be monitored in public water supplies. No comparable increases in federal funding are expected. The 1992 legislature authorized state appropriations to cover the cost of this program.

- Prevention of childhood lead exposure is gaining national and statewide attention. The reporting of elevated blood levels has increased as a result of both the revised Centers for Disease Control (CDC) guidelines and increased awareness by health care providers who are conducting much more lead screening than in the past. Federal funds are being sought for screening and abatement. Cooperative strategies need to be developed to prevent exposure in the Metropolitan area and statewide. The MDH will seek legislative changes to assist the state to meet federal funding eligibility requirements.

- There is increased public concern over environmental hazards and potential exposures with increasing requests to provide health risk assessment services and risk communication to communities, groups or individuals. Minnesota citizens pride themselves on healthy lifestyles which are free of actual or perceived environmental hazards. Increased emphasis on risk assessment and risk communication as well as the encouragement of partnerships between government and public to understand and manage these risks are being encouraged and promoted. The MDH is the lead agency on assessing and evaluating health risks.

- The MDH provides leadership in identifying preventable causes of worker illness, injury and death through epidemiologic studies, i.e., Fatal Accident Circumstances and Epidemiology study (FACE), and developing resources for implementing additional epidemiologic surveillance studies of workers. These activities provide knowledge of causes and the basis for future intervention programs to reduce work related illness, injury and death to Minnesota workers.

- The workload of the Public Health Laboratory Division is dictated by other activities in the MDH. New safe drinking water monitoring requirements will expand significantly the testing needs of state environmental programs. A portion of this increased workload will be contracted to private certified labs, other state agencies and local governments.

4. Strengthening and Supporting Cooperative Partnerships among State, Regional and Local Health Organizations

- Since 1972, the MDH has worked closely with cities, counties and multicounties to implement delegation agreements to transfer specific licensing and inspection programs for food, beverage and lodging and water well programs to local units of government. In addition, the MDH has numerous agreements with other state agencies (MPCA, DNR, DOT, DOA, Public Safety) to provide services and to reduce or eliminate duplication of effort.

- The MDH actively works in partnership with the Department of Human Services and other state agencies, community health agencies, minority communities and their representatives, other regional and local profit and non-profit agencies, to deliver AIDS/STD services.

OUTCOMES:

The department has collected data on the following outcomes, which are the historic measurement of the department's performance towards its goals. In addition to the above Milestone themes, goals and indicators, the MDH protective health services contributes to the Milestone goal to create safe, friendly and caring communities, by creating a sense of well being from a safe and healthful environment through active surveillance and services to safeguard Minnesota citizens from disease and public health hazards.

1. Acute and Chronic Disease Prevention and Control

- Rates of HIV disease and STDs have been increasing, especially in selected populations and targeted approaches need to be undertaken to curb those trends.

	F.Y. 1990	F.Y. 1991	F.Y. 1992
Number of New AIDS Cases	191	213	216
Number of Reported Cases of:			
Gonorrhea	4,429	3,397	3,361
Syphilis	189	219	233
Chlamydia	8,494	8,568	8,720

- Historically, incidence of measles cases has had a direct relationship to the number of children immunized. In F.Y. 1990, measles cases significantly increased after a ten year decline.

	F.Y. 1990	F.Y. 1991	F.Y. 1992
Number of Cases of:			
Measles	559	17	29
Mumps	7	12	33
Pertussis	65	65	102

- Quality improvement of laboratory methods is critical to rapidly identify disease and chemical agents which may be contributing to human illness. Laboratory methods are significantly improved for the diagnosis of TB and for the analysis of water samples for contaminants.

	F.Y. 1991	F.Y. 1992
Number of Days to Confirm TB Organism	45-60	15-20
Number of Weeks to Test for Metals	13	5

2. Protecting Minnesota Citizens from Public Health Hazards

- Compliance of community water supply systems with the state drinking water standards has remained constant in the last decade. The levels are a measure of the suitability of water for drinking.

	F.Y. 1980	F.Y. 1990	F.Y. 1991
Percentage of Community Public Water Supply Systems Meeting Standards	92	92	92

- Deaths from unintentional injuries, including work-related injuries, have declined 11% since 1980.

	F.Y. 1980	F.Y. 1986	F.Y. 1991
Deaths per 100,000	44.3	34.7	33.6

- A sharp increase in reporting elevated blood lead levels in children, ages six months to six years of age is presently occurring due to the lowering of screening guidelines by the CDC and subsequent change in Minnesota reporting requirements in the 1991 legislative session. Reporting, previously required 25 mcg/dl is now required for all lead screening. Tracking is required at 15 mcg/dl and above. Elevated blood lead levels are an indicator of prenatal and childhood exposures to environmental sources of lead, i.e. paint, soil and water, and help identify high risk areas in both metropolitan and Greater Minnesota.

	F.Y. 1986	F.Y. 1988	F.Y. 1991
Number of Elevated Blood Lead Levels Reported Over 25 mcg/dl	123	178	152

3. Strengthening and Supporting Cooperative Partnerships among State, Regional and Local Health Organizations

- The MDH actively works to promote local involvement in public health programs which provide public health protection through the licensing and regulation of food, beverage and lodging facilities and monitoring of well programs and well contractors. Cooperative agreements with local agencies are initiated to prevent and control communicable diseases. Technical assistance is provided to any local entity who seeks to administer their own program.

	F.Y. 1980	F.Y. 1985	F.Y. 1991
Number of Counties and Cities with Delegation Agreements in Place	25	51	63
Number of Communicable Disease Prevention and Control Cooperative Agreements		0	36

PROGRAM: Health Protection
AGENCY: Health, Department of
(Continuation)

OBJECTIVES:

1. Acute and Chronic Disease Prevention and Control

   - Immunizations

     A. By F.Y. 1995, the incidence of vaccine-preventable disease will be reduced as follows:

     - measles will be reduced to 10 or fewer cases per year;
     - mumps will be reduced to no more than 20 cases per year; and
     - pertussis will be less than 75 cases per year.

   - STDs, TB and AIDS

     A. By F.Y. 1995:

     - the number of individuals followed-up by the Disease Intervention Unit will increase to 7,500 for STDs and 1,000 for HIV;
     - 500 persons will receive HIV case management services;
     - 1,200 persons will receive preventive treatment for TB; and
     - the laboratory detection and identification of TB will be reduced form 15-20 days to 1-5 days.

     B. By the year 2000, the transmission of HIV infection and the incidence of STD will be reduced as follows:

     - the incidence of gonorrhea will be reduced to 90 or few cases per 100,000 persons statewide;
     - the incidence of primary and secondary syphilis will be reduced to an annual incidence of 1.4 or fewer cases per 100,000 persons statewide; and
     - the increase in new AIDS cases in Minnesota will be less than 3% over the number of new cases reported in 1989.

   - Cancer Surveillance

     A. By F.Y. 1995, a mechanism for data collection through the Minnesota Cancer Surveillance System will be developed to identify the occurrence of cancer by race/ethnicity.

2. Protecting Minnesota Citizens from Public Health Hazards

   - Environmental and Occupational Hazards

     A. By F.Y. 1995:

     - 95.4% of community public water systems will meet the Safe Drinking Water Act (SDWA) standards; and
     - deaths from unintentional injuries, including work-related injuries will be reduced to 29.1.

     B. By F.Y. 2000:

     - all community water supplies and 90% of all noncommunity public water supply systems will be in compliance with the federal Safe Drinking Water standards;
     - at least 50% of single family homes and 100% of schools and licensed day care facilities will be tested for radon gas;
     - the prevalence of blood lead levels among 6-month to 6-year-old children exceeding 25 and 15 micrograms per deciliter will be reduced from 3.3% to 0% and from 14.6% to 10%, respectively;
     - overexposure to airborne asbestos will be eliminated; and
     - a surveillance system for occupational injury and disease will be developed, tested, and if found to be feasible, implemented.

3. Strengthening and Supporting Cooperative Partnerships among State, Regional, and Local Health Organizations

   A. By F.Y. 1995:

   - seven new delegation agreements will be implemented with local community health service agencies;
   - the percentage of community health boards with a DP&C cooperative agreement in place will increase from 73% to 91%; and
   - four interagency agreements for wellhead protection for risk management of environmental chemical exposures will be established.

PROGRAM PLAN:

Budget reductions will require the MDH to redesign and restructure activities for monitoring compliance with statutes and rules for enclosed sports areas, asbestos abatement, swimming pools, environmental radiation, infectious waste control, and food, beverage and lodging requirements. Emphasis will be placed on maintaining inspection frequency for high risk areas and establishments and conducting complaint investigations to maintain surveillance and protective controls in priority public health areas. Lead abatement training will be available through other sources. Statutory repeal of the MDH authority in the Infectious Waste Control Act (IWCA) will be required and the MDH infectious waste control program will be discontinued. Program objectives are partially accomplished through the passage of the Occupational Safety and Health (OSH) Bloodborne Pathogen Standard in December 1991, and the increased regulation governing worker protection from infectious agents.

AIDS continues as a disease of great importance. Reduction of high risk behaviors through working with high risk clientele is time and personnel intensive. These activities aim to reduce the spread of AIDS and potentially impact the current spread of disease. Reducing transmission today will yield lower disease rates 5-10 years from now because of the prolonged incubation period. If other sources of funding are not identified, budget reductions in grants and positions may reduce resources available to community-based organizations that are working with high risk clientele and decrease training, monitoring, evaluation and oversight activities the state performs for these organizations that receive prevention funding. Additional federal funds to minimize these reductions will be sought but are not anticipated.

Immunizations goals will be addressed by a statewide immunization action plan to work with community based organizations to provide assessment of levels of immunization and develop and

implement plans to target high risk populations. These goals are supported by federal funds and are less impacted by state budget resources.

The current level of quality from public health laboratory services will be maintained by close management of all equipment purchases with priority to emergency replacement and by a redistribution of workload using personnel shifts and assigned overtime to provide uninterrupted client services. Development of new molecular DNA-based rapid laboratory diagnostic techniques for epidemiological investigations of tuberculosis, campylobacteriosis, and other diseases of public health significance will result in a long term impact for improved surveillance, shortened intervention time and better control in preventing the spread of disease. These changes will result in providing significant savings in patient care costs and the reduced time to treatment.

GOVERNOR'S RECOMMENDATION:

The Governor recommends consolidating existing dedicated sources of funding for solid waste management and landfill cleanup into a single source. Revenues now deposited into the Metropolitan Landfill Contingency Action Trust Fund (MLCATF) will be transferred to a Landfill Cleanup account in the Environment Fund. Consequently, the appropriation from the MLCATF will be eliminated in the Department of Health and be replaced by an appropriation from the Environment Fund.

The Governor recommends a coordination of effort in lead issues with the proposed Minnesota Department of Children and Education Services through the use of an interagency agreement. The complex problems of lead contamination and the adverse health effects of lead on children have been well documented. Conversely, the problems are not easy to solve. Currently, at least four agencies have services in this area. This position will link state policy targeted at this early development risk factor.

The Governor recommends restoring reductions in the area of AIDS grants proposed by the agency's plan.

The proposed funding for this program has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH PROTECTION

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
DIS PREV & CONTROL	9,890	10,047	13,210	13,180	13,042	13,066	13,180	13,037	13,062
PUBLIC HEALTH LABS	4,407	4,406	5,500	5,440	6,461	6,408	5,440	6,409	6,358
ENVIRONMENTAL HEALTH	10,234	11,163	13,477	13,507	13,799	13,618	13,507	13,029	12,859
TOTAL EXPENDITURES BY ACTIVITY	24,531	25,616	32,187	32,127	33,302	33,092	32,127	32,475	32,279
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<135>			<129>
(A) SALARY PLANNING ESTIMATES		SGS				<168>			<160>
(A) ELIMINATE MLCATF		ENV				169			182
(A) ELIMINATE MLCATF		MLC				<169>			<182>
(A) RESTORE AGENCY REDUCTION-AIDS GRANTS		GEN				93			93
TOTAL GOV'S INITIATIVES						<210>			<196>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	13,610	14,093	15,829	15,769	7,015	6,973	15,769	6,899	6,863
MN RESOURCES	403								
STATE GOVT SPEC REV			201	201	9,616	9,448	201	8,825	8,665
ENVIRONMENTAL						169			182
METRO LANDFILL CONTN	106	110	146	146	169		146	182	
OPEN APPROPRIATIONS:									
SPECIAL REVENUE	389								
STATUTORY APPROPRIATIONS:									
GENERAL	106	215							
SPECIAL REVENUE	2,172	2,197	3,384	3,384	4,410	4,410	3,384	4,477	4,477
TRUNK HIGHWAY	10	24							
FEDERAL	7,005	8,361	11,522	11,522	10,987	10,987	11,522	10,987	10,987
GIFTS AND DEPOSITS	730	616	1,105	1,105	1,105	1,105	1,105	1,105	1,105
TOTAL FINANCING	24,531	25,616	32,187	32,127	33,302	33,092	32,127	32,475	32,279

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH PROTECTION

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	229.5	233.5	230.0	230.0	97.7	97.7	230.0	96.4	96.4
MN RESOURCES	2.0								
STATE GOVT SPEC REV			1.5	1.5	124.4	124.4	1.5	119.4	119.4
SPECIAL REVENUE	54.5	41.7	53.3	55.3	55.3	55.3	55.3	55.3	55.3
TRUNK HIGHWAY		.5	.5	.5	.5	.5	.5	.5	.5
FEDERAL	123.4	109.9	114.4	114.4	99.6	99.6	114.4	99.6	99.6
ENVIRONMENTAL						1.5			1.8
METRO LANDFILL CONTN	1.0	1.0	1.0	1.0	1.5		1.0	1.8	
TOTAL POSITIONS	410.4	386.6	400.7	402.7	379.0	379.0	402.7	373.0	373.0

BUDGET ACTIVITY: Disease Prevention and Control
PROGRAM: Protective Health
AGENCY: Health, Department of

ACTIVITY DESCRIPTION:

The Disease Prevention and Control activity focusses on the control or elimination of communicable and chronic diseases. Its mission is to provide leadership in the prevention and control of acute and chronic disease; conduct surveillance to detect the occurrence of such disease; recommend prevention and control measures; and implement acute disease prevention and control programs.

This activity strives to achieve this mission through programs that monitor disease occurrence, control communicable disease and improve the health status of individuals, and provide technical assistance and information to local health agencies, private physicians, and the public. A major responsibility is responding to the AIDS epidemic and initiating programs to prevent the transmission of this virus. This 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 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 division's programs are organized in 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, specifically cancers, and conducts epidemiologic investigations of populations exposed to cancer and other chronic disease-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 has implemented the statewide cancer surveillance system established by the 1987 legislature.

2. *Acute Disease Programs*: Aims its programs at reducing the incidence of vaccine-preventable diseases and at ensuring 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 for newly arrived refugees, and provides vaccines, materials, and technical assistance to public health agencies throughout Minnesota. Planning, coordination, and assistance is provided to statewide organizations and agencies that can assist in providing immunizations.

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 surveillance, epidemiologic studies, training, and technical consultation for AIDS and related conditions in Minnesota. The section also maintains statewide surveillance of TB incidence; identifies unusual problems or outbreaks; and assures that prompt and appropriate control measures are instituted to control or eliminate the spread of TB.

4. *AIDS/STD Prevention Services*: Develops, implements, and conducts a variety of activities to prevent death and disability from the human immunodeficiency virus (HIV) and other STDs. Specifically, these activities focus on preventing transmission and assuring the availability of services to persons who are infected, and include: initiating, sponsoring, and monitoring through grants a variety of risk reduction programs directed toward youths and adults at risk for HIV and other STD infections including youths and adults of color; establishing and monitoring HIV counseling and testing sites throughout the state as well as testing sites for other STDs; identifying and notifying persons who have been exposed to HIV and other STDs; conducting investigations and initiating actions under the Health Threat Procedures Act; disseminating information to the public; providing clinical training, technical advice, and assistance to health providers; and facilitating community-oriented care planning and services for persons with HIV infection. Activities are conducted in such a manner as to reach persons who are most at risk of infection as well as those who are infected. These individuals include the following, which are not mutually exclusive: men who have sex with men; injection drug-using men and women; persons whose sexual partners are injection drug users; women whose sexual partners are men who have sex with men; HIV and/or STD-infected persons; and sexual or needlesharing partners of persons who are infected.

5. *DP&C Field Services*: Provides support to 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 communicable disease control, and conduct epidemiologic follow-up and studies regarding AIDS and other communicable diseases in greater Minnesota.

BUDGET ISSUES:

AIDS: New treatments and therapies that forestall the onset of AIDS and reduction of high-risk behavior among homosexual men are encouraging developments in the fight against AIDS. Although the increase of cases of AIDS has slowed, the rate of transmission of HIV infection (the virus that causes AIDS) may not have. Recent increases in sexually transmitted diseases and intravenous drug abuse acquired HIV infection, especially in inner cities, suggest that there may be an increase of HIV transmission. Cases of AIDS resulting from current HIV transmission will not be recognized for 5 to 10 years due to the prolonged incubation period for this disease. HIV/STD prevention activities will need to have a targeted and integrated approach in the future. Strategies for prevention will need to be comprehensive with a variety of designs that offer more than dissemination of information. Effective interventions will require significant community organization and capacity building in order to affect behavior change over a prolonged period of time. Cultural sensitivity to issues unique to the communities of color will need to be designed into all prevention efforts. Proposed budget reductions in grants will reduce resources available to community-based organizations that are working with high-risk clientele. If the department is unable to identify other sources of funding, the reduction of positions will decrease training, monitoring, evaluation, and oversight activities the state performs for community-based organizations that receive prevention funding. These reductions may result in less effective use of state prevention funds and decreased partner notification activities with fewer sex partners notified of their exposure to STDs.

Immunization: Surveys of immunization levels in Minnesota and in the U.S. indicate levels of immunization are low in certain areas. Outbreaks of measles have occurred in preschool populations in Minnesota and nationally as a result of these low immunization levels. It is especially important to develop the strategies to target inner city populations with vaccines. Such efforts will require outreach capacity to conduct specialized education, door-to-door vaccine administration, and more

accessible immunization clinics associated with other services (such as WIC clinics). Special federal funding to implement Minnesota's Immunization Action Plan will assist in developing strategies to immunize these targeted populations.

STDs: After a decade of steady declines in STDs such as syphilis, penicillin-resistant gonorrhea, and chlamydia, Minnesota is experiencing an alarming increase of these STDs, particularly in inner cities. In addition to the morbidity and complications resulting from these STDs, they facilitate HIV transmission as well. Increased Chlamydia screening and additional epidemiologic studies of STD risk factors will be possible through new federal funding in this area.

TB: Recent increases of TB at the national level and the emergence of strains of TB resistent to all known drugs have caused greater emphasis to be placed on the prevention and control of this disease. TB control efforts need to be reviewed and improved to respond to this resurgence of a disease once thought under control. Additional federal funding has recently been acquired to better address this disease threat.

Cancer: As surveillance data is compiled and analyzed on the occurrence of cancers throughout the state, capacity to follow-up on and investigate unusual clusters or increases of cancer in certain populations will be needed.

EFFICIENCY MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Chronic Disease and Environmental Epidemiology				
No. of cancers abstracted	43,000	43,000	44,000	44,000
No. of cancers registered	23,000	23,000	24,000	24,500
Cost per cancer case registered	$30.74	$29.41	$28.96	$28.57
No. of cancer clusters investigated	175	200	200	200
No. of OSHA consultations	60	60	60	70
Acute Disease Programs				
No. of cases reported of:				
measles	29	10	10	10
mumps	33	10	20	20
pertussis	102	80	75	75
Lowest immunization level (%) in K-12	99.0	99.0	99.0	99.0
No. of doses of vaccine distributed	375,000	425,000	475,000	525,000
Percent newly arrived refugees documented health assessment	85.0	85.0	85.0	85.0
Acute Disease Epidemiology				
New cases of AIDS	211	240	250	300
Cumulative cases of AIDS	1,361	1,601	1,851	2,151
New cases of HIV	419	500	600	700
Outbreaks investigated (>10 hours)	50	50	50	50
Data on individual cases obtained and analyzed	16,000	16,000	16,000	16,000
Implemented control measures	300	300	300	300
New active TB	113	120	115	120
TB cases under investigation	342	360	350	360
No. of persons on preventive treatment for TB	1,074	1,200	1,200	1,200
AIDS/STD Prevention Services				
No. of state-supported HIV counseling and testing locations	56	35	35	30
No. of individuals tested	15,000	18,000	18,000	20,000
Cost per individual	$37	$22	$25	$25
No. of community risk reduction projects	25	24	24	22
No. of individuals reached by community projects	60,000	62,000	55,000	55,000
No. of calls to MN AIDS Hotline	6,500	8,000	7,000	6,000
No. of cases reported of:				
gonorrhea	3,361	3,400	4,000	4,500
syphilis	233	258	280	300
Chlamydia	8,720	9,000	10,500	12,000
No. of individuals followed-up by disease intervention unit:				
STD	4,800	5,500	6,500	7,500
HIV	600	800	900	1,000
No. of persons served through case management	370	463	500	500
Cost per individual	$1,676	$1,339	$1,400	$1,500
No. of persons served by CARE Act programs	214	1,000	1,000	1,200

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
DP&C Field Services				
Disease surveillance, investigations, and program review of local health departments	50	50	50	50
Technical consultation and training of health professionals	2,700	2,700	2,700	2,700
HIV investigations/contact notification	60	60	50	50

BUDGET ACTIVITY: Disease Prevention and Control
PROGRAM: Protective Health
AGENCY: Health, Department of
(Continuation)

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Data on individual cases obtained and analyzed:				
Immunization	130	130	130	130
STD	1,150	1,150	1,150	1,150
TB	200	200	100	100
Other communicable diseases	600	600	600	600
Chronic diseases	20	20	20	20
No. of Communicable Disease Prevention and Control Cooperative Agreements	38	40	42	44

REVENUE:

This activity generates dedicated revenue.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue					
Dedicated - Special	$123	$124	$98	$98	$98
Dedicated - Federal	4,448	4,901	7,429	7,429	7,429
Dedicated - Agency	730	615	1,105	1,105	1,105
Total Revenue	$5,301	$5,640	$8,542	$8,542	$8,542

GRANTS:

This activity makes grants in the areas of HIV/AIDS prevention and refugee health. Each is described below:

1. **AIDS Prevention and HIV Services Grants**

A. M.S. 1984, Section 144.05 federal funds have also been awarded to the agency for this program under Section 301(a), 311(b), and 318 of the Public Health Service Act and Title II of the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act of 1990.

B. The purposes of these grant programs are: to enable agencies to offer confidential HIV counseling and testing to all who request testing; to provide case management services to HIV positive individuals; to conduct targeted risk reduction/education to people most at risk of HIV infection; and to provide and improve services for persons with HIV in Minnesota.

C. Recipients of the grant program which enables clinics to offer confidential HIV counseling and testing include eight community health departments throughout Minnesota, and approximately two dozen specialized clinics, some of which offer family planning services, STD information, or function as community-based centers.

Case management grants fund three projects. One of these is a community-based client-centered program, and the other two are hospital based.

The targeted risk reduction/education grants fund approximately 25 contractors. These community-based efforts target especially youth at high risk of HIV infection, communities of color, and other individuals or groups whose behavior put them at high risk of contracting HIV.

Recipients of HIV CARE grants include those who can provide transportation services, dental services, mental health services, and medical or education services to HIV-infected people or individuals and families affected by both hemophilia and HIV disease. These grants allow HIV-infected people to obtain or maintain health insurance, needed medications, home care, and other services.

D. Eligible applicants are public or private agencies that demonstrate the administrative, organizational, programmatic, and fiscal capability to deliver the described programs; that demonstrate support from persons at increased risk of HIV infection or AIDS, and the general public health and medical community that demonstrate potential for additional development of complimentary programs and continuation of the proposed programs; and that demonstrate intervention strategies which show success and increased knowledge of HIV transmission, facilitate behavioral changes to reduce the risk of HIV transmission, and encourage voluntary testing and follow-up education where appropriate.

E. Grants are primarily awarded on a competitive basis to agencies which submit proposals. Proposals are ranked based on criteria specified in the "Request for Proposal." Such criteria have included:

1. an overall understanding of AIDS and HIV infection,
2. a program which is technically, organizationally, and operationally sound,
3. a program which, where possible, can measure changes in attitudes, knowledge, and behavior relative to risk factors, and
4. evidence of community support for the proposal.

F. Source of Funding:

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	1,804	1,864	1,864	1,761
Federal	1,061	1,754	1,754	1,754
Total	$2,865	$2,618	$2,618	$2,618

2. **Refugee Health Program Grants**

A. Section 412(B)(5), Immigration and Nationality Act

B. The purpose of these grants is to enable local Community Health Services agencies to provide health assessments to newly arrived refugees and to address refugee health 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 and the personal well-being of refugees and impede their effective resettlement.

C. Recipients of these grants are the state's three largest public health agencies which serve the

BUDGET ACTIVITY: Disease Prevention and Control
PROGRAM: Protective Health
AGENCY: Health, Department of
(Continuation)

jurisdictional area receiving most of Minnesota's refugees.

D. Eligible applicants are counties having resettled more than 80 refugees during F.F.Y. 1990. Each county is then allocated a portion of the total allotment of funds for this program based on their proportional share of the total number of refugees residing in the eligible counties. Execution of these contracts is dependent upon the acceptance by the health agency of the duties as referred to in the preceding section.

E. Grants are awarded using the mechanism established above with a pre-established ceiling on the total amount for which a county would be eligible.

F. Source of funding:

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Federal	$46	$46	$46	$46

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH PROTECTION
ACTIVITY: DIS PREV & CONTROL

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	4,213	4,392	5,791	5,791	5,746	5,677	5,791	5,746	5,678
EXPENSES/CONTRACTUAL SRVCS	871	897	1,119	1,089	1,089	1,089	1,089	1,084	1,084
MISC OPERATING EXPENSES	246	251	235	235	235	235	235	235	235
SUPPLIES/MATERIALS/PARTS	1,048	824	1,522	1,522	1,522	1,522	1,522	1,522	1,522
CAPITAL EQUIPMENT	85	144	93	93	93	93	93	93	93
SUBTOTAL STATE OPERATIONS	6,463	6,508	8,760	8,730	8,685	8,616	8,730	8,680	8,612
AIDS TO INDIVIDUALS		4							
LOCAL ASSISTANCE	3,427	3,535	4,450	4,450	4,357	4,450	4,450	4,357	4,450
TOTAL EXPENDITURES	9,890	10,047	13,210	13,180	13,042	13,066	13,180	13,037	13,062

GOV'S INITIATIVES:	FUND								
(A) SALARY PLANNING ESTIMATES	GEN					<66>			<65>
(A) SALARY PLANNING ESTIMATES	SGS					<3>			<3>
(A) RESTORE AGENCY REDUCTION-AIDS GRANTS	GEN					93			93
TOTAL GOV'S INITIATIVES						24			25

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	4,579	4,383	4,447	4,417	4,279	4,306	4,417	4,274	4,302
STATE GOVT SPEC REV			131	131	131	128	131	131	128
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	123	124	98	98	98	98	98	98	98
TRUNK HIGHWAY	10	24							
FEDERAL	4,448	4,901	7,429	7,429	7,429	7,429	7,429	7,429	7,429
GIFTS AND DEPOSITS	730	615	1,105	1,105	1,105	1,105	1,105	1,105	1,105

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH PROTECTION
ACTIVITY: DIS PREV & CONTROL

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL FINANCING	9,890	10,047	13,210	13,180	13,042	13,066	13,180	13,037	13,062
POSITIONS BY FUND:									
GENERAL	51.0	45.0	45.0	45.0	44.0	44.0	45.0	44.0	44.0
SPECIAL REVENUE	1.0	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
TRUNK HIGHWAY		.5	.5	.5	.5	.5	.5	.5	.5
FEDERAL	64.4	55.6	60.1	60.1	60.1	60.1	60.1	60.1	60.1
TOTAL POSITIONS	116.4	102.7	107.2	107.2	106.2	106.2	107.2	106.2	106.2

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH PROTECTION
ACTIVITY: PUBLIC HEALTH LABS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	3,195	3,325	4,161	4,101	4,631	4,578	4,101	4,647	4,596
EXPENSES/CONTRACTUAL SRVCS	276	280	258	258	350	350	258	350	350
MISC OPERATING EXPENSES	47	46	44	44	23	23	44	23	23
SUPPLIES/MATERIALS/PARTS	564	589	818	818	1,040	1,040	818	1,040	1,040
CAPITAL EQUIPMENT	325	166	219	219	417	417	219	349	349
SUBTOTAL STATE OPERATIONS	4,407	4,406	5,500	5,440	6,461	6,408	5,440	6,409	6,358
TOTAL EXPENDITURES	4,407	4,406	5,500	5,440	6,461	6,408	5,440	6,409	6,358
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<33>			<31>
(A) SALARY PLANNING ESTIMATES		SGS				<20>			<20>
TOTAL GOV'S INITIATIVES						<53>			<51>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,056	2,015	2,161	2,101	1,155	1,122	2,101	1,057	1,026
STATE GOVT SPEC REV					941	921		920	900
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	1,993	2,017	2,895	2,895	3,921	3,921	2,895	3,988	3,988
FEDERAL	358	373	444	444	444	444	444	444	444
GIFTS AND DEPOSITS		1							
TOTAL FINANCING	4,407	4,406	5,500	5,440	6,461	6,408	5,440	6,409	6,358

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH PROTECTION
ACTIVITY: PUBLIC HEALTH LABS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	47.9	45.8	45.8	45.8	28.6	28.6	45.8	27.6	27.6
STATE GOVT SPEC REV	.0	.0	.0	.0	16.7	16.7	.0	16.7	16.7
SPECIAL REVENUE	47.5	39.1	48.1	50.1	50.1	50.1	50.1	50.1	50.1
FEDERAL	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
TOTAL POSITIONS	102.4	91.9	100.9	102.9	102.4	102.4	102.9	101.4	101.4

BUDGET ACTIVITY: Environmental Health
PROGRAM: Health Protection
AGENCY: Health, Department of

ACTIVITY DESCRIPTION:

The Environmental Health activity is preventive in nature and protects the public health by assuring that actual and potential risks from exposures to environmental hazards are minimized and controlled. Environmental hazards include human-made and naturally occurring physical, chemical, and radiological agents and substances. Exposures to these environmental hazards may occur in the workplace, home, natural environment or public facility such as schools, hospitals or restaurants. Customers of this activity include the regulated community, other state and local agencies as well as the general public, children, women, families and workers.

The Environmental Health activity uses regulatory, consultative, informational, and educational approaches to assure that the public is protected against actual and potential exposures to environmental hazards. The customers served are the general public, but some services listed below also benefit particular groups:

1. **Worker Protection.** Workers and the general public are protected in the following ways: exposure to ionizing radiation is minimized by registration and inspection of sources of ionizing radiation such as x-ray machines, naturally occurring or accelerator produced radioactive materials, and radioactive waste shipments; education on occupational health hazards such as toxic chemical substances including asbestos and lead and harmful infectious agents is provided; exposure to tobacco smoke indoors is controlled by enforcement of standards of the Minnesota Clean Indoor Air Act; consultation on exposures to indoor air contaminants is provided and indoor arenas are inspected; public water supply quality is monitored in workplaces.

2. **Protection of Children and Families.** Children and families are protected in the following ways: exposure to lead which has serious effects on children, is minimized through implementation of standards, lead abatement training, contractor licensing and consultation on exposures; exposure to asbestos is minimized through abatement contractor licensing, worker certification and project inspection for compliance with standards; the occurrence and spread of waterborne and foodborne disease are controlled by implementation of public water supply water quality standards, plumbing and sanitation standards in schools, childcare centers and children's camps; swimming pools are designed and maintained to provide protection through construction and operational standards. Women are protected in the following ways: quality mammographic images for detection of breast cancer are assured through implementation of standards for mammography equipment; exposure to lead for pregnant women is minimized through implementation of lead standards and public health education efforts, and exposure to mercury and dioxin for pregnant women is minimized through advice on sport fish consumption.

3. **Protection of Communities.** Communities are protected in the following ways: health risk assessments around federal Superfund sites are developed and communicated; emergency response capability in the event of releases from the state's nuclear generating facilities is maintained; environmental radiation is monitored and radiation exposure to the public is evaluated; the occurrence and the spread of waterborne and foodborne disease is controlled and the risk of injury to the public due to falls, burns or other physical factors in lodging, recreation, beverage or food establishments, and manufactured home parks is minimized through implementation of standards; contamination of water is identified, prevented and controlled through public water supply requirements, well management requirements, requirements for safe plumbing and swimming pool installations and operation; and development and expansion of local environmental health programs are promoted and the adequacy and consistency of the local programs with state standards is evaluated.

4. **Services to State and Local Government.** State and local government benefit from environmental health activities through assessments of risk to human health from exposure to environmental contaminants. These assessments are provided to advise decision makers as to what corrective actions are appropriate to minimize risk. Environmental health programs are coordinated with related programs in other state agencies to minimize duplication of services.

BUDGET ISSUES:

The agency budget plan will result in the following redesign and restructuring of environmental health activities:

- Currently the activity performs air quality investigations at enclosed sports arenas; provides technical training to arena personnel, building professionals and staff of governmental agencies including schools; and examines sports arena's testing equipment. These activities and services will no longer be performed by the agency. The activity will respond to complaints and develop educational materials for arena personnel, building professionals and staff of governmental agencies including schools. The air quality investigations and on-site training of personnel could be performed by the private sector. However, many municipalities and small businesses that operate arenas may lack the financial resources for these services. Problems with sports arena air testing equipment could go undetected and individuals attending events or athletes could become ill from exposures to air contaminants, primarily carbon monoxide, if this service is not provided by the private sector.

- The activity will no longer provide lead abatement training for lead abatement contractors. Future training could be provided by the Midwest Center for Occupational Health and Safety. The EPA has begun its lead abatement training program and the Midwest Center for Occupational Health and Safety is one of the training providers.

- The activity will reorganize its management responsibilities to reduce one supervisory position.

- The activity will reduce effort in the asbestos abatement program. It is estimated that 50 fewer asbestos inspections in F.Y. 1994 and 75 fewer in F.Y. 1995 will be performed. Since there will be a reduction in the support of staff positions at the MPCA, the ability of both agencies to enforce the asbestos abatement rules will be reduced. Support for legal assistance from the Attorney General's Office will be reduced to reflect a decreased need for those services. Enforcement activities would continue on a fee for service basis with the Office of the Attorney General.

- The activity will no longer provide support for the Infectious Waste Control Program. Due to passage of the federal Occupational Safety and Health Bloodborne Pathogen Standard, there is some duplication in the regulation of generators/employers governing infectious agents. Self employed generators will no longer be regulated.

- The activity will reduce training activities in the Well Management program. A MDH sponsored annual conference will be eliminated and certification of private sector well management training programs for continuing education credit will be shifted to district office hydrologists. Reduced training activities may result in increased well code violations. Also, delineation of special

construction advisory areas will only be performed on an emergency basis, i.e. after an area of contamination has been identified, rather than on a more proactive basis. Well sealing inspections will be reduced in order to maintain the current level of inspection of new well construction.

- The activity will eliminate training activities in the Public Water Supply program (PWS). Training activities currently provided by the PWS program can be assumed by other groups such as the American Waterworks Association, Minnesota Rural Water Association, Vocational and Technical Colleges, and Community Colleges. PWS Program staff are currently working with a training coalition including the parties listed above to develop training for the water utility operators. The PWS Program will continue to participate with the coalition. Management responsibilities for all the programs in the Water Supply and Well Management Section will be reorganized to accommodate a reduction. Activities related to review of water quality permits, water resources planning documents and wellhead protection will be reorganized. Most activities will focus on review of documents for which review is statutorily mandated, such as environmental assessment worksheets and environmental impact statements. Wellhead protection activities will be reorganized to focus on rule development.

- Program resources in the environmental radiation monitoring program will focus on monitoring levels of radiation in milk, water, air, crops/vegetation, soil, and sediment around Minnesota's two nuclear power generating plants only. Environmental radiation monitoring will be especially important after the Prairie Island Spent Nuclear Fuel Storage facility is operational. The activity will maintain resources necessary to conduct environmental monitoring in response to emergencies statewide.

- Since 1974 the state legislature has provided the agency with General Fund support for the inspection and monitoring of public water supplies. This fact together with the state's ability to collect the majority of the required water samples, lower analytical costs available due to large quantities of samples being analyzed by the agency, and contracts with private laboratories have resulted in a fiscal savings to public water supplies.

EFFICIENCY MEASURES:

1. Decrease in number and frequency of water samples in public water supplies.

   As a result of the agency's inspection and monitoring activities, public water systems can take advantage of the discretionary waiver process allowed in the SDWA to reduce the number and frequency of water samples required. It is estimated that the savings in testing costs will be in excess of $20 million per year.

2. Number of plumbing installation inspections per inspector.

   The plumbing program conducts approximately twice as many inspections per inspector as any of the three neighboring states with state inspection programs, thereby providing maximum field effort to assure protection of public health through complying plumbing.

3. Delegation of inspection and licensing responsibilities to boards of health.

   The commissioner of health is empowered to delegate environmental health programs such as the licensing and inspection of lodging facilities, eating establishments and permitting and inspection of water wells to boards of health. The number of boards of health assuming responsibility for various environmental health programs continues to grow.

4. Reduction in duplicative inspections of grocery stores with restaurants.

   Since 1971, under amendments to M.S. section 28A.15, the agency has inspected grocery stores with restaurants. An interagency agreement with the Department of Agriculture allows for one inspection of grocery stores with restaurants. This inspection serves to meet both the Department of Agriculture and MDH requirements.

5. Reduction in duplicative inspections of mammographic facilities.

   In July 1992, the federal Healthcare Financing Administration required all facilities eligible for Medicare reimbursement to be certified to perform mammograms. The agency also requires facilities providing mammographic services to meet minimum standards. It is proposed that one inspection will suffice to meet both the state and federal requirements and will not necessitate 2 separate inspections.

6. Increased efficiency due to computerized inspection reports.

   The use of laptop computers at the time of inspection of facilities serving food or beverages or at lodging facilities has reduced the inspection report preparation time and allows the inspection report to be delivered to clients at the time of inspection. This will enable inspectors to spend more time on inspections and less time on report preparation.

7. Transfer the OSHA program to the Department of Labor and Industry to be financed from the Workers Compensation Fund.

REVENUE:

This activity generates non-dedicated revenue.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Non-dedicated - Gen'l	2,535	3,660	8,075	-0-	-0-
Non-dedicated - State Gov't	-0-	-0-	-0-	9,405	8,603
Dedicated - Special	445	56	391	391	391
Dedicated - Federal	2,199	3,087	3,649	3,114	3,114
Total	$5,179	$6,803	$12,115	$12,910	$12,108

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH PROTECTION
ACTIVITY: ENVIRONMENTAL HEALTH

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	7,242	7,784	8,785	8,815	7,830	7,649	8,815	7,605	7,435
EXPENSES/CONTRACTUAL SRVCS	1,841	1,604	3,060	3,060	4,483	4,487	3,060	3,950	3,954
MISC OPERATING EXPENSES	581	652	997	997	989	985	997	989	985
SUPPLIES/MATERIALS/PARTS	277	464	355	355	328	328	355	316	316
CAPITAL EQUIPMENT	273	574	280	280	169	169	280	169	169
SUBTOTAL STATE OPERATIONS	10,214	11,078	13,477	13,507	13,799	13,618	13,507	13,029	12,859
LOCAL ASSISTANCE	20	85							
TOTAL EXPENDITURES	10,234	11,163	13,477	13,507	13,799	13,618	13,507	13,029	12,859

GOV'S INITIATIVES:	FUND								
(A) SALARY PLANNING ESTIMATES	GEN					<36>			<33>
(A) SALARY PLANNING ESTIMATES	SGS					<145>			<137>
(A) ELIMINATE MLCATF	ENV					169			182
(A) ELIMINATE MLCATF	MLC					<169>			<182>
TOTAL GOV'S INITIATIVES						<181>			<170>

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	6,975	7,695	9,221	9,251	1,581	1,545	9,251	1,568	1,535
MN RESOURCES	403								
STATE GOVT SPEC REV			70	70	8,544	8,399	70	7,774	7,637
ENVIRONMENTAL						169			182
METRO LANDFILL CONTN	106	110	146	146	169		146	182	
OPEN APPROPRIATIONS:									
SPECIAL REVENUE	389								

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH PROTECTION
ACTIVITY: ENVIRONMENTAL HEALTH

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
STATUTORY APPROPRIATIONS:									
GENERAL	106	215							
SPECIAL REVENUE	56	56	391	391	391	391	391	391	391
FEDERAL	2,199	3,087	3,649	3,649	3,114	3,114	3,649	3,114	3,114
TOTAL FINANCING	10,234	11,163	13,477	13,507	13,799	13,618	13,507	13,029	12,859
POSITIONS BY FUND:									
GENERAL	130.6	142.7	139.2	139.2	25.1	25.1	139.2	24.8	24.8
MN RESOURCES	2.0								
STATE GOVT SPEC REV			1.5	1.5	107.7	107.7	1.5	102.7	102.7
SPECIAL REVENUE	6.0	1.0	3.6	3.6	3.6	3.6	3.6	3.6	3.6
FEDERAL	52.0	47.3	47.3	47.3	32.5	32.5	47.3	32.5	32.5
ENVIRONMENTAL						1.5			1.8
METRO LANDFILL CONTN	1.0	1.0	1.0	1.0	1.5		1.0	1.8	
TOTAL POSITIONS	191.6	192.0	192.6	192.6	170.4	170.4	192.6	165.4	165.4

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PROGRAM: Health Care Resources and Systems
AGENCY: Health, Department of

PROGRAM PURPOSE:

The Health Care Resources and Systems Program is responsible for safeguarding and promoting the health and safety of consumers of health care services through the regulation of health care facilities health maintenance organizations and providers. The program also works to ensure that Minnesota citizens have access to affordable quality medical care through implementation of the cost containment, and data collection provisions of the 1992 health care reform legislation. It conducts studies and provides information to the state legislature and government agencies for development of policies and programs relating to health care access, cost containment, long term care and regulatory practices.

This program contributes directly to 3 Milestone themes. Within the first theme, "A Caring and Secure Community." MDH is a leader in the goal that "Dependent persons will have their basic needs met." Within the second Milestones theme, "A Prosperous People," MDH contributes to the goal that "All Minnesotans will have a place to live that is clean, safe and private." The third Milestone is "We the People," MDH contributes to the goal that "Government decision-making will accommodate community participation."

PROSPECTS:

1. Quality of Care for Health Care Consumers:

■ Maintaining a regulatory program that provides assurances that the required level of care and services is provided to health care consumers, including facility residents, Health Maintenance Organization (HMO) enrollees and the general public. The Health Resources program consists of a combination of routine surveys and a complaint investigation process. The HMO regulatory program consists of a combination of routine audits and a complaint investigation process. The allied professionals regulatory systems vary but all provide for complaint investigations.

■ Examining and developing long term care alternatives such as Residential Care Homes, Home Care, and Nursing Home Reform to respond to an aging population with increased complexity of diseases and care requirements.

■ Operating a consumer information center for potential and actual purchasers of hearing aids and for consumers of mental health services.

■ Educating of health care consumers on issues surrounding health care costs, quality and access.

2. Regulating Without Creating Adversarial Relationships:

■ Striving to change the adversarial perception that has overridden previous policy and rule development in order to achieve mutual goals for all stakeholders with the understanding that each stakeholder has a responsibility to the clientele they serve.

■ Continuing to evaluate mechanisms for surveys and complaint activities that provide the necessary protection to facility residents and also allows for devoting more resources to facilities and providers where a need for improvement in services has been identified.

■ Developing a program to effectively carry out the federally mandated regulation of clinical laboratories and mammography clinics.

■ Providing training to health care providers in conjunction with their organizations to increase awareness of new regulations such as Omnibus Reconciliation Act (OBRA) to produce a less adversarial atmosphere, to improve facility compliance, and to reduce staff time in formal and informal hearing process.

■ Increasing communications and working cooperatively with providers of care and community advocates through its quarterly newsletter, administrative bulletins and training programs, participation and staffing of commissions and committees.

■ Providing health care science research, analytical and planning functions and ultimately developing a mechanism to monitor health care expenditures for purposes of reducing the growth in health care spending.

■ Evaluating, on an ongoing basis, the effect and potential of health care reform measures taken to date.

3. Meet Federal and State Mandates in the Most Efficient and Cost Effective Manner:

■ Using automation to increase time available for field survey staff resulting in more increased observation and interaction with facility resident clientele.

■ Reducing DHS's payment cycle time for reimbursement to long term care providers. MDH has enhanced its automated case mix data which serves as the basis for case mix reimbursements in the DHS medical assistance system.

■ Providing legislative and other government agency data such as for reports relating to: Health Care Access and cost containment, rural health issues, Senior Agenda for Independent Living (SAIL), OBRA PASAAR and the University of Minnesota for a Health Care Financing Administration (HCFA) study on the use of psychotherapeutic drugs in long term care facilities.

4. Identifying methods of cost containment which do not negatively impact health care access or quality of care:

■ Providing health care consumers with useful information regarding health care costs, quality and access.

■ Evaluating cost containment proposals to determine effect on access and quality of care and provide information to the administration, the Minnesota Health Care Commission and the legislature in an effort to develop a feasible cost containment strategy.

■ Developing antitrust policy and corresponding rules to increase access or quality of care and to put health care dollars to more efficient and effective use.

■ Promoting the development and implementation of practice parameters and health outcome measures.

■ Providing legislative and other governmental agencies data for reports relating to cost containment data collection, access and quality of care.

■ Undertaking activities to collect data and monitor the delivery of health care services.

PROGRAM: Health Care Resources and Systems
AGENCY: Health, Department of
(Continuation)

OUTCOMES:

Long Term Care

1. Quality of Care for Health Care Consumers:

■ Under federal and state mandates, approximately 48,195 recipients in Intermediate Care Facilities for the Mentally Retarded and Institutions for Mental Diseases and in Certified Nursing Homes are reviewed and interviewed annually to assure that the quality and quantity of services provided are appropriate to their individual medical, physical and psychosocial needs.

■ Under federal and state mandates, approximately 1,670 health care providers are licensed and/or certified annually with approximately 2,867 on-site surveys and follow-up visits conducted to assure compliance with federal and state regulations so that the quality and quantity of services provided are appropriate to meet the individual medical, physical and psychosocial needs of health care recipients.

■ Reimbursement classifications are computed for 101,470 reviews in order to ensure that recipients are reimbursed at the appropriate rate for their care based on their individual need.

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Medicaid and Private Pay On-Site Reviews includes ICF-MR	48,197	48,000	49,600	50,900
New Admissions Classified	25,975	26,500	27,000	27,500
Hospital Readmissions	18,459	19,000	19,500	20,000
30 Day Post Hospital Returns	11;647	12,000	12,500	12,500
Facility 6-Month Interm Requests Processed	40,692	41,000	41,100	41,100
Inter and Intra Facility Transfers Processed	4,697	4,800	5,000	5,000
Desk Reviews	101,470	103,300	105,100	106,100
On-Site Audits	10,967	11,500	11,600	11,700
Reconsiderations	2,135	2,200	2,250	2,300
Construction plan reviews	295	345	355	355
Construction Inspections	123	150	150	150
LSC surveys	1,298	1,311	1,331	1,361
General Complaints Investigated	312	360	400	400
VAA Complaints Investigated	484	500	550	600
Licensing and Certification Surveys	2,144	2,225	2,225	2,225
Validation Surveys of Accredited Hospitals for Licensing	5	5	5	5
Follow-up Visits (Lic. & Cert)	1,316	1,400	1,400	1,400
Correction Orders Issued	2,958	3,200	3,200	3,200
Certification Deficiencies	5,203	6,000	6,200	6,200
Penalty Assessments	20	35	50	50
Complaints (S&C)	16	15	15	15

Health Maintenance Organizations

■ Under federal and state mandates health maintenance plans are reviewed and audited annually to assure that the quality and quantity of services provided are appropriate, the plan is financially secure and service networks are sufficient to meet enrollees needs.

Health Maintenance Organizations

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
No. of Financial Examinations Conduced	6	6	6	6
No. of Quality Examinations Conducted	7	7	7	7
No. of Written Complaints Received	738	900	900	900
No. of Telephone Inquiries	3900	5000	5000	5000
No. of Requests for HMO Operating Changes	306	400	350	350
No. of Enforcement Actions	24	30	30	30
No. of Rulemaking Proceedings in Progress	3	3	3	3

Health Occupations Program

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
No. of Credential Applications Received, Credentials Issued	1100	1200	2600	2600
No. of Complaints Received	300	400	450	500
No. of Complaints Investigated	225	300	340	375
Enforcement Actions	12	16	17	19
Public Information Programs	15	20	25	30
Sets of Rules Promulgated	1	3	0	0

Health Economics Program

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Hospitals submitting financial information	163	159	156	156
Surgery centers submitting financial information	10	10	11	12
Health Care Markets Report	0	1	0	1
Policy Studies	0	1	0	1
HCCIS: # facility cost reports published	163	159	156	156
Reports for Purchasers	2	2	7	2

Health Care Analysis Program

Performance measures for this new activity will be developed during the F.Y. 1994-95 biennium.

2. Regulating Without Creating Adversarial Relationships:

■ Minnesota recently revised the moratorium statute which gives health care providers the opportunity to make improvements in their physical plants. MDH is anticipating another dramatic increase in physical plant reviews with the development of the Residential Care Home Program.

■ Health Resources has established advisory committees for Residential Care Homes, Home Care and for revision to the Nursing Home Rules. These committees represent the community and provider interests as well as other governmental agencies.

■ The Health Care Analysis unit assists in staffing the Health Care Commission, Regional Coordinating Boards and the advisory panels and committees addressing issues of health care reform.

■ There are multiple advisory groups utilized by the Health Care Delivery Division in developing and recommending policy changes or rule development.

■ Use of administrative bulletins and periodic meetings with regulated groups assists in carrying out regulatory responsibility.

OBJECTIVES:

1. Quality of Care for Health Care Consumers:

■ Have available the expertise of a medical director to provide training and consultation to the medical community and administration of health care facilities as well as the staff of Health Resources.

■ Conduct provider community training and education so that care needs in Minnesota reflect current standards of practice.

■ Increase the diversity of the professional survey staff to provide a greater degree of expertise in all areas of the survey process.

■ Monitor and measure the effects on HMO enrollees of insurance reform measures in the health care reform legislation.

■ Conduct surveys to assess health care consumer satisfaction and preference.

2. Regulating Without Creating Adversarial Relationships:

■ Convene "Case Mix Advisory Committee" which has representatives from industry, community and other governmental agencies to reexamine resident classifications to ensure that limited reimbursement dollars reflect the care needed for the individual resident.

■ Continue to provide staff resources for provider organization education workshops to maintain and increase awareness of new regulations and survey processes.

■ Develop rules and legislation that provide for an effective regulatory program and establish a mechanism for the periodic review of existing requirements.

■ Continue on-going advisory committees which monitor changes needed in MDH rules such as Nursing Homes, Home Care, and Residential Care Home rules.

■ Continue periodic meetings with industry and consumer advocates to discuss status of rule and policy development.

3. Meet Federal and State Mandates in the Most Efficient and Cost Effective Manner:

■ Support continuation of task force to create a "Uniform Client Identifier". Ultimately, this number will be used to track individuals through the state systems. This will reduce the time spent by county and state agencies to maintain accurate records. Consistency of the data across systems will provide the basis for longitudinal studies.

■ Integrating current computer systems to create a Health Resources Information System which will provide a "profile" for each health care facility.

4. Identifying Methods of Cost Containment which positively impact health care access and quality of care:

■ Convene and advise the Health Care Commission, Regional Coordinating Boards, and various health care reform committees to examine the impact of cost containment alternatives.

■ Conduct surveys to assess health care consumer satisfaction and preference.

PROGRAM PLAN:

Budget reductions in this bureau are complicated by the fact that there are three components to funding - federal Medicare/Medicaid funds, state matching funds and state licensure funds. Reductions must be carefully targeted to avoid a loss of federal funds. MDH will have to closely monitor its budget because the interrelated nature of state budget reductions makes it difficult to measure the corresponding effect on federal funding. If further cuts or reductions were made, MDH estimates that for each $1.00 in reduction of state spending, the state would lose approximately $4.00 in federal funding. Based on a thorough analysis of historical operational costs, MDH believes the reduction proposed can be made without losing federal match.

Licensing programs are fee generated and the funding collected is designed to cover the costs of the corresponding program. MDH has proposed reductions in the licensing programs; however, they are not of sufficient size to warrant a reduction in licensing fees. Health facilities regulation is operating with a sizeable deficit and we would propose to continue collecting fees at the current amount and reconcile fees collected once the deficit is paid off. Fees for the HMO licensure program have not increased since 1991. Our analysis indicates that the costs of running the program with an inflation factor will be adequately covered by fees collected at the current rate. We do not anticipate raising fees.

The budget reductions have been carefully targeted so as to minimize programmatic effect. Both the Health Care Delivery and Health Resource Divisions should be able to accomplish the stated prospects, outcomes and objectives.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan for this program; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HLTH CARE RESOURCE/SYSTEMS

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
HEALTH RESOURCES	14,661	16,265	19,062	18,865	18,994	18,931	18,865	18,994	18,931
HLTH CARE DELIVERY SYST	1,621	1,242	3,589	3,221	3,218	3,151	2,812	2,842	2,775
OFFICE OF RURAL HEALTH		56	1,536	1,450	1,459	1,451	1,450	1,469	1,461
TOTAL EXPENDITURES BY ACTIVITY	16,282	17,563	24,187	23,536	23,671	23,533	23,127	23,305	23,167
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<8>			<8>
(A) SALARY PLANNING ESTIMATES		SGS				<93>			<93>
(A) SALARY PLANNING ESTIMATES		HCA				<37>			<37>
TOTAL GOV'S INITIATIVES						<138>			<138>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,552	2,257	3,189	2,937	283	275	2,937	283	275
STATE GOVT SPEC REV	200	320	513	513	3,209	3,116	513	3,209	3,116
HEALTH CARE ACCESS			2,955	2,556	2,649	2,612	2,556	2,692	2,655
OPEN APPROPRIATIONS:									
STATE GOVT SPEC REV	50								
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	9,753	10,580	11,857	11,857	11,857	11,857	11,857	11,857	11,857
FEDERAL	3,727	4,406	5,264	5,264	5,264	5,264	5,264	5,264	5,264
GIFTS AND DEPOSITS			409	409	409	409			
TOTAL FINANCING	16,282	17,563	24,187	23,536	23,671	23,533	23,127	23,305	23,167
POSITIONS BY FUND:									
GENERAL	59.6	59.5	58.5	58.5	6.0	6.0	58.5	6.0	6.0
STATE GOVT SPEC REV	3.0	8.0	8.0	8.0	59.0	59.0	8.0	59.0	59.0
HEALTH CARE ACCESS			24.0	24.0	24.0	24.0	24.0	24.0	24.0
SPECIAL REVENUE	174.8	184.0	184.0	184.0	184.0	184.0	184.0	184.0	184.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HLTH CARE RESOURCE/SYSTEMS

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
FEDERAL	1.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
GIFTS AND DEPOSITS			6.0	6.0	6.0	6.0			
TOTAL POSITIONS	238.9	255.0	284.0	284.0	282.5	282.5	278.0	276.5	276.5

BUDGET ACTIVITY: Health Resources
PROGRAM: Health Care Resources and Systems
AGENCY: Health, Department of

ACTIVITY DESCRIPTION:

This activity's major purpose is to safeguard and promote the health, safety and well being of health care service recipients through the regulation of health care facilities and providers.

This activity conducts programs that are designed to:

1. Provide assurance that the required level of care and service is provided to residents of health care facilities. Under federal and state mandates, approximately 1,670 health care facilities and providers are licensed and/or certified annually with approximately 2,867 on-site surveys and follow-up visits conducted to assure compliance with federal and state regulations so that the quality and quantity of services provided are appropriate to meet the individual medical, physical and psychosocial needs of Minnesota's health care recipients. This encompasses comprehensive surveys of all licensed and certified facilities/providers (except hospitals accredited by the Joint Commission on Accreditation of Health Care Organizations--JCAHO), and validation inspections in the JCAHO accredited hospitals.

2. Investigate complaints of patient care and abuse in health care facilities. Appropriate federal and/or state regulatory action is taken when violations are found to exist. Assistance is provided to residents and their families in the enforcement of their rights. Assistance and consultation is also provided to administrative agencies, health care providers and organizations representing consumers.

3. Conduct approximately 48,195 reviews of individual recipients in certified facilities in accordance with federal and state mandates for the purposes of the annual inspection of care and case mix reimbursement. These reviews assure that the quality and quantity of services provided are appropriate to the individual recipients medical, physical and psychosocial needs and appropriate levels of payment are established.

4. Develop a program to effectively carry out the federally mandated regulation of clinical laboratories and mammography clinics.

5. Ensure the physical safety and well being of health care recipients is provided for by reviewing plans for health care facility construction and modification with inspection of the completed projects. Federal Life Safety Code standards for federal certification of health care facilities are also enforced.

6. Ensure that the quality of care for MN's aging population is continually evaluated. This is causing MDH to look at developing care alternatives such as Residential Care Homes, Home Care, and Nursing Home Reform. MDH is striving to achieve mutual goals for all stakeholders with the understanding that each stakeholder has a responsibility to the clientele they serve.

7. Provide training to health care providers in conjunction with their organizations to increase awareness of new regulations to produce a less adversarial atmosphere, to improve facility compliance, and reduce staff time in formal and informal hearing processes. MDH has increased communication and is working cooperatively with providers of care and community advocates through its quarterly newsletter and training programs.

8. Provide legislative and other governmental agency data such as for reports relating to: Swing Beds, the SAIL Agenda, OBRA PASAAR, and the University of Minnesota for an HCFA study on the use of psychotherapeutic drugs in long term care facilities.

BUDGET ISSUES:

The number of complaint investigations is expected to increase with the implementation of Home Care and Residential Care Home licensure rules. In addition, the focus of complaints has moved from general complaints to resident care increasing the complexity of complaints. Many of the resident care investigations will lead to referrals to the Nursing Assistant Registry for possible action against nursing assistants for neglect, abuse, or misappropriation of property.

MDH is anticipating a dramatic increase in physical plant reviews with the revised moratorium statute which gives health care providers the opportunity to make improvements in their physical plants. Also, the development of the Residential Care Home Program will increase physical plant reviews.

In order to meet federal and state mandates in the most efficient and cost effective manner, MDH is participating in a task force established to create a "Uniform Client Identifier". Ultimately, this number will be used to track individuals through the state systems. This will reduce the time spent by county and state agencies to maintain accurate records. Consistency of the data across systems will provide the basis for longitudinal studies.

MDH is also integrating current computer systems to create a Health Resources Information System which will provide a "profile" for each health care facility.

This has the effect of reducing payment cycle time for DHS reimbursement to long term care providers. MDH has enhanced its automated case mix data which serves as the basis for case mix reimbursement in the DHS medical assistance system.

EFFICIENCY MEASURES:

In order to meet this activities required budget reductions, the division instituted measures to reduce the funds targeted for professional/technical services and will eliminate 3 positions. Two of these positions are from the Home Care Program and the other is from the Health Resources Management activity. In F.Y. 1994 is where the major impact of the professional/technical services will be felt. The budget adjustments in F.Y. 1995 will impact the number of surveys the division is able to perform. We will evaluate our survey requirements, the processes utilized when surveying, and will determine the actual impact reduction of these positions will have on these programs. The HR Division will also request additional federal funds to supplement the loss of state dollars for this activity. The greatest impact will be in the second year of the biennium. A plan will be developed which incorporates the internal evaluation of our activities as well as identifies state and federal reductions.

BUDGET ACTIVITY: Health Resources
PROGRAM: Health Care Resources and Systems
AGENCY: Health, Department of
(Continuation)

Health Resources Program

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Medicaid On-Site Reviews includes ICF-MR	36,012	36,500	36,800	37,900
Private Pay On-Site Reviews includes ICF-MR	12,185	12,500	12,800	13,000
New Admissions Classified	25,975	26,500	27,000	27,500
Hospital Readmissions	18,459	19,000	19,500	20,000
30 Day Post Hospital Returns	11,647	12,000	12,500	12,500
Facility 6-Month Interm Transfers Processed	40,692	41,000	41,100	41,100
Inter and Intra Facility Transfers Processed	4,697	4,800	5,000	5,000
Desk Reviews	101,470	103,300	105,100	106,100
On-Site Audits	10,967	11,500	11,600	11,700
Reconsiderations	2,135	2,200	2,250	2,300
Construction plan reviews of:				
New Buildings	41	40	40	40
Additions to Existing Bldgs	113	130	140	140
Remodeling Projects	141	175	175	175
Construction Inspections	123	150	150	150
Initial LSC Surveys	11	20	20	25
Validation LSC Surveys	5	6	6	6
Monitor Full LSC Surveys	915	935	955	980
Monitor PCR LSC Surveys	367	360	350	350
General Complaints Investigated	312	360	400	400
VAA Complaints Investigated	484	500	550	600
Licensing Surveys	632	725	725	725
Certification Surveys	1,512	1,500	1,500	1,500
Validation Surveys of Accredited Hospitals for Licensing	5	5	5	5
Follow-up Visits (Lic. & Cert)	1,316	1,400	1,400	1,400
Correction Orders Issued	2,958	3,200	3,200	3,200
Certification Deficiencies	5,203	6,000	6,200	6,200
Penalty Assessments	20	35	50	50
Complaints (S&C)	16	15	15	15

REVENUE

This activity generates dedicated and non-dedicated revenue.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Non-dedicated - Gen'l	$1,222	$1,547	$5,899	$3,000	$3,000
Dedicated - State Gov't	-0-	-0-	-0-	2,899	2,899
Dedicated - Special	9,705	10,533	11,806	11,806	11,806
Dedicated - Federal	3,667	4,269	4,997	4,997	4,997
Total Revenue	$14,594	$16,349	$22,702	$22,702	$22,702

GRANTS:

Not applicable.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HLTH CARE RESOURCE/SYSTEMS
ACTIVITY: HEALTH RESOURCES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	8,915	9,965	10,918	10,789	10,900	10,837	10,789	10,900	10,837
EXPENSES/CONTRACTUAL SRVCS	4,280	4,708	6,211	6,160	6,150	6,150	6,160	6,158	6,158
MISC OPERATING EXPENSES	654	666	983	975	1,033	1,033	975	1,033	1,033
SUPPLIES/MATERIALS/PARTS	76	136	205	204	189	189	204	189	189
CAPITAL EQUIPMENT	389	450	393	385	370	370	385	362	362
SUBTOTAL STATE OPERATIONS	14,314	15,925	18,710	18,513	18,642	18,579	18,513	18,642	18,579
LOCAL ASSISTANCE	347	340	352	352	352	352	352	352	352
TOTAL EXPENDITURES	14,661	16,265	19,062	18,865	18,994	18,931	18,865	18,994	18,931
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<63>			<63>
TOTAL GOV'S INITIATIVES						<63>			<63>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,289	1,463	2,259	2,062			2,062		
STATE GOVT SPEC REV					2,191	2,128		2,191	2,128
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	9,705	10,533	11,806	11,806	11,806	11,806	11,806	11,806	11,806
FEDERAL	3,667	4,269	4,997	4,997	4,997	4,997	4,997	4,997	4,997
TOTAL FINANCING	14,661	16,265	19,062	18,865	18,994	18,931	18,865	18,994	18,931

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HLTH CARE RESOURCE/SYSTEMS
ACTIVITY: HEALTH RESOURCES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	40.6	40.5	40.5	40.5			40.5		
STATE GOVT SPEC REV					40.5	40.5		40.5	40.5
SPECIAL REVENUE	173.8	183.0	183.0	183.0	183.0	183.0	183.0	183.0	183.0
TOTAL POSITIONS	214.4	223.5	223.5	223.5	223.5	223.5	223.5	223.5	223.5

BUDGET ACTIVITY: Health Care Delivery Systems
PROGRAM: Health Care Resources and Systems
AGENCY: Health, Department of

ACTIVITY DESCRIPTION:

The Health Care Delivery Systems activity has 3 major purposes: regulation of Minnesota's health maintenance organizations, regulation of allied health occupations, and policy analysis and implementation relating to health care cost containment and access to health care, both financial and geographic.

The Health Occupations Program regulates speech-hearing occupations and unlicensed mental health practitioners, and is creating a registration system for an allied health occupation. Prior to July, 1990, the Health Occupations activity administered the process through which human service occupations could become regulated by the state. The 1990 legislature eliminated funding for the review process effective 7-1-90.

In F.Y. 1989, the activity assumed responsibility for regulating speech-language pathologists, audiologists and hearing instrument dispensers. Regulatory activities include administering a registration system for speech-languagepathologists, audiologists, and hearing instrument dispensers, and conducting a consumer protection and information program for purchasers of hearing aids. The consumer hearing aid program issues permits to all hearing aid sellers in the state, receives and investigates consumer complaints of unfair or illegal conduct by sellers, and initiates enforcement actions against sellers for violations of rules and laws. In F.Y. 1991-92, the activity also completed rulemaking to establish a registration system for respiratory therapists, and amended the physician assistant registration rules to implement prescription writing authority granted physician assistants by the 1990 legislature. All of these activities are supported by fees paid by applicants for registration or for permits to sell hearing aids.

In F.Y. 1992, the activity assumed responsibility for regulating unlicensed mental health practitioners. The activity receives and investigates complaints from consumers and mental health practitioners and takes enforcement actions against unlicensed practitioners. The activity also acts as an information source for consumers of all mental health services.

The activity is currently amending the physician assistant registration rules to address problems with the registration system that were identified in an earlier policy analysis study. The activity provides information, technical assistance and advice on state regulation of health personnel to the legislature, members of occupations, other state agencies, members of the public and other jurisdictions.

The Health Care Analysis activity implements and provides technical expertise for the state's health care reform initiatives. This program was created by Laws of 1992, Chapter 549.

This activity is divided into 2 functional units: the Data Analysis Unit and the Policy Review and Reporting Unit. The Data Analysis Unit is responsible for creating and maintaining numerous data bases related to health care, conducting applied research using these data bases, developing and implementing data collection procedures, and promote improvements in health care efficiency and effectiveness. The unit also prepares reports for the administration and legislature and disseminates health care-related information to the public. The unit also provides staff support for the Data Collection Advisory Committee and the Practice Parameters Advisory Committee.

The Policy Review and Reporting Unit provides research and analytical support, health planning and health policy analysis for the state's health care reform efforts. The unit is responsible for developing, recommending, and implementing cost containment initiatives including establishing statewide and regional spending limits, developing uniform billing and claims forms, designating centers of excellence, and administering statewide consumer education and wellness programs. The Unit also provides the staff support for the activities of the Minnesota Health Care Commission, the Regional Coordinating Boards, and the Health Planning Advisory Committee.

The Health Economics activity has 3 main purposes: 1) to analyze health care market conditions and trends; 2) to recommend and promote state policies that are consistent with state objectives regarding health care costs, access and quality; and 3) to provide information to consumers that assist them in making informed choices in the health care market place.

The Health Economics activity routinely assesses the performance of Minnesota health care markets in containing health care costs and monitors both patient access to necessary medical services and the quality of medical services: documents health care expenditures by provider type, establishes and monitors trends in those expenditures, and identifies market factors contributing to the increasing costs of health care; administers the Health Care Cost Information System; and conducts ongoing financial monitoring of general acute care hospitals and free-standing surgical centers.

The Health Maintenance Organization (HMO) activity provides consumer protection to 1,200,000 enrollees through 6 functions. They are:

1. The financial audit function monitors how the 12 HMOs comply with financial solvency requirements and takes enforcement action as necessary. The audits include both routine comprehensive examinations at least once every 3 years and special examinations whenever a plan of correction may be needed. Rehabilitation and liquidation are conducted if necessary.
2. The quality assurance monitoring function reviews the effectiveness of HMO quality of care evaluation activities. This is done through quality of care examinations which evaluates the arrangements for ensuring access to and availability of services, each HMO's quality assurance program, and each HMO's internal complaint handling system.
3. The investigation function receives and investigates approximately 740 written enrollee complaints about HMO operations, and responds to all public inquiries about HMO operations.
4. The compliance and enforcement function approves or disapproves approximately 350 operating changes (enrollee contracts, provider agreements and operating procedures) submitted by HMOs. Enforcement activities include necessary legal action on approximately 25 cases involving potentially significant violations of the HMO Act.
5. The policy development function analyzes HMO regulatory issues to promulgate necessary rules and disseminate important information related to HMO operations.
6. Two full-time positions, funded through federal funds through the Department of Human Services, administer contracts with HMOs for services to medical assistance recipients. The number of medical assistance recipients enrolled in HMOs is approximately 100,000 and therefore the federal funds available for monitoring HMOs associated with these recipients is quite limited.

BUDGET ISSUES

The Health Maintenance Organization activity will be reduced by .5 FTE. This may result in slower promulgation of health maintenance organization (HMO) rules.

The Health Maintenance Organization activity provides a consumer complaint investigation function (3.0 FTEs). Historically, this program has received approximately 1,000 complaints annually. However, during F.Y. 1992, less than 800 complaints were logged. Therefore, we will reduce this activity by 1.0 position. This may result in slower resolution of consumer complaints against HMOs.

The supplies and expense budget of the Health Economics activity will be reduced by $7,000 annually.

BUDGET ACTIVITY: Health Care Delivery Systems
PROGRAM: Health Care Resources and Systems
AGENCY: Health, Department of
(Continuation)

EFFICIENCY MEASURES:

Health Occupations Program	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
No. of Credential Applications Received, Credentials Issued	1,100	1,200	2,600	2,600
No. of Complaints Received	300	400	450	500
No. of Complaints Investigated	225	300	340	375
Enforcement Actions	12	16	17	19
Public Information Programs	15	20	25	30
Sets of Rules Promulgated	1	3	0	0

Health Care Analysis Program

Performance measures for this new activity will be developed during the F.Y. 1994-95 biennium.

Health Economics Program	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Hospitals submitting financial information	163	163	159	158
Surgery centers submitting financial information	10	10	11	12
Health Care Markets Report	0	1	0	1
Policy Studies	0	1	0	1
HCCIS: # facility cost reports published	163	163	159	158
Reports for Purchasers	2	2	4	4

Health Maintenance Organizations	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
No. of Financial Examinations Conduced	6	6	6	6
No. of Quality Examinations Conducted	7	7	7	7
No. of Written Complaints Received	738	900	900	900
No. of Telephone Inquiries	3,900	5,000	5,000	5,000
No. of Requests for HMO Operating Changes	306	400	350	350
No. of Enforcement Actions	24	30	30	30
No. of Rulemaking Proceedings in Progress	3	3	3	3

REVENUE

This activity generates dedicated and non-dedicated revenues.

Type of Revenue:	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Non-dedicated - General	$825	$833	$832	$-0-	$-0-
Non-dedicated - State Gov't	87	178	144	1,116	1,116
Dedicated - Special	48	47	51	51	$51
Dedicated - Federal	60	81	75	75	$75
Dedicated - Agency	-0-	-0-	409	409	-0-
Total Revenue	$1,015	$1,139	$1,511	$1,651	$1,242

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HLTH CARE RESOURCE/SYSTEMS
ACTIVITY: HLTH CARE DELIVERY SYST

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,086	1,127	2,372	2,322	2,265	2,198	2,136	2,112	2,045
EXPENSES/CONTRACTUAL SRVCS	133	65	663	663	718	718	512	567	567
MISC OPERATING EXPENSES	24	35	169	141	136	136	135	130	130
SUPPLIES/MATERIALS/PARTS	18	6	91	16	27	27	16	27	27
CAPITAL EQUIPMENT	13	9	294	79	72	72	13	6	6
SUBTOTAL STATE OPERATIONS	1,274	1,242	3,589	3,221	3,218	3,151	2,812	2,842	2,775
LOCAL ASSISTANCE	347								
TOTAL EXPENDITURES	1,621	1,242	3,589	3,221	3,218	3,151	2,812	2,842	2,775
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<8>			<8>
(A) SALARY PLANNING ESTIMATES		SGS				<30>			<30>
(A) SALARY PLANNING ESTIMATES		HCA				<29>			<29>
TOTAL GOV'S INITIATIVES						<67>			<67>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,263	794	930	875	283	275	875	283	275
STATE GOVT SPEC REV	200	320	513	513	1,018	988	513	1,018	988
HEALTH CARE ACCESS			1,611	1,298	1,382	1,353	1,298	1,415	1,386
OPEN APPROPRIATIONS:									
STATE GOVT SPEC REV	50								
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	48	47	51	51	51	51	51	51	51
FEDERAL	60	81	75	75	75	75	75	75	75
GIFTS AND DEPOSITS			409	409	409	409			

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HLTH CARE RESOURCE/SYSTEMS
ACTIVITY: HLTH CARE DELIVERY SYST

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL FINANCING	1,621	1,242	3,589	3,221	3,218	3,151	2,812	2,842	2,775
POSITIONS BY FUND:									
GENERAL	19.0	19.0	18.0	18.0	6.0	6.0	18.0	6.0	6.0
STATE GOVT SPEC REV	3.0	8.0	8.0	8.0	18.5	18.5	8.0	18.5	18.5
HEALTH CARE ACCESS			18.0	18.0	18.0	18.0	18.0	18.0	18.0
SPECIAL REVENUE	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
FEDERAL	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
GIFTS AND DEPOSITS			6.0	6.0	6.0	6.0			
TOTAL POSITIONS	24.5	30.0	53.0	53.0	51.5	51.5	47.0	45.5	45.5

BUDGET ACTIVITY: Office of Rural Health
PROGRAM: Health Care Resources and Systems
AGENCY: Health, Department of

ACTIVITY DESCRIPTION:

The Office of Rural Health (ORH) exists to assist rural communities in improving the delivery and quality of health care in rural areas and in recruiting and retaining health professionals. The ORH will work in conjunction with the University of Minnesota medical schools and other organizations in the state which are addressing rural health care problems. A variety of studies, grants and programs are included in the rural health initiatives.

ACTIVITY OBJECTIVES:

To assist in improving the delivery and quality of health care in rural areas the ORH will: 1) consult with the Rural Health Care Advisory Committee; 2) establish a clearinghouse for collecting and disseminating information on rural health care issues; 3) coordinate the activities relating to rural health care that are carried out by the state to avoid duplicating efforts; and 4) identify federal and state rural health programs and provide technical assistance to public and nonprofit entities, to assist them in participating in these programs.

The commissioner of health, through the ORH, will do the following in consultation with the commissioners of human services, commerce, higher education coordinating board and other agencies: 1) develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual providers and small hospitals and clinics into referral networks with larger hospitals and clinics; 2) develop and implement a program to assist rural communities in establishing community health centers; 3) administer the sole community hospital subsidy program and the state transition grant program; 4) develop recommendations for health education and training programs in rural areas; 5) develop a statewide recruitment strategy and develop a database for health care personnel; 6) develop and administer technical assistance programs to assist rural communities in planning and coordinating the delivery of local health care services and hiring health personnel; 7) study and recommend changes in the regulation of health care personnel to address rural health personnel shortages; 8) support efforts to insure continued funding for medical and nursing education programs; 9) support efforts to secure higher reimbursement for rural health care providers from the Medicare and Medicaid assistance programs; and 10) coordinate the development of a statewide plan for emergency medical services.

The ORH has entered into a Primary Care Cooperative Agreement with the federal Department of Health and Human Services and the Minnesota Primary Care Association to assist in the delivery of comprehensive primary care services in areas that lack adequate health professionals or have populations lacking access to primary care because of financial, cultural or language barriers. The objectives of the Agreement will be met by developing and allocating primary care resources within the state, helping community and migrant health centers work with other community based providers of care, and promoting and supporting the involvement of city and county health departments in primary care issues.

BUDGET ISSUES:

The Amendments to M.S. 1990, Section 144.147, Subd. 4 would award the grants appropriated for F.Y. 1993 after 7-1-93, the start of F.Y. 1994. The legislature appropriated $250,000 for this program for fiscal year 1993. The ORH has notified the Legislative Oversight Committee on Health Care Access of this apparent contradiction and is awaiting confirmation from the Oversight Committee that funds for F.Y. 1993 may be distributed as soon as the commissioner's grant selections are announced.

EFFICIENCY MEASURES:

Activities of the ORH are new activities. Efficiency Measures will be developed during F.Y. 1994.

REVENUE:

This activity generates dedicated revenues.

TYPE OF REVENUE:

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Dedicated Federal	0	56	192	192	192

GRANTS:

1. Transition Grant Program.

A. Statutory Authority: M.S. 1990, Section 144.147, Subd. 1.

B. Purpose: The rural health care system is undergoing a restructuring that threatens to jeopardize access in rural areas to quality health services. To assure continued rural health care access, the legislature established a grant program to assist rural hospitals and their communities with the development of strategic plans and transition projects, subsidizes geographically isolated hospitals facing closure, or examines the problem of recruitment and retention of rural physicians, nurses and other allied providers of health care. To be eligible a hospital must be located in a rural area (as defined by Medicare or located in a community of less than 5,000); have 100 or fewer beds; is not profit; and, has not been awarded a grant under the federal rural health transition grant program.

C. Recipients and Eligibility Criteria: The factors considered in determining which applications will be funded include the following:

(1) improving community access to hospital or health services;
(2) changes in service populations;
(3) demand for ambulatory and emergency services;

(4) the extent that the health needs of the community are not currently being met by other providers in the service area;
(5) the need to recruit and retain health professionals;
(6) the involvement and extent of support of the community and local health care providers; and
(7) the financial condition of the hospital.

D. Grant Award Amount: Maximum of $50,000.

E. Source of Funding:

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Health Care Access	-0-	$ 250,000	$250,000	$250,000

2. Sole Community Hospital Financial Assistance Grants.

A. Statutory Authority: Laws of Minn. 1992, Ch. 549 Article V, Sec. 10, Subd. 1.

B. Purpose: Financial Assistance Grants are awarded to rural hospitals in isolated areas of the state.

C. Recipients and Eligibility Criteria: To be eligible, a hospital must:

1. Meet definition of "Sole community hospital" in the Federal Code of Regulations or be located in a community with a population of less than 5,000.
2. Have experienced net income losses in two most recent consecutive years.
3. Have 30 or fewer licensed beds.
4. Have exhausted local sources of support.

D. Grant Award Amount: The grants will be awarded in equal amounts.

E. Source of Funding:

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Health Care Access	-0-	$200,000	$200,000	$200,000

3. Community Clinic Program.

A. Statutory Authority: Laws of Minn. 1992, Ch. 549, Article V, Sec. 12.

B. Purpose: Technical assistance, capital grants for start-up costs, and short term dollars for assistance with operating costs will be available in order to establish community health centers in underserved rural areas.

C. Recipients and Eligibility Criteria: In order to receive state dollars, a center must:

1. Include a local match for state dollars.
2. Be operated through nonprofit boards comprised of local residents.
3. Encourage use of midlevel practitioners.
4. Incorporated a quality assurance strategy.

D. Grant Award Amount: To be determined based on the number of eligible applicants.

E. Source of Funding:

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Health Care Access	- 0 -	$250,000	$250,000	$250,000

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HLTH CARE RESOURCE/SYSTEMS
ACTIVITY: OFFICE OF RURAL HEALTH

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES		22	307	307	316	308	307	326	318
EXPENSES/CONTRACTUAL SRVCS		25	431	378	378	378	378	378	378
MISC OPERATING EXPENSES		3	62	62	62	62	62	62	62
SUPPLIES/MATERIALS/PARTS		2	23	3	3	3	3	3	3
CAPITAL EQUIPMENT		4	13						
SUBTOTAL STATE OPERATIONS		56	836	750	759	751	750	769	761
LOCAL ASSISTANCE			700	700	700	700	700	700	700
TOTAL EXPENDITURES		56	1,536	1,450	1,459	1,451	1,450	1,469	1,461
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		HCA				<8>			<8>
TOTAL GOV'S INITIATIVES						<8>			<8>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
HEALTH CARE ACCESS			1,344	1,258	1,267	1,259	1,258	1,277	1,269
STATUTORY APPROPRIATIONS:									
FEDERAL		56	192	192	192	192	192	192	192
TOTAL FINANCING		56	1,536	1,450	1,459	1,451	1,450	1,469	1,461
POSITIONS BY FUND:									
HEALTH CARE ACCESS	.0	.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
FEDERAL	.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HLTH CARE RESOURCE/SYSTEMS
ACTIVITY: OFFICE OF RURAL HEALTH

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL POSITIONS	.0	1.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5

PROGRAM: Health Delivery Systems
AGENCY: Health, Department of

PROGRAM PURPOSE:

Health Delivery Systems exists to promote optimal health outcomes for Minnesotans through education, leadership and quality public health services that are coordinated, family-centered, community-based and culturally competent.

Health Delivery Systems contributes to a number of goals within the Minnesota Milestones theme "A Caring and Secure Community" including "Our children will not live in poverty; Our children will learn to be responsible, mature adults; Families will provide a stable environment for their children; Minnesotan's will have the best possible chance for a healthy life; We will welcome, respect, and value all people; and We will create safe, friendly and caring communities." In addition, within the Milestones theme "We the People", MDH is actively addressing the goals that "Government in Minnesota will be more efficient; and Government decision-making will be decentralized and accommodate community participation."

Moreover, MDH uses other indicators to measure progress toward goals which are not part of Minnesota Milestones. These are described under the *Outcomes* and *Objectives* headings.

PROSPECTS:

1. Promoting Positive Health Behaviors:

   - MDH conducts a statewide public information/education campaign to reduce the prevalence of tobacco use, particularly among adolescents, young women, and groups with higher than average smoking rates. MDH also provides technical assistance to local agencies and organizations for programs that promote tobacco-free lifestyles. Adult smoking rates have declined from 29.5% in 1981 to 22.0% in 1990. Daily tobacco use among 9th graders has declined from 11.0% in 1989 to 10.0% in 1992.

   - Breast and cervical cancer account for about 37% of all cancers and approximately 22% of cancer deaths among American women. In the United States, 1 in 9 women are now expected to develop breast cancer in their lifetime. The incidence among women under 50 is approximately 34.4 per 100,000 compared to approximately 351.1 per 100,000 for women 50 and older. In 1988, there were 765 deaths from breast cancer and 44 deaths from cancer of the cervix among Minnesota women. Survival is directly related to the stage of disease at the time of diagnosis; women diagnosed with localized breast or cervical cancer have 5-year survival rates of 90% and 88% respectively, which decline to 17% and 14% with metastatic involvement.

   - Approximately 32,000 children participate in fluoride mouthrinse programs. MDH provides consultation and technical assistance to local public health professionals and school districts concerning the administration of these programs. In addition, MDH is involved in 10 dental sealant demonstration project schools.

   - Behavioral risk factors directly contribute to certain diseases including heart disease, cancer, diabetes, osteoporosis, anemia and growth retardation. MDH provides technical assistance and expertise to public health professionals for programs focusing on behavioral risk factors. These programs have resulted in reductions of certain medical complications associated with these diseases.

2. Ensuring Optimal Health Outcomes for Mothers and Children:

   - Health status indicators for infants showed disparate outcomes for communities of color. An African-American infant is 2.8 times more likely to be born at a low birthweight than a white infant, and 3.0 times more likely to die in the first year of life. Native American infants are 1.3 times more likely to be born at a low birthweight, and 1.9 times more likely to die. Asian-Pacific Island infants are 1.4 times more likely to be born at low birthweight, but 1.6 less likely to die in the first year of life.

   - Minnesota's adolescents have not experienced an improvement in health status in recent decades. Deaths related to homicide, suicide and intentional injury have risen at a rate which offsets the reduction and deaths due to communicable diseases. Increased morbidity is associated with substance abuse, physical and sexual abuse, unintended pregnancies, sexually transmitted diseases, and chronic illness/disabling conditions have become more prominent.

   - An estimated 200,000 women in Minnesota are in need of subsidized services for family planning. Current funding is adequate to meet the needs of 100,000 women.

   - New advanced technology is available to enhance outcomes for low birthweight and premature infants, children with other complex congenital conditions, and children with acquired traumatic or disabling conditions. Consequently, infants and children are now surviving with multiple, complex medical and health needs. Resources available to pay for medical treatment for Minnesota's children with special health needs has increased considerably in the last five to ten years. MDH, through the Services for Children with Handicaps Program, provides intensive advocacy services, technical consultation, and the development of care standards, training and education, and service coordination. The program also provides for payment of necessary services for these children.

   - The number of Minnesota's children living in poverty increased by 20% from 1979 to 1989. Almost 15% of Minnesota children under the age of 5 live in poverty, as do more than 11% of children from 5-17. As a result, the demand for publicly-supported health services, such as WIC and well-child health services, has also increased.

3. Strengthening and Supporting Cooperative Partnerships Among State, Regional and Local Health Organizations:

   - Since 1989, MDH has worked in partnership with 49 locally administered Community Health Boards to provide the basic tools to enable a cost effective approach to public health; one which fosters community ownership and political accountability and promotes fiscal stability in Minnesota's public health system. In 1992, MDH provided funds through the Community Health Services (CHS) Subsidy to all 49 Community Health Boards. Community Health Boards must provide a dollar of local effort for every dollar of their CHS subsidy allocation. The purpose of the local match is to provide incentives for the development of other sources of funding for local public health such as grants, fees and revenue producing service contracts.

- Trauma is the leading cause of death for Minnesotans up to the age of 34. Of 2,177 "accidental" deaths in Minnesota in 1990, 633 deaths and 44,634 injuries were attributable to motor vehicle crashes, 362 deaths were from falls, 357 deaths were from fire arm injuries and 38 deaths were from stabbing. Trauma in rural Minnesota is generally more severe and motor fatality rates are higher than in urban areas. An estimated 6,000 persons are critically injured each year in Minnesota due to trauma-related incidents. Trauma has become the number one cause of lost years of life before age 65, exceeding cancer and cardiovascular diseases combined.

OUTCOMES:

The department has collected data on the following programs to demonstrate outcomes, which are the historic measurement of the department's performance towards its goals.

1. Promoting Positive Health Behaviors:

- The percentage of people who smoke cigarettes dropped in the last decade.

	F.Y. 1981	F.Y. 1986	F.Y. 1990
a. Percent smokers:	29.5	26.4	22.0
		F.Y. 1989	F.Y. 1992
b. Daily tobacco use among ninth graders:		11.0	10.0

- Currently, MDH is responsible for 55 sites which conduct mammography screening for the detection of breast cancer and 66 sites which conduct Pap tests for the detection of cervical cancer.

- Percentage of average dental caries prevention effectiveness following a 1 time application of dental sealants to teeth is 83% after 1 year and 55% after 7 years.

2. Ensuring Optimal Health Outcomes for Mothers and Children.

- Reproductive Health Objectives:

a. Births to mothers under 20 years of age increased 6.8% from 1985 to 1990.
b. Births to mothers over 34 years of age increased 50.0% from 1985 to 1990.
c. Fetal deaths increased 2.3% from 1985 to 1990.
d. Low birthweight infants decreased 6.8% from 1985 to 1990.
e. The compliance rate for newborn screening in 1991 was more than 99%.

- Child Health Objectives:

a. The statewide infant mortality rate decreased from 9.7 per 1,000 live births in 1980 to 7.3 per 1,000 in 1990.
b. Neonatal deaths decreased from 6.2 in 1980 to 4.3 in 1990.
c. Deaths due to unintentional injuries for 5 to 9 year olds decreased from 13.5 per 100,000 population in 1980 to 7.8 per 100,000 in 1990; for 10 to 14 year olds from 15.9 per 100,000 in 1980 to 6.4 per 100,000 in 1990; and for 15 to 19 year olds from 54.8 per 100,000 in 1980 to 37.0 per 100,000 in 1990.
d. Deaths due to intentional injuries (homicide and suicide) for 5 to 9 year olds decreased from 1.4 per 100,000 population in 1980 to 0.3 per 100,000 in 1990, and for 10 to 14 year olds from 1.8 per 100,000 in 1980 to 1.3 per 100,000 in 1990, but increased for 15 to 19 year olds from 10.1 per 100,000 in 1980 to 18.8 per 100,000 in 1990.

- Service Outcomes:

a. The number of state-funded local mortality review projects in Minnesota increased from 2 in 1980 to 5 in 1992.
b. The number of state/federally funded local maternal and child health programs increased from 5 projects serving 5 communities in 1980 to 47 projects serving the entire state in 1990.
c. The number of state-funded family planning projects increased from 34 in 1980 to 44 in 1992, when services became available in all regions of the state.
d. The number of WIC local agencies increased from 28 in 1980 to 61 in 1990; services became available statewide in 1985.

3. Strengthening and Supporting Cooperative Partnerships Among State, Regional and Local Health Organizations:

- The CHS Subsidy provides less than 10% of the total funding for community health in Minnesota, and provides the center-piece in the state's strong local health system. The Subsidy, 100% state tax revenue supported, serves broad constituencies rather than politically organized groups or specific public health problems. In 1989, the legal local match provided by Community Health Boards represented 77.2% of the local expenditures, from all sources.

	Dollars in Thousands		
	F.Y. 1979	F.Y. 1987	F.Y. 1991
Total local contribution	34,294,073	91,041,812	122,480,242
State CHS Subsidy Appropriation	9,772,821	11,631,536	14,225,492
Total Ratio Local/State	3.51:1	7.83:1	8.6:1

- MDH, through its Emergency Medical Services Section, regulates over 300 licensed ambulance services staffed by over 10,000 certified emergency medical technicians at the basic, intermediate and paramedic levels. Currently, Minnesota has approximately 10,000 emergency medical technicians (EMTs) at the basic level, 150 EMT-Intermediates and 850 EMT-Paramedics. Approximately 70% ambulance personnel in Minnesota are volunteers.

PROGRAM: Health Delivery Systems
AGENCY: Health, Department of
(Continuation)

OBJECTIVES:

1. Promoting Positive Health Behaviors:

- Percentage smokers, F.Y. 1995 - 20%.
- Screening sites for mammography, F.Y. 1995 - 80.
  Women age 40+ with mammogram, F.Y. 1995 - 56%.
- Screening sites for Pap tests, F.Y. 1995 - 80.
  Women with Pap Test, F.Y. 1995 - 83%.
- Number of children participating in fluoride mouthrinse programs, F.Y. 1995 -32,000.

2. Ensuring Optimal Health Outcomes for Women and Children:

- Reproductive Health:

By the Year 2000:

a. the percentage of pregnant women who begin prenatal care during the first trimester of pregnancy will increase to 95%;
b. the percentage of pregnant women receiving prenatal care will be similar for all races;
c. the low birthweight rate will be reduced to 3.5 per 100 live births; and
d. all Minnesota women will have access to services designated to improve birth outcomes and prevent unintended pregnancies.

- Child Health

By the Year 2000:

a. perinatal mortality will be reduce to 9 deaths per 1,000 live births;
b. the infant mortality rate will be reduced to 5 per 1,000 live births, and infant mortality rates will be similar for all races;
c. every Minnesota child will have a primary health care provider;
d. all children with disabilities will have access to coordinated, family-centered, community-based, culturally-competent health services;
e. primary prevention programs addressing violence to women and children will be developed and implemented statewide;
f. the percentage of 2 year olds who are adequately immunized will be increased to at least 90%;
g. for children less than 18 years of age, injuries due to abuse and neglect will be reduced to 14.5 per 1,000;
h. the prevalence of elevated blood levels among 6-months to 6-year-old children will be reduced; and
i. the percentage of 9th graders who smoke on at least once occasion per week will be reduced to no more than 10%.

3. Strengthening and Supporting Cooperative Partnerships Among State, Regional and Local Health Organizations.

- Developing a uniform and comprehensive surveillance system in order to measure the health status of local communities and monitor health outcomes - Year 2000.
- Encourage and promote optimal use of CHS Subsidy in a manner that effectively leverages local resources and maintains the state's strong local public health system - ongoing.
- Develop a statewide emergency medical services plan, F.Y. 1995.
- Maintain current level of volunteer commitment to the emergency medical services statewide system.
- Reduce percentage of deaths due to trauma through increased access to quality prehospital emergency medical services.

PROGRAM PLAN:

Budget reduction efforts in this Bureau were thoughtfully identified so as to minimize programmatic impact while maximizing efficiency measures.

Proposed reductions in the Services for Children with Handicaps Program will likely not impact delivery of services to this population because current estimated expenditures of treatment funds are below the appropriation level. Since the cost of providing specialized treatment services for children with disabilities is extremely difficult to project, however, MDH will closely monitor expenditures to insure that the needs of this vulnerable population are met. In order to more accurately meet the needs of Minnesota's children with special health care needs in the future, MDH will conduct a comprehensive needs assessment which will identify the number of children with special health care needs, confer with children, families, providers, local agencies, teachers and communities to determine what is needed for these children to function as optimally as possible, identify current resources and identify barriers.

Currently, DHS, Family and Children's Services Division administers grants to local non-profit agencies to provide comprehensive services designed to improve the health and development of children, birth through pre-school years, who have been prenatally exposed to drugs and/or alcohol. Efforts to consolidate children's programs of similar intent and design have led to a decision to combine this activity with compatible maternal and child health activities in the MDH.

MDH will maintain staff to provide technical assistance to local public health agencies and organizations for programs that promote tobacco-free lifestyles, particularly among adolescents, young women, and groups with higher than average smoking rates. However, state General Fund support for the advertising and advertising-related evaluation component of the program will be discontinued and 2 positions will be eliminated. In addition to state General Fund support, the department has staff hired with federal American Stop Smoking Intervention Study (ASSIST) grant funds.

MDH purposely recommended that the CHS Subsidy not be reduced. Although the CHS Subsidy represents only a small fraction of the total funding for local public health, it has historically been extremely successful in maximizing local funding resources. Therefore, MDH believes that a reduction of the CHS Subsidy would be ill-advised.

PROGRAM: Health Delivery Systems
AGENCY: Health, Department of
(Continuation)

The other proposed reductions in the Health Delivery Systems Bureau have been carefully reviewed so as to minimize programmatic impact while insuring the integrity of this program. MDH believes that the proposed reductions in this program will not compromise our ability to meet the above-referenced objectives.

GOVERNOR'S RECOMMENDATION:

As part of the children's integrated budget, the Governor recommends an increase of $2.2 million for the 1994-95 biennium for the Maternal and Child Health Special Project (MCH-SP) grant program, and an increase of $4 million for the 1994-95 biennium for the Family Planning Special Project grant program. These recommendations are detailed in the investment initiative pages following this program. A summary of the entire integrated budget is described in the Department of Children and Education Services.

The Governor recommends that a position and salary transfer to the proposed Department of Children and Education Services. This person will serve as a state resource and consultant to schools and daycare centers on issues relating to a child's health status. This transfer fulfills the need to consolidate school health policy development while enhancing linkages to county community health services delivery.

The Governor recommends interagency coordination in the areas of maternal and child health (MCH) and women, infants, children (WIC) with the proposed Department of Children and Education Services. This coordination satisfies the need to tie critical early childhood health services to early childhood education delivery.

The Governor recommends that the Home Visiting Program be transferred to the proposed Department of Children and Education Services in the second year of the biennium. This program is designed to prevent child abuse and neglect by providing early intervention services for families at risk, and is closely linked to other programs transferring to the Department of Children and Education Services.

~~The Governor recommends transferring $400,000 for the 1994-95 biennium to the Department of Health (MDH) from the Department of Public Safety (DPS). The 1992 Omnibus Anti-Violence Bill charged MDH to design and implement a coordinated prevention effort designed to reduce the rates of fetal alcohol syndrome (FAS), fetal alcohol effect (FAE) and drug-exposed infants. DPS, Office of Drug Policy was appropriated funds for this purpose, and has an interagency contract with MDH to spend the money pursuant to statute. This recommendation allows the funding to be located in the department providing the service.~~

The Governor has reduced the proposed funding due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH DELIVERY SYST

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
MATERNAL & CHILD HEALTH	56,586	62,274	68,472	67,507	67,766	70,829	67,507	67,766	70,803
COMMUNITY HEALTH SERVICES	19,627	19,722	20,088	20,002	19,982	19,921	20,002	19,982	19,621
HEALTH PROMOTION & EDUC	2,778	5,499	7,872	7,682	7,481	7,463	7,682	7,618	7,600
TOTAL EXPENDITURES BY ACTIVITY	78,991	87,495	96,432	95,191	95,229	98,213	95,191	95,366	98,024

GOV'S INITIATIVES:	FUND								
(A) EXPAND MCH PROJECT GRANT PROGRAM	GEN					1,110			1,110
(A) EXPAND MCH/FAMILY PLANNING	GEN					2,000			2,000
(A) SALARY PLANNING ESTIMATES	GEN					<80>			<79>
(A) SALARY PLANNING ESTIMATES	THI					<18>			<18>
(A) TRANSFER SCHOOL HEALTH POSITION	GEN					<28>			<55>
(A) TRANSFER HOME VISITING PROG TO DOCH	GEN								<300>
TOTAL GOV'S INITIATIVES						2,984			2,658

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	24,530	25,491	26,248	25,362	24,938	27,940	25,362	24,770	27,446
TRUNK HIGHWAY	1,384	1,401	1,396	1,396	1,326	1,308	1,396	1,326	1,308
STATUTORY APPROPRIATIONS:									
GENERAL	402	195	604	249	249	249	249	249	249
SPECIAL REVENUE	615	1,090	1,222	1,222	1,222	1,222	1,222	1,222	1,222
FEDERAL	52,044	59,318	66,962	66,962	67,494	67,494	66,962	67,799	67,799
GIFTS AND DEPOSITS	16								
TOTAL FINANCING	78,991	87,495	96,432	95,191	95,229	98,213	95,191	95,366	98,024

POSITIONS BY FUND:									
GENERAL	73.7	68.1	63.6	61.9	58.9	59.9	61.9	56.6	57.6
SPECIAL REVENUE	5.1	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3
TRUNK HIGHWAY	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH DELIVERY SYST

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
FEDERAL	129.7	104.0	109.8	112.4	115.2	115.2	112.4	116.2	116.2
TOTAL POSITIONS	222.5	196.4	197.7	198.6	198.4	199.4	198.6	197.1	198.1

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F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Health, Department of
PROGRAM: Health Delivery Systems
ACTIVITY: Maternal and Child Health

ITEM TITLE: Expansion of the Maternal and Child Health Special Project Grant Program

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$ 50	$ 50	$ 50	$ 50
- Grants	$1,060	$1,060	$1,060	$1,060

Statutory Change? Yes X **No** ____
If yes, statute affected: M.S. 145.88 - 145.889

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of $2.22 million for the 1994-95 biennium for the Maternal and Child Health Special Project grant program, and that a child health component be created for the program. This recommendation is part of the children's integrated budget.

The Maternal and Child Health Special Projects (MCH-SP) grant program, which is the family/maternal and child health funding and program core of Community Health Boards, does not permit use of MCH-SP funds for planning, promoting or providing services for the health of the general population of infants and children except in Minneapolis and St. Paul. On a statewide basis, it is limited to 4 categories: improved pregnancy outcome, family planning, handicapped/chronically ill children and childhood injury prevention.

A joint project of the departments of Health and Human Services (DHS) regarding primary and preventive health for children is indicating that resources to pay for medical care in Minnesota are nearly adequate. MnCare should improve this situation even more. However, the project is also indicating a significant need for systems development, outreach, family support services, and monitoring in order to help parents avail themselves of the resources that exist for primary and preventive care for their children.

Additional funding would be used for grants to Community Health Boards to address child health concerns in their communities. A child health consultant position is needed at the department because there are currently no staff members with sufficient time and expertise to provide the necessary administrative and program support to grantees.

This initiative meets the investment criteria of "intervention opportunities to avoid future costs."

PROGRAM OUTCOMES:

During the 1994-95 biennium, Community Health Boards can be expected to devote significant efforts to developing intervention strategies for children's health that are appropriate to their communities. Measurable outcomes should include increases in the nature and scope of child health activities conducted by local agencies, in outreach activities for primary and preventive care, and in the number of families served.

LONG-TERM IMPACT:

It is expected that increased expenditures for strengthening public health activities in the area of child health will have the following long-term outcomes:

- decreasing the infant mortality rate;
- increasing the number of children who have a primary health care provider;
- increasing the number of children who are adequately immunized;
- decreasing the prevalence of elevated blood lead levels;
- decreasing the number of adolescents who smoke, drink alcohol, or take illicit drugs; and
- decreasing the incidence of family violence.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Health, Department of
PROGRAM: Health Delivery Systems
ACTIVITY: Maternal and Child Health

ITEM TITLE: Expansion of the Family Planning Special Project Grant Program

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$ 50	$ 50	$ 50	$ 50
- Grants	$1,950	$1,950	$1,950	$1,950

Statutory Change? Yes _____ No __X__
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of $4 million for the 1994-95 biennium for the Family Planning Special Project grant program. This recommendation is part of the children's integrated budget.

As documented in the *Kids Can't Wait Report* and the *Report of the Governor's Advisory Commission on the Prevention of Unintended Pregnancy*, unintended pregnancies are an underlying cause of many social problems, such as poor pregnancy outcome, child abuse and neglect, school difficulties, poverty and juvenile criminal activity.

It is more cost effective to prevent unintended pregnancies than to pay for the social costs incurred later. National data indicate that, for every $1 spent on family planning, $4.40 in public dollars is saved within 2 years.

An estimated 200,000 women in Minnesota are in need of subsidized services for family planning. Currently, almost $11 million of public funding is available annually for family planning services:

1.	Title XX	$ 173,454
2.	Title XIX	3,682,320
3.	FPSP	2,055,000
4.	MCH-SP	3,282,222
5.	Title X	1,693,802
	Total	$10,886,798

This funding is adequate to meet the needs of about 100,000 women. Another $10 million would be required annually to meet the total estimated need for subsidized family planning services in Minnesota.

Additional funding would be used for grants to local service providers to address the financial, geographic, and cultural barriers that exist for women in need of family planning services. A position is needed at the department to provide needed administrative and program support to grantees because the number of funded agencies would increase by at least 57%.

This initiative meets the investment criteria of "intervention opportunities to avoid future costs."

PROGRAM OUTCOMES:

Because of the time lag caused by the length of pregnancy, this initiative will not produce a measurable program outcome during the 1994-95 biennium. However, measurable service outcomes during the biennium will include increases in the number of state-funded family planning projects, in the number of counties with publicly-subsidized family planning services available, and in the number of persons served through family planning clinics.

LONG-TERM IMPACT:

According to the *Report of the Governor's Advisory Commission on the Prevent of Unintended Pregnancy*, an estimated one-third or more pregnancies occurring in Minnesota are unintended. In addition to reducing the number of unintended pregnancies, it is expected that an increase in family planning services for low-income Minnesotans will have the following health outcomes:

- decreasing the number of births to mothers under 20 years of age;
- decreasing the number of fetal deaths;
- decreasing the number of low birthweight infants; and
- decreasing the infant mortality rate.

Other expected outcomes that will be more difficult to measure include: reductions in spending for AFDC, Medical Assistance, and Food Stamps; decreases in child abuse and neglect; improvements in the high school graduation rate; and reductions in the juvenile crime rate.

BUDGET ACTIVITY: Maternal and Child Health
PROGRAM: Health Delivery Systems
AGENCY: Health, Department of

ACTIVITY DESCRIPTION:

This activity is the principal agent in state government responsible for ensuring optimal health outcomes for families, especially women and children (birth through adolescence). The activity advocates policies and programs that promote the health of Minnesota's families, and fosters a system of quality health services that are coordinated, family-centered, community-based, and culturally-competent.

The activity has 3 primary functions: 1) to provide leadership and coordination for family health; 2) to further the efforts of organizations that deliver health services to families by assessing needs, developing standards, providing training and technical assistance, evaluating performance, and providing financial resources; and 3) to deliver services directly to families when local capacity is not sufficient to meet needs.

The activity works with a broad spectrum of public, private, and voluntary providers of health, education, and social services to coordinate and strengthen health care systems at the federal, state, and local levels.

The activity ensures that children are wanted, safe, and supported in leading healthy and productive lives, by:

- *providing leadership on family health issues,* through: monitoring the health status of mothers and children; identifying needs which are not being adequately addressed; communicating the needs of children and families, as well as recommended strategies, to the family health community; participating in short- and long-term planning activities; offering administrative and program support to local providers and agencies; providing advice and counsel to the legislative and executive branches of state government on family health matters; and influencing federal policy development by working with the state's congressional delegation, other states, and national organizations.

- *promoting the coordination of family health activities,* through: working cooperatively with other public agencies, advocacy and consumer organizations, the private medical community, and service provider groups.

- *promoting optimal birth outcomes,* through: screening newborns; providing human genetics consultation, education, and support; providing grants to local public health and private nonprofit agencies for the provision of family planning and perinatal health services; and working with local agencies to ensure quality services through training and technical consultation.

- *reducing preventable mortality,* through: developing an ongoing surveillance system; identifying factors related to mortality; and developing and promoting intervention strategies.

- *promoting healthy child growth and development,* through: providing technical support to private providers, schools, and local community health agencies for health and developmental screening and child health promotion; providing consultation and support on health-related issues to schools and child-care providers; and supporting the development of community-based systems that provide and assure access to primary and preventive health care for children.

- *promoting appropriate maternal and child nutrition,* through: providing grants to local public health, private nonprofit agencies, and Indian reservations to operate supplemental food programs; and providing technical assistance and monitoring to supplemental food program vendors and local agencies.

- *preventing childhood injury, abuse, and neglect,* through: providing grants to local public health agencies, and providing technical assistance and training on the development of local home visiting programs.

- *delivering coordinated and comprehensive health care services for children with chronic illnesses or disabilities,* through: providing diagnostic evaluation and treatment by specialists; paying for treatment, rehabilitative services and supports; and providing service coordination for children with special health care needs and their families.

- *promoting comprehensive systems of care for children with chronic illnesses or disabilities,* through: encouraging community involvement; providing grants to local public health agencies for the provision of services to children with special health care needs; developing community-based, family-centered services in collaboration with federal, state, and local agencies; and providing educational resources to local agencies and professionals.

BUDGET ISSUES:

The budget of the activity will be affected in several ways:

1. *The agency's budget plan.* Several adjustments are planned.

   A. Reduce the Services for Children with Handicaps (SCH) treatment fund by $600,000 per year.

   As a direct result of effective program management intended to contain costs for the SCH treatment component, SCH staff have made a concerted effort to ensure that families have enrolled their children with special health care needs in any other health care payment program for which they may be eligible, including the Medical Assistance and waiver programs, the Children's Health Plan, Minnesota Comprehensive Health Insurance, Supplemental Security Income, and private insurance. Consequently, SCH has recently spent less than its appropriation for treatment. It is not known at this time what effect two recent changes will have on SCH expenditures: 1) the provider payment increases for hospital outpatient services, physicians, and dentists enacted by the HealthRight bill and effective on 10-1-92, will affect about 50% of expenditures in the treatment component; and 2) the phase-out of the Children's Health Plan (CHP) may increase enrollment in the SCH treatment component because many of the children with special health care needs currently enrolled in CHP are otherwise insured and may not be eligible for MinnesotaCare. In the event that funds remaining in the SCH treatment component are not adequate, it is the department's intention to seek supplemental funding elsewhere in the department or from the legislature prior to instituting a waiting list or a prioritization of services.

   B. Transfer General Fund salary and fringe expenditures to federal funding by $90,000 in 1994 and $125,000 in 1995.

   Currently, there are 20.7 FTEs in the activity funded with General Fund revenues. Under this plan, funding for 2.0 of these positions will be transferred to federal MCH Services Block Grant funds in 1994 and 1995, and funding for a third position will be transferred in 1995.

The effect of this transfer will be realized in the 1996-97 biennium. Without increases in federal appropriations or reductions in expenditures, annual expenditures for maternal and child health may exceed revenues by as much as $150,000 in 1994 and $275,000 in 1995. In the past, this "gap" in funding has been covered by unexpended General funds that have been carried over into subsequent fiscal years, increases in the federal appropriation, and reductions in expenditures. The General Fund carry-over account will be exhausted at the end of 1993. It is anticipated that reductions in service that may ensue in the 1996-97 biennium from this possible shortfall would affect the level of technical assistance that would be provided to Community Health Boards and the level of consultation and service coordination that would be provided to families of children with special health care needs.

C. Reduce salary and fringe expenditures for SCH part-time nurse consultants by $54,000 in 1994 and $56,000 in 1995.

SCH services are provided on a regional basis by 8 full-time public health nurses and 7 full-time social workers, supplemented by 8 part-time public health nurses, representing 4.6 FTE. All of these individuals staff SCH clinics, educate local professionals who are involved with children with disabilities, and participate in the development of local systems of care for children with special health care needs; they also coordinate services for the families of 9,000 children across the state. Under this plan, the complement of part-time nurses will be reduced by 1.25 FTE. The short-term result of this reduction will be an increase in the average service coordination caseload per SCH staff person from 460 to 490. The long-term result will be a redesign of the services provided by SCH in the metropolitan area. The MCH Advisory Task Force is currently developing recommendations for restructuring services provided to families of children with special health care needs; it is anticipated that responsibility for direct family service contact will be assigned to Community Health Boards, and that SCH staff will devote their efforts to appropriate referrals and developing systems of care for children with special health care needs.

2. *Redirection of SCH treatment funds.* Children with special health care needs experience a variety of needs that may not be addressed by standard medical care and treatment programs. Services for Children with Handicaps (SCH) has the capacity to respond to the complex needs of these children and their families. Efforts are directed toward identifying children, providing family assessments, and coordinating at the community level the multiple services delivered to the children and their families. The program also: assists community groups in developing systems of care for children with special health care needs; helps communities develop and present educational programs for families, service providers, and students; operates field clinics, where a team of health specialists meets with families and children to determine diagnoses and treatment plans; and pays for medical services, including diagnosis, evaluation, and specialized medical care when the family does not have access to other resources, such as insurance or Medical Assistance.

About half the program's funds are appropriated by the legislature for payment of medical services. As SCH continues to assist families to enroll their children with special health care needs in other health care payment programs, SCH expenditures for medical care are decreasing. However, 2 trends are becoming increasingly apparent: 1) while traditional, "one-size-fits-all" health insurance (including Medical Assistance) is able to meet most of the medical needs of most children, there are gaps both in the coverage of children with special health care needs and in the services covered by the programs; and 2) children with special health care needs and their families have associated needs that cannot be met by medical care. SCH is uniquely situated to address these needs, because it has a broad responsibility to look at all needs of all children with disabilities - regardless of income level - and to include their families, and it is sufficiently flexible to respond to changing needs and circumstances.

The Maternal and Child Health Advisory Task Force has recommended that SCH assess the needs of Minnesota's children with special health care needs and their families. This needs assessment would: identify the number of children with special health care needs; query the needs of children, families, providers, local agencies, teachers, and communities to determine what is needed for the children to function as optimally as possible; inventory the resources currently available to meet children's and families' needs; and identify barriers to locating and receiving services. The cost of the needs assessment is estimated to be $200,000 in each year of the biennium; the activity proposes to contract with an outside consultant to conduct the needs assessment, because current staff have neither the time nor the expertise to do it in-house. It is expected to be an expensive, lengthy process for several reasons: 1) no other state has a comprehensive needs assessment process in place that Minnesota could modify; 2) a model assessment tool may not be available for adaptation; and 3) the assessment methodology must be designed to be easily updated and replicated with SCH's current staff and technology. The department proposes language in the appropriation bill that will permit the use of up to $200,000 of SCH treatment funds for this purpose.

It is expected that the needs assessment will identify other ways in which funds currently appropriated for the payment of medical care could be spent to better meet the needs of children with special health care needs and their families. The activity may request similar transfers of funds in subsequent bienniums to address identified needs.

EFFICIENCY MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Maternal and Child Health Technical Services				
Number of persons served:				
– MCH Special Project Grants	62,000	63,000	63,000	63,000
– Family Planning Special Grants	63,000	63,000	63,000	63,000
Cost per person served:				
– MCH Special Project Grants	$109	$107	$107	$107
– Family Planning Special Project Grants	$33	$33	$33	$33
MCH activity cost per local agency[1]:				
– MCH Special Project Grants	$3,731	$3,776	$3,908	$4,045
– Family Planning Special Project Grants	$1,434	$1,385	$1,433	$1,484

BUDGET ACTIVITY: Maternal and Child Health
PROGRAM: Health Delivery Systems
AGENCY: Health, Department of
(Continuation)

Services for Children with Handicaps	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of persons served:				
-- Service coordination	5,966	9,000	9,000	9,000
-- Medical services	3,128	3,200	3,500	3,500
-- Clinics	1,471	1,500	1,450	1,400
Cost per person served:				
-- Service coordination	$162	$108	$97	$100
-- Medical services	$420	$441	$463	$486
-- Clinics	$96	$139	$126	$137
Supplemental Food Programs (WIC/MAC)				
Number of persons served:				
-- WIC	85,000	88,000	91,000	94,000
-- MAC	6,205	8,906	8,906	8,906
-- NAPS	500	2,367	2,367	2,367
Cost per person served:				
-- WIC				
Food	$334	$344	$353	$361
Administration[2]	$123	$127	$130	$134
-- MAC/NAPS[2]	$6	$4	$4	$4
MCH activity cost per local agency[1]				
-- WIC	$2,754	$3,443	$3,615	$3,795
-- MAC/NAPS	$5,000	$5,263	$5,525	$5,826
Number of vendors	1,650	1,650	1,650	1,650
Cost per vendor[3]	$46	$62	$65	$68
WIC participants per vendor	52	53	55	57

[1] Includes technical consultation, performance monitoring, and plan review
[2] Includes nutrition and program services
[3] Includes technical consultation, performance monitoring, and eligibility determination

REVENUE:

This activity generates dedicated revenues.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$ 105	$ 136	$ 177	$ 177	$ 177
Dedicated - Federal	50,260	54,655	60,107	60,249	60,248
Dedicated - Agency	10	-0-	-0-	-0-	-0-
Total Revenue	$50,375	$54,791	$60,284	$60,426	$60,426

GRANTS:

1. *Maternal and Child Health Special Project Grants*

A. Statutory references: Title V, Social Security Act, Sec. 501-509; M.S. 145.88-145.889

B. Purpose of grant program: To provide services to women and children through programs for improving pregnancy outcome, providing services to young children at risk for handicapping conditions and chronic disease, family planning services, and reduction of childhood injury. Grants to Minneapolis and St. Paul are also used for child and adolescent health programs established before 1981 as "pre-block" projects.

C. Recipient identification and eligibility criteria:

- Grantees. State law specifies that funds are to be allocated to Community Health Service (CHS) areas for distribution by local boards of health. By law, the CHS agencies conduct a sub-granting process within their CHS areas to make funds available to appropriate community providers.

- Clients. Services provided by the boards of health are targeted at low-income, high-risk persons as defined in state statute.

D. Criteria and formulas determining amount of payment to recipient: The amount of funding for each CHS area is determined through a needs-based formula established in M.S. 145.882, Subd. 4. The formula includes three variables: the number of women, the number of low-birth-weight infants, and the number of low-income children and women.

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
E. Source of funding				
General	$ 650	$ 650	$ 650	$ 650
Federal	6,496	6,172	6,172	6,172
Total	$7,146	$6,822	$6,822	$6,822

2. *Family Planning Special Project Grants*

A. Statutory references: M.S. 145.925

B. Purpose of grant: To improve and expand pre-pregnancy family planning services, including contraceptive and infertility care, to persons in their reproductive years as a means to reduce the number of unintended pregnancies, reduce the number of high-risk pregnancies and births, and increase the availability of services to infertile couples.

C. Recipient identification and eligibility criteria:

- Grantees. Cities, counties, groups of cities or counties, and non-profit corporations are eligible to apply. One grant is awarded on a competitive basis for a statewide family

planning hotline. Other service grants are awarded on a competitive basis following evaluation of applications in accordance with the authorizing legislation (M.S. 145.925) and the Family Planning Rule (4700.1900 to 4700.2500). Factors considered in selecting grant recipients include, but are not limited to:

- probable effectiveness and cost effectiveness of the project;
- equitable distribution of funds statewide;
- the extent funds will be used to increase availability and accessibility of services or to serve under-served populations;
- the extent proposed services are coordinated with other family planning services in the geographic area to be served;
- the extent high risk populations are served; and
- the extent other sources of funding are used.

When equivalent and competing applications are submitted for a geographic area, priority is given to local boards of health.

- Clients. Services provided by grantees are targeted at persons who are at risk for unintended pregnancy or problems during pregnancy.

D. Criteria and formulas determining amount of payment to recipient

To ensure equitable access to family planning services to residents throughout the state, grant funds are allocated on a regional basis according to a needs-based formula established in Rule. Competition for funds occurs within each region; applicants are limited by statute to an annual award of $75,000 per region. Applicants for the statewide family planning hotline are limited to an annual award of 5% of the funds available or $100,000, whichever is less.

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
E. Source of funding:				
General	$2,056	$2,055	$2,055	$2,055

3. *Services for Children with Handicaps (SCH)*

A. Statutory references: Title V, Social Security Act, Sec. 501-509; M.S. 145.146

B. Purpose of grant: To pay for the medical care of children with special health care needs by making payments to hospitals and private physician, dental, and surgical providers throughout Minnesota for authorized treatment and rehabilitative services. Also, to operate field clinics that provide diagnostic evaluation and treatment by specialists.

C. Recipient identification and eligibility criteria: As established by Minnesota Rule 4705, payment for medical services is made for children with a disease or physiological condition that might hinder normal growth and development; families with incomes above the level established in rule are required to financially participate in the cost of medical services. The rule defines criteria for eligible providers of medical services, based on their training and experience in treating children with special health care needs.

Under the same rule, any child with a suspected disability is eligible to attend a field clinic, but families must make use of available third-party reimbursement for payment of clinic costs.

D. Criteria and formulas determining amount of payment to recipient: Payment for medical services is made in accordance with the same Rule, and is consistent with the rate schedule established by the Department of Human Services for Medical Assistance reimbursements.

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
e. Source of funding				
General	$1,314	$2,870	$2,270	$2,271

4. *Special Supplemental Food Program for Women, Infants, and Children (WIC)*

A. Statutory references: Child Nutrition Act of 1966, as amended

B. Purpose of grant: To provide supplemental foods and nutrition education throughout the state to eligible persons in order to improve their health status and prevent the occurrence of nutrition-related health problems.

C. Recipient identification and eligibility criteria:

- Grantees. Grants are provided to local public and private non-profit health or human service agencies and Indian tribes that provide health services, either directly or through contract. Applicant agencies must have adequate competent professional staff with the capability to perform certification procedures, provide nutrition education, and determine the amounts and types of supplemental foods that are appropriate for each participant. In the event 2 or more agencies apply to administer the program in the same geographical area, the department gives priority as follows:

  - Community Health Board;
  - public or private non-profit health agency;
  - public human service agency; and
  - private non-profit human service agency.

- Participants. WIC benefits are provided to pregnant women, breastfeeding women up to 12 months after delivery, postpartum nonbreastfeeding women up to 6 months after delivery, infants, and children up to the 5th birthday, who meet the following criteria:

  - residence in the state of Minnesota;
  - income less than 185% of poverty, or receiving AFDC, Food Stamps, or Medical Assistance; and
  - at nutritional risk, as determined by an evaluation of height and weight measurements, hematocrit or hemoglobin test, dietary evaluation, and medical history.

When available funds are not adequate to serve all eligible persons, participants are selected on the basis of highest nutritional risk.

D. Criteria and formulas determining amount of payment to recipient:

- Grantees. The base level of administrative funding for grantees is determined by multiplying the proportion of each local agency's authorized WIC caseload to the statewide caseload against the total funding available. (The authorized caseload is set at a number which ensures that all local agencies are serving participants at the same level of nutritional risk.) Additional funding is provided to meet the special needs of seasonal agencies, as well as those serving very few participants or very large geographic areas.

- Participants. The amount of supplemental foods received by participants is determined individually by a competent professional authority, based on nutritional need. Federal regulation sets the maximum amount of food that may be issued to each category of participant. Participants are issued vouchers which can be exchanged at approved vendors for specified foods.

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
E. Source of funding:				
General	$ 1,650	$ 890	$ 890	$ 890
Federal	33,987	38,284	38,284	38,284
Infant formula rebate	9,784	9,784	9,784	9,784
Total	$45,421	$48,958	$48,958	$48,958

5. *Commodity Supplemental Food Program for Mothers and Children (MAC) and Nutrition Assistance Program for Seniors (NAPS)*

A. Statutory references: Agriculture Appropriations Act of 1968, as amended

B. Purpose of grant: To provide nutrition information and supplemental nutritious foods donated by the U.S. Department of Agriculture (USDA) to low-income women, infants, children, and elderly who are vulnerable to malnutrition.

C. Recipient identification and eligibility criteria:

- Grantees. Eligible grantees are public or private non-profit agencies, including Indian tribes. Agencies must have adequate staff to determine eligibility of applicants, distribute supplemental foods, provide nutrition information, and manage food inventory, as well as have adequate facilities to warehouse the supplemental foods.

- Participants. MAC benefits are provided to pregnant women, postpartum women up to 12 months after delivery, infants, and children up to the sixth birthday, who are Minnesota residents and whose income is less than 185% of poverty.

NAPS benefits are provided to elderly men and women who are at least 60 years of age, residents of a geographic area served by a NAPS local agency, and have an income less than 130% of poverty.

When available funds are not adequate to serve all eligible persons, those in greatest need are served first, as defined by federal regulation:

- pregnant and breastfeeding women, and infants;
- children ages 1 to 3;
- children ages 4 to 5;
- postpartum nonbreastfeeding women; and
- elderly men and women.

d. Criteria and formulas determining amount of payment to recipient:

- Grantees. Administrative funding for grantees is determined by multiplying the proportion of each agency's MAC/NAPS caseload to the statewide caseload against the total funding available. (The authorized caseload is limited by the caseload allocated to the department by USDA and is negotiated with each local agency on the basis of relative need for MAC/NAPS services in the community and the agency's service capacity.)

- Participants. The amount of supplemental foods received by participants is set by federal regulation, based on participant category and age. Participants are issued commodity supplemental foods each month.

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
E. Source of funding:				
Federal	$222	$598	$598	$598

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH DELIVERY SYST
ACTIVITY: MATERNAL & CHILD HEALTH

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	4,183	3,961	3,783	3,728	3,728	3,781	3,728	3,728	3,755
EXPENSES/CONTRACTUAL SRVCS	1,277	1,355	1,394	1,268	1,277	1,277	1,268	1,277	1,277
MISC OPERATING EXPENSES	290	296	271	159	159	159	159	159	159
SUPPLIES/MATERIALS/PARTS	152	252	193	139	139	139	139	139	139
CAPITAL EQUIPMENT	55	63							
SUBTOTAL STATE OPERATIONS	5,957	5,927	5,641	5,294	5,303	5,356	5,294	5,303	5,330
AIDS TO INDIVIDUALS	34,921	39,195	45,369	44,761	44,161	44,161	44,761	44,161	44,161
LOCAL ASSISTANCE	15,708	17,152	17,462	17,452	18,302	21,312	17,452	18,302	21,312
TOTAL EXPENDITURES	56,586	62,274	68,472	67,507	67,766	70,829	67,507	67,766	70,803

GOV'S INITIATIVES:	FUND								
(A) EXPAND MCH PROJECT GRANT PROGRAM	GEN					1,110			1,110
(A) EXPAND MCH/FAMILY PLANNING	GEN					2,000			2,000
(A) SALARY PLANNING ESTIMATES	GEN					<19>			<18>
(A) TRANSFER SCHOOL HEALTH POSITION	GEN					<28>			<55>
TOTAL GOV'S INITIATIVES						3,063			3,037

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	5,809	7,288	7,584	6,974	7,193	10,256	6,974	7,103	10,140
STATUTORY APPROPRIATIONS:									
GENERAL	402	195	604	249	249	249	249	249	249
SPECIAL REVENUE	105	136	177	177	177	177	177	177	177
FEDERAL	50,260	54,655	60,107	60,107	60,147	60,147	60,107	60,237	60,237
GIFTS AND DEPOSITS	10								

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH DELIVERY SYST
ACTIVITY: MATERNAL & CHILD HEALTH

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL FINANCING	56,586	62,274	68,472	67,507	67,766	70,829	67,507	67,766	70,803
POSITIONS BY FUND:									
GENERAL	23.1	20.7	19.7	18.0	17.0	18.0	18.0	16.0	17.0
SPECIAL REVENUE	2.1	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
FEDERAL	83.2	70.8	70.8	72.5	73.5	73.5	72.5	74.5	74.5
TOTAL POSITIONS	108.4	93.8	92.8	92.8	92.8	93.8	92.8	92.8	93.8

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BUDGET ACTIVITY: Community Health Services
PROGRAM: Health Delivery Systems
AGENCY: Health, Department of

ACTIVITY DESCRIPTION:

The Community Health Services (CHS) activity is the primary activity ensuring that Minnesota's communities and local governments are able to meet their public health responsibilities under state law. An important part of this effort is assuring that local, regional and statewide Emergency Medical Services (EMS) planning and activities are integrated into a working system and are consistent with appropriate medical care standards.

The mission of the activity is to develop and support a system of cooperative partnerships among local, regional, and state organizations committed to protecting and promoting the health of the general population. The department supports the infrastructure necessary to address this mission in a variety of ways:

1. administers a subsidy program for (49) Community Health Boards covering the state that provides approximately 8% of total revenues available for local community health planning and activities. The Boards prevent and control communicable diseases; protect the health of persons suffering medical emergencies; improve and maintain environmental health and safety; promote optimum human reproduction and child growth and development outcomes; and reduce health risk conditions or behaviors in order to prevent chronic diseases.

2. provides training and consultation to Community Health Boards for local planning, provision and evaluation of community health services. Technical expertise is provided by various department activities in the following areas: disease prevention and control, emergency medical services, environmental health, family health, health promotion, home health care, community assessment, program planning, administration, and program evaluation.

3. maintains formal state and local public health policy development through the state Community Health Services Advisory Committee -- an advisory committee whose members are appointed by each of the state's 49 Community Health Boards. The advisory committee works with the commissioner and department staff to address joint state-local issues, to develop program guidelines and planning and reporting procedures, and to make recommendations regarding department policy, legislation and the continuing goals of the public health system. A similar advisory council (the State Emergency Medical Services Advisory Council), representative of the major Emergency Medical Services (EMS) interests in the state, works with the commissioner to develop EMS policy, including recommendations regarding department policy, legislation and the continuing goals of the EMS system.

4. administers funding to develop, maintain and improve emergency medical services (EMS) in eight regions created by statute in order to reduce death and disability due to medical emergencies.

5. provides quality assurance for the EMS system through licensing ambulance services, reviewing and approving local EMS ordinances, certifying emergency care and first responder training courses, testing and certifying emergency care personnel, and providing reimbursement for emergency care training for volunteers.

6. provides funding to (2) regional poison information centers that serve the entire state.

7. administers grants to establish, operate, or subsidize clinic facilities and services to furnish health to two traditionally underserved populations -- Indians who reside off reservation and migrant agricultural workers and their families.

8. administers a grant program to prevent child abuse and neglect by providing early intervention for at risk families.

9. manages seven district offices to support MDH programs.

BUDGET ISSUES:

General Fund Grants Reductions: The department's budget reduction plan includes:

1. EMS Training (Ambulance Attendant) Reimbursement Grants ($50,000 reduction per year). Reimbursement to offset the cost of Emergency Medical Technician training was expanded in 1990 to include more individuals as well as to increase the reimbursement level to each individual. Because reimbursement is demand-driven, the appropriation was also increased in 1990 to reflect new demand estimates. After 2 years of experience with the new formula, the demand appears to be levelling off -- at approximately $328,000 for F.Y. 1993. Consequently, a reduction of $50,000 to this grant should not have negative effects.

2. Poison Information Centers Grant ($19,000 reduction per year). The 1992 Legislature reduced this grant by $20,000 for both F.Y. 1992 and F.Y. 1993. In order to meet its existing contractual obligations, the MDH funded the F.Y. 1992 reduction from Preventive Block Grant funds but the reduction for F.Y. 1993 occurred and remains in place. The F.Y. 1994-95 reduction seems relatively small, but in view of the previous reduction and the increasing costs of providing services, the 2 Poison Information Centers may have to reduce their existing level of services. At this time, it is difficult to project the form those service reductions might take.

Trunk Highway Funds Grants Reductions: Minnesota Emergency Medical Services (EMS) Systems Support Act (5% reduction = $30,500 per year). The department currently funds 8 regional EMS systems throughout the state. $520,000 per year is evenly divided among these regions. Additionally, the department funds special EMS projects of statewide significance, at $90,000 per year. Under the terms of Minn. Laws 1992, Chapter 549, Art. 5, Sec. 14, these special EMS projects funds are scheduled to be folded into the regional project grant awards to fund "...projects with potential region wide significance." As a consequence, the regional projects will actually receive a dollar increase in funds directly supporting them, although some of these funds will need to be accounted for to reflect the funding of projects of regionwide significance. There will no longer be specific funds available for certain kinds of statewide EMS development or for addressing special EMS issues. Transferring these funds from the state to EMS regions will encourage more tightly focused funding priorities in several areas of the state.

Trunk Highway Fund Operations Reductions: The department's target reduction is $59,856 for F.Y. 1994 and $81,116 for F.Y. 1995. This goal will be met by phasing out of testing ambulance attendants prior to state certification. The phase out will begin in F.Y. 1994 and will be completed

prior to F.Y. 1995. As a consequence, the department will rely on a process whereby the training programs will administer the National Registry Test (the currently accepted professional certification test) and will also administer any skills test needed to assure that ambulance attendants can demonstrate the skills necessary to be an Emergency Medical Technician. The department will rely on training program certification as the primary quality assurance measure of ambulance attendant skills. Instead of independently testing each graduate of all training programs, the department will perform a small number of "spot checks" on the testing procedures of selected training programs. as part of ongoing training program certification. The "quality assurance" check of student skills will no longer be administered independently of training programs.

Complement Continuation: One full-time staff position was funded through 6-30-93, as part of the $300,000 appropriated for the grants program designed to prevent child abuse and neglect. This program relates to the "Minnesota Milestones" goal of families providing a stable environment for their children. Indicator 9 for this goal addresses the number of children reported abused or neglected. Further, this relates directly to the department's Objective 6.1, "For children less than 18 years of age, injuries due to abuse and neglect will be reduced from 19.5 to 14.5 per 1,000."

The goals of the grants program are to expand current public health nurse and family aide home visiting programs as well as to provide public education and public information programs and materials. These goals can be partially accomplished by relying on the voluntary efforts of community health boards in concert with state assistance. The department request that the position funded through F.Y. 1993 be converted to a permanent complement for the ongoing development and support of local CHS programs designed to address the prevention of child abuse and neglect.

As part of their more general local public health planning and service delivery, Community Health Boards can plan and address violence prevention consistent with the legislative intent of this categorical grant program: use appropriately developed risk assessment tools and offer home visiting services to at-risk families; develop and distribute educational and public information materials as well as offer presentations on the prevention of child abuse; coordinate with other local home visitation programs; and provide training for public health nurses, family aides, and other home visitors. While these local programs may not be as comprehensive as they would be with targeted funding, relying on voluntary CHS planning, with improved support from the state, should result in increased violence prevention activities throughout the state.

In order to support local activities, the department must provide program expertise, data, and technical support. This position will be redesigned to provide this support to statewide local activities.

EFFICIENCY MEASURES:

Selected local activities supportive of state public health programs as compared to the state CHS subsidy level:

	F.Y. 1987	F.Y. 1988	F.Y. 1989	F.Y. 1990
Home Care Visits	288,684	232,753	300,409	714,997
Environmental Health Complaint Investigations	29,551	28,880	46,414	39,573
Disease Report Investigations	7,476	9,014	12,668	17,412
Family Health Visits	127,467	147,579	161,694	186,566
Well Code Enforcement Inspections	0	501	1,328	1,453
State CHS subsidy (in millions)	$ 11.6	$11.8	$11.8	$14.3

Selected statistics related to Emergency Medical Services:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994
No. of Ambulance Attendants Certified	5,038	5,629	6338(e)	7,000(e)
Testing Costs	$ 110,780	$ 84,805	$ 89,000	0
Poisoning Exposure Calls	80,000	100,000(e)	100,000(e)	100,000(e)
State Poison Centers Subsidy (in thousands)	$ 400	$ 400	$ 380	$ 380

REVENUE:

This activity generates dedicated and non-dedicated revenue.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Non-dedicated-Trunk Highway	$ 31	$ 39	$ 23	$ 23	$ 23
Dedicated - Special	493	811	817	817	817
Dedicated - Federal	710	864	1,017	1,017	1,017
Total Revenue	$ 1,234	$ 1,714	$ 1,857	$ 1,857	$ 1,857

GRANTS:

1. Community Health Services Subsidy

A. Statutory Reference: M.S. 145A.13

B. Purpose: 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" (M.S. 145A.09). It ensures that state and local governments exercise their public health responsibilities through joint planning, priority setting, and assuring that public health priorities are being met. The subsidy supports efforts to protect and improve the people's health by preventing disease, injury, disability and preventable death within a community health service area. Joint state-local efforts: prevent or control communicable diseases; 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; reduce risk conditions or behaviors to prevent chronic disease and achieve other advances in health status; and reduce the ill effects and complications of existing disease and provide suitable alternatives to inpatient care in a health facility.

C. Identify Recipients: Recipients are 49 Community Health Boards (county, multi-county and 5 eligible cities) which meet statutory population and organization criteria.

D. Define Eligibility Criteria: M.S. 145A.09 to 145A.13 sets eligibility criteria; a Community Health Board must be county-based (except for 5 cities eligible by statute), must have a minimum population of 30,000, or be composed of at least 3 contiguous counties or be a human services board which assumes the responsibilities of a board of health. A 1-to-1 dollar match is required of the Community Health Boards. The current match is approximately $6.50 of local expenditure for each dollar of subsidy.

E. Formula Factors: The subsidy statute was originally passed in 1976 and contained a formula based on income, property values and local level of effort. It also contained small incentives for multi-county Boards and for areas containing at least 50,000 people. In 1985 the formula was revised to reflect a per capita basis. As part of that revision, "hold harmless" language that did not take away the small incentives keeps some very minor distortions in an otherwise purely capitation formula.

F. Source of Funding:	(Dollars in Thousands) F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$ 14,112	$ 14,112	$ 14,112	$ 14,112

2. Migrant Health Grants

A. Statutory Reference: M.S. 145A.14, Subd. 1

B. Purpose: The Migrant Health Special Project Grant provides primary health services to families of migrant agricultural workers. The grant is intended to establish, operate, or subsidize clinic facilities and services to furnish health services for migrant agricultural workers and their families in areas of the state where significant numbers of migrant workers have seasonal employment.

C. Identify Recipients: Since 1981, the Migrant Health Service, Inc. (MHSI) has been the sole recipient of this grant. MHSI, a non-profit corporation headquartered in Moorhead, supports a Mobile Health Unit, which operates in southern Minnesota, and maintains an extensive network of health service providers in local communities who provide migrant health services on a contract basis.

D. Define Eligibility Criteria: The department issues an RFP for services on a biennial basis; MHSI has been the sole respondent during this time. Eligibility criteria includes an applicant's ability to provide services and its ability to reach the migrant population in the state. Although Minnesota's migrant agricultural population is culturally diverse, the majority are of Mexican/American origin. MHSI's Mobile Health Unit features a bilingual (English/Spanish) nurse practitioner who provides health screening and referral services.

E. Formula Factors: There is no formula for distribution of the funds. Legislative appropriations for this grant have remained essentially fixed since a 1983 reduction. Grant funds are distributed on a contract basis as are other MDH grants.

F. Source of Funding:	(Dollars in Thousands) F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$ 104	$ 104	$ 104	$ 104

3. Indian Health Grants

A. Statutory Reference: M.S. 145A.14, Subd. 2

B. Purpose: The Indian Health Grants establish, operate or subsidize clinic facilities and services to furnish health services for Indians who reside off reservation. Current grants provide varying levels of community outreach, primary care and referrals for American Indians in Hennepin, Ramsey and St. Louis Counties.

C. Identify Recipients: By statute, grant recipients are Community Health Boards. At the present time, Board recipients are Hennepin, Ramsey, and Carlton-Cook-Lake-St. Louis.

D. Define Eligibility Criteria: The department issues a biennial statewide RFP. Eligibility criteria for the grant include the applicant and provider's ability to provide the services proposed and to reach the Indian population in the applicant's service area. As part of the contract with MDH, the Boards indicate what services will be provided in their community and what organization will provide those services.

Because the needs of the Indian communities in various parts of the state are different, the Indian Health grants reflect those differences. The Hennepin County Community Health Board (CHB) grant provides for extensive medical services in primary care facilities – the two providers concentrate on positive pregnancy outcomes for pregnant Indian women (Community University Health Center) and on primary and preventive health care services for Indian Children (Indian Health Board of Minneapolis). The Ramsey County CHB grant provider, the American Indian Health Care Association, provides extensive outreach, screening and education services in order to address: high-risk births among American Indian women, chronic diseases common to American Indians, dental health, breast and cervical cancer among American Indian women, and mental health needs. The Carlton-Cook-Lake-St. Louis Counties CHB grant provider, the Fond du Lac Reservation Human Services Center, provides extensive health risk appraisal, outreach, education, and referral services to address chronic disease and to promote health as well as to make appropriate referrals within the medical care system.

E. Formula Factors: There is no formula for distribution of the funds. Legislative appropriations for this grant have remained fixed since 1985. Grant funds are distributed on a competitive contract basis as are other MDH grants.

BUDGET ACTIVITY: Community Health Services
PROGRAM: Health Delivery Systems
AGENCY: Health, Department of
(Continuation)

F. Source of Funding:	(Dollars in Thousands) F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$ 177	$ 177	$ 177	$ 177

4. **Minnesota Emergency Medical Services (EMS) Systems Support Act**

A. Statutory Reference: M.S. 144.8093, M.S. 169.686, Subd. 3., the Emergency Medical Services Systems Act [P.L.93-154] as amended and the Public Health Services Act Title XIX Part A Sec. 501-509)

B. Purpose: The purpose of this grant program is to develop, maintain, and improve regional systems of emergency care in each of Minnesota's 8 EMS regions. The development of regional systems of emergency care includes the development and coordination of resources in the pre-hospital, in-hospital, and inter-hospital components of an EMS system. The fund is to be used for the general purposes of promoting systematic, cost effective delivery of emergency medical care throughout the state. Funds from the "seat belt" fine can also be used by the 8 regional EMS systems designated by the commissioner for equipment and vehicle purchases and operational expenses of ambulance services. The desired outcome of these efforts is a reduction in death and disability due to medical emergencies.

C. Identify Recipients: Recipients are 8 regional emergency medical services systems designated by the commissioner.

D. Define Eligibility Criteria: Designated regional EMS systems may use EMS systems funds to support local and regional emergency medical services. The systems must be governed by a body consisting of appointed representatives from each of the counties in that region and must also include representatives from EMS organizations. Until F.Y. 1994, a portion of the Trunk Highway Fund was awarded to special EMS projects with potential statewide significance. Beginning in F.Y. 1994, this portion will be awarded to the regional systems for "...projects with potential regionwide significance." (Minn. Laws 1992, Chapter 549, Art. 5, Sec. 14)

The federal Emergency Medical Services Systems Act and the Public Health Services (PHS) Act funds were used to develop regional EMS systems in 8 regions of the state between 1975 and 1987. Since that time, PHS grants have been received by each regional EMS system to continue this regional support.

E. Formula Factors: Beginning in F.Y. 1994, ninety three and one-third of the Trunk Highway Fund appropriation must be distributed annually on a contract for service basis with each of the 8 regional EMS systems designated by the commissioner. This $610,00 of trunk highway funds is subject to the 5% reduction required of Trunk Highway Funds.

The amount of money in the formula is also determined by the "seat belt fines" generated under the authority of M.S. 169.686, Subd. 3. Through F.Y. 1991 and into F.Y. 1992, 100% of each $10 fine went into funding this formula. During F.Y. 1992, the fine was increased to $25 and with a requirement that 90% of the revenue generated from these fines go into this grants fund. The fund distributed $382,011 in F.Y. 1991 and $703,918 in F.Y. 1992.

Until 1988, regional EMS systems were awarded funds for up to a total of 5 years, based on the availability of federal funds. Grants were awarded based upon a plan that addressed mandatory program elements in several clinical categories. Continuation grants ($25,000 per year per region) are awarded based on eligibility of federal funds and consistent with the department's block grant policies. All regions have received this level of support since F.Y. 1989 (several regions had received higher development awards prior to that time) and F.Y. 1994-95 awards will be based upon submitted plans which appropriately address EMS program elements.

F. Source of Funding:	(Dollars in Thousands) F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Trunk Highway Fund	$ 610	$ 610	$ 610	$ 610
Dedicated Seat Belt Fine Revenue	704	770	770	770
Federal Preventive Block Grant	200	200	200	200
TOTAL	$ 1,514	$ 1,580	$ 1,580	$ 1,580

5. **Volunteer EMT Training Reimbursement**

A. Statutory Reference: M.S. 144.8091

B. Purpose: This grant program reimburses volunteer ambulance services for the necessary expense of training volunteer ambulance attendants as Emergency Medical Technicians (EMT's). Sixty-five percent of the ambulance services in Minnesota are staffed by volunteer attendants. These services are the mainstay of the emergency care system in most of the state; reimbursement of training expenses for volunteer ambulance attendants serves to maintain a high level of essential skill for volunteer ambulance services.

C. Identify Recipients: Direct grant recipients are political subdivisions, nonprofit hospitals, or nonprofit corporations operating a licensed ambulance service.

D. Define Eligibility Criteria: Volunteer ambulance services are eligible to be reimbursed by the Commissioner of Health for the costs of EMT training for the services' volunteer ambulance attendants. The ambulance services are not necessarily the final grant recipients but may act as fiscal agents and reimburse their individual volunteer drivers and attendants who complete EMT training and who have paid their own expenses.

"Volunteer ambulance attendant" is defined in M.S. 144.8091, subd. 2 as "a person who provides emergency medical services for a licensed ambulance service without the expectation of remuneration and who does not depend in any way upon the provision of these services for the person's livelihood. An individual may be considered a volunteer ambulance attendant even though that individual receives an hourly stipend for each hour of actual service provision, except for hours on standby alert, even though this hourly stipend is regarded as taxable income for purposes of state or federal law, provided that this hourly stipend does not exceed $3,000 in the year in which the individual received his training."

E. Formula Factors: Grant recipients receive up to $350 for necessary expenses for each volunteer ambulance attendant who successfully completes an initial EMT course, or $140 for volunteers who complete the biennial requirements for refresher training for EMT's. F.Y. 1993 expenditures are anticipated to be $327,250. This fund is subject to General Fund reductions for F.Y. 1994.

F. Source of Funding:	(Dollars in Thousands) F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$ 238	$ 328	$ 328	$ 328

6. Poison Information Centers

A. Statutory Reference: Public Health Services Act Title XIX Part A Sec. 501-509 and M.S. Sect. 145.93

B. Purpose: These funds provide support to the Minnesota Poison Information Centers, which meet the needs of the citizens of the state for information relating to the prompt identification and appropriate home management or referral of cases of human poisoning. An effective poison control program prevents the occurrence of many pediatric poisonings, minimizes the effects of poisonings that occur, and serves as a resource for health professionals throughout the state in the area of appropriate treatment and referral of poison cases.

C. Identify Recipients: Recipients of this grant are the Hennepin County and the St. Paul Ramsey Medical Centers. Since F.Y. 1986-87, they have submitted a joint application for poison information center designation and funding, and have provided coordinated statewide poison information services.

D. Define Eligibility Criteria: Each year the commissioner gives public notice of the availability of state and federal funds for Poison Information Centers to address the purposes identified above. By statute, the commissioner must select as grantee(s) a nonprofit corporation(s) or unit(s) of government which applies for the funds and best fulfill(s) the statutory criteria of M.S. 145.93.

E. Formula Factors: Grants to the 2 Poison Information Centers are awarded according to the amount of grant money available ($150,000 federal dollars and $380,000 state dollars in F.Y. 1993). Funds available from the department meet only a portion (less than 25%) of the actual operating expenses of the Poison Information Centers.

F. Source of Funding:	(Dollars in Thousands) F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$ 380	$ 380	$ 361	$ 361
Federal Preventive Block Grant	170	150	150	150
TOTAL	$ 550	$ 530	$ 511	$ 511

7. Early Intervention (Prevention) Grants to Prevent Child Abuse and Neglect

A. Statutory Reference: Minn. Laws 1992, Ch. 571, Art. 10, Sect. 9.

B. Purpose: The "Crime Bill" passed by the 1992 Legislature established this grants program designed to prevent child abuse and neglect by providing early intervention (prevention) services for families at risk. These services are to be a combination of expanding current home visit programs and of expanding education and public information activities.

C. Identify Recipients: By statute, grants are awarded on an RFP basis to programs that meet the statute-listed requirements for prevention program content. At the time of budget writing, no programs had yet been selected for funding under this new grant.

D. Define Eligibility Criteria: The department issues a statewide RFP. By statute, eligibility is limited to those programs which can expand "...current public health nurse and family aide home visiting programs."

E. Formula Factors: There is no formula for distribution of these funds. The legislature first appropriated funds for this program in F.Y. 1993. Grant funds are distributed on contract basis as are other MDH-administered competitive grants.

F. Source of Funding:	(Dollars in Thousands) F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General	$ 0	$ 192	$ 250	$ 250

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH DELIVERY SYST
ACTIVITY: COMMUNITY HEALTH SERVICES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	2,403	2,472	2,362	2,287	2,289	2,228	2,287	2,289	2,180
EXPENSES/CONTRACTUAL SRVCS	246	266	416	356	256	256	356	256	256
MISC OPERATING EXPENSES	272	253	214	211	204	204	211	204	204
SUPPLIES/MATERIALS/PARTS	26	22	54	51	46	46	51	46	44
CAPITAL EQUIPMENT		14	19	16	13	13	16	13	13
SUBTOTAL STATE OPERATIONS	2,947	3,027	3,065	2,921	2,808	2,747	2,921	2,808	2,697
LOCAL ASSISTANCE	16,680	16,695	17,023	17,081	17,174	17,174	17,081	17,174	16,924
TOTAL EXPENDITURES	19,627	19,722	20,088	20,002	19,982	19,921	20,002	19,982	19,621
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<43>			<43>
(A) SALARY PLANNING ESTIMATES		THI				<18>			<18>
(A) TRANSFER HOME VISITING PROG TO DOCH		GEN							<300>
TOTAL GOV'S INITIATIVES						<61>			<361>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	17,040	16,646	16,858	16,772	16,822	16,779	16,772	16,822	16,479
TRUNK HIGHWAY	1,384	1,401	1,396	1,396	1,326	1,308	1,396	1,326	1,308
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	493	811	817	817	817	817	817	817	817
FEDERAL	710	864	1,017	1,017	1,017	1,017	1,017	1,017	1,017
TOTAL FINANCING	19,627	19,722	20,088	20,002	19,982	19,921	20,002	19,982	19,621

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH DELIVERY SYST
ACTIVITY: COMMUNITY HEALTH SERVICES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	32.8	31.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
SPECIAL REVENUE	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TRUNK HIGHWAY	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
FEDERAL	9.2	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
TOTAL POSITIONS	59.0	57.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0

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BUDGET ACTIVITY: Health Promotion and Education
PROGRAM: Health Delivery Systems
AGENCY: Health, Department of

ACTIVITY DESCRIPTION:

This activity has 2 primary purposes:

1. To encourage and support positive health behaviors among Minnesotans in order to promote optimal health and prevent diseases or conditions that are influenced by lifestyle choices and cultural norms.

2. To promote early detection and optimal follow-up care for Minnesotans at risk of diseases or conditions for which effective primary prevention measures are infeasible or nonexistent.

The activity conducts programs that are designed to:

1. Reduce the prevalence of tobacco use, particularly among adolescents, young women, and groups with higher than average smoking rates. This is accomplished by conducting a statewide public information/education campaign and providing technical assistance to local agencies and organizations that initiate programs for the promotion of tobacco-free lifestyles.

2. Reduce behavioral risk factors associated with nutrition related diseases including, heart disease, cancer, diabetes, osteoporosis, anemia, and growth retardation. This is accomplished by providing technical assistance/expertise to the general public and health professionals; conducting applied research in nutrition to enhance the effectiveness of maternal and child health programs; and developing guidelines for nutrition assessment, intervention and surveillance activities.

3. Reduce the prevalence of dental diseases, particularly caries among children. This is accomplished by awarding demonstration grants to Community Health Boards and school boards that promote school-based fluoride mouthrinse and water fluoridation programs; promote the use of dental sealants; promote appropriate baby bottle feeding practices; and promote the testing of private water supplies to determine fluoride content. In addition, technical assistance is provided to practicing dental health professionals.

4. Reduce the occurrence of intentional and unintentional injuries. This is accomplished by providing grants and technical assistance to Community Health Boards and other local organizations that initiate injury prevention programs and by conducting injury surveillance activities.

5. Reduce the serious medical complications of diabetes. This is accomplished by providing grants and technical assistance to promote the adoption of certain practices (annual eye exams, frequent foot exams, blood pressure control, and prepregnancy counseling) by health care providers and persons with diabetes. These measures have been demonstrated to be effective in reducing by 50% the medical complications of blindness, renal failure, amputation, heart disease, and poor birth outcomes.

6. Reduce the use and abuse of alcohol and other drugs. This is accomplished by developing chemical health promotion guidelines, providing training and technical assistance to Community Health Boards; and by conducting surveillance and promoting the development of programs directed toward the prevention of Fetal Alcohol Syndrome, Fetal Alcohol Effects and drug-exposed infants.

7. Reduce mortality that results from breast and cervical cancer. This is accomplished by promoting breast and cervical cancer screening among high risk women; removing financial access barriers for screening services; and improving the quality of screening and follow-up services. Program activities are delivered through Community Health Boards, Indian Reservations, local organizations, and medical care practitioners.

BUDGET ISSUES:

This activity proposes the elimination of 4.25 FTE positions as part of the department's budget plan. One of these positions would be shifted from state General Fund to the federal Breast and Cervical Cancer Control grant. A second position would be eliminated from the Dental Health Program and this will result in fewer special studies being conducted. However, most of the community-based dental caries prevention efforts for children will be maintained at their current level.

MDH will maintain staff to provide technical assistance to local public health agencies and organizations for programs that promote tobacco-free lifestyles, particularly among adolescents, young women, and groups with higher than average smoking rates. However, state General Fund support for the advertising and advertising-related evaluation component of the program will be discontinued and two positions will be eliminated. In addition to state General Fund support, the department has staff hired with federal American Stop Smoking Intervention Study (ASSIST) grant funds.

A .25 FTE position would be eliminated from the Nutrition Program and it is hoped that this reduction will be offset by the receipt of additional federal grants which fund public health nutrition activities.

EFFICIENCY MEASURES:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Technical Consultations				
No. On-Site	219	273	330	400
Unit Cost	$121	$164*	$170	$176
No. Telephone	2,010	2,600	2,900	3,300
Unit Cost	$22	$23	$24	$25

* Significant increase in unit cost from F.Y. 1992 reflects a shift toward providing more on-site consultations to out-state agencies which increases costs for travel, etc.

School Water Fluoridation				
No. Children Served	1,160	2,340	3,000	3,660
Cost per Child	$2.72	$2.48	$2.61	$2.75

BUDGET ACTIVITY: Health Promotion and Education
PROGRAM: Health Delivery Systems
AGENCY: Health, Department of
(Continuation)

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Breast Cancer Screening				
No. Women Screened	7,000	9,000	9,000	9,000
Cost per Woman	$120	$120	$120	$120
Cervical Cancer Screening				
No. Women Screened	14,000	18,000	18,000	18,000
Cost per Woman	$60	$60	$60	$60
Nonsmoking Public Information/Education Campaign				
No. Adolescents Reached	194,977	343,015	-0-	-0-
Cost per Adolescent	$0.22	$0.55*	-0-	-0-
No. Young Women Reached	0	226,250	-0-	-0-
Cost per Woman	0	$1.06	-0-	-0-

* Significant increase from F.Y. 1992 represents an increase in the number of times campaign ads were aired on selected radio and television stations.

REVENUE:

This activity generates dedicated revenues.

	(Dollars in Thousands)				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$17	$143	$228	$228	$228
Dedicated - Federal	1,074	3,800	5,838	6,151	6,366
Dedicated - Agency	6	-0-	-0-	-0-	-0-
	$1,097	$3,943	$6,066	$6,379	$6,594

GRANTS:

1. Dental Health Grants.

A. Statutory Authority: M.S. 144.697, Subd. 1.

B. Purpose: To initiate, develop and implement new demonstration projects and programs that promote oral disease prevention and oral health promotion. Current areas of emphasis include school water supply fluoridation, dietary fluoride supplements, dental sealants, baby bottle tooth decay prevention, and private well water fluoride testing.

C. Recipients and Eligibility Criteria: Community Health Service Boards and school districts are eligible to apply on a competitive basis. Applications are ranked according to the degree that the proposed activities serve children in low income counties and/or serve children in schools with a large percentage of students receiving free or reduced lunches.

D. Grant Award Amount: The amount of the grant award varies depending on the estimated cost of each approved project. Grants for the current 2-year funding period range from $6,000 to $23,000.

	(Dollars in Thousands)			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
E. Source of Funding:				
General	$32	$58	$55	$58

2. Chronic Disease Prevention Grants.

A. Statutory Authority: M.S. 144.697, Subd. 1 and 2.

B. Purpose: To initiate and develop health promotion and chronic disease prevention programs in communities with populations of less than 15,000 residents.

C. Recipients and Eligibility Criteria: Community Health Boards are eligible to apply on a competitive basis. Grant funds must be used in support of communities or neighborhoods with populations under 15,000 for whom the need for a health promotion program to prevent chronic disease has been clearly identified.

D. Grant Award Amount: Grant awards are either $11,500 per community or Community Health Boards may apply for special mini-grants of $2,000 each.

	(Dollars in Thousands)			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
E. Source of Funding:				
Federal	$52	$156	$156	$156

3. Injury Reduction Grants.

A. Statutory Authority: M.S. 144.697, Subd. 1 and 2.

B. Purpose: To initiate and develop community-based injury prevention programs and to implement previously evaluated interventions which have been demonstrated to be effective in preventing injuries or reducing their severity.

C. Recipients and Eligibility Criteria: Community Health Boards, Indian Reservations, hospitals and other local organizations are eligible to apply on a competitive basis. Grant funds must be used to implement injury prevention strategies with measurable objectives and approved grants must include an evaluation component.

D. Grant Award Amount: The amount of the grant award varies depending on the amount requested, up to a maximum of $5,000 per grant.

BUDGET ACTIVITY: Health Promotion and Education
PROGRAM: Health Delivery Systems
AGENCY: Health, Department of
(Continuation)

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
E. Source of Funding:				
Federal	$142	$152	$152	$152

4. Diabetes Control Grants.

A. Statutory Authority: M.S. 144.697, Subd. 1 and 2.

B. Purpose: To develop and implement comprehensive diabetes control programs including computerized patient tracking and follow-up systems.

C. Recipients and Eligibility Criteria: Primary care organizations that provide care to diabetic patients are eligible to apply on a competitive basis. Grant funds must be used to conduct patient management activities that are designed to prevent or control the occurrence of serious complications of diabetes including blindness, renal failure, amputation, heart disease, and poor birth outcomes.

D. Grant Award Amount: The amount of the grant award varies depending on the number of diabetic patients seen by the clinic and other grantee specific considerations. The average award is $8,000 for a 2-year funding period.

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
E. Source of Funding:				
Federal	$38	$47	$47	$47

5. Breast and Cervical Cancer Screening Grants.

A. Statutory Authority: M.S. 144.697, Subd. 1 and 2.

B. Purpose: To significantly increase the proportion of age-appropriate women who are screened for breast and cervical cancer.

C. Recipients and Eligibility Criteria: Public and private non-profit agencies are eligible to apply on a competitive basis. Screening services must be made available to women who are low income, uninsured, underinsured, minority, American Indian or who are served by HRSA Primary Care Centers and/or Title X Family Planning Clinics.

D. Grant Award Amount: The amount of the grant award is determined by the number of women that each grantee proposes to screen. Grantees receive $120 for each woman screened for breast cancer and $60 for each woman screened for cervical cancer. Additional funds may be provided for special outreach activities.

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
E. Source of Funding:				
Federal	$1,958	$2,605	$2,605	$2,605

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH DELIVERY SYST
ACTIVITY: HEALTH PROMOTION & EDUC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,592	2,001	3,141	3,126	3,292	3,274	3,126	3,393	3,375
EXPENSES/CONTRACTUAL SRVCS	637	661	979	845	438	438	845	454	454
MISC OPERATING EXPENSES	78	96	179	179	202	202	179	213	213
SUPPLIES/MATERIALS/PARTS	71	141	403	399	416	416	399	425	425
CAPITAL EQUIPMENT	59	130	88	88	88	88	88	88	88
SUBTOTAL STATE OPERATIONS	2,437	3,029	4,790	4,637	4,436	4,418	4,637	4,573	4,555
AIDS TO INDIVIDUALS		954							
LOCAL ASSISTANCE	341	1,516	3,082	3,045	3,045	3,045	3,045	3,045	3,045
TOTAL EXPENDITURES	2,778	5,499	7,872	7,682	7,481	7,463	7,682	7,618	7,600
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<18>			<18>
TOTAL GOV'S INITIATIVES						<18>			<18>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,681	1,557	1,806	1,616	923	905	1,616	845	827
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	17	143	228	228	228	228	228	228	228
FEDERAL	1,074	3,799	5,838	5,838	6,330	6,330	5,838	6,545	6,545
GIFTS AND DEPOSITS	6								
TOTAL FINANCING	2,778	5,499	7,872	7,682	7,481	7,463	7,682	7,618	7,600

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: HEALTH DELIVERY SYST
ACTIVITY: HEALTH PROMOTION & EDUC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	17.8	15.9	16.4	16.4	14.4	14.4	16.4	13.1	13.1
SPECIAL REVENUE		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
FEDERAL	37.3	24.7	30.5	31.4	33.2	33.2	31.4	33.2	33.2
TOTAL POSITIONS	55.1	45.6	51.9	52.8	52.6	52.6	52.8	51.3	51.3

PROGRAM: Health Support Services
AGENCY: Health, Department of

PROGRAM PURPOSE:

Health Support Services exists to provide policy direction and leadership for the state on public health issues and to provide policy direction, priority setting, financial management, support services and an information system for the Health Department. To achieve these ends the Health Support Services Program includes the Health Information and General Services and Management Support.

This program contributes indirectly to many of the Milestones by providing leadership and policy direction. The program contributes directly to numerous Milestones by providing data, through the Center for Health Statistics, on which to measure progress towards accomplishment of the goals. Objectives for important health problems cannot be established without adequate data to accurately characterize the problem and measure progress. However, there is a need for a more definite set of indicators that will facilitate the measurement of the health status of different populations.

Health Information and General Services

- The Center for Health Statistics, the data collection, analysis, and reporting activity, provides necessary information for identifying health problems and assisting in the design of appropriate activities to address them. Data collected includes an ongoing statewide survey of over 2,000 households on behavioral risk factors. Much of the information collected is necessary to meet reporting requirements and program priority setting needs of various organizations.

- The Information Systems and Technology Activity is responsible for the management of technology in the department. A long-range strategic information technology plan has been developed to ensure efficient and effective management of information. This activity also provides centralized data input services for programs in the department. In F.Y. 1990 290,000 records were converted.

- The Library Services Activity provides information services to the department and organizations throughout the state. This activity interfaces with other local and national public health information programs and networks to ensure access to a vast amount of information. The library completed 10,500 circulations, 5,000 interlibrary loans and distributed over 400,000 pieces of literature in F.Y. 1990.

- The Vital Records Activity maintains a permanent file of birth and death certificates and indices of marriage and divorce. This data addresses direct program needs, such as information on high risk infants. It also assists individuals in establishing their rights to certain public and private benefits. There are nearly 8 million records on file in the department.

- The Operations Support Activity provides support for over 60 department activities and 14 health-related licensing boards. Support services include management of communications, building and grounds, travel, and materials printing and mailing. This activity processed over 850,000 pieces of mail and 4,000 purchases in F.Y. 1990.

Management Support

- The Executive Office provides policy and management direction and leadership for the department, is responsible for the overall fiscal management, and develops statewide public health priorities.

- The Office of Minority Health is designed to coordinate and support efforts to improve the health status of Minnesota communities of color. The Office will function as a centralized mechanism to establish liaisons with communities of color, coordinate departmental minority health activities, serve as a resource center, ensure the exchange of relevant information, pursue funding opportunities, and ensure the existence of consistent departmental policies in this area.

- Financial Management provides a centralized budgeting, accounting and financial reporting system for all department activities and over 35 federal grant programs. This activity processed over 92,000 financial transactions in 1992.

- The Personnel and Training Activity provides a centralized human resource management system that enhances the department's ability to reach its operating objectives. In F.Y. 1992 this activity processed over 230 new hires and completed over 5,400 personnel transactions. In F.Y. 1991 the department initiated customer service training and, as of October 1992, over 500 staff have completed the 2-day course.

- The Disability Determination Activity reviews and provides initial and annual determinations of disability for the Teachers Retirement Association, the Public Employee Retirement Association and the State Retirement System.

- The Mortuary Science Activity protects citizens' interests by regulating and providing technical assistance to individuals and facilities in the field of Mortuary Science.

PROSPECTS:

- The proliferation of data and increased requests for data necessitate sound data management. Data management will be enhanced by the development of acceptable data coding and processing standards and the use of new technologies.

- Key health program staff have an increased interest in further expanding the Vital Records data and uses of that data. Improvements in Vital Records data collection will be implemented by automating additional areas of the activity.

- Decentralization of computer technology has increased the number of computer users, many of whom lack technical skills necessary for minor computer maintenance and repair. To reduce computer down time, an on-site troubleshooting and repair service is being considered.

- The development of Minnesota Milestones, the National Health Objectives for the Year 2000 and significant new requirements for information related to Health Care Reform put a much bigger demand on the need for reliable health information.

- Improvements in technology have resulted in increased demand for a more automated vital registration system on a statewide basis.

- The general population's increased interest in health has resulted in the expansion of programs and services at the Health Department. The Health Department building has not had sufficient space to accommodate this growth. Space has had to be rented in 3 additional metro locations, including space for the health-related licensing boards. This results in communication and coordination challenges. A plan for consolidation of the department in a new building is an important need.

OUTCOMES:

The department has collected data on the following programs to demonstrate outcomes, which are the historic measurement of the department's performance towards its goals.

PROGRAM: Health Support Services
AGENCY: Health, Department of
(Continuation)

1. Data Collection and Information Distribution.

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Records transmitted to the National Center for Health Statistics	102,000	103,000	103,000	103,000
Records transmitted to the Centers for Disease Control	3,420	3,420	3,420	3,420
Statistical requests received	2,500	2,500	2,500	2,500
Statistical reports completed	6	5	5	5
Interlibrary Loans	9,175	9,500	9,500	9,500
Pieces of literature sent to public	332,107	330,000	330,000	330,000
2. Technical Assistance				
Database Searches	1,052	1,100	1,100	1,100
Purchase Proposals Reviewed	260	260	260	260
Consultation Regarding Telecommunication	480	480	480	480
Number of Network Users	700	1,050	1,100	1,100
Statistical Requests	300	300	350	350
Literature Requests	2,427	2,500	2,500	2,500
3. Operational Activities				
Birth/Death Certificates Processed	101,500	101,500	104,500	104,500
Turn Around Time for Processing	1 Day	1 Day	1 Day	1 Day
Number of Purchases/ Printing Orders	5,857	5,700	5,850	5,850
Pieces of Mail Processed	885,700	900,000	900,000	900,000
Mortuary Science Licenses Issued	1,445	1,435	1,430	1,445
Funeral Home Investigation/ Complaints	118	118	118	115
Employees Hired/Separated	365	365	350	350
Delegated Exams Conducted	30	35	35	40
Employee Hours of Training	30,000	35,000	35,000	35,000
Financial Transaction Process	92,766	93,000	93,000	93,000
% of Payments with 30 days	98	99	99	99
Disability Determination	775	800	800	800

OBJECTIVES:

1. Data Collection and Information Distribution:

- Tabulate and publish Minnesota health statistics annually.
- Annually convert demographic and medical information on birth and death records to an electronic media.
- Continue to generate statistical profile of the health status indicators of the citizen of the state.
- Maintain a department-wide records management, data sharing and data quality program.

2. Technical Assistance:

- Produce custom tabulation for clients.
- Develop a department-wide computer and telephone telecommunication system by 1995.
- Promote increase awareness and use of available information services.

3. Operational Activities:

- Continue to provide quality and cost effective material management, graphic arts, mailing and facility management service.
- Continue to maintain a central file of birth and death certificates.
- Continue to provide cost effective coordination of all financial transaction of the department.
- Ensure an effective work force through the maintenance of performance management system at improvement of employee performance through individual development programs.
- Regulate the funeral home industry in cost effective and efficient manner.

PROGRAM PLAN:

The department will restructure its vital records activity and attempt to increase the use of non-General Fund sources.

The department will install an electronic birth certificate process which will allow the streamlining and automation of the data processing function.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan for this program; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: SUPPORT SERVICES

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
HLTH INFO/GENERAL MGMT	3,407	3,357	3,368	3,368	2,872	2,845	3,368	2,872	2,845
MANAGEMENT SUPPORT	10,486	9,760	11,259	11,339	11,796	11,772	11,315	11,796	11,773
TOTAL EXPENDITURES BY ACTIVITY	13,893	13,117	14,627	14,707	14,668	14,617	14,683	14,668	14,618

GOV'S INITIATIVES:	FUND								
(A) SALARY PLANNING ESTIMATES	GEN					<34>			<33>
(A) SALARY PLANNING ESTIMATES	SGS					<17>			<17>
(A) ELIMINATE MLCATF	ENV					22			22
(A) ELIMINATE MLCATF	MLC					<22>			<22>
TOTAL GOV'S INITIATIVES						<51>			<50>

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	4,296	4,551	4,219	4,299	2,219	2,185	4,312	2,232	2,199
STATE GOVT SPEC REV					1,999	1,982		1,999	1,982
HEALTH CARE ACCESS			50	50	50	50	50	50	50
TRUNK HIGHWAY	86	86	86	86	82	82	86	82	82
ENVIRONMENTAL						22			22
METRO LANDFILL CONTN	22	22	22	22	22		22	22	
OPEN APPROPRIATIONS:									
STATE GOVT SPEC REV	11	5							
STATUTORY APPROPRIATIONS:									
GENERAL	20								
SPECIAL REVENUE	6,909	5,897	7,037	7,037	7,037	7,037	7,037	7,037	7,037
FEDERAL	2,549	2,409	3,176	3,176	3,222	3,222	3,176	3,246	3,246
AGENCY		145							
GIFTS AND DEPOSITS		2	37	37	37	37			
TOTAL FINANCING	13,893	13,117	14,627	14,707	14,668	14,617	14,683	14,668	14,618

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: SUPPORT SERVICES

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	52.6	53.6	48.6	48.6	22.6	22.6	48.6	22.6	22.6
STATE GOVT SPEC REV					16.0	16.0		16.0	16.0
SPECIAL REVENUE	71.7	83.4	85.4	85.4	94.4	94.4	85.4	94.4	94.4
FEDERAL	3.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL POSITIONS	127.3	138.0	135.0	135.0	134.0	134.0	135.0	134.0	134.0

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BUDGET ACTIVITY: Health Information and General Servics
PROGRAM: Health Support Services
AGENCY: Health, Department of

ACTIVITY DESCRIPTION:

This activity maintains 1) an organized system for collecting, processing and analyzing health information to support informed public health decision making, and 2) an array of program support services to support a department-wide work environmental conducive to efficient and effective work performance by managers and staff throughout the department. These objectives are achieved through activities that: 1) develop management information systems and support computer and telecommunications technology applied to the management of program information and processes; 2) coordinate and provide centralized operations support services, including building and space planning, materials inventory and management, print communications, and travel management; 3) disseminate health informational materials, including library material, help locate facts or data, and compile lists of data bases and data sources; 4) maintain a permanent file of birth and death certificates and indices of marriage and divorce; and 5) conduct studies and provide vital and health statistics relating to disease, disability and premature death, as well as prevalence of behavioral risk factors to help identify and describe health problems.

BUDGET ISSUES:

This activity is a support service which reflects the service needs of a department growing and changing in response to pubic health needs and initiative. This activity works to position itself to respond quickly to the ongoing and changing needs of department programs in order to support the mission and priorities of the department. It meets new challenges by responding quickly to satisfy urgent need and by revising services in anticipation of long term trends. This activity is committed to providing quality products and services through positive, public service spirited employees. It designs cost effective service systems which promote cost effective management of resources department-wide. It maximizes resources through shared services, teamwork, clear assignment of accountability and chargebacks based on consumption. It uses and promotes technology to facilitate effectiveness and efficiency not only of its services, but also of programs department-wide. It is anticipated that budget reductions of 3 positions per year in this activity can be accomplished through the use of increased technology and/or the identification of other resources with a minimal impact on services provided.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Systems & Technology					
Number of MDH Sites on Computer Network	1 of 10	2 of 10	5 of 11	7 of 11	9 of 11
Number of MDH Staff on Computer Network	300	700	800	950	1,000
Voice Mail Installed at MDH Sites	-	1 of 10	2 of 10	3 of 11	4 of 11
Video Conferencing MDH Sites Available	-	-	-	1 of 11	2 of 11
Building & Operations Support					
Workstations Relocated for Expansion	75	180	265	50	245
$ Cost Overflow Leases	509,000	570,000	782,000	820,000	950,000
Workstations in Overflow Locations	260	313	325	375	425
Total Lease Cost on All Bldgs.	1.9 Mil	1.9 Mil	2.2 Mil	2.4 Mil	2.6 Mil
Number of Items Stocked	2,200	2,000	1,800	1,800	1,800
$ Pharmaceutical Stocked	.5 Mil	3.1 Mil	.9 Mil	1.0 Mil	1.0 Mil
$ Other Items Stocked	.5 Mil	.6 Mil	.6 Mil	.6 Mil	.6 Mil
Library and Health Information					
Electronically Requested Interlibrary Loans	8,280	9,175	9,500	9,500	9,500
Online DataBase Searches	854	1,052	1,100	1,100	1,100
Number of Citizens Viewed Audiovisual Materials	64,293	47,000	50,000	50,000	50,000
Library Circulation	10,792	10,038	11,000	11,000	11,000
Vital Statistics					
Records Filed	151,500	153,000	154,000	157,000	157,500
Certified Copies, etc.	58,568	59,973	61,470	62,765	64,060
Data Requests & Assistance	2,800	2,800	2,800	2,800	2,800
Statistical Studies	5	6	5	5	5

REVENUE:

This activity generates dedicated and non-dedicated revenue.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Non-dedicated - Gen'l	$346	$400	$480	$-0-	$-0-
Non-dedicated - State Gov't	-0-	-0-	-0-	480	480
Dedicated - Special	1,444	1,779	1,774	1,774	1,774
Dedicated - Federal	368	53	211	211	211
Dedicated - Agency	-0-	1	-0-	-0-	-0-
Total Revenue	$2,158	$2,233	$2,465	$2,465	$2,465

GRANTS:

None.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: SUPPORT SERVICES
ACTIVITY: HLTH INFO/GENERAL MGMT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	2,751	2,845	2,992	2,992	2,524	2,497	2,992	2,524	2,497
EXPENSES/CONTRACTUAL SRVCS	469	382	114	114	100	100	114	100	100
MISC OPERATING EXPENSES	51	50	53	53	48	48	53	48	48
SUPPLIES/MATERIALS/PARTS	82	71	67	67	58	58	67	58	58
CAPITAL EQUIPMENT	54	9							
OTHER			142	142	142	142	142	142	142
SUBTOTAL STATE OPERATIONS	3,407	3,357	3,368	3,368	2,872	2,845	3,368	2,872	2,845
TOTAL EXPENDITURES	3,407	3,357	3,368	3,368	2,872	2,845	3,368	2,872	2,845
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<14>			<14>
(A) SALARY PLANNING ESTIMATES		SGS				<13>			<13>
TOTAL GOV'S INITIATIVES						<27>			<27>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,575	1,524	1,383	1,383	446	432	1,383	446	432
STATE GOVT SPEC REV					441	428		441	428
STATUTORY APPROPRIATIONS:									
GENERAL	20								
SPECIAL REVENUE	1,444	1,779	1,774	1,774	1,774	1,774	1,774	1,774	1,774
FEDERAL	368	53	211	211	211	211	211	211	211
GIFTS AND DEPOSITS		1							
TOTAL FINANCING	3,407	3,357	3,368	3,368	2,872	2,845	3,368	2,872	2,845

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: SUPPORT SERVICES
ACTIVITY: HLTH INFO/GENERAL MGMT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	38.0	39.0	36.0	36.0	13.0	13.0	36.0	13.0	13.0
STATE GOVT SPEC REV					13.0	13.0		13.0	13.0
SPECIAL REVENUE	41.2	49.7	49.7	49.7	58.7	58.7	49.7	58.7	58.7
FEDERAL	3.0								
TOTAL POSITIONS	82.2	88.7	85.7	85.7	84.7	84.7	85.7	84.7	84.7

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BUDGET ACTIVITY: Management Support
PROGRAM: Health Support Services
AGENCY: Health, Department of

ACTIVITY DESCRIPTION:

Management Support provides the necessary leadership and management to effectively and efficiently coordinate the activities of the Health Department. It is comprised of the following components.

Executive Office - Provides policy and management direction and leadership for the department. The Office develops and implements departmental policies and provides overall fiscal management. The Executive Office also gives leadership to the state in developing statewide public health priorities.

Financial Management - Provides a centralized budgeting, accounting and financial reporting system for all department activities and federal grant programs. This activity is carried out through the computer-based Statewide Accounting System (SWA) and Biennial Budget System (BBS) to assure proper and equitable accounting/reporting of all fiscal transactions. The clientele served include all department staff, federal agencies, central staff agencies and legislative staff.

Human Resources Management - Provides a centralized personnel system which involves recruitment, managing 7 collective bargaining agreements, employee counseling, affirmative action, performance appraisal, classifications, compensation, and job analysis.

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.

Mortuary Science - Licenses, investigates complaints lodged against and provides technical assistance to individuals and facilities in the field of Mortuary Science.

Public Information - Disseminates information to the general public through the media. This information includes reports on disease outbreaks, regulatory activities and other public health issues. The Public Information Office also responds to requests from the general public and the media for general and specific information about MDH programs and activities and public health issues.

BUDGET ISSUES:

We will reduce and/or transfer to other sources 2.0 state funded positions. With other reductions in the department it is not anticipated that this action will have a serious detrimental affect on our ability to deliver the needed level of services.

EFFICIENCY MEASURES:

The Executive Office managed and provided leadership to more than 1000 Health Department employees in 1992. Studies and analyses of statewide health issues were initiated and coordinated, providing decision-makers with information necessary for making optimal decisions. The Executive Office also ensured the provision of needed health information and services to the citizens of Minnesota, thereby improving the health of the state. The efficiency and effectiveness of the department and the state was improved by responding proactively to federal activities and by coordinating activities with other agencies.

Financial Management provided a centralized budgeting, accounting and financial reporting system for all department activities and over 30 federal grant programs. Financial Management processed more than 70,000 financial transactions in 1992. More than 90% of all payments due were paid by Financial Management within 30 days.

Human Resources Management processed more than 250 new hires and completed more than 5,200 personnel transactions in F.Y. 1992. Personnel initiated customer service training in 1990, and by the end of 1992 approximately 75% of the department's employees had completed the 2-day course.

Disability Determination reviewed 1,411 cases in 1992 and provided initial and annual determinations of disability on each. Of the cases reviewed, 851 were for the Public Employees Retirement Association, 267 for the State Retirement Association and 293 for the Teachers Retirement Association. This activity is supported by fees.

Mortuary Science licensed 1,420 morticians and 95 funeral directors in F.Y. 1992. During the same period 52 mortuary science trainees were registered, 504 funeral establishment permits were issued and 36 complaints were received and reviewed.

Public Information released 53 news reports, answered 850 media inquiries, held 5 news conferences, responded to 300 inquiries from the general public, edited 20 projects, and distributed 10,800 media clippings to department staff in F.Y. 1992

The indirect cost rate for the department is 14.8% in F.Y. 1993.

REVENUE:

This activity generates dedicated and non-dedicated revenue.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Non-dedicated - Gen'l	$138	$154	$156	$-0-	$-0-
Non-dedicated - State Gov't	-0-	-0-	-0-	156	156
Dedicated - Special	5,465	4,118	5,263	5,263	5,263
Dedicated - Federal	2,181	2,356	2,965	3,011	3,035
Dedicated - Agency	-0-	1	37	37	-0-
TOTAL REVENUE	$7,784	$6,629	$8,421	$8,467	$8,454

GRANTS:

None.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: SUPPORT SERVICES
ACTIVITY: MANAGEMENT SUPPORT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,978	2,057	2,184	2,161	2,161	2,137	2,161	2,161	2,138
EXPENSES/CONTRACTUAL SRVCS	2,387	2,560	2,667	2,770	1,765	1,765	2,783	1,778	1,778
MISC OPERATING EXPENSES	311	314	346	346	346	346	346	346	346
SUPPLIES/MATERIALS/PARTS	483	525	467	467	467	467	467	467	467
CAPITAL EQUIPMENT	427	112	106	106	106	106	106	106	106
OTHER	4,840	4,131	5,393	5,393	6,855	6,855	5,356	6,842	6,842
SUBTOTAL STATE OPERATIONS	10,426	9,699	11,163	11,243	11,700	11,676	11,219	11,700	11,677
AIDS TO INDIVIDUALS			35	35	35	35	35	35	35
LOCAL ASSISTANCE	60	61	61	61	61	61	61	61	61
TOTAL EXPENDITURES	10,486	9,760	11,259	11,339	11,796	11,772	11,315	11,796	11,773
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<20>			<19>
(A) SALARY PLANNING ESTIMATES		SGS				<4>			<4>
(A) ELIMINATE MLCATF		ENV				22			22
(A) ELIMINATE MLCATF		MLC				<22>			<22>
TOTAL GOV'S INITIATIVES						<24>			<23>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,721	3,027	2,836	2,916	1,773	1,753	2,929	1,786	1,767
STATE GOVT SPEC REV					1,558	1,554		1,558	1,554
HEALTH CARE ACCESS			50	50	50	50	50	50	50
TRUNK HIGHWAY	86	86	86	86	82	82	86	82	82
ENVIRONMENTAL						22			22
METRO LANDFILL CONTN	22	22	22	22	22		22	22	

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH, DEPT OF
PROGRAM: SUPPORT SERVICES
ACTIVITY: MANAGEMENT SUPPORT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
OPEN APPROPRIATIONS:									
STATE GOVT SPEC REV	11	5							
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	5,465	4,118	5,263	5,263	5,263	5,263	5,263	5,263	5,263
FEDERAL	2,181	2,356	2,965	2,965	3,011	3,011	2,965	3,035	3,035
AGENCY		145							
GIFTS AND DEPOSITS		1	37	37	37	37			
TOTAL FINANCING	10,486	9,760	11,259	11,339	11,796	11,772	11,315	11,796	11,773
POSITIONS BY FUND:									
GENERAL	14.6	14.6	12.6	12.6	9.6	9.6	12.6	9.6	9.6
STATE GOVT SPEC REV					3.0	3.0		3.0	3.0
SPECIAL REVENUE	30.5	33.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7
FEDERAL		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL POSITIONS	45.1	49.3	49.3	49.3	49.3	49.3	49.3	49.3	49.3

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AGENCY: Minnesota Health Care Access Commission

GOVERNOR'S RECOMMENDATION:

This commission no longer exists as an independent agency, and should not be confused with the Minnesota Health Care Commission created under the MinnesotaCare (formerly Healthright) legislation in 1992. This information is included to account for historical spending in F.Y. 1991.

M.S., Ch. 62J was repealed effective 7-1-91. See Laws 1989, Ch. 327, Sec. 4.

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1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HEALTH CARE ACCESS
PROGRAM: HEALTH CARE COMM
ACTIVITY: HEALTH CARE COMM

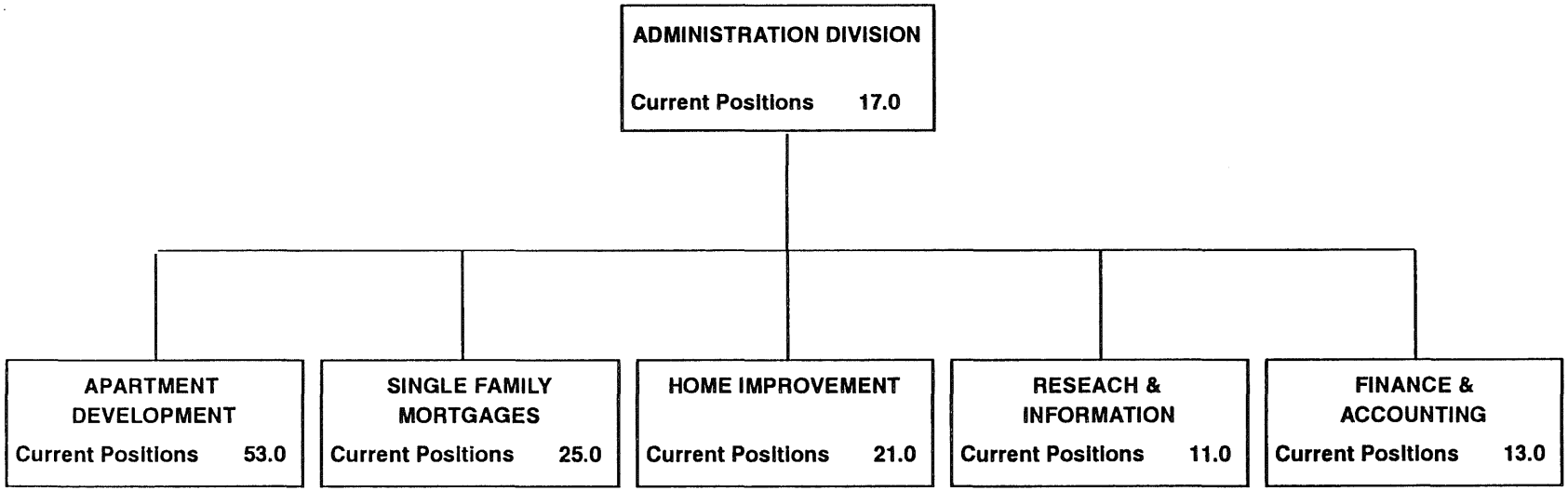
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	229								
EXPENSES/CONTRACTUAL SRVCS	248								
MISC OPERATING EXPENSES	19								
SUPPLIES/MATERIALS/PARTS	2								
SUBTOTAL STATE OPERATIONS	498								
TOTAL EXPENDITURES	498								
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	498								
TOTAL FINANCING	498								
POSITIONS BY FUND:									
GENERAL	5.0	.0	.0	.0	.0	.0	.0	.0	.0
TOTAL POSITIONS	5.0	.0	.0	.0	.0	.0	.0	.0	.0

1994-95 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: HOUSING FINANCE

Housing Finance Agency
Organization Chart 7/1/92



Housing Finance Agency

Position and Employee Status Information

Position Reconciliation:

Authority	Current F.Y. 1993	Requested for 6/30/95
Legislative Complement:		
Housing Finance Fund	140.0	140.0
Total Permanent Positions	140.0	140.0
Other Complement (FTE)	21.0	21.0
TOTAL Positions	161.0	161.0
Employees on 6/30/92	143.0	

Employees by Employment Status:

	6/30/92
Full-Time Unlimited	125.0
Full-Time Temporary	10.0
Part-Time Unlimited	4.0
Part-Time Temporary	4.0
TOTAL	143.0

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Housing Finance Agency **Fund:** General

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$14,121	$14,121	$28,242
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$14,121	$14,121	$28,242
Inflation Cost Increase	-0-	-0-	-0-
Agency Management Decisions			
Appropriated Programs:			
Transfer Rent Assistance for Persons with MI	1,200	1,200	2,400
Homesharing Grants	(25)	(25)	(50)
Affordable Rental Invest Fund Loans	(550)	(550)	(1,100)
Transitional Housing Loans	550	550	1,100
Home Equity Counseling Grants	(25)	(25)	(50)
Comm. Rehab. Fund Grants	(656)	(656)	(1,312)
Subtotal	~~$(494)~~	~~$(494)~~	~~$(998)~~
	$494	$494	$988
TOTAL AGENCY PLAN	$14,615	$14,615	$29,230
Governor's Initiatives			
Homeless Children and Families	4,000	-0-	4,000
*Emergency Mortgage Counseling and Assistance	217	224	441
*Salary Planning Estimates	(217)	(224)	(441)
GOVERNOR'S RECOMMENDATION	$18,615	$14,615	$33,230

* No General Fund impact

Brief Explanation of Agency's Overall Actions: The Housing Finance Agency plans to achieve efficiencies in certain agency activities while maintaining full funding levels for activities which serve children, address basic housing needs, help strengthen communities and leverage other funds. These reductions fall under "Appropriated Programs" in the agency's budget structure.

Appropriated Programs: The budget plan proposes 5 changes in the agency's "Appropriated Programs" funding category.

First, the Home Equity Conversion Counseling Program is eliminated. In the 1992-93 biennium, 169 households were assisted under the program.

Second, the Homesharing Program is reduced by 10%. The Agency plans to achieve this reduction either by eliminating funding for the local agencies which make the fewest matches or by reducing funding for agencies which have the highest cost per match. Depending on the effectiveness of the local agencies selected in the next biennium, the reduction may not result in fewer matches; however, at the current cost per match, the reduction will result in approximately 40 fewer matches statewide.

The Agency proposes to reduce funding for the Community Rehabilitation Fund by $1,312,000. The Community Rehabilitation Fund is a consolidation of 2 programs which were created in the 1991 session: the Blighted Residential Property Acquisition and Rehabilitation Program and the Single Family Capital Reserve Program. Applications under both programs were first selected in 1991; data on program activity necessary to predict the impact of the proposed reduction will not be available until the end of the calendar year.

The Agency proposes to consolidate that portion of the Special Needs Housing Program that has historically funded permanent housing for homeless persons with the Rental Housing Program into the Affordable Rental Investment Fund. The Special Needs Program will be renamed the Transitional Housing Program.

Finally, the Agency has entered into an agreement with the Department of Human Services (DHS) to request a permanent transfer of $2.4 million from DHS to Housing Finance to direct a housing subsidies program for persons with mental illness. The 2 agencies concur that Housing Finance is in a position to administer these funds more efficiently and effectively.

Summary: The agency continues to focus on basic housing needs, designing programs which complement private housing sector initiatives.

	F.Y. 1994	F.Y. 1995	
2. Impact on Staffing:			
Positions left Vacant or Eliminated	0.0	0.0	
Anticipated Additional Vacancies	0.0	0.0	
3. Impact on Revenue Generation:	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$ -0-	$ -0-	$ -0-

4. Affected Statutes: None.

GOVERNOR'S RECOMMENDATION: The Governor concurs with the agency's plan with the exception of including an additional $4,000,000 in new spending for the Homeless Families and Children initiative.

After review of organizational and program requirements, the Governor recommends transferring responsibility and $2.4 million in biennial funding for housing subsidies to persons with mental illnesses from the Department of Human Services to the Housing Finance Agency effective 7-1-93, as described in the agency plan.

In addition, the Governor anticipates savings to the Agency's Housing ~~Trust~~ Development Fund of $217,000 in F.Y. 1994 and $224,000 in F.Y. 1995, due to revised salary planning estimates. All of the department's salaries are paid out of the housing ~~trust~~ development fund. The Governor recommends that these savings be applied toward the Emergency Mortgage and Counseling Assistance Program, a Governor's Investment Initiative. The Agency will develop and administer this program to aid individuals and families who are in danger of losing their housing as a result of circumstances beyond their control.

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: HOUSING FINANCE AGCY

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(B) HOMELESS CHILDREN AND FAMILIES INITIATIVE	GEN	4,000		4,000			
TOTAL BY FUND	GEN	4,000		4,000			
TOTAL INVESTMENT INITIATIVES		4,000		4,000			

AGENCY: Minnesota Housing Finance Agency

MISSION STATEMENT:

The mission of the Minnesota Housing Finance Agency (MHFA) is to address Minnesota housing needs by providing financial and related technical assistance opportunities so that all Minnesotans have decent, affordable housing and stronger communities.

All Agency programs must be consistent with the values and objectives of the mission statement, must meet 1 of 2 broad program objectives - decent affordable housing or stronger communities-and adhere to the following housing policies:

- Fiscal integrity
- Financing not available on equivalent terms
- Fair housing and equal opportunity
- Quality service, public awareness, and outreach
- Appropriate distribution of funds

To achieve its mission, the Housing Finance Agency has been active in establishing state housing policies, lending and financing, allocating housing grants and subsidies, advocating for affordable housing, and providing technical assistance to housing sponsors.

MINNESOTA MILESTONES:

The work of the MHFA supports 2 of the major Milestones goals: "All Minnesotans will have decent, safe and affordable housing and people who need help providing for themselves, will receive the help they need." The Agency contributes to these goals by providing technical assistance and financing:

- for shelters and transitional housing for homeless individuals and families;
- for the rehabilitation of the existing housing stock, both owner-occupied and rental housing;
- for affordable homeownership opportunities;
- to increase the supply of affordable rental units.

MHFA takes primary responsibility among state agencies for the state's ability to achieve Milestones targets regarding the use of homeless shelters, the degree of overcrowding, and the affordability of rental housing and homeownership. There are however, other factors influencing the Agency's ability to reach these targets, including the state's rental property tax policy, income maintenance policies, and overall job creation and wage rates.

The Agency plays a supporting role among state agencies on a number of indicators. For example, the indicator "number of discrimination complaints" includes housing discrimination. The Agency plays an active role in ensuring that buildings the Agency has financed are managed in a nondiscriminatory manner. Another indicator is "average annual energy use by each person." The Agency has long included energy conservation improvements in the list of improvements which must be made in every rehabilitation project. The Agency also has an energy loan program which is the only program at the Agency which is not targeted to a particular income level.

CLIMATE:

The following factors are shaping the development of policies and programs at the MHFA: demographic and socioeconomic changes, changes in the ability of private financial institutions to provide capital for affordable housing, and local capacity to deliver housing programs to all areas of the state.

Increasing concentration of the population jeopardizes the economic viability of housing in parts of the state which are losing population.

- Between 1980 and 1990, 47 non-metropolitan counties (in the south, southwest, west, and northwest parts of the state) lost population. These counties accounted for 10% of the state's population in 1990. In the same time period the remaining 24 non-metropolitan counties (in the southeast, central, and north central parts of the state) gained population. These counties accounted for 15% of the state's population in 1990.

- By 1990, 68% of the state's population lived in 1 of 5 Metropolitan Statistical Areas (MSAs) (Minneapolis-St. Paul, Duluth, Moorhead, Rochester, or St. Cloud). More than half of the state's population lived in the Minneapolis-St. Paul MSA.

- In 1990, 63% of the state's population lived in 14 counties that constitute a growth corridor extending from central Minnesota (the St. Cloud MSA) to southeastern Minnesota (the Rochester MSA). Population in this corridor increased 15% between 1980 and 1990, more than double the 7% statewide increase in population.

The middle-aging of Minnesota's population requires an emphasis on preserving existing housing while adapting to the needs of an aging population.

- Between 1980 and 1990, the statewide median age increased 3.3 years (from 29.2 years to 32.5 years). Contributing to this increase are the 5 non-metropolitan counties with a median age above 40 and the 19 non-metropolitan counties in southwestern Minnesota where more than 20% of the population is over age 65.

- Between 1980 and 1990, 47 non-metropolitan counties (in the south, southwest, west, and northwest parts of the state) accounted for 18% of the state's population over 85. The 5 MSAs accounted for slightly more than 54% of the state's population over 85.

Changing family and household structure signals increased disparity in household income and a need for a broader range of housing types.

- Changes in household composition that were first observed in the 1970s continued to occur between 1980 and 1990. Specifically, the number of married couple families is declining while the number of female-headed families and 1-person households is increasing.

- Between 1980 and 1990, the percentage of all households that were family households continued to decline. Since 1980, the percentage of all households that were families grew 9.0%, while non family households grew 26.9%. The rapid increase in non family households by 1990 reflects the growing number of persons living alone (25.1% of all households) or households of non related individuals (6.3%).

AGENCY: Minnesota Housing Finance Agency
(Continuation)

- In 1990, the majority of all households in Minnesota continued to be comprised of married couples (57.2%); however, since 1980, their percentage share of all households has declined 4.9%. Furthermore, in Hennepin and Ramsey Counties, the state's most urban counties, married couple households accounted for less than a majority of all households (48.6% and 48.7%, respectively).

- Since 1980, the number of female-headed families in Minnesota has increased 32.0% (from 107,271 in 1980 to 141,554 in 1990). Furthermore, these families increased their share of all households from 7.4% in 1980 to 8.6% in 1990.

- The percentage of female-headed families varied by race, from 8% among white families, to 32% and 33% among African-American families and American Indian families, respectively.

Minnesota's median household income declined more than the national median which increases the need for affordable housing as well as the cost of producing and preserving this housing.

- More than 68% of renter households with incomes under $10,000 spent more than 35% of their income for housing in 1990. This was an 18% increase from 1980.

- In 1990 over 40% of renter households with incomes between $10,000 and $20,000 spent more than 35% of their income for housing. This represented an increase of over 400% from 1980.

- In 1980 40% of renter households in the $10,000 to $20,000 income group spent less than 20% of their income for housing. In 1990 this had declined by more than 70%.

- Over 58% of all homeowners spent less than 20% of their income for housing in 1990. In 1980 10.4% of homeowners spent over 35% of their income for housing by 1990 this had declined to 9.8%.

- The number of Minnesotans living in poverty increased from 12% in 1990 to 12.9% in 1991. This means that 570,000 people are living below the poverty line. (A family of 4 was classified as poor if it had cash income of less than $13,924 in 1991.)

- At the same time median household income declined even more than the national median dropping to $29,479 from $30,909.

Increasing homelessness for women with children requires a priority for transitional housing and affordable permanent housing that serves women with children.

- The total number of women and children in temporary housing arrangements is larger than the total number of men in temporary housing arrangements, according to the first statewide survey on homelessness by the Wilder Research Center.

- Most of those in temporary housing programs (59% of men and 63% of women) have not been homeless prior to their current episode of homelessness.

Changing financial markets affect housing.

- The Depository Institutions Deregulation and Monetary Control Act of 1980 (DIDMCA) marked the beginning of a process to deregulate the thrift industry. DIDMCA marked the final evolution of a new market-based system for housing finance in which funds for housing would be supplied under similar terms with funds supplied to other sectors of the economy.

- Uneven state and federal tax treatment of rental housing means that preserving and producing affordable rental housing will continue to be a priority and will require public subsidy.

Changing federal commitment to housing has shifted increased responsibility to the state.

- HUD budget authority for assisted housing declined from $35 billion in 1980 to $5.5 billion in 1987.

- In the time period 1986 to 1991 the estimated tax expenditure for the deductibility of mortgage interest increased from $27 billion to $52 billion.

Pressure on local capacity affects the delivery of housing programs.

- Local units of government, financial institutions, and nonprofit and for profit developers have experienced an erosion in their traditional sources of support.

AGENCY BUDGET PLAN:

In the budget plan for F.Y. 1994-95, the Agency recommends simplifying and consolidating certain programs funded with state appropriations. In addition, the Agency is undertaking a comprehensive financial analysis of its other resources and will seek to consolidate non-state funded programs at the completion of the financial study in mid-1993.

The budget plan proposes 5 changes in Agency programs. First, the Home Equity Conversion Counseling Program is eliminated. This program provides a grant to an organization - in the past it has been the Minnesota Senior Federation - to provide counseling to seniors interested in obtaining a home equity loan.

The Agency also proposes a 10% reduction in the Homesharing Program, a program which provides administrative funds to social service agencies which match seniors who would like someone to share their home with persons who need an affordable place to live. The reduction will be achieved either by eliminating funding for those agencies which make the fewest matches or reducing funding to those agencies which have the highest costs per match.

Third, the Agency proposes to reduce funding for the Community Rehabilitation Fund by $656,000. The Community Rehabilitation Fund is a combination of 2 Agency programs which were created in 1991 - the Blighted Residential Property Acquisition and Rehabilitation Program and the Single Family Capital Reserve Program.

AGENCY: Minnesota Housing Finance Agency
(Continuation)

Fourth, the agency proposes to consolidate that portion of the Special Needs Housing Program that has historically funded permanent housing for homeless persons with the Rental Housing Program into the Affordable Rental Investment Fund. The Special Needs Program will be renamed the Transitional Housing Program.

Finally, it transfers responsibility and $2.4 million in biennial funding for person with mental illnesses from the Department of Human Services to the Agency effective 7-1-93. The two agencies agree that Housing Finance is in a position to administer these funds more efficiently and effectively because of its housing orientation. This would be a permanent transfer to the Housing Finance budget.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan with the exception of including an additional $4,000,000 in new spending for homeless families and children.

After review of organizational and program requirements, the Governor recommends transferring responsibility and $2.4 million in biennial funding for housing subsidies to persons with mental illnesses from the Department of Human Services to the Housing Finance Agency effective 7-1-93, as described in the agency plan.

In addition, the Governor anticipates savings to the Agency's Housing ~~Trust~~ Development Fund of $441,000 this biennium, due to revised salary planning estimates. All of the department's salaries are paid out of the housing ~~trust~~ development fund. The Governor recommends that these savings be applied toward the Emergency Mortgage and Counseling Assistance Program, a Governor's Investment Initiative. The Agency will develop and administer this program to aid individuals and families who are in danger of losing their housing as a result of circumstances beyond their control.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HOUSING FINANCE AGCY

PROGRAM RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
APPROPRIATED PROGRAMS	17,259	13,432	28,913	27,875	19,112	23,112	27,875	19,112	19,112
NON-APPROPRIATED PROGRAMS	98,102	86,424	109,782	109,820	107,304	107,304	109,820	103,100	103,100
ADMINISTRATIVE COST CEILING	6,783	7,730	8,686	8,686	8,990	8,990	8,686	9,305	9,305
TOTAL EXPENDITURES BY PROGRAM	122,144	107,586	147,381	146,381	135,406	139,406	146,381	131,517	131,517
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL				14,121	14,615	18,615	14,121	14,615	14,615
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	300	18	2,137	2,137	840	840	2,137	840	840
MN HOUSING FINANCE	121,844	107,568	145,244	130,123	119,951	119,951	130,123	116,062	116,062
TOTAL FINANCING	122,144	107,586	147,381	146,381	135,406	139,406	146,381	131,517	131,517
POSITIONS BY FUND:									
MN HOUSING FINANCE	134.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0
TOTAL POSITIONS	134.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: HOUSING FINANCE AGCY

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	147,381	147,381			147,381	147,381		
TECHNICAL ADJUSTMENTS								
ONE-TIME APPROPRIATIONS	<1,000>	<1,000>	<1,000>	<1,000>				
BASE TRANSFER (BTWN FUNDS)			15,121	15,121	<15,121>	<15,121>		
SUBTOTAL TECH. ADJ.	<1,000>	<1,000>	14,121	14,121	<15,121>	<15,121>		
CURRENT SPENDING	146,381	146,381	14,121	14,121	132,260	132,260		
FORECAST ADJUSTMENTS								
DED STAT APPROP SPENDING	<11,469>	<15,358>			<11,469>	<15,358>		
SUBTOTAL FORECAST ADJ.	<11,469>	<15,358>			<11,469>	<15,358>		
AGENCY BASE	134,912	131,023	14,121	14,121	120,791	116,902		

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PROGRAM: Appropriated Programs
AGENCY: Minnesota Housing Finance Agency

PROGRAM PURPOSE:

The programs at the MHFA funded with state appropriations play a critical role in providing the subsidies necessary to create additional units of low cost and affordable housing, provide homeownership opportunities to families and individuals who cannot obtain financing in the conventional market, and provide rehabilitation funds to those who cannot afford a loan. The appropriated programs are all used either in conjunction with other subsidy funds to provide housing to households with incomes too low to afford repayment of a loan or to make loan financing affordable to lower income families and individuals.

The appropriated programs are also key in enabling the Agency to address the housing-related Minnesota Milestones. The emergency shelters, transitional housing programs, and affordable rental developments–all of which are necessary if the Agency is to meet the proposed Milestones–are funded in whole or in part with state appropriated dollars.

PROSPECTS:

1. Homeownership Opportunities Programs

Homeownership rates in Minnesota have declined for families of color and young families.

- The homeownership rates for African-American families decreased from 37% in 1980 to 30% in 1990.
- The homeowners rates for young households aged 15 to 24 declined from 26% in 1980 to 18% in 1990.
- The homeowners rates for households aged 25 to 34 declined from 64% in 1980 to 59% in 1990.

2. Home Improvement Programs

Slower growth in the formation of new households will reduce the demand for new housing. Consequently, preservation of existing housing and existing neighborhoods and communities will become increasingly important.

3. Rental Housing Programs

Reductions in the number of affordable rental units, increasing rent levels, and declining renter incomes have adversely affected the housing situation of renter households in general and of poor renter households in particular.

- Nationally, the number of privately owned, unsubsidized housing units renting for less than $300 (constant 1988 dollars) declined by 33% between 1974 and 1985 (from 8,500,000 units to 5,700,000 units); 54% of this decline occurred between 1980 and 1985.
- In 1990 more than 55% of all rental units in Minnesota rented for over $400.
- In 1990, 27% of Minnesota renter households had an income below $10,000.
- In 1990 in Minnesota 54% of all renter households had an income below $20,000 (median household income for the state was $30,909).
- In 1990 in Minnesota less than 15% of all 2 bedroom apartments rented for under $300.
- In the Minneapolis/St. Paul Metropolitan Area in 1985, over 30% of all renter households (77,000 households) spent more than 30% of their income for housing.

OUTCOMES:

The Agency collects data on a variety of program outcomes and publishes an annual assessment report. Included in the data reported are the following: average household income of all households served; average loan or grant per household served; percent of female headed households and minority households; and total spending on different types of repairs.

The Agency also surveys many, but not all, of its program participants on their reactions to Agency staff, program processes, and program content. The Agency will expand these surveys to all program areas and adapt existing surveys so that customer satisfaction can be measured systematically.

1. Homeownership Opportunities

- For Indian housing, affordable homeownership, rental, and home improvement financing is provided in "Indian country" (as defined in federal regulations) and in designated urban areas.
- Very low income households, unable to receive financing from traditional, institutional sources are able to achieve homeownership through the MURL program.
- Condition of housing stock in neighborhoods and/or communities is improved through the MURL program.

2. Home Improvement Programs

- Very low income households, unable to afford conventional or subsidized home improvement loans, are able to correct health and safety deficiencies in their homes.
- Private investment in property located in neighborhoods containing blighted, vacant and boarded up housing is increased.
- The number of seriously deteriorated properties owned and occupied by households of low or moderate income is reduced.
- Deteriorated and vacant properties in neighborhoods are rehabilitated or replaced.

3. Rental Programs

- The number of transitional housing units affordable to very low and low income families and individuals is increased.
- The number of permanent rental units affordable to very low and low income families and individuals which are in short supply in particular communities is increased.
- The affordability of existing housing for families on public assistance is increased through tenant assistance.
- The capacity of nonprofit developers and units of local government at the local level to provide affordable rental housing is increased and improved.

OBJECTIVES:

1. Homeownership Opportunities

- 50% of Indian Housing Program borrowers have incomes less than or equal to 50% of the greater of state or area HUD median income.
- 80% of Indian Housing Program recipients have shelter to income ratios less than or equal to 25%.
- 75% of units financed under "special assistance programs" under the urban Indian housing program component are sponsored by Indian administrators-sponsors.
- All Rural and Urban Homesteading Program recipients have monthly payment to income ratios of less than or equal to 25%.
- The number of vacant, abandoned or boarded up housing in areas served by the Rural Urban Homesteading Program is reduced.
- 80% of Homeownership Assistance Fund (HAF) recipients have incomes less than or equal to 50% of the greater of state or area HUD median income.
- 80% of HAF recipients have a monthly payment to income ratio of less than or equal to 25%.

2. Home Improvement Programs

- Minority and female-headed households will receive assistance in a percentage greater than their representation in the population of homeowners.
- Private investment in housing in Community Rehabilitation Fund program neighborhoods will be leveraged by a ratio of 2 dollars of private investment for every dollar of public investment.
- 80% of deferred loan recipients are unable to afford a conventional market rate loan for required improvements.

3. Rental Programs

- The number of households served is increased by leveraging every dollar of appropriated funds with $2 of private bond proceeds, loan funds, or other funds.
- The number of very low income households served is increased by 900 units by providing match/administration funds to assure access to affordable Federal Housing Programs.
- The extent to which the provision of tenant assistance enables those enrolled in self-sufficiency programs to achieve self-sufficiency compared to those that do not receive housing assistance is evaluated.
- The number of nonprofit organizations or units if local government who undertake a new development activity in order to provide affordable housing is increased.
- Adequate nonprofit capacity is developed to access 100% of the Federal HOME Funds allocated to community housing development organizations (CHDO).

PROGRAM PLAN:

The Agency proposes to consolidate state appropriated programs in 2 major areas. The first is to combine 2 rental housing programs into 1 program for transitional housing and 1 for permanent rental housing. The purpose of this realignment is to consolidate in as few programs as possible subsidy funds for permanent rental housing; to create a clear distinction between transitional housing and permanent housing and maintain a priority for the creation of permanent affordable rental housing; and to expand the use of appropriated funds for 1 and 2 bedroom units where the short supply of those types of units contributes to the problem of homelessness.

The Special Needs Housing Program which serves homeless and very low income persons will be renamed the Transitional Housing Program and the funds apportioned - on the basis of the historical use of funds for transitional and permanent housing - between the Transitional Housing Program and the Affordable Rental Investment Fund. The Rental Housing Program which serves very low income individuals and small families and low income large families will be renamed the Affordable Rental Investment Fund and will be increased by adding funds for permanent housing from the Special Needs Program.

The Transitional Housing Program will provide funds for the acquisition, construction, rehabilitation of transitional housing for homeless individuals and families, including funds used to provide rehabilitation funds for the HUD $1 Home Program.

The Affordable Rental Investment Fund will be used for the production of affordable rental housing in the shortest supply in a given community. Applicants will be required to demonstrate that the short supply of the proposed type of housing contributes to the problem of homelessness in the community. The fund may be used, for example, to produce single room occupancy housing in

Duluth, 3 and 4 bedroom units in the Twin Cities Metropolitan area, or 1 and 2 bedroom units in Marshall. The emphasis of the fund will be on leveraging other funds: federal low income tax credits, bond financing, and federal funds.

Although the proposed realignment of appropriated rental programs does not reduce the number of Agency programs, it reduces the number to which applicants with permanent rental housing projects must apply.

The second major area for consolidation is 2 programs which assist cities in revitalizing the housing in deteriorating neighborhoods and communities: the Blighted Residential Property Acquisition and Rehabilitation Program and the Single Family Capital Reserve Program. The Blighted Property Program provide grants to cities to use either as gap financing in redevelopment projects or for acquisition, demolition, and rehabilitation of blighted housing. The Capital Reserve Program provides a reserve to be used to leverage private purchase/rehabilitation mortgages. Since the objectives of both programs are the same, the Agency proposes to combine the programs into a Community Rehabilitation Fund and specify that the existing activities allowed under the 2 programs are among the eligible activities for the consolidated fund.

Consolidating 2 separate programs into the Community Rehabilitation Fund has a number of advantages. It will allow cities more flexibility in designing projects which meet local needs and which involve other local partners. It will reduce the amount of paperwork both for cities and for Agency staff. The proposal to create the Community Rehabilitation Fund will require amending the existing statutory authorization.

To meet the Agency's budget challenge, the Agency proposes to eliminate the Home Equity Conversion Counseling Program. The Home Equity Conversion Counseling Program provides a grant to an organization - typically the Minnesota Senior Federation - to provide counseling to seniors interested in a home equity loan.

Since the Home Equity Conversion Counseling Program was first passed by the legislature in 1989, the Department of Housing and Urban Development's (HUD) Home Equity Loan Program has expanded considerably and the private sector has significantly more experience with these types of loans. HUD requires that each borrower in its program receive counseling before receiving a loan. However, given the Agency's mission statement and priority for programs affecting children, the Agency proposes eliminating this program because funds for this activity could be raised through private fund raising efforts from charitable organizations or financial institutions.

The Agency proposes to reduce funding for the Homesharing Program by 10%. The Homesharing Program provides administrative funds for local social service organizations which match seniors who would like someone to live with them with homeseekers who need an affordable place to live. The Agency proposes to achieve the reduction either by eliminating funding for the organizations which make the fewest matches or by reducing funding for the agencies which have the highest costs per match.

Finally, the Agency proposes to reduce the Community Rehabilitation Fund by $656,000. This program, which is a consolidation of 2 of the newest programs at the Agency, is used in conjunction with various types of mortgage financing or federal programs and has 1 of the highest income limits at the Agency.

The Agency's budget also includes a program transferred from the Department of Human Services: the Rent Assistance for Persons with Mental Illness Program. This program provides a shallow rent subsidy for very low income persons with mental illness. The program is funded at $1.2 million each year for F.Y. 1994 and F.Y. 1995.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan with the exception of including an additional $4 million in new spending for homeless families and children.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HOUSING FINANCE AGCY
PROGRAM: APPROPRIATED PROGRAMS

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
HOMEOWNERSHIP OPPORTUNITIES	5,822	4,376	5,843	5,836	5,373	5,373	5,836	5,373	5,373
HOME IMPROVEMENT PROGRAMS	9,629	6,396	9,376	9,357	6,874	6,874	9,357	6,874	6,874
RENTAL PROGRAMS	1,808	2,660	13,694	12,682	6,865	10,865	12,682	6,865	6,865
TOTAL EXPENDITURES BY ACTIVITY	17,259	13,432	28,913	27,875	19,112	23,112	27,875	19,112	19,112
GOV'S INITIATIVES:		FUND							
(B) HOMELESS CHILDREN AND FAMILIES INITIATIVE		GEN				4,000			
TOTAL GOV'S INITIATIVES						4,000			
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL				14,121	14,615	18,615	14,121	14,615	14,615
STATUTORY APPROPRIATIONS:									
MN HOUSING FINANCE	17,259	13,432	28,913	13,754	4,497	4,497	13,754	4,497	4,497
TOTAL FINANCING	17,259	13,432	28,913	27,875	19,112	23,112	27,875	19,112	19,112
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Minnesota Housing Finance Agency
PROGRAM: Appropriated Programs
ACTIVITY:

ITEM TITLE: Homeless Families and Children

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- Grants	$4,000	$-0-	$2,000	$2,000

Statutory Change? Yes X **No** ____
If yes, statute affected: M.S. 462A

GOVERNOR'S RECOMMENDATION:

The Governor recommends $4 million for the biennium to address the escalating problem of homeless children in Minnesota to be administered by the Minnesota Housing Finance Agency.

Since 1986, Minnesota's sheltered homeless population has increased by more than 200%. Particularly disturbing are the changes that have occurred in the composition of this population. In 1986, children accounted for 26% of Minnesota's shelter residents. By 1992, 38% of shelter residents were children.

The initiative is designed to enable counties experiencing the largest growth in homeless families to shorten the period of homelessness for families with children by keeping families in their homes; by moving families into transitional or permanent housing before they enter an emergency shelter, or by shortening the stay at an emergency shelter.

To maximize the impact of these funds, the Agency will require counties to leverage private and foundation monies. These additional funds will be used to fund space and to provide operating assistance.

PROGRAM OUTCOMES:

- Reduces the per family cost of serving homeless families, with children, allowing a larger number of families to be served.
- Requires grant recipients to redesign their emergency system, shifting the focus to the prevention of homelessness and the use of transitional and permanent housing.
- Requires grant recipients to establish partnerships with existing public and private service providers.
- Creates a better system of linking housing with services for homeless families with children.
- Emphasizes the use of the existing housing stock.
- Creates incentives for the private sector to participate.

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BUDGET ACTIVITY: Homeownership Opportunities
PROGRAM: Appropriated Programs
AGENCY: Minnesota Housing Finance Agency

ACTIVITY DESCRIPTION:

1. Indian Housing Programs

The legislature has created 2 housing programs to deal with the housing needs and problems of American Indians: the Tribal Housing Program and the Urban Indian Housing Program.

The Tribal Indian Housing Program was created by the legislature in 1976 pursuant to a study which revealed a severe shortage of decent, affordable housing for Indian families on and near Minnesota Indian reservations (i.e., "Indian country"). A primary reason for this was that the title status of reservation land precludes traditional sources of housing capital. As a result, private sector lending on tribal lands is virtually nonexistent and federal programs have been very ineffective at addressing housing needs in Indian country.

Pursuant to the legislation, the MHFA contracts with tribal housing corporations established by the 3 tribal organizations specified in state statutes to administer the tribal Indian housing program. These 3 organizations administer programs on 11 Minnesota Indian reservations/communities. Under state statutes, these organizations have the flexibility to develop programs that address the unique housing needs on their individual reservations.

The contracts entered into between the Agency and the tribal housing corporations provide for revolving loan funds to finance home mortgage and rehabilitation loans to Indian families meeting specified income requirements. The Agency funds new loans, and loan repayments are made into a revolving fund which is used for other new loans and administrative costs. Interest rates vary from 4% to 8% and transactions require little, if any, cash investment by the homebuyer. Since 1976 loans in the amount of $31.6 million have been made to 1,032 American Indian households through funds appropriated by the legislature for the program and the revolving fund. One tribal housing corporation also administers a rental program through which it rents out and manages units for low income families living on the reservation.

The Agency is proposing in its 1993 legislation to establish a demonstration initiative as part of the Tribal Indian Program to encourage the participation of private financial institutions or other leveraging sources.

In 1978, it was noted that a significant percentage (currently 39%) of American Indians lived in urban areas of the state and this population had unique problems due to typically large and extended households and cultural difficulties in dealing successfully with established institutional housing providers. As a result, the legislature appropriated funds for the Urban Indian Housing Program which provides housing opportunities in Minneapolis, St. Paul, Duluth, and the Twin Cities suburbs. The Urban Indian Housing Program requires that appropriated funds be leveraged with funds from other sources to provide for the most efficient use of program funds.

The Urban Indian programs have been devised to be flexible in meeting urban Indian housing needs. The program is delivered through 2 program components. First, the MHFA directly administers a program to provide homeownership opportunities to low and moderate income urban Indian households. In this program component, appropriated funds are leveraged with mortgage revenue bond resources to provide very affordable first mortgage loans to urban Indian families. This program has provided a total of 273 loans in an amount of $9.7 million.

Second, the Agency may provide program funds as available to nonprofit housing providers to address specific urban Indian housing needs. For example, the Agency provided a $375,000 commitment to provide a transitional housing facility containing 13 rental units for Indian women with children which began operation in F.Y. 1991. These funds were leveraged with $800,000 in funds from outside sources. The average annual borrower income in this project is $6,672 which is 13% of HUD area median income.

2. Rural and Urban Homesteading Program (MURL)

The Minnesota Rural and Urban Homesteading Program provides grants to nonprofit housing providers or cities to acquire single family residences which are vacant, condemned or abandoned, rehabilitate those properties and then sell them by way of contract for deed to first time homebuyers who are defined as "at risk." The program is designed to arrest or prevent the spread of blight and preserve the existing housing stock by providing a financing mechanism through which properties may be purchased and rehabilitated and then sold to homeowners who will stabilize the neighborhood by following a "good neighbor" policy.

Since 1990, administrators for the program have been selected in 4 separate communities. It is anticipated that 20 units will be provided under the program to homebuyers earning less than 70% of HUD area median income. Up to this point, 5 homes have been rehabilitated and sold to households with incomes at 58% of area median income.

3. Homownership Assistance Fund (HAF)

The Homeownership Assistance Fund (HAF) has been uniquely designed to decrease the entry costs (down payment and closing costs) and large monthly payments for first time homebuyers. HAF was first authorized and funded by the legislature in 1977.

Since that time 7,191 households have received monthly and/or down payment assistance in a total amount of $26.8 million through HAF. HAF assistance has been offered in conjunction with below market interest rate mortgage loans offered under the Agency's mortgage revenue bond programs (see "Non-Appropriated Programs"). The combination of these 2 resources greatly enhances borrower affordability and, thus, the ability to purchase a first home.

Use of the Homeownership Assistance Fund has allowed selective targeting of mortgage revenue bond program funds to lower income individuals whose adjusted incomes currently may not exceed 60% of the greater of state or area HUD median income pursuant to administrative rule. The Agency Board has adopted income limits pursuant to this rule of $28,000 in the Twin Cities metropolitan area, $21,000 in Olmsted county and $19,000 in all other counties. Largely through the contributions of the Homeownership Assistance Fund, the Agency has the 4th lowest average borrower income under its mortgage revenue bond programs among all state housing agencies according to the most recent survey of the National Council of State Housing Agencies.

BUDGET ACTIVITY: Homeownership Opportunities
PROGRAM: Appropriated Programs
AGENCY: Minnesota Housing Finance Agency
(Continuation)

The Homeownership Assistance Fund has been used to assist first-time homebuyers in making monthly mortgage payments during the early years of the loan and/or to assist them in paying their entry costs. The monthly mortgage payment supplement has been granted based upon the borrower's monthly house payment, income levels, and the amount needed to qualify under mortgage industry accepted underwriting standards to assure that subsidy is not provided to individuals who do not need it. HAF assistance is provided to the borrower in the form of an interest-free mortgage loan, declines yearly on a predetermined schedule and must be repaid on a predetermined schedule or when the borrower sells or no longer occupies the home. Repayments are recycled into new loans. Without HAF assistance, these low income individuals could not afford to buy their first home even with the below market interest rate offered by MHFA mortgage revenue bond programs.

HAF second mortgage loans have been provided in conjunction with almost a third of the first mortgage loans provided under the Agency's mortgage revenue bond programs during the past 2 years.

Up to this point, the Agency has been able to satisfy the demand for Homeownership Assistance Fund second mortgage loans. Given the increase in demand for HAF and decrease in appropriations for the program from historical levels, the Agency will have to take steps to reduce the demand for this extraordinarily successful and pertinent initiative. The likely course of action will be to limit the program to individuals who historically need more assistance in achieving homeownership such as households with children, minority households and households with disabled family members.

4. Innovative Housing Loan Program

The Innovative Housing Loan Program was created by the legislature in 1977 as a revolving loan program. The program provides a pool of funds to be used for encouraging innovations in the development rehabilitation of single or multifamily residential housing. The program provides interim financing to both nonprofit and for-profit organizations throughout the state, for housing projects involving innovations in construction methods, materials, equipment, design, marketing, financing, and other areas.

BUDGET ISSUES:

The only budget decision affecting the homeownership opportunity programs is the proposed elimination of the Home Equity Conversion Counseling Program which was funded in the last biennium at $50,000.

EFFICIENCY MEASURES:

1. Indian Housing Programs

The following provides current activity under the Tribal Indian Housing Program:

Tribal Indian Housing Program
(Dollars in Thousands)

Activity Summary	F.Y. 1992	F.Y. 1993*	F.Y. 1994*	F.Y. 1995*
No. Loans	~~55~~ 38	63	40	40
~~Average Loan~~ Dollar Loans	$1,622	$2,695	$1,708	$1,708
~~Dollar Loans~~ Average Loan	~~$29.5~~ $42.7	~~$44.7~~ $42.7	$42.7	$42.7

* estimated; appropriated funds only

2. Rural and Urban Homesteading Program (MURL)

In virtually all cases, program funds are being leveraged with "in kind" labor and materials from neighborhood organizations and both services and funds are being donated by public and private entities to stretch program resources. The program initially appears to be very effective at providing homeownership opportunities to individuals that would be unable to achieve them otherwise and in fostering neighborhood based initiatives to strengthen the housing stock within the community.

3. The Homeownership Assistance Fund (HAF)

As noted above, the Agency has taken steps over the past few years to make HAF more accessible to its customer groups. Among such steps are:

- Publishing clearer, more concise consumer and real estate agent information.
- Publishing a marketing piece to enable real estate agents to more closely project the amount of assistance available for individual clients.
- Greatly simplifying lender processing of HAF loans by automating much of the process previously required to be performed by lenders at the Agency at no additional work to Agency staff.

The following table provides current data regarding HAF:

Homeownership Assistance Fund
Dollars in Thousands

Activity Summary	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
No. HAF Loans	644	1,147	380	380
Average HAF Loan	~~$3.2~~ 4.9	~~$5.3~~ 4.6	~~$1.7~~ 4.6	~~$1.7~~ 4.6
Dollar HAF Loans	~~$4,900~~ $3,156	~~$4,600~~ $5,276	~~$4,600~~ $1,748	~~$4,600~~ $1,748

Recipient Data

	F.Y. 1990	F.Y. 1991	F.Y. 1992
Average Borrower Income	$18.3	$19.8	$20.1
Percent Statewide Median Income	53.6	52.7	50.2
Average Home Purchase Price	$48.1	$52.5	$52.8
Percent Statewide Home Purchase Price	64.2	67.4	*
Average Household Size	2.5	2.4	2.2

* Data unavailable

BUDGET ACTIVITY: Homeownership Opportunities
PROGRAM: Appropriated Programs
AGENCY: Minnesota Housing Finance Agency
(Continuation)

REVENUE:

1. Indian Housing Programs

By contractual arrangement with tribal program administrators, funds repaid under the Tribal Indian Housing Program are placed in a revolving fund with the program administrator and made available for administrative expenses and new loans.

Under the Urban Indian Housing Program, funds are typically repaid on a interest-free basis and are made available for new activities under the program.

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Urban Indian Housing Program	138	60	60	60

2. Rural and Urban Homesteading Program (MURL)

None.

3. Homeownership Assistance Fund (HAF)

Homeownership Assistance Fund loans must be repaid according to a predetermined schedule. Scheduled payments of existing HAF loans are used to make new loans.

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Scheduled HAF Payments	$200	$220	$242	$266

4. Innovative Housing Loan Program

Loans under this program are at 0% interest and must be repaid according to a predetermined schedule. The funds are then loaned to a new project.

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Innovative Loan Program	$10	$10	$1,126	$1,126

GRANTS:

1. Indian Housing Programs

None.

2. Rural and Urban Homesteading Program (MURL)

The Minnesota Rural and Urban Homesteading Program is authorized under M.S. 462A.057 and Minnesota Rules Part 4900.2440 through 4900.2600. The statute and rules provides that eligible organizations may be political subdivisions or nonprofit entities as defined in Minnesota Rules pt. 4900.0010, subp. 21, that have as a primary purpose the provision or development of affordable housing to low and moderate income homebuyers. The ultimate beneficiaries are "at risk" homebuyers as defined by the grant recipients in accordance with Minnesota Rule. All homebuyers must be first time homebuyers that do not have incomes at a level higher than the 70% of the greater of state or area HUD median income. Administrative rules establish that the maximum grant to a city or nonprofit organization is $300,000 although the Agency retains the ability to provide grants less than that amount to advance the purposes of the program.

3. Homeownership Assistance Fund (HAF)

None.

4. Innovative Housing Loan Program

None.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HOUSING FINANCE AGCY
PROGRAM: APPROPRIATED PROGRAMS
ACTIVITY: HOMEOWNERSHIP OPPORTUNITIES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
EXPENSES/CONTRACTUAL SRVCS	140	93	100	100	100	100	100	100	100
OTHER	5,257	3,883	5,676	5,670	5,084	5,084	5,670	5,084	5,084
SUBTOTAL STATE OPERATIONS	5,397	3,976	5,776	5,770	5,184	5,184	5,770	5,184	5,184
AIDS TO INDIVIDUALS	425	400	67	66	189	189	66	189	189
TOTAL EXPENDITURES	5,822	4,376	5,843	5,836	5,373	5,373	5,836	5,373	5,373
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL				2,081	2,056	2,056	2,081	2,056	2,056
STATUTORY APPROPRIATIONS:									
MN HOUSING FINANCE	5,822	4,376	5,843	3,755	3,317	3,317	3,755	3,317	3,317
TOTAL FINANCING	5,822	4,376	5,843	5,836	5,373	5,373	5,836	5,373	5,373
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Home Improvement Programs
PROGRAM: Appropriated Programs
AGENCY: Minnesota Housing Finance Agency

ACTIVITY DESCRIPTION:

1. The Community Rehabilitation Fund

The Community Rehabilitation Fund provides grants or loans to cities, or nonprofit organizations designated by cities, to address problems of blighted and deteriorating neighborhoods and communities. Funds must be used in neighborhoods in metropolitan areas or designated areas in non-metropolitan parts of the state.

Eligible activities include construction, acquisition, rehabilitation, demolition, permanent financing, refinancing, or gap financing of single or multifamily housing. The grants and loans may be used to establish revolving loan funds and to provide grants and loans to eligible mortgagors. The amount of leveraging from other sources will be taken into consideration by the Agency in awarding grants and loans.

The program will leverage local government or private funds.

2. Deferred Loan Program

The Deferred Loan Program provides deferred loans of up to $9,000 to very low income homeowners for the purpose of correcting health and safety hazards within their homes and improving their habitability, accessibility, and energy efficiency. Loans are repaid only if the property is sold or ceases to be the borrower's principal residence within 10 years from the date of the loan. Repayments are recycled into new loans. The Agency is proposing to increase the maximum loan limit to $10,000.

The Accessibility Loan Fund is operated within the Deferred Loan Program. Its sole purpose is the modification of housing to make it accessible to disabled family members. The maximum accessibility loan is $10,000. Accessibility loans are repaid only if the property is sold or ceases to be the borrower's principal residence within 5 years of the date of the loan. Repayments are recycled into rehabilitation loans or accessibility loans.

Deferred Loans are delivered by a statewide network of local agencies. These agencies are partially reimbursed for their expenses in processing deferred loans for general rehabilitation through an administrative fee. Administrative fees are equal to 14% of the amount allocated to each administrator. The local agencies perform inspections before, during and after completion of the rehabilitation; take applications and maintain waiting lists; process income and asset verifications; assist the owners in obtaining and selecting bids; monitor contractor performance; and administer escrow accounts and payments to the contractors. The process at the local level is staff intensive.

Accessibility fund deferred loans are delivered by the same statewide network of local agencies. Because of the specialized nature of accessibility improvements requiring more extensive involvement by local agencies, the administrative allowance structure is different than that of general rehabilitation deferred loans. The administrative allowance is the greater of 16% of the loan amount or $400. Because local administrators of this program in many cases also administer other programs, such as federal weatherization or small cities development grants, they are often able to combine funds from the various programs to achieve a higher level of rehabilitation than could otherwise be achieved. However, reductions in funding at the federal level is making this combining of funds more difficult.

BUDGET ISSUES:

1. The Community Rehabilitation Fund

The Community Rehabilitation Fund is the consolidation of 2 existing programs: the Blighted Residential Acquisition and Rehabilitation Property Program and the Single Family Capital Reserve Program. The Agency's budget plan is to reduce funding by $656,000.

2. Deferred Loan Program

The Agency proposes no change in the funding for the Deferred Loan Program. However, an Agency recommendation to increase the maximum loan amount from $9,000 to $10,000 to accommodate increased construction costs and permit continued maximum reduction of health and safety deficiencies will mean that approximately 90 fewer loans will be made with a corresponding reduction in number of homes rehabilitated.

EFFICIENCY MEASURES:

1. The Community Rehabilitation Fund

The Community Rehabilitation Fund is a combination of 2 programs enacted in the 1991 session. Program experience to date is insufficient to determine their efficiency.

2.

	Deferred Loan Program Dollars in Thousands			
Activity Summary	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
No. Deferred Loans	597	709	535	535
Dollars	$4,479	$5,573	$4,602	$4,602
No. Loans with Other Funds	204	200	172	172
Amounts of Other Funds	$1,086	$1,000	$1,000	$1,000

REVENUE:

1. The Community Rehabilitation Fund
None.

2. Deferred Loan Program

Deferred loans have a repayment requirement in the event the owner sells or ceases to reside in the improved property within 10 years. Repayments are used to make more deferred loans.

	Dollars in Thousands			
	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Deferred Loans	$1,016	$1,000	$1,000	$1,000

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HOUSING FINANCE AGCY
PROGRAM: APPROPRIATED PROGRAMS
ACTIVITY: HOME IMPROVEMENT PROGRAMS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
EXPENSES/CONTRACTUAL SRVCS	793	769	1,093	1,091	749	749	1,091	749	749
OTHER	8,836	4,479	6,960	6,949	4,602	4,602	6,949	4,602	4,602
SUBTOTAL STATE OPERATIONS	9,629	5,248	8,053	8,040	5,351	5,351	8,040	5,351	5,351
AIDS TO INDIVIDUALS		1,148	1,323	1,317	1,523	1,523	1,317	1,523	1,523
TOTAL EXPENDITURES	9,629	6,396	9,376	9,357	6,874	6,874	9,357	6,874	6,874
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL				6,443	5,787	5,787	6,443	5,787	5,787
STATUTORY APPROPRIATIONS:									
MN HOUSING FINANCE	9,629	6,396	9,376	2,914	1,087	1,087	2,914	1,087	1,087
TOTAL FINANCING	9,629	6,396	9,376	9,357	6,874	6,874	9,357	6,874	6,874
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Rental Programs
PROGRAM: Appropriated Programs
AGENCY: Minnesota Housing Finance Agency

ACTIVITY DESCRIPTION:

1. Affordable Rental Investment Fund

The Affordable Rental Investment Fund is a consolidation of the Rental Housing Program and that portion of the Special Needs Program which has been used for permanent housing developments. The purpose of the Affordable Rental Investment Fund is to provide subsidy funds for the production or rehabilitation of the type of rental housing which is in the shortest supply in the local community and therefore contributes to the problem of homelessness.

The fund will be used for different types of housing in different parts of the state. For example, bedroom units are not in short supply in the Twin Cities metropolitan area. However, in cities like Willmar, Marshall, and Worthington, the lack of all types of affordable rental housing exacerbates the homelessness problem and makes housing for low wage workers virtually impossible to find.

The emphasis of the fund is on leveraging other funds: federal low income tax credits, mortgage financing, and federal funds. The income limit of the fund is 60% of the area median income for families and 30% of the area median income for individuals. The family income limit is set to be the same as the 2 major federal programs used to produce affordable rental housing: low income housing tax credits and the federal HOME Investment Partnership Program. The income limit for individuals is the same as under the Special Needs Housing Program.

2. Transitional Housing Program

The purpose of the Transitional Housing Program is to fund the acquisition, rehabilitation, and development of transitional housing including funds which are used in conjunction with the U.S. Department of Housing and Urban Development's $1 Home Program. Operating funds for some portion of transitional housing programs are provided by the Department of Jobs and Training. The Transitional Housing Program is the Special Needs Program renamed and limited to that portion of the Special Needs Program which has historically funded transitional, as opposed to permanent, housing programs.

3. Homesharing Program

Under this program, grants are provided to nonprofit organizations for the development and/or operation of elderly homesharing programs throughout Minnesota. These programs match low and moderate income elderly homeowners with homeseekers who will contribute rent or services in exchange for sharing a home.

This income and these services help elderly homeowners stay in their homes longer than would be possible without this assistance, thus deferring institutionalization and the high public subsidy costs it entails. The quality of life of both the homeowner and the homeseekers is improved under this arrangement.

The Agency is seeking statutory authority to allow nonprofit providers to expand their programs, if they choose, to include matching single-parent families with other families or elderly homeowners.

4. Rental Assistance for Family Stabilization

The Rent Assistance for Family Stabilization Program is a program which provides up to $200 per month in rental assistance to families receiving public assistance who are participating in a self-sufficiency program. Rent assistance is provided for a 36-month period. The program is limited to families who are paying more than 30% of their income for rent and who live in the highest housing cost counties in the state.

The program is delivered jointly by a local self-sufficiency administrator and a local housing agency.

The program will be evaluated to determine if providing rental assistance to aid families receiving public assistance enhances their opportunity to achieve self-sufficiency compared to families who receive no housing assistance.

5. Housing Trust Fund

The Housing Trust Fund provides zero interest deferred loans for financing affordable rental housing, limited equity cooperative housing, and homes for ownership for very low income persons and families. The program benefits households with incomes up to 30% of the Twin Cities area median income.

The Housing Trust Fund is funded with state appropriations, interest earnings from real estate trust accounts, and interest earned on revenue bond application fees, and forfeited revenue bond application fees. Request for Proposals (RFPs) are issued twice each year. An 8 member advisory committee assists the Agency in reviewing applications and selecting projects for funding.

6. Nonprofit Capacity Building Grant Program

The Nonprofit Capacity Building Grant Program provides grants to nonprofit organizations and units of local government to expand their capacity to provide housing and housing related services to low income persons within the organization's service area. Grants may be used for staff training, needs assessments, strategic planning, and other activities which will enable the organization to better address local housing needs.

The program has been used in recent years to encourage the organization of Community Housing Development Organizations (CHDOs). Under the federal HOME program, the Agency is required to spend 15% of all funds on projects owned, developed or sponsored by CHDOs.

7. Rent Assistance for Persons with mental illness

The Rent Assistance for Persons with mental illness Program is currently administered by the Department of Human Services and will be transferred to the Agency for the F.Y. 1994-95 biennium. The program provides a shallow rent subsidy to persons with mental illness. The program is targeted to very low income persons and is administered jointly at the local level by a housing agency and a social services agency.

BUDGET ACTIVITY: Rental Programs
PROGRAM: Appropriated Programs
AGENCY: Minnesota Housing Finance Agency
(Continuation)

BUDGET ISSUES:

1. Affordable Rental Investment Fund

The Affordable Rental Investment Fund is a consolidation of the Rental Housing Program and that portion of the Special Needs Program which has been used over the years to fund permanent housing projects. The Agency proposes no change in the funding levels for these 2 activities.

2. Transitional Housing Program

The Transitional Housing Program is the Special Needs Housing Program renamed and comprised of that portion of the Special Needs Program which has been used to fund transitional housing programs. The Agency proposes no change in the funding level for this activity.

3. Homesharing Program

The Agency proposes a 10% reduction in the Homeshare Program. The reduction will be achieved by eliminating funding for the local programs which make the fewest matches or by reducing funding for those agencies which have the highest cost per match, rather than cutting funding across the board for every program.

4. Rental Assistance for Family Stabilization

This program was a governor's initiative in the 1991 session and is a priority for the Children's Subcabinet. The Agency proposes no change in the funding for the Rent Assistance for Family Stabilization Program.

The Agency seeks authorization to permit payment of security deposits and damage deposits, and to change the manner in which administrative fees for local housing agencies are calculated which may result in fewer families served.

5. Housing Trust Fund

The Agency proposes no change in the funding for the Housing Trust Fund.

6. Nonprofit Capacity Building Grant Program

The Agency proposes no change in the funding for this program.

7. Rent Assistance for Persons with mental illness

This program is being transferred from the Department of Human Services to the Agency. The program funding level is $1.121 million each year in F.Y. 1994 and F.Y. 1995.

EFFICIENCY MEASURES:

1. Affordable Rental Investment Fund

	F.Y. 1993	F.Y. 1994	F.Y. 1995
Non-appropriated Funds Leveraged Per Unit	$7,500	$15,000	$15,000

2. Transitional Housing Program

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Per Unit Cost	$6,000	$2,600	$5,000	$5,000

3. Homesharing Program

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Cost Per Match	$1,220	$1,220	$1,089	$1,089

4. Rental Assistance for Family Stabilization

	F.Y. 1993	F.Y. 1994	F.Y. 1995
Average Percent of Income Spent on Housing	45%	40%	35%

5. Housing Trust Fund

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Per Unit Cost	$3,600	$3,300	$3,000	$3,000

	F.Y. 1990	F.Y. 1991	F.Y. 1994	F.Y. 1995
Ratio of Non-trust Fund Dollars Leveraged by Trust Fund Dollars	4.9	9.2	10	10

6. Nonprofit Capacity Building Grant Program

	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of Grant Recipients Who Develop First Affordable Housing Project or New Type of Project	5	7	9

REVENUE:

1. Affordable Rental Investment Fund

None

2. Transitional Housing Program

None

3. Homesharing Program

None

4. Rental Assistance for Family Stabilization

None

5. Housing Trust Fund

None

6. Nonprofit Capacity Building Grant Program

None

GRANTS:

1. Affordable Rental Investment Fund

None

2. Transitional Housing Program

None.

3. Homesharing Program

The Homesharing Program was authorized in 1985 by M.S. sect. 462A.05, subd. 24. The purpose of the Homesharing Program is to enable elderly, handicapped, or developmentally disabled homeowners to remain in their homes. Grants are awarded to selected nonprofit organizations for the development and/or operation of homesharing programs throughout Minnesota. The nonprofit sponsor matches low and moderate income homeowners with homeseekers who will contribute rent or services in exchange for sharing the home. This income and/or service helps the homeowners remain in their homes.

4. Rental Assistance for Family Stabilization

The Rental Assistance for Family Stabilization Program was authorized by M.S. sect. 462A.205, parts 4900.3370 to 4900.3380. The purpose of the program is to provide rental housing assistance for families receiving public assistance who are participating in a self-sufficiency, education, or job training program. This program is intended to determine if providing rental assistance enhances participants' opportunity to achieve self-sufficiency. The program is delivered at the local level by a partnership between a local housing agency and a self-sufficiency program administrator. Eligible uses of grant funds include monthly rental assistance not to exceed $200 per month for 3 years for each participant and an administration fee to the local housing agency of the greater of $15 per unit or 10% of the total rental assistance.

5. Housing Trust Fund

None

6. Nonprofit Capacity Building Grant Program

The Nonprofit Capacity Building Grant Program was authorized by Minnesota Statutes, section 462A.21, subdivision 3b. The purpose of the program is to assist nonprofit organizations, local units of government, Indian Tribes and Indian Tribal organizations to expand their capacity to provide housing and housing related services.

Eligible uses of grant funds include studies and analyses of housing needs, staff training related to housing development, and legal and professional services associated with the establishment or incorporation of a organization as a provider of housing and housing related services. The maximum amount of the grant is $10,000 or the actual cost, whichever is less.

7. Rent Assistance for Persons with Mental Illness

This program, which is currently administered by the Department of Human Services (DHS), was included in the Department's F.Y. 1992-93 budget submission and funded by the legislature as part of the general appropriation to the Department. There is no specific authority for the program in either statute or appropriation rider. The funds are awarded to a local housing agency and a social services agency on a competitive basis by staff from DHS and the Agency. Selection criteria includes the extent to which the local agency will coordinate services to persons with mental illness.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HOUSING FINANCE AGCY
PROGRAM: APPROPRIATED PROGRAMS
ACTIVITY: RENTAL PROGRAMS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
MISC OPERATING EXPENSES		2	100	100	10	10	100	10	10
OTHER	1,500	2,196	9,702	8,691	3,804	3,804	8,691	3,804	3,804
SUBTOTAL STATE OPERATIONS	1,500	2,198	9,802	8,791	3,814	3,814	8,791	3,814	3,814
AIDS TO INDIVIDUALS	308	462	3,892	3,891	3,051	7,051	3,891	3,051	3,051
TOTAL EXPENDITURES	1,808	2,660	13,694	12,682	6,865	10,865	12,682	6,865	6,865
GOV'S INITIATIVES:		FUND							
(B) HOMELESS CHILDREN AND FAMILIES INITIATIVE		GEN				4,000			
TOTAL GOV'S INITIATIVES						4,000			
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL				5,597	6,772	10,772	5,597	6,772	6,772
STATUTORY APPROPRIATIONS:									
MN HOUSING FINANCE	1,808	2,660	13,694	7,085	93	93	7,085	93	93
TOTAL FINANCING	1,808	2,660	13,694	12,682	6,865	10,865	12,682	6,865	6,865
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

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PROGRAM: Non-appropriated Programs
AGENCY: Minnesota Housing Finance Agency

PROGRAM PURPOSE:

The programs at the Agency funded with sources other than state appropriations fall into 2 general categories: federal programs and mortgage programs for homeownership, home improvement, and rental projects funded with bond proceeds and agency reserves.

The 2 major federal programs are the housing assistance payments and the HOME Investment Partnership Program. Housing assistance payments provide section 8 rent subsidies to the 250 buildings for which the Agency has provided mortgage financing. The Home Investment Partnership Program (HOME) is a federal affordable housing block grant which the Agency administers for the cities and counties outside the metropolitan area and the Arrowhead region.

The primary mortgage programs are the mortgage revenue bond first time homebuyer programs; the mortgage revenue bond home improvement loan program; and the tax credit mortgage loan program.

The non-appropriated programs contribute to the housing-related Milestones by providing the capital (in the case of the mortgage and home improvement funds) and the subsidy (in the case of the HOME funds) necessary to provide affordable homeownership opportunities, eliminate overcrowding and substandard conditions, and develop rental housing at affordable rent levels.

PROSPECTS:

The prospects affecting the Agency's non-appropriated programs are the same as those discussed under "Climate" in the Agency narrative and under "Prospects" in the Program narrative for appropriated programs.

OUTCOMES:

The Agency collects data on a variety of program outcomes and publishes an annual assessment report. Included in the data reported are the following: average household income of all households served; average loan or grant per household served; percent of female headed households and minority households; and total spending on different types of repairs.

The Agency also surveys many, but not all, of its program participants on their reactions to Agency staff, program processes, and program content. The Agency will expand these surveys to all program areas and adapt existing surveys so that customer satisfaction can be measured systematically.

1. Homeownership Opportunities

- Affordability of homeownership for low and moderate income borrowers is increased.
- Rural Urban HOME/steading Program recipients unable to receive financing from traditional, institutional sources are able to achieve homeownership.
- Condition of housing stock in Rural and Urban HOME/steading Program neighborhoods and/or communities is improved.

2. Home Improvement Programs

- Low and moderate income households are able to improve their homes, or to improve them to a greater degree than they otherwise would, or would be able, with conventional financing.
- Low and moderate income tenants in rental properties improved with mortgage revenue bond programs will have improved living conditions.
- Residential energy usage is reduced.
- Condition of rental and owner-occupied housing is improved.
- Local government and private investment is encouraged.

3. Rental Programs

- Existing Agency portfolio of federally subsidized housing for low and very low income households is maintained and preserved.
- The number of transitional and permanent housing units affordable to low and very low income families and individuals is increased or the quality improved.

OBJECTIVES:

1. Homeownership Opportunities

- 95% of mortgage revenue bond program borrowers will have incomes less than or equal to 80% of the greater of state or area HUD median income.
- 95% of mortgage revenue bond program borrowers have monthly payment to income ratio less than or equal to 25%.
- 8.2% of household borrowers receiving mortgage revenue bond loans will be households of color.
- The percentage of female head of household borrowers receiving mortgage revenue bond loans is greater than their representation in the general population.
- All HOME MURL program recipients will have incomes less than or equal to 80% of the greater of state or area HUD median income.

2. Home Improvement Programs

- 85% of mortgage revenue bond program owner-occupants will have household incomes less than or equal to 80% of the greater of state or area median income.
- All Revolving Loan Program borrowers will have incomes less than 50% of the State HUD median income.

PROGRAM: Non-appropriated Programs
AGENCY: Minnesota Housing Finance Agency
(Continuation)

- Minority and female-headed households in single-family improvement programs will receive assistance proportionate to their representation in the population of homeowners.
- Cities will invest in Neighborhood Preservation Loan Program neighborhoods an amount equal to at least 25% of the amount MHFA commits to the neighborhood.
- Rental property owners receiving Exxon rebates will invest at least 7 of their own dollars for every 3 public dollars spent on improvements to their buildings.

3. Rental Programs

- Increase by 400, the number of very low income households served by leveraging the low income housing tax credits with Agency mortgage loan and bridge loan financing.
- Increase the number of very low income households served by 800 units by administering and/or coordinating the administration of housing programs.
- Increase the supply/quality of Agency supported affordable housing units by 1% per year.
- Increase the number of transitional and/or permanent housing for handicapped homeless persons and persons with developmental disabilities by leveraging appropriate Federal and State programs.

PROGRAM PLAN:

The Agency's budget plan will not directly affect the non-appropriated programs at the Agency.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan, and recommends that the biennial savings to the agency's administrative cost ceiling program of $441,000 from the revised salary planning estimates be applied to the Governor's Emergency Mortgage and Counseling Assistance Initiative.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HOUSING FINANCE AGCY
PROGRAM: NON-APPROPRIATED PROGRAMS

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
HOMEOWNERSHIP OPPORTUNITIES	1,972	1,836	5,615	5,622	5,115	5,115	5,622	5,115	5,115
HOME IMPROVEMENT PROGRAMS	3,111	1,040	10,841	10,860	9,891	9,891	10,860	9,891	9,891
RENTAL PROGRAMS	93,019	83,548	93,326	93,338	92,298	92,298	93,338	88,094	88,094
TOTAL EXPENDITURES BY ACTIVITY	98,102	86,424	109,782	109,820	107,304	107,304	109,820	103,100	103,100
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	300	18	2,137	2,137	840	840	2,137	840	840
MN HOUSING FINANCE	97,802	86,406	107,645	107,683	106,464	106,464	107,683	102,260	102,260
TOTAL FINANCING	98,102	86,424	109,782	109,820	107,304	107,304	109,820	103,100	103,100
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

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BUDGET ACTIVITY: Homeownership Opportunities
PROGRAM: Non-appropriated Programs
AGENCY: Minnesota Housing Finance Agency

ACTIVITY DESCRIPTION:

1. Mortgage Revenue Bonds

The Agency's mortgage revenue bond programs provide below market interest rate financing to low and moderate income first-time homebuyers throughout the state. Mortgage revenue bonds are tax-exempt bonds sold under Section 143 of the Internal Revenue Code of 1986 and other applicable federal law. The low interest rate on these bonds enables the Agency to provide below market interest rate mortgage loans. Since first authorized by the legislature in 1971, this program has provided 31,900 mortgage loans in an amount of $1.425 billion.

Generally, the Agency's mortgage revenue bond programs are delivered in cooperation with private mortgage lenders throughout the state. Currently 214 lenders deliver the program in 370 locations throughout the state.

The 2 primary components under the Agency's mortgage revenue bond program are the Minnesota Mortgage Program and the Minnesota City Participation Program. Under the Minnesota Mortgage Program, the Agency makes funds generally available to eligible homebuyers for eligible properties through participating mortgage lenders throughout the state. Under the Minnesota City Participation Program, the Agency sells bonds on behalf of local governments pursuant to state law pertaining to mortgage revenue bond allocation. Through such sales, local governments are able to obtain affordable mortgage capital to meet local housing objectives. This program provides substantial efficiencies in raising capital for communities in all areas of the state.

The Agency also has several smaller program components that are designed to enable a variety of entities in the housing market to meet special housing needs. Specific components are designed to enable nonprofit housing providers, private mortgage lenders and local governments to address unique housing concerns on the community level. Another program component provided affordable housing for newly constructed homes in Greater Minnesota as an anti-recessionary measure.

2. Home Investment Partnership Program (HOME) Downpayment Assistance Program

The HOME Downpayment Assistance Program has been established pursuant to federally allocated funds provided to the Agency as a participating jurisdiction under the HOME program authorized under the National Affordable Housing Act. The program was established to encourage private institutions in cities and/or nonprofit housing providers to participate in the targeting of funds for single family homeownership to meet locally designated housing goals.

Funds appropriated for the program are to be leveraged with market rate capital to encourage traditional mortgage lenders to participate in providing local housing opportunities in designated areas. The program provides downpayment assistance to low income first time homebuyers who would be unable to afford housing through any other resource. The assistance is to be provided in the form of second mortgage loans that are forgiven on a graduated basis.

3. Rural and Urban HOME/steading Program

The Rural and Urban HOME/steading Program has been established pursuant to federally allocated funds provided to the Agency as a participating jurisdiction under the HOME program authorized under the National Affordable Housing Act. Given the popularity of the state appropriated Rural and Urban Homesteading Program, this program component has been modeled as closely as possible to complement the state appropriated program. Under the program, grants are to be provided to nonprofit housing providers to acquire single family residences which are vacant, condemned or abandoned, rehabilitate those properties and then sell them by way of contract for deed to first time homebuyers who are defined as "at risk." The program is designed to arrest or prevent the spread of blight and preserve the existing housing stock by providing a financing mechanism through which properties may be purchased and rehabilitated and then sold to homeowners who will stabilize the neighborhood by following a "good neighbor" policy.

BUDGET ISSUES:

1. Mortgage Revenue Bonds

The Agency anticipates that approximately $100 million in mortgage financing will be made available for its mortgage revenue bond programs during each year of the biennium. Currently, the authority to issue tax exempt bonds for this purpose has expired at the federal level. However, these programs enjoy substantial bipartisan congressional support and it is hoped that such bonds will be reauthorized prior to the end of C.Y. 1992.

2. Home Investment Partnership Program (HOME) Downpayment Assistance Program

This program is just beginning implementation. One issue for this program in future years will be that local matching funds are required to continue this and similar activities under the program. While a source of matching funds may be identified for the Rural and Urban HOME/steading Program below, other sources of funds will have to be identified if this activity is to be continued. In addition, HOME funds have been cut by one-third for federal F.Y. 1993 which will require the Agency to re-examine the uses of HOME funds.

3. Rural and Urban HOME/steading Program

As noted in the discussion of the state appropriated Rural and Urban Homesteading Program, this program will require matching funds in future years pursuant to federal law. State appropriated funds will be critical to this effort as a 35% local fund match is required for substantial rehabilitation as anticipated under the program and federal funds do not allow administrative expenses which will have to be entirely made up of local funds. In addition, HOME funds have been cut by one-third for federal F.Y. 1993 which will require the Agency to re-examine the uses of HOME funds.

EFFICIENCY MEASURES:

1. Mortgage Revenue Bonds

The affordability comparisons below reveal the difference that Agency financing has meant to potential borrowers in terms of income needed to qualify for the average mortgage loan at the average program interest rate during each fiscal year. As interest rates have declined recently, the spread between the interest rate on mortgage revenue bonds and market rate capital has been very

narrow in comparison with past years. However, the recipient data provided reveals that the Agency has efficiently targeted its resources to lower income individuals. In fact, the Agency has the 4th lowest average borrower income under its mortgage revenue bond programs among all state housing agencies according to the most recent survey of the National Council of State Housing Agencies.

Affordability Comparison	F.Y. 1990	F.Y. 1991	F.Y. 1992
Average MRB Mortgage	52,358	53,011	52,511
Average Market Interest Rate	9.5	10.0	8.625
Average MRB Interest Rate	7.95	8.45	7.4
Market Monthly Payment	440.25	465.24	408.42
MRB Monthly Payment	382.36	405.73	363.57
Lesser Amount of Monthly Income Needed	232	240	180
Lesser Amount of Annual Income Needed	2,784	2,880	2,160

Recipient Data	F.Y. 1990	F.Y. 1991	F.Y. 1992
Average Borrower Income	24,320	24,001	23,748
Average Home Purchase Price	54,437	54,746	54,337
Percent New Construction	30.6	10.2	3.7
Average Household size	2.4	2.2	2.1

2. Home Investment Partnership Program (HOME) Downpayment Assistance Program

This program is currently in the process of initial implementation. Applications are due for the first time on 10-30-92, and, as a result, identifying efficiency measures is premature.

3. Rural and Urban HOME/steading Program

This program is currently in the process of initial implementation. Applications are due on 10-30-92 and, as a result, identifying efficiency measures is premature.

REVENUE:

1. Mortgage Revenue Bonds

Revenues earned under this activity support Agency administrative expenses, fund new loans, or are pledged to repayment of the mortgage revenue bonds.

2. Home Investment Partnership Program (HOME) Downpayment Assistance Program

No or limited revenue is anticipated under this program. Any revenue must be repaid to the federal government by law.

3. Rural and Urban HOME/steading Program

None.

GRANTS:

3. Rural and Urban HOME/steading Program

See the discussion in the activity level narrative for homeownership programs, appropriated programs, Minnesota Rural and Urban Homesteading.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HOUSING FINANCE AGCY
PROGRAM: NON-APPROPRIATED PROGRAMS
ACTIVITY: HOMEOWNERSHIP OPPORTUNITIES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
EXPENSES/CONTRACTUAL SRVCS	326	315	308	308	308	308	308	308	308
OTHER	1,646	1,521	4,557	4,564	4,307	4,307	4,564	4,307	4,307
SUBTOTAL STATE OPERATIONS	1,972	1,836	4,865	4,872	4,615	4,615	4,872	4,615	4,615
AIDS TO INDIVIDUALS			750	750	500	500	750	500	500
TOTAL EXPENDITURES	1,972	1,836	5,615	5,622	5,115	5,115	5,622	5,115	5,115
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
MN HOUSING FINANCE	1,972	1,836	5,615	5,622	5,115	5,115	5,622	5,115	5,115
TOTAL FINANCING	1,972	1,836	5,615	5,622	5,115	5,115	5,622	5,115	5,115
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Housing Finance
PROGRAM: Non-Appropriated Programs
ACTIVITY: Homeownership Opportunities

ITEM TITLE: Emergency Mortgage Counseling and Assistance Program

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
Housing ~~Trust~~ Development Fund	$217*	$224*	$-0-	$-0-

Statutory Change? Yes X **No** ____
If yes, statute affected: Rider
* No General Fund Impact

GOVERNOR'S RECOMMENDATION:

The goal of this program is to assist homeowners in danger of losing their homes and to prevent deterioration of neighborhoods by reducing the number of vacant and abandoned properties.

Programs will be established in locations where there is the ability to work with community and neighborhood groups, and where there is the opportunity to involve as many public and private participants as possible in order to maximize the impact of both the funds and the program.

Monies will be available through this initiative to establish an incentive fund for participation by those public and private organizations affected by the cost of mortgage foreclosures. The fund will be used to provide administrative support and deferred loans to assist homeowners in danger of losing their homes and who will participate in a counseling and assistance program as a condition for receiving the assistance.

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BUDGET ACTIVITY: Home Improvement Programs
PROGRAM: Non-appropriated Programs
AGENCY: Minnesota Housing Finance Agency

ACTIVITY DESCRIPTION:

1. Great Minesota Fix-Up Fund

The program provides affordable home improvement financing to persons and families with low and moderate incomes. The loans may be used to bring homes into compliance with building and housing codes and standards, to accomplish energy conservation related improvements, to make housing more desirable to live in and to improve the quality of the existing housing stock. The purchase or installation of luxury items, recreational facilities and personal property are not eligible uses of loan funds.

Affordability of financing depends on 2 factors: interest rate and loan term. Recognizing that loan affordability is dependent on income, the program offers interest rates of 3%, 5%, 7%, 9% and 9.75%, with the households with the lowest incomes receiving the lowest interest rates. Borrowers may take up to 15 years to repay the loan. This compares to typical market financing of 12% to 13% interest rates and loan terms of about 1 year per $1,000 borrowed. The monthly payment on the average MHFA loan of $7,429 at 7% over 10 year is 31% less than the payment on a $7,429 loan made under typical market conditions of 12% interest over 7 years.

This activity supports the program objective of investment of owner-occupants who could not otherwise afford conventional financing because the interest rates on the installment loans may be as low as 3%, depending on income, and the Agency will permit an extended repayment period when necessary to make the monthly payment affordable.

Under the Great Minnesota Fix-Up Fund, a special initiative has been created for families with a family member with a disability. The legislature increased the income limits for the program to the maximum allowed under the federal law for families eligible for waivered services under the medical assistance program to assist a family member who would otherwise need care in an institutional setting. Eligibility for the program has thus been expanded to include more families who need to make accessibility modifications to their home in order to keep a family member with disabilities out of an institution.

2. Home Energy Loan Program

This program provides subsidized financing for the purpose of increasing the energy efficiency of owner-occupied, single-family properties.

Loans for the installation of energy conservation improvements tend to be small and expensive to originate and service. This program, then, provides a means to finance energy improvements which lenders are not generally willing to provide on a conventional basis. The program also provides an incentive to make energy improvements through the subsidized interest rate of 8.875%.

3. Exxon Loans

The Exxon Loan Program provides incentives to rental property owners to install energy conservation improvement in their rental buildings to bring them toward compliance with State energy standards for rental properties.

4. HOME Deferred Loan Program

The HOME Deferred Loan Program provides deferred loans to very low income homeowners for the purpose of correcting health and safety hazards within their homes and improving their habitability, accessibility, and energy efficiency. Loans are repaid only if the property is sold or ceases to be the borrower's principal residence within 10 years from the date of the loan. Repayments are recycled into new loans.

The program is funded from a Federal appropriation which requires that certain rehabilitation be undertaken to reduce lead hazards in older housing. To accommodate this federal requirement, the maximum loan is $9,000, plus the amount of rehabilitation necessary to accomplish the federal mandate of reducing lead hazards.

In the interest of simplicity and efficiency, this program was structured as much as possible after the MHFA Deferred Loan Program. Despite that effort at simplification, several federal program requirements remain requiring additional effort on the part of MHFA and its program administrators.

HOME Rehabilitation Loans are delivered by a statewide network of local agencies. These agencies are partially reimbursed for their expenses in processing loans through an administrative fee. Administrative fees are equal to 14% of the amount of each loan made. No fees are paid for applications not resulting in a completed loan. The local agencies perform inspections before, during and after completion of the rehabilitation; take applications and maintains waiting lists; process income and asset verifications; assist the owner in obtaining and selecting bids; monitor contractor performance; and administer an escrow account and payments to the contractors. The process at the local level is fairly staff intensive.

Federal funds may not be used to pay administrative expenses. MHFA paid administrative allowances from deferred loan appropriations and repayments.

5. Exxon Rebates

To provide incentives to rental property owners to install energy conservation improvement in their rental buildings to bring them toward compliance with state energy standards for rental properties.

6. Revolving Loan Program

The program provides affordable home improvement financing to persons and families with low and moderate income who are not eligible for other financing, including the MHFA home improvement loan, for a variety of reasons, including poor credit. The loans may be used for the purpose of correcting health and safety hazards, and improving the home's habitability, accessibility, and energy efficiency. The purchase or installation of luxury items, recreational facilities and personal property are not eligible uses of loan funds.

The program offers an interest rate of 3%, and the borrower may take up to 15 years to repay a loan of up to $9,000. This compares to typical market financing of 12% to 13% interest rates and loan terms of about 1 year per $1,000 borrowed. The monthly payment on the average MHFA revolving loan of $6,232 at 3% over 12 years and 9 months is $51.59.

This activity supports the program objective of investment of owner-occupants who could not otherwise afford conventional financing because the interest rate on the loans is only 3%, and the Agency will permit an extended repayment period to make the monthly payment affordable.

Revolving loans are delivered by a statewide network of local agencies. These agencies are partially reimbursed for their expenses in processing loans through an administrative fee. Administrative fees are equal to 14% of the amount of each loan made. No fees are paid for applications not resulting in a completed loan. The local agencies perform inspections before, during and after completion of the rehabilitation; takes applications and maintains waiting lists; processes income and asset verifications; assists the owner in obtaining and selecting bids; monitors contractor performance; and administers an escrow account and payments to the contractors. The process at the local level is staff intensive.

BUDGET ISSUES:

1. Great Minnesota Fix-Up Fund

None.

2. Home Energy Loan Program

None.

3. Exxon Loans

None. These funds are from a federal court settlement.

4. HOME Deferred Loan Program

An Agency recommendation to increase the loan amount will mean that approximately 17 fewer loans will be made with a corresponding reduction in number of homes rehabilitated.

In F.F.Y. 1993, federal HOME funds must be matched by state funds. The state appropriated Deferred Loan Program will be the source of match for the HOME Deferred Loan Program. Also, a one-third cut in F.F.Y 1993 HOME funds will require the Agency to reexamine the uses of HOME funds.

5. Exxon Rebates

None. These funds are from a federal court settlement and must be used in compliance with court ordered program standards.

6. Revolving Loan Program

None.

EFFICIENCY MEASURES:

1. Great Minnesota Fix-Up Fund

Loans are originated by lenders at a per loan cost of $200 regardless of the size of the loan, or the amount of time a lender spends processing a loan or applications that eventually are not funded.

2. Home Energy Loan Program

Loans are originated by lenders at a per loan cost of $175 regardless of the size of the loan, or the amount of time a lender spends processing a loan or applications that eventually are not funded.

3. Exxon Loans

Loan origination fees are $220 per loan. The loan origination process requires an analysis of the building and counseling of the owner on appropriate energy conservation measures to be undertaken.

4. HOME Deferred Loan Program

Because of the federal requirements attached to this program, and the penalties associated with failure to meet them, this federal program was made available only to a relatively few local agencies. This limitation will permit more focused training and monitoring by MHFA to ensure compliance with federal program requirements.

5. Exxon Rebates

Rebate origination fees are $50-$100 per rebate. The rebate origination process requires an analysis of the building and counseling of the owner on appropriate energy conservation measures to be undertaken. Rebates are up to 30% of the cost of eligible energy conservation improvements.

REVENUE:

1. Great Minnesota Fix-Up Fund

The activity generates loan payments that are used to pay servicing costs for the loans, and to pay principal and interest payments on the bonds which provided funding for the loans.

2. Home Energy Loan Program

The activity generates loan payments that are used to pay servicing costs for the loans, and to pay principal and interest payments on the bonds which provided funding for the loans.

3. Exxon Loans

Loan payments are used to pay servicing expenses and to make additional loans. Use of funds are restricted by federal courts and State Energy Conservation Program.

4. HOME Rehabilitation Loan Program

HOME deferred loans have a repayment requirement in the event the owner sells or ceases to reside in the improved property within a specified time. To the extent this occurs, there is a modest amount of revenue generated. Federal law requires that repayments be repaid to the Agency's HOME account.

5. Exxon Rebates

None.

BUDGET ACTIVITY: Home Improvement Programs
PROGRAM: Non-appropriated Programs
AGENCY: Minnesota Housing Finance Agency
(Continuation)

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6. Revolving Loan Program

The activity generates loan payments that are used to pay servicing costs for the loans, and to reimburse Agency reserves from which these loans are funded.

GRANTS:

5. Exxon Rebates

Eligibility is determined by completion of energy conservation improvements identified on an energy audit, presentation of an invoice verifying final cost, and inspection of the property by the administrator issuing the rebate.

These rebates are available only for rental properties.

Statutory authority for this program is contained in 462A.05, subd. 11, which permits the Agency to receive, administer and distribute federal housing assistance supplements.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HOUSING FINANCE AGCY
PROGRAM: NON-APPROPRIATED PROGRAMS
ACTIVITY: HOME IMPROVEMENT PROGRAMS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
EXPENSES/CONTRACTUAL SRVCS	140	180	373	373	255	255	373	255	255
OTHER	2,971	860	9,585	9,604	7,914	7,914	9,604	7,914	7,914
SUBTOTAL STATE OPERATIONS	3,111	1,040	9,958	9,977	8,169	8,169	9,977	8,169	8,169
AIDS TO INDIVIDUALS			883	883	1,722	1,722	883	1,722	1,722
TOTAL EXPENDITURES	3,111	1,040	10,841	10,860	9,891	9,891	10,860	9,891	9,891
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	300	18	2,137	2,137	840	840	2,137	840	840
MN HOUSING FINANCE	2,811	1,022	8,704	8,723	9,051	9,051	8,723	9,051	9,051
TOTAL FINANCING	3,111	1,040	10,841	10,860	9,891	9,891	10,860	9,891	9,891
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

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BUDGET ACTIVITY: Rental Programs
PROGRAM: Non-appropriated Programs
AGENCY: Minnesota Housing Finance Agency

ACTIVITY DESCRIPTION:

1. Housing Assistance Payments

The MHFA, using tax-exempt bond proceeds, has financed 491 rental housing developments containing 23,100 units located in 76 of the 87 Minnesota counties, with mortgages totalling $665,000,000. For 234 of these developments, the U.S. Department of Housing and Urban Development (HUD) makes Section 8 housing assistance payments through the MHFA to tenants in order to reduce their monthly housing expenditures to approximately 30% of their income.

Housing assistance payments are made to MHFA financed developments in order to provide rent subsidies for tenants of low and moderate income. Eligible tenants for rental units assisted under the Section 8 Program are those with family incomes not in excess of 80% of the median income for the county in which a development is located, as determined by HUD. At least 30% of all units must be rented to families of "very low" income, which HUD defines as families with incomes less than 50% of the median income. For developments entering into contracts in 1981 and later, at least 95% of the units must be rented to "very low" income families.

In 1982, the federal government discontinued the Section 8 Program; however, assistance payments are committed to the MHFA's developments for the remainder of their mortgages (30 to 40 years), and therefore, must continue to be administered by the MHFA. The security for repayment of the MHFA's bonds depends on the MHFA's continued administration of these funds.

This is a federal program. No state appropriations are used.

2. HOME Rental Rehabilitation Program

This program is a federally funded program which was designed by the Agency to increase the supply of decent, safe, and sanitary rental housing that is generally affordable to low income families and individuals (90% at or below 60% of median, and 10% at 80% of median).

Up to 75% of the cost of rehabilitation is provided to the owner in the form of a deferred loan.

This program is administered by the Agency and a network of local administrators. The local administrators are to be paid through appropriated funds from the Affordable Rental Investment Fund.

3. Targeted HOME Fund

This program is a federally funded program which was designed by the Agency to assist eligible sponsors in the development, acquisition, construction and rehabilitation of rental housing and homes for ownership for low income families and individuals.

Up to 100% of the project cost is provided to the owner in the form of a deferred loan.

4. Low Income Housing Tax Credit Mortgage Program

Direct federal rent subsidies for newly constructed housing and indirect federal tax subsidies for rental housing have been eliminated and replaced with the Low Income Tax Credit Program. Developments which meet the rent and tenant income requirements among other requirements are eligible for the credit.

Three sources of funds typically are used to finance projects. The first source is debt financing which the MHFA provides. The second source is equity financing which is raised from the sale of the project to an owner who receives the tax credit which may also be financed by the MHFA through this program. The third source is grants or deferred loans from local governments, private foundations or the MHFA's Affordable Rental Investment Fund.

The MHFA invested $40,000,000 of its Housing Investment Fund into this program. The MHFA is exploring alternative financing alternatives for this biennium since only a small portion of these funds are recycled in any 1 year.

5. Other Programs

The MHFA is actively involved in additional programs. It provides long term mortgage loans through the Apartment Renovation Mortgage and Low and Moderate Income Rental Programs. The MHFA is one of the allocators of credits for the Federal Low Income Housing Tax Credit Program, administers a $750,000 revolving loan fund for nonprofit organizations, a $250,000 revolving loan fund for rental properties in receivership, has provided matching funds for projects receiving assistance under the Federal Stewart B. McKinney Homeless Assistance Act, and provides mortgage loans for the construction of Residences for Persons with Developmental Disabilities.

BUDGET ISSUES:

1. Housing Assistance Payments

None.

2. HOME Rental Rehabilitation Program

Federal law requires all HOME funds to be matched at a 25% or 30% level. The affordable Rental Investment Fund will be the source of match for the HOME Rental Rehabilitation Program.

3. Targeted HOME Fund

Federal law requires all HOME funds to be matched at a 25% or 30% level. Existing Agency programs funded with state General Fund appropriations are a source of match for the targeted HOME Fund.

4. Low Income Housing Tax Credit Mortgage Program

The congressional authorization for low-income housing tax credit has expired. However, the program enjoys bi-partisan support and is expected to be re-authorized within the next 6 to 9 months.

BUDGET ACTIVITY: Rental Programs
PROGRAM: Non-appropriated Programs
AGENCY: Minnesota Housing Finance Agency
(Continuation)

EFFICIENCY MEASURES:

1. Housing Assistance Payments

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Per Unit Annual Federal Assistance	$4,579	$5,032	$5,250	$4,959

2. HOME Rental Rehabilitation Program

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Per Unit Federal Assistance	$0	$9,880	$9,000	$9,000

3. Targeted HOME Fund

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Per Unit Annual Federal Assistance	$0	$10,000	$10,000	$10,000

4. Low Income Housing Tax Credit Mortgage Program

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Per Unit Loans (1st + Bridge)	$31,000	$48,000	$50,000	$50,000

REVENUE:

1. Housing Assistance Payments

None.

2. HOME Rental Rehabilitation Program

None.

3. Targeted HOME Fund

None.

4. Low Income Housing Tax Credit Mortgage Program

Repayments of low income housing tax credit mortgages are used to fund new loans.

GRANTS:

1. Housing Assistance Payments

The Housing Assistance Payments Program is a rent subsidy program authorized under M.S. 462A.05, subd.11.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HOUSING FINANCE AGCY
PROGRAM: NON-APPROPRIATED PROGRAMS
ACTIVITY: RENTAL PROGRAMS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
EXPENSES/CONTRACTUAL SRVCS	753	849	961	961	961	961	961	961	961
OTHER	30,886	19,835	22,987	22,999	18,967	18,967	22,999	18,767	18,767
SUBTOTAL STATE OPERATIONS	31,639	20,684	23,948	23,960	19,928	19,928	23,960	19,728	19,728
AIDS TO INDIVIDUALS	61,380	62,864	69,378	69,378	72,370	72,370	69,378	68,366	68,366
TOTAL EXPENDITURES	93,019	83,548	93,326	93,338	92,298	92,298	93,338	88,094	88,094
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
MN HOUSING FINANCE	93,019	83,548	93,326	93,338	92,298	92,298	93,338	88,094	88,094
TOTAL FINANCING	93,019	83,548	93,326	93,338	92,298	92,298	93,338	88,094	88,094
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

PROGRAM: Administrative Cost Ceiling
AGENCY: Minnesota Housing Finance Agency

PROGRAM PURPOSE:

The purpose of the administrative cost ceiling is to fund Agency operations. From 6-30-90 to 6-30-92, total assets have increased 10.1% from $2.37 billion to $2.61 billion. Loans outstanding have increased 2.6% from $1.52 billion to $1.56 billion. Bonds payable have increased 11.3% from $1.77 billion to $1.97 billion. The responsibilities for loan portfolio management, investment and debt management, and property management have increased and will continue to increase as the Agency grows.

PROSPECTS:

- Administrative requirements imposed by the federal government on states and units of local government are increasing dramatically. Congress recently made the Agency, as an allocator of federal low income housing tax credits, responsible for monitoring compliance for 15 years. The new federal HOME program imposes an unprecedented administrative burden on the Agency for monitoring compliance on a list of factors both during construction and during the compliance period which will range from 5 to 20 years.

- The U.S. Department of Housing and Urban Development (HUD) now requires the Agency to report annually at a significant level of detail information on the use of all federal housing-related funds. This requires the Agency to accelerate its information systems program plan.

- The continued deterioration of the rental housing market requires increased activity by property management staff to prevent physical and financial decline of increasing number of Agency financed properties.

- The traditional deliverers of Agency programs at the local level–lenders, local housing agencies, community action agencies, developers–are all experiencing financial stress.

- The Agency goals of serving lower income renter households and homebuyers and homeowners in underserved communities require more staff-intensive efforts.

OUTCOMES:

Maintain a modest rate of growth in the cost ceiling.

Expand the number of Agency functions subject to reengineering of internal processes to cut costs so that the growth in the size and difficulty of the portfolio can be managed with existing staff.

Complete the process of adding all major program areas to Agency data base to enable additional reengineering efforts to proceed and to facilitate compliance with federal performance reporting requirements.

OBJECTIVES:

- Remaining major program areas will be put into Agency's database.

- Property management process for addressing troubled properties will be revised to better identify elements of risk and timing of appropriate action by Agency.

- Two major functional areas will be subject to re-examination and reengineering of internal processes.

PROGRAM PLAN:

The Agency's program plan will have no effect on the administrative cost ceiling. Approximately 6% of the cost ceiling is reimbursed from earnings on state appropriations and the remainder is funded totally from Agency earnings. No increase in the administrative cost ceiling will be funded with state appropriations.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, anticipated savings from the recommended salary planning estimates are recommended as funding for the Governor's Emergency Mortgage and Counseling Assistance Initiative.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: HOUSING FINANCE AGCY
PROGRAM: ADMINISTRATIVE COST CEILING
ACTIVITY: ADMINISTRATIVE COST CEILING

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	5,211	5,397	6,231	6,231	6,448	6,448	6,231	6,674	6,674
EXPENSES/CONTRACTUAL SRVCS	937	1,097	1,250	1,250	1,295	1,295	1,250	1,341	1,341
MISC OPERATING EXPENSES	357	375	445	445	460	460	445	476	476
SUPPLIES/MATERIALS/PARTS	242	218	260	260	269	269	260	278	278
CAPITAL EQUIPMENT	36	643	500	500	518	518	500	536	536
SUBTOTAL STATE OPERATIONS	6,783	7,730	8,686	8,686	8,990	8,990	8,686	9,305	9,305
TOTAL EXPENDITURES	6,783	7,730	8,686	8,686	8,990	8,990	8,686	9,305	9,305
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
MN HOUSING FINANCE	6,783	7,730	8,686	8,686	8,990	8,990	8,686	9,305	9,305
TOTAL FINANCING	6,783	7,730	8,686	8,686	8,990	8,990	8,686	9,305	9,305
POSITIONS BY FUND:									
MN HOUSING FINANCE	134.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0
TOTAL POSITIONS	134.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0

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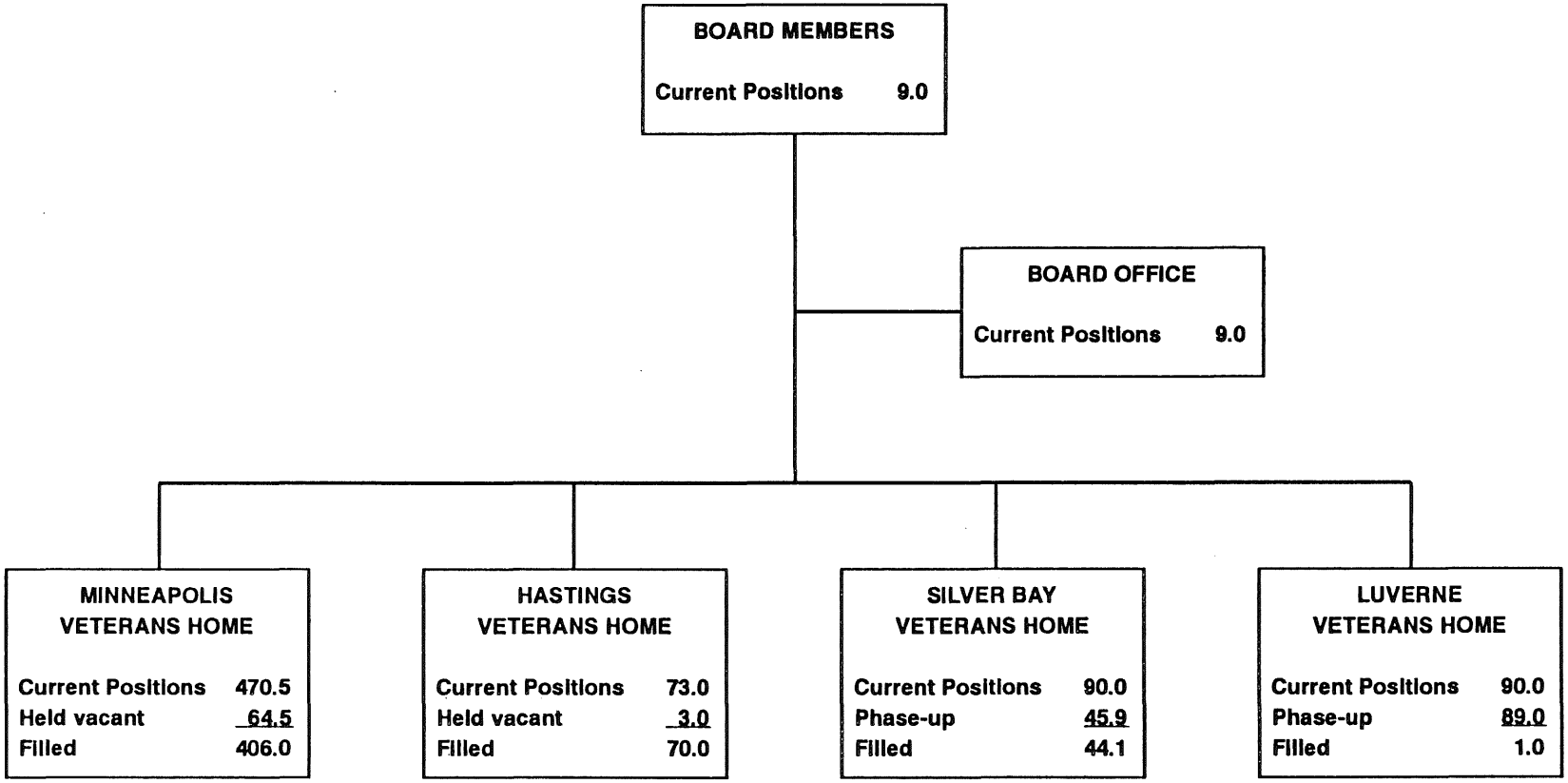
1994-95 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: VETERANS AFFAIRS - VETERANS HOMES, DEPARTMENT OF

Department of Veterans Affairs - Veterans Homes
Organization Chart as of 6/30/92



Department of Veterans Affairs - Veterans Homes

Position and Employee Status Information

Position Reconciliation:

Authority	Current F.Y. 1993	Requested for 6/30/95
Legislative Complement:		
General Fund	644.5	732.5
Total Permanent Positions	644.5	732.5
Other Complement (FTE)		
TOTAL Positions	644.5	732.5
Employees on 6/30/92	643.0	

Employees by Employment Status:

	6/30/92
Full-Time Unlimited	402.5
Full-Time Temporary	6.0
Full-Time Emergency	1.0
Part-Time Unlimited	159.0
Part-Time Temporary	2.0
Part-Time Seasonal	75.0
TOTAL	644.5

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Veterans Affairs - Veterans Homes, Department of **Fund:** General

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$25,719	$25,720	$51,439
Forecast Adjustments	2,625	3,736	6,361
AGENCY BASE	$28,344	$29,456	$57,800
Inflation cost increases	773	1,546	2,319
Agency Management Decisions			
Veterans Homes:			
Reduce Domiciliary Beds	$(1,060)	$(1,060)	$(2,120)
Hold SNU Beds-Mpls	(316)	(918)	(1,234)
Layoff Costs	330	300	630
Reduce Positions	(182)	(202)	(384)
Transfer costs to Dedicated Resources	(160)	(171)	(331)
Reduce R & B and Special Equip	(10)	(80)	(90)
Workers Compensation Reductions	-0-	(40)	(40)
Reduce Travel	(12)	(12)	(24)
Information system	100	100	200
Subtotal	$(1,310)	$(2,083)	$(3,393)
TOTAL AGENCY PLAN:	$27,807	$28,919	$56,726
Governor's Initiatives			
Restore agency reductions:			
Retain SNU Beds-Mpls	$316	$918	$1,234
Eliminate Layoffs—Mpls.	(330)	(300)	(630)
Reduce Domiciliary Beds	1,060	1,060	2,120
Salary Planning Estimates	(724)	(750)	(1,474)
Revenue Enhancement Challenge	251	1,760	2,011
Subtotal	~~$(322)~~	~~$(928)~~	~~$(1,250)~~
	$573	$2,688	$3,261
GOVERNOR'S RECOMMENDATION	~~$28,129~~	~~$29,847~~	~~$57,976~~
	$28,380	$31,607	$59,987

Brief Explanation of Agency's Overall Actions:
Inherent in our agency's mission is our goal of taking care of the neediest veterans -- those that the private sector is either unable to meet their needs or the cost of providing services is above state set guidelines. These veterans, approximately 70% of our skilled nursing care population, were transferred to our homes either from other long term care or acute care facilities. The homes are also focused on providing a continuum of care setting for every veteran that enters our homes. Approximately 5% of our skilled care residents were admitted to our skilled care beds, as medical conditions warranted, from our domiciliary units.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions left Vacant or Eliminated	92.3	92.3

3. Impact on Revenue Generation:

F.Y. 1994	F.Y. 1995	F.Y. 94-95
$(2,100)	$(2,100)	$(4,200)

4. Affected Statutes:
None.

5. GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in the agency plan except for the following adjustments: a biennial increase in funding of ~~$2,724,000~~ $4,735,000 above the agency plan level, and a $1,474,000 reduction due to revised salary planning estimates.

The agency's plan to decrease funding by $2,724,000 for the biennium by reducing the number of filled beds *(see "Hold SNU beds—Mpls.," "Reduce Domiciliary Beds" and "Layoff costs")* would have helped it reach its spending targets. The plan would, however, have cut revenues to the General Fund by $4,200,000-a net loss exceeding the proposed gain. Therefore, the Governor recommends restoring the following reductions proposed within the agency plan: the plans to reduce bed capacity and to finance resulting layoffs.

The board's $200,000 information system proposal was originally submitted by the board as an investment initiative. After IPO review, the amended proposal was included in the agency plan. IPO has reviewed and supports the information system proposal as presented in the agency plan consistent with any requirements identified in the IPO analysis.

In addition, the Governor has agreed to dedicate to the homes all revenues generated by the homes. The General Fund appropriation to the homes will be reduced by the November 1992 estimated receipts projection for F.Y. 1994-95. Under this recommendation, all references in the agency plan sections of this document to "non-dedicated revenues" would become dedicated. The homes' General Fund receipts would be credited directly to the homes. Over the interim between legislative session, the homes' accounts would be restructured to reflect these changes in sources of funding.

~~Revised 3-4-93~~ 3-16-93

The Governor's budget further acknowledges total cost for operations of the homes is $59,987,000 for the biennium. Of this amount, $33,358,000 will be appropriated from the general fund and $24,618,000 will be funded by dedicating the homes' receipts. In addition, the Homes request legislative support of a "management challenge" to improve their receipts and non-state funding by $2,011,000.

The Homes would work in close cooperation with the Governor's office and the Department of Finance to meet the challenge set by the revenue enhancement initiative.

	F.Y. 1994	F.Y. 1995	F.Y. 1994-95
Amended impact on revenue generation:	$251	$1,760	$2,011

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(A) ELIMINATE LAYOFFS -- MPLS	GEN	<330>	<300>	<630>			
(A) RETAIN SNU BEDS -- MPLS	GEN	316	918	1,234	1,619	1,546	3,165
(A) SALARY PLANNING ESTIMATES	GEN	<724>	<750>	<1,474>			
(P) DEDICATE REVEUE FROM HOMES	GEN	<11,848>	<12,770>	<24,618>			
	SR	11,848	12,770	24,618			
(P) RESTORE AGENCY REDUCTION	GEN	1,060	1,060	2,120	481	554	1,035
(P) REVENUE ENHANCEMENT CHALLENGE	SR	251	1,760	2,011	251	1,760	2,011
TOTAL BY FUND	GEN	<11,526>	<11,842>	<23,368>	2,100	2,100	4,200
	SR	12,099	14,530	26,629	251	1,760	2,011
TOTAL INVESTMENT INITIATIVES		573	2,688	3,261	2,351	3,860	6,211

AGENCY: Veterans Affairs - Veterans Homes, Department of

MISSION STATEMENT:

M.S. 198.01 charges the Veterans Homes to "provide nursing care and related health and social services to veterans and their spouses who meet eligibility and admission requirements."

The Minnesota Veterans Homes Board of Directors was created in 1988 to bring the Minneapolis and Hastings Veterans Homes into compliance with local, state, and federal regulations; to write rules for the operation of the Homes; to develop a geriatric research and teaching mission for the homes; to develop and implement new skilled care facilities in Silver Bay and Luverne; and to oversee management and operations of the facilities into the future.

The Board of Directors adopted the following mission statement as the standard for veterans homes:

> The mission of the Minnesota Veterans Homes is to provide high quality skilled nursing and/or domiciliary care to all residents of the Minnesota Veterans Homes.
>
> We will focus our attention particularly on those veterans with special needs. We will promote and support research and education with other institutions to become a leader in geriatric and long term care. We will provide care in a safe and clean environment that encourages independence and self-worth. We will evaluate our services on an ongoing basis to ensure that the care and services provided are appropriate to our mission and responsive to the changing special needs of the veterans community.
>
> We are committed to fiscal and management responsibility in the operations of the Veterans Homes and to act with honesty and integrity. We are committed to resident well-being and to recognition of our employees who provide the care and services.
>
> We are committed to a cooperative working relationship with the medical communities of those areas in which we serve.
>
> Finally, we are committed to the delivery of high quality services in the most cost effective manner.

MINNESOTA MILESTONES:

The Minnesota Veterans Homes support the following Minnesota Milestones goals:

> Minnesotans will be healthy.
>
> Our communities will be safe, friendly and caring.
>
> People who need help providing for themselves will receive the help they need.
>
> All Minnesotans will have decent, safe and affordable housing.
>
> Government in Minnesota will be cost-efficient and services will be designed to meet the needs of the people who use them.

CLIMATE:

The following factors are shaping the development of policies and programs in veterans homes:

An aging veterans population means increasing health and behavioral problems. Statistical studies show that the veteran population in need of long term skilled nursing care will continue to grow until at least the year 2020, at which time aged veterans will compose almost ½ of the total veterans population. We seek to serve the 6% neediest of those veterans needing long term care.

The homes have been caught between hospitals reducing their costs by discharging patients earlier and the home's ability to provide services to residents. Previously residents needing oxygen therapy or gastro-enteral feedings or sophisticated wound care remained in the hospital until the therapy was completed. Now, residents are being discharged back to the home needing these additional and expensive treatments.

Residents' needs are changing. In addition to the early discharges from hospitals, veterans are delaying admissions until they are in need of higher levels of care. We are seeing an increase in the number of case mix level I, J and K with higher behavioral problems requesting admission. As our current resident level of case mix increases plus admitting the I, J, and K individuals, our cost of care increases. The homes are exploring short term admissions for lower case mix level veterans in need of short term skilled nursing care services.

Health care technology is changing. New and innovative methods of providing care and behavior modification to skilled nursing care residents to improve quality of care are needed. The homes are exploring ways in which we can meet these changes such as application of special medical equipment and mechanical transfer aides. Some changes, such as alternatives to long term care settings and hospices, will require adjustments in our rules and in our methods of delivering services to our residents.

The homes, as are other agencies, are coming under increased state and federal regulations. These regulations require increased funding levels to provide documentation necessary to track compliance.

The homes in their efforts to meet our changing populations' needs and to reduce the cost of providing services, have formed affiliations with various medical schools and other health care facilities. These affiliations enable the homes to update skills of our staff and to educate future generations of care givers in the methods used to care for geriatric and long term care residents.

Complicating all of the above are the shrinking services offered to our residents from the Veterans Administration Medical Center (VAMC). The U.S. Department of Veterans Affairs' budget, as are all federal budgets, is experiencing cut backs. These cut backs result in earlier hospital discharges, fewer medical support services, increased costs for services provided, and less research in the area of long term care needs of veterans.

AGENCY BUDGET PLAN:

Revenues received from the United States Department of Veterans Affairs and from the residents for their care are deposited into the State Treasury and credited to the General Fund. These revenues reduce the state's cost of providing care to our veterans homes' residents. Donations, either in volunteer hours or actual cash donations used to provide recreational and rehabilitation programs, further reduce the state's cost of providing this program to Minnesota veterans.

During state F.Y. 1991-92, volunteer hours totaled 89,012. If we were to add a monetary value on these services it would total $950,648 based on a $10.68 hourly rate, which is the equivalent salary

and benefit cost for comparable services assigned to the Human Services Technical classification. During this same time period donations exceeded $388,331. This does not include the value of family and Family Council members who participate in resident care.

It is through the creation of rules, that the homes are able to take more aggressive action on accounts receivable. The rules actually allow us to discharge a resident who otherwise refuses to participate financially (if private resources are available) in their care as required by M.S. 198.03. The rules governing the maintenance charge calculation formula for each resident are continually reviewed to determine that we are allowing our veterans to maximize their federal benefits.

The care needs of Minnesota veterans are changing. These changes result in increased operational costs. The Minnesota Veterans Homes will care for as many veterans with special needs as is possible within the limitations of our funding. This may mean that with the current proposed reductions, that lower level case mix beds may be kept vacant in order to continue caring for the higher level case mix beds in most serious need of our services. For example, the cost of operating three C level case mix beds with no behavioral problems is approximately the same as operating one I level case mix bed with behavioral problems. We are currently unable to meet the growing demand for these higher level care beds due to insufficient funding.

The agency, working with the Information Policy Office, will develop a strategic management information plan this biennium. The goal of the plan will be to allow the agency to pursue additional sources of federal revenue and to further increase operating efficiencies. A plan for an open computer system will strive to provide the homes with the management information resources needed to reduce the costs of maintaining information, generate information for analysis and projections, and allow the homes to exchange information with other state and health care agencies. This ability to exchange information will enable the homes to pursue innovative and less costly methods of providing services to residents, and also enable the home to integrate with the new Statewide Accounting System.

As challenges become apparent in providing high quality of care, the board reviews them to determine if the challenge is unique to a particular veteran home or common to all 4 homes. If common to all homes, so as not to duplicate effort and cost, the board office staffing may be augmented until the solution for the challenge is implemented.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an alternative agency funding level of ~~$57,976,000~~ $59,987,000 for the biennium, which includes decisions proposed in the agency plan except for the following adjustments: a biennial increase in funding of ~~$2,724,000~~ $4,735,000 above the agency plan level. ~~to retain current levels of levels of occupancy at the Minneapolis campus,~~ and a $1,474,000 biennial reduction due to revised salary planning estimates, and a reduction of $26,629,000 to be funded by dedicating receipts to the homes. ~~equal to the amount of projected F.Y. 1994-95 receipts estimated by the homes in November 1992. These receipts will be credited directly to the homes.~~

IPO has reviewed and supports the information system proposal as presented in the agency plan consistent with any requirements identified in the IPO analysis.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES

PROGRAM RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
VETERANS HOMES	21,095	22,725	27,302	25,719	27,807	28,380	25,720	28,919	31,607
DESIGNATED CONTRIBUTIONS	204	183	405	405	405	405	405	405	405
DEDICATED RESOURCES	956	1,399	1,250	1,250	1,250	1,250	1,250	1,250	1,250
TOTAL EXPENDITURES BY PROGRAM	22,255	24,307	28,957	27,374	29,462	30,035	27,375	30,574	33,262
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	21,087	22,725	27,302	25,719	27,807	16,281	25,720	28,919	17,077
OPEN APPROPRIATIONS:									
SPECIAL REVENUE						12,099			14,530
GIFTS AND DEPOSITS	8								
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	165	539	367	367	367	367	367	367	367
AGENCY	791	860	883	883	883	883	883	883	883
GIFTS AND DEPOSITS	204	183	405	405	405	405	405	405	405
TOTAL FINANCING	22,255	24,307	28,957	27,374	29,462	30,035	27,375	30,574	33,262
POSITIONS BY FUND:									
GENERAL	643.0	608.8	608.8	608.8	595.8	608.8	608.8	579.8	608.8
TOTAL POSITIONS	643.0	608.8	608.8	608.8	595.8	608.8	608.8	579.8	608.8

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: VET AFFRS-NURS HOMES

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	28,957	28,957	27,302	27,302	1,655	1,655		
TECHNICAL ADJUSTMENTS								
ONE-TIME APPROPRIATIONS	<1,190>	<1,190>	<1,190>	<1,190>				
APPROPRIATIONS CARRIED FWD	<509>	<509>	<509>	<509>				
INSURANCE PREMIUM HOLIDAY	90	90	90	90				
PLANT MANAGEMENT REBATES	3	3	3	3				
1992 SESSION REDUCTIONS	23	24	23	24				
SUBTOTAL TECH. ADJ.	<1,583>	<1,582>	<1,583>	<1,582>				
CURRENT SPENDING	27,374	27,375	25,719	25,720	1,655	1,655		
FORECAST ADJUSTMENTS								
ANNUALIZING NEW PROG COSTS	2,625	3,736	2,625	3,736				
SUBTOTAL FORECAST ADJ.	2,625	3,736	2,625	3,736				
AGENCY BASE	29,999	31,111	28,344	29,456	1,655	1,655		

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PROGRAM: Veterans Homes and Board
AGENCY: Veterans Affairs - Veterans Homes, Department of

PROGRAM PURPOSE:

The homes and board exist to provide high quality skilled nursing and domiciliary care in a clean and safe environment with attention particularly to veterans with special needs and to participation in research and education.

We provide a homelike environment that supports our residents with special needs to achieve the highest level of function possible. This commitment to the goals of the state of Minnesota not only helps our residents to live a healthier life, but also enables the citizens of Minnesota to show their appreciation for the services our veterans gave in support of our country and lifestyles.

Our veterans were once a part of the greater community that is Minnesota, but now because of their problems need a unique supportive environment. This environment reflects all of the Minnesota Milestone themes.

Each resident is assured that we will provide them with "A Caring and Secure Community" that addresses their special needs. The programs offered at each home are geared to the unique needs of our veterans.

The support we receive from the community and veterans groups in volunteer hours and donations enables each home to provide an environment that is non-institutional, peaceful, and life enhancing. Located on our Minneapolis and Hastings campuses are many historic structures designed by some of Minnesota's greatest architects.

Each resident's care plan is tailored to enable the resident to achieve his highest level of function possible within the constraints of their abilities. The resident is encouraged to live a healthy lifestyle that enables him to enjoy his surroundings not only on the campus, but within the larger community.

We provide the opportunity for our residents to learn new skills and to once again master old skills that were a part of their everyday life. Each resident may participate as a member of the Resident Council that advises the management of each home. This ensures that residents participate in the governing of the home. Family members of each resident are encouraged to be part of the Family Council that also is part of the government structure of the home.

PROSPECTS:

Veterans applying for admission to our homes are now at higher case mix levels and behavioral levels than we have funding for. The veteran in need of our unique services is now at case mix levels of I, J, or K. Meeting this need will result in a higher cost of operations.

This growing need to provide higher levels of care requires more funding and recognition from the public of our uniqueness.

Our male dominated veterans home populations' average age is 73. Residents reside in our homes an average of 4 years. Private nursing home populations are female dominated with an average stay of only 2 1/2 years nationally.

OUTCOMES:

To provide a home for each resident until he no longer needs our specialized services without having to shift the resident from private care facility to private care facility. Whenever possible, residents will attain a level of health that will enable them to return to their community of independent living.

OBJECTIVES:

Through knowledge gained through our affiliations with the research and education community, we will implement innovative methods that increase our residents quality of life and care within our funding levels.

- To explore alternative care options that could increase services to meet the needs of veterans.
- To have the 2 new homes located in Silver Bay and Luverne fully operational and serving the veteran populations in rural Minnesota.
- To seek federal matching funds for the restoration and renovation of the historic structures located on the Minneapolis campus.
- To increase public awareness of the services provided by our homes to the care of Minnesota veterans. To encourage financial support of our Minnesota veterans in ways that would decrease the taxpayers burden.

PROGRAM PLAN:

The veterans homes must be able to meet the special needs of our veterans. In order for the homes to be more cost effective in providing services to our veterans, we must be responsive to the changes in long term care and the application of these changes.

As not only health care providers, but as a responsible state agency, the homes are caught between the increasing cost of providing services and the decreasing resources to provide these services. The homes in their efforts to continue providing services to our current population and to meet the needs of our future residents, will continue to utilize volunteers, whenever possible, accept donations (reducing operating costs), and seek new sources of revenue to reduce the impact of our operations on the state General Fund.

If funding for management information system planning is provided, the homes will utilize the savings generated to fund direct care services to residents.

Each home and the board while carefully reviewing its operating resources, balances residents care needs. This may increase the number of beds held vacant in order to provide services to our current residents.

In the last 4 years, we have successfully cleared the citations that almost closed the homes at Minneapolis and Hastings in 1987. Many of the citations were caused by the lack of understanding that veterans homes are not old soldiers homes, but are skilled nursing care homes that are for veterans with special needs. This lack of understanding resulted in underfunding of the homes.

Since 1988, the Minneapolis and Hastings homes have become known not only locally for their quality of care, but are 2 veterans homes that are part of a select national group that do not have quality of care issues.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan except for a restoration of ~~$2,724,000~~ $4,735,000 above the agency's plan level and a $1,474,000 reduction due to revised salary planning estimates.

Revised ~~3-4-93~~ 3-16-93

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
DIRECT CARE ADMIN - MPLS	10,837	11,103	11,381	11,212	10,886	10,883	11,212	10,214	10,865
INDIRECT CARE ADMIN - MPLS	5,044	5,193	5,208	5,149	4,429	5,059	5,149	4,429	5,059
ADMINISTRATIVE SUPPORT-MPLS	1,074	1,203	1,444	1,425	2,054	2,000	1,425	2,683	2,613
DIRECT CARE-HASTINGS	859	1,023	1,078	1,027	1,027	994	1,028	1,028	995
INDIRECT CARE-HASTINGS	1,546	1,476	1,758	1,691	1,609	1,570	1,691	1,589	1,551
ADMINISTRATIVE SUPPORT-HAST	633	673	681	656	609	597	656	651	636
DIRECT_CARE_ADMIN-SILVER BAY	22	613	1,915	1,915	1,946	1,888	1,915	1,946	1,888
INDIRECT_CARE_ADMIN-SILVER BAY	56	464	1,033	1,033	1,090	1,068	1,033	1,090	1,068
ADMIN_SUPPORT-SILVER BAY	590	348	1,085	1,085	1,112	1,102	1,085	1,112	1,102
DIRECT CARE-LUVERNE			221		1,210	1,173		1,981	1,919
INDIRECT CARE-LUVERNE			212		560	546		733	715
ADMIN SUPPORT-LUVERNE	8	22	757		740	728		907	895
BOARD OF DIRECTORS	426	607	529	526	535	521	526	556	541
DEDICATE REVENUE FROM HOMES						251			1,760
TOTAL EXPENDITURES BY ACTIVITY	21,095	22,725	27,302	25,719	27,807	28,380	25,720	28,919	31,607

GOV'S INITIATIVES:	FUND								
(A) RETAIN SNU BEDS -- MPLS	GEN					316			918
(A) ELIMINATE LAYOFFS -- MPLS	GEN					<330>			<300>
(A) SALARY PLANNING ESTIMATES	GEN					<724>			<750>
(P) RESTORE AGENCY REDUCTION	GEN					1,060			1,060
(P) DEDICATE REVEUE FROM HOMES	GEN					<11,848>			<12,770>
(P) DEDICATE REVEUE FROM HOMES	SR					11,848			12,770
(P) REVENUE ENHANCEMENT CHALLENGE	SR					251			1,760
TOTAL GOV'S INITIATIVES						573			2,688

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	21,087	22,725	27,302	25,719	27,807	16,281	25,720	28,919	17,077
OPEN APPROPRIATIONS:									
SPECIAL REVENUE						12,099			14,530

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
GIFTS AND DEPOSITS	8								
TOTAL FINANCING	21,095	22,725	27,302	25,719	27,807	28,380	25,720	28,919	31,607
POSITIONS BY FUND:									
GENERAL	643.0	608.8	608.8	608.8	595.8	608.8	608.8	579.8	608.8
TOTAL POSITIONS	643.0	608.8	608.8	608.8	595.8	608.8	608.8	579.8	608.8

BUDGET ACTIVITY: Minneapolis Veterans Home
PROGRAM: Veterans Homes
AGENCY: Veterans Affairs - Veterans Homes, Department of

ACTIVITY DESCRIPTION:

The Minnesota Veterans Home-Minneapolis provides a continuum of care from A to K level case mix to veterans with special needs. These special needs include a range from mild behavior problems to psychiatric disorders. This home, through its affiliation with the Veterans Administration Medical Center-Minneapolis, has been part of various research and education projects that have changed medical technology.

The home provides as required by state and federal regulatory agencies, the following services to all residents:

- Medical Director
- Nursing Services
- Mental Health Services
- Dietary Services
- Recreational Therapy
- Social Services
- Housekeeping Services
- Chaplain Services
- Maintenance Services
- Transportation to and from Acute Care Medical Providers
- Specialized Rehabilitation Services: Physical Therapy, Occupational Therapy and Speech Therapy

In F.Y. 1987, this home was almost closed because of health care citations. In the last 5 years by updating methods of care delivery and implementing new medical technology methods, we have not only increased our quality of care and enhanced our residents' life quality, but we have also become one of a small group of state veterans homes in the country that do not have quality of care concerns or citations.

Some of the changes that have increased our quality of care are:

- nutritional assessment and counseling to each resident
- rehabilitation programs of physical, occupational, and speech therapies
- psychological staff providing one-to-one counseling and group therapy
- expanded on-site physician services
- improved dementia and Alzheimers unit care and support methods
- religious support for our residents
- on campus central warehouse
- affiliations with local medical education programs
- staff development and training in delivery methods of care to residents
- increased volunteer hours
- increased family support as part of our care teams
- expanded recreation therapy programs to assist rehabilitation and psychology program efforts
- expanded social services to reduce case loads which enables home to assist residents in seeking all federal benefits possible

This home, the site of Minnesota's original Old Soldier's Home, is now at a crossroad. Since F.Y. 1989, our average case mix level has increased from E to G, an increase of 10%. We have managed this increase while reducing staffing levels from 446.75 to 406 or 9%.

Our skilled nursing care units are licensed for 346 residents and are currently at capacity. Our board and care units are licensed for 194 beds, funded for 77, of which 75 are currently occupied.

BUDGET ISSUES:

The majority of applications received for our skilled nursing care beds are now at the I, J, or K case mix levels. To meet this growing demand and our current residents' increasing case mix needs, either additional funding is needed or we will have to hold beds empty to provide services to our current residents. To reduce the severity of this situation, we are working on innovative alternative care solutions.

The home is also directing its energies toward identifying methods of reducing staffing costs through an aggressive case management of workers compensation claims, return to work early programs and increased employee safety training programs. Hampering our efforts in this area is our underfunding.

New regulatory medical surveillance requirements are also creating new fiscal challenges. Ninety percent of our employees must be offered the hepatitis B vaccination and counseling at a cost of $250 each. Our employees that identify and encapsulate asbestos must have annual physicals. Employees exposed to noise above regulated levels must have annual audiograms.

As a state veterans home, we are required by federal regulatory requirements to provide to our residents pharmaceuticals and medical supplies needs. Until recently, our Veterans Administration Medical Center affiliation enabled us to reduce our costs for pharmaceuticals; however, this past summer, the VAMC informed us it would no longer be able to return our residents (either seen as in-patients or out-patients) with any pharmaceuticals.

Adding to this new challenge is the fact that our residents are being discharged from an acute care level still in need of what previously were acute care treatments only. These treatments range from special diets to gastro-enteral feedings, wound care to sophisticated, long term treatment of wound care and their causes, oxygen therapy, rehabilitation needs, and psychological services for more challenging behavioral problems caused by abrupt changes in medical conditions.

Complicating all of our budget challenges is our aging campus. Our dementia unit which limits wandering yet offers freedom of movement is located on the south end of the campus away from the central kitchen. This requires meals to be trucked 3 times a day. A very labor intensive task.

During the F.Y. 1991 legislative session, we presented our Tronnes Reiling report which, if funded, would upgrade the entire campus to modern care standards.

BUDGET ACTIVITY: Minneapolis Veterans Home
PROGRAM: Veterans Homes
AGENCY: Veterans Affairs - Veterans Homes, Department of
(Continuation)

EFFICIENCY MEASURES:

The home, in its efforts to continue meeting our residents needs and reducing costs, has formed educational affiliations. As these affiliations expand to additional areas, we will not only be able to continue providing needed services of dental, optometric and podiatry services, but by providing these services, enhance our residents life quality and reduce behavioral problems.

We seek funding to implement a comprehensive, integrated management information system which would not only reduce staffing time to maintain the documentation required in health care, but could also enable the home to seek other federal sources of revenue and produce timely management support information.

Alternative care options are also being explored. One option would offer adult day care to potential residents at lower case mix levels. This would enable the resident to obtain care in his family setting without placing excessive strain on their resources or family support structure.

Another option would be to expand our rehabilitation program and facilities to offer services on an out-patient/resident basis.

A third option currently implemented is short term placement in our skilled long term units for board and care residents having difficulty adjusting to lifestyle and ability changes.

The home will continue recruiting not only family volunteers to assist in resident care, but also community volunteers. Volunteers help reduce staff time in such areas as feeding and personal hygiene practices for the resident.

REVENUE:

This activity generates non-dedicated revenue to the General Fund.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Non-dedicated - Gen'l	$8,318	$8,651	$8,800	$9,000	$9,300

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: DIRECT CARE ADMIN - MPLS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	9,839	10,047	10,276	10,107	9,781	9,778	10,107	9,109	9,760
EXPENSES/CONTRACTUAL SRVCS	305	326	338	338	338	338	338	338	338
MISC OPERATING EXPENSES	1								
SUPPLIES/MATERIALS/PARTS	692	728	767	767	767	767	767	767	767
CAPITAL EQUIPMENT		2							
SUBTOTAL STATE OPERATIONS	10,837	11,103	11,381	11,212	10,886	10,883	11,212	10,214	10,865
TOTAL EXPENDITURES	10,837	11,103	11,381	11,212	10,886	10,883	11,212	10,214	10,865
GOV'S INITIATIVES:		FUND							
(A) RETAIN SNU BEDS -- MPLS		GEN				316			918
(A) ELIMINATE LAYOFFS -- MPLS		GEN				<330>			<300>
(A) SALARY PLANNING ESTIMATES		GEN				<329>			<307>
(P) RESTORE AGENCY REDUCTION		GEN				340			340
TOTAL GOV'S INITIATIVES						<3>			651
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	10,837	11,103	11,381	11,212	10,886	10,883	11,212	10,214	10,865
TOTAL FINANCING	10,837	11,103	11,381	11,212	10,886	10,883	11,212	10,214	10,865
POSITIONS BY FUND:									
GENERAL	323.1	321.6	321.6	321.6	308.6	321.6	321.6	292.6	321.6
TOTAL POSITIONS	323.1	321.6	321.6	321.6	308.6	321.6	321.6	292.6	321.6

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: INDIRECT CARE ADMIN - MPLS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	3,324	3,546	3,512	3,453	2,733	3,363	3,453	2,733	3,363
EXPENSES/CONTRACTUAL SRVCS	533	457	484	484	484	484	484	484	484
MISC OPERATING EXPENSES	242	247	229	229	229	229	229	229	229
SUPPLIES/MATERIALS/PARTS	940	935	983	983	983	983	983	983	983
CAPITAL EQUIPMENT	5	8							
SUBTOTAL STATE OPERATIONS	5,044	5,193	5,208	5,149	4,429	5,059	5,149	4,429	5,059
TOTAL EXPENDITURES	5,044	5,193	5,208	5,149	4,429	5,059	5,149	4,429	5,059
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<90>			<90>
(P) RESTORE AGENCY REDUCTION		GEN				720			720
TOTAL GOV'S INITIATIVES						630			630

SOURCES OF FINANCING:

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: DIRECT CARE ADMIN - MPLS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	9,839	10,047	10,276	10,107	9,781	9,438	10,107	9,109	9,420
EXPENSES/CONTRACTUAL SRVCS	305	326	338	338	338	338	338	338	338
MISC OPERATING EXPENSES	1								
SUPPLIES/MATERIALS/PARTS	692	728	767	767	767	767	767	767	767
CAPITAL EQUIPMENT		2							
SUBTOTAL STATE OPERATIONS	10,837	11,103	11,381	11,212	10,886	10,543	11,212	10,214	10,525
TOTAL EXPENDITURES	10,837	11,103	11,381	11,212	10,886	10,543	11,212	10,214	10,525
GOV'S INITIATIVES:		FUND							
(A) RETAIN SNU BEDS -- MPLS		GEN				316			918
(A) ELIMINATE LAYOFFS -- MPLS		GEN				<330>			<300>
(A) SALARY PLANNING ESTIMATES		GEN				<329>			<307>
TOTAL GOV'S INITIATIVES						<343>			311
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	10,837	11,103	11,381	11,212	10,886	10,543	11,212	10,214	10,525
TOTAL FINANCING	10,837	11,103	11,381	11,212	10,886	10,543	11,212	10,214	10,525
POSITIONS BY FUND:									
GENERAL	323.1	321.6	321.6	321.6	308.6	321.6	321.6	292.6	321.6
TOTAL POSITIONS	323.1	321.6	321.6	321.6	308.6	321.6	321.6	292.6	321.6

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: INDIRECT CARE ADMIN - MPLS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	3,324	3,546	3,512	3,453	2,733	2,643	3,453	2,733	2,643
EXPENSES/CONTRACTUAL SRVCS	533	457	484	484	484	484	484	484	484
MISC OPERATING EXPENSES	242	247	229	229	229	229	229	229	229
SUPPLIES/MATERIALS/PARTS	940	935	983	983	983	983	983	983	983
CAPITAL EQUIPMENT	5	8							
SUBTOTAL STATE OPERATIONS	5,044	5,193	5,208	5,149	4,429	4,339	5,149	4,429	4,339
TOTAL EXPENDITURES	5,044	5,193	5,208	5,149	4,429	4,339	5,149	4,429	4,339
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<90>			<90>
TOTAL GOV'S INITIATIVES						<90>			<90>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	5,044	5,193	5,208	5,149	4,429	4,339	5,149	4,429	4,339
TOTAL FINANCING	5,044	5,193	5,208	5,149	4,429	4,339	5,149	4,429	4,339
POSITIONS BY FUND:									
GENERAL	117.5	116.5	116.5	116.5	116.5	116.5	116.5	116.5	116.5
TOTAL POSITIONS	117.5	116.5	116.5	116.5	116.5	116.5	116.5	116.5	116.5

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: ADMINISTRATIVE SUPPORT-MPLS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	988	1,059	1,164	1,145	1,598	1,544	1,145	2,091	2,021
EXPENSES/CONTRACTUAL SRVCS	39	65	81	81	101	101	81	101	101
MISC OPERATING EXPENSES	9	13	11	11	11	11	11	11	11
SUPPLIES/MATERIALS/PARTS	35	60	81	81	217	217	81	353	353
CAPITAL EQUIPMENT	3	6	107	107	127	127	107	127	127
SUBTOTAL STATE OPERATIONS	1,074	1,203	1,444	1,425	2,054	2,000	1,425	2,683	2,613
TOTAL EXPENDITURES	1,074	1,203	1,444	1,425	2,054	2,000	1,425	2,683	2,613
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<54>			<70>
TOTAL GOV'S INITIATIVES						<54>			<70>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,074	1,203	1,444	1,425	2,054	2,000	1,425	2,683	2,613
TOTAL FINANCING	1,074	1,203	1,444	1,425	2,054	2,000	1,425	2,683	2,613
POSITIONS BY FUND:									
GENERAL	31.4	32.9	32.9	32.9	32.9	32.9	32.9	32.9	32.9
TOTAL POSITIONS	31.4	32.9	32.9	32.9	32.9	32.9	32.9	32.9	32.9

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BUDGET ACTIVITY: Hastings Veterans Home
PROGRAM: Veterans Homes
AGENCY: Veterans Affairs - Veterans Homes, Department of

ACTIVITY DESCRIPTION:

The Minnesota Veterans Home-Hastings provides a variety of health and social services to residents and their families within the scope of its residential board and care licensure. The services provided are targeted for those veterans with special needs such as vocational assessment and rehabilitation, mental health services, chemical dependency after care, work therapy, education, and 24 hour nursing services to maintain the optimal level of independence.

Residents of this veterans home are provided, as required by state and federal agencies, the following on-site services:

- medical care through the home's medical director
- social services (referral and counseling)
- mental health services provided by a staff psychologist including individual and group counseling
- vocational assessment and rehabilitative services provided by a staff rehabilitation counselor
- recreational, leisure and wellness promotion to assist residents in the selection of appropriate leisure activities
- chemical dependency counseling and after care programming
- serenity center which is a supportive living environment for residents with substance abuse problems who are committed to maintaining their sobriety
- living skills development to assist the residents in learning basis skills necessary for independent living
- educational services coordinated through an education director to assist residents with schooling and adult skills enrichment
- nutritional support and counseling by the staff dietician
- transportation to medical providers and education/employment sites within our service area
- physical plant and management support services

The families and significant others of residents of the home are able to advocate for and support the residents through participation in an active Family Council.

All the above activities and services directly or indirectly support the program objectives of helping the residents, especially those veterans with special needs, to achieve and/or maintain the highest level of functioning and independence possible.

BUDGET ISSUES:

The agency budget plan cites this activity's revenues as primarily from the United States Department of Veterans Affairs and from the residents. This home seeks to maximize the revenues from the USDVA and residents through efficient and effective admission procedures of eligible veterans and spouses to our facility. Additionally, close monitoring is maintained over accounts receivables. Staff are aggressive in pursuing all available revenues sources such as federal veterans aid and attendance, state general assistance and medical assistance and other benefits such as educational and jobs and training grants targeted to our veterans.

The home relies heavily on volunteers to supplement staff services and donations from individuals and organizations, especially veterans service organizations to augment and enhance resident services and the environment in which our veterans live and work. In F.Y. 1991-92, 30,682 volunteer hours were recorded at the home for a manpower dollar effect of $327,684. Actual cash donations during this biennium were $154,352 which does not include the value of donated items such as therapy equipment, clothing and personal care items or books and tools to assist veterans in achieving goals of returning to a productive life in the community.

The Resident Council and Family Council contribute financially by assisting veterans with minor personal needs due to crisis situations such as bus tickets to funerals and sponsoring basket socials to encourage socialization and a sense of family. Additionally, both councils meet at least monthly to give input into management of the home and to work with the board and facility in responding to changing service needs of the residents.

The resident population of this home has many unique characteristics and resulting special care needs as described in the activity description. Existing funding is designated to support the following program components in order to respond to our veterans special care needs:

- A Serenity Center and Sobriety Center for residents who have substance abuse problems and are willing to commit to living in a highly structured and supportive environment to maintain their sobriety and work toward goals of improving their levels of functioning, and in many cases, returning to employment within the community. This program serves 35 residents.

- A work therapy program exists to provide meaningful and therapeutic work for those veterans who are able to perform such jobs as switchboard operators, clerical assistants, canteen/sales clerks, gardening/grounds assistants, and dishwashing. This program is expanding to respond to the needs of the younger, rehabilitation-oriented veterans who in preparation for eventual return to the community in an independent living situation and full employment. This program serves 30 residents.

- A mental health department that includes a full time psychologist and 2 chemical dependency counselors who provide individual and group counselling for veterans with psychiatric diagnoses, including post traumatic stress syndrome, depression, schizophrenia and other disorders. Our affiliation with the Veterans Administration Medical Centers of Minneapolis and St. Cloud, enable our staff to extend/augment and coordinate our psychiatric and addictive disorders services to veterans on both an inpatient and outpatient basis through such services as a day hospital program, outpatient chemical dependency and psychiatric self-help group counseling, medical testing, evaluation, and treatment as well as shared educational resources. This program services 35 residents.

- A vocational assessment and counseling service provided by the staff vocational rehabilitation counselor designed for veterans capable of developing a plan and making progress towards educational and vocational goals which ultimately achieve the long term goal of return to productive community life as a taxpayer. This program serves 40 residents.

- A resident education program that provides in-house adult skills enrichment in cooperation with the Hastings Community Education program, as well as needed counseling and transportation

for veterans going to community colleges, vocational/technical colleges, or involved in an independent study program to attain a degree or certificate essential to achieve the goal of employment for some and for others the opportunity to function at their highest level both intellectually and socially. This program serves 15 residents.

The home is not able to meet the growing demand for some of the special services noted above since current funding only supports 130 licensed board and care beds. Without additional funding, these existing special services will have to be reduced.

EFFICIENCY MEASURES:

Although the home uses case mix measurements to determine level of care needs, maintenance charges are not determined by resident's case mix levels. Our cost of care as figured by calculations specified in the Veterans Homes Rules decreased in F.Y. 1992 compared to F.Y. 1991, due to effective financial management and strategically stretching our resources to serve more residents with special needs than for which our funding was designed.

Our costs in operations have also been reduced by steps taken to increase the energy efficiency of our buildings through installation of new windows, upgrading an inefficient and out-of-date heating and cooling system and fine tuning physical plant systems.

Major renovation of our large residence this coming year will result in the ability to better meet all codes relative to number of persons per room, handicapped accessibility, and also enable our facility to better target programs for groups of residents with common care needs. This renovation is being accomplished with 2/3 funding coming from the United States Department of Veterans Affairs, state Homes Construction Program. We will not need to discharge residents during the construction phase.

With additional funding, we will be able to develop and provide the following programs which will result in our ability to better target needed services to specific residents:

- Expansion of our nursing service to care for residents within slightly higher medical and nursing care needs, such as residents whose case mix is a D or E. Since our cost of caring for residents is lower than in the community nursing homes, we expect that the cost of caring for residents with additional dependencies would also be provided at the lowest cost possible.

- Development of an assisted living program for case mix A residents who do not require 24 hour nursing monitoring. These residents may only require services such as mental health, nursing, social services, vocational rehabilitation or chemical dependency aftercare support on a more limited basis that the typical board and care resident. Relicensure of a unit with our current facility would allow us to meet these special needs at a lower cost than is required to meet the many diverse needs of residents in a board and care facility.

- An assisted living program or board and lodging program could also serve veterans who have a need for limited monitoring and supervision living arrangement while in outpatient programs at the Veterans Administration Medical Center in Minneapolis. Residents who require only supportive residential services while receiving outpatient PTSD or chemical dependency treatment could be cared for at a lower cost than in a more highly structured setting such as a board and care home. This may also be a placement for homeless veterans who require a brief time for assessment and evaluation to determine a plan of care appropriate to the multitude of needs homeless veterans have.

- A program to meet the special needs of veterans who have dual diagnoses of chemical dependency and a psychiatric disorder would allow these individuals to receive intensive mental health services and intermediate nursing services in a board and care setting versus a nursing home setting which costs more. Additional funding would be needed for professional staff such as a part-time psychiatrist and psychiatric social worker to appropriately care for this special population.

- Another special and difficult to care for population is the chronically chemical dependent person who does not respond to repeated chemical dependency treatments and has deteriorating health due to prolonged chemical abuse. This person cannot be adequately served in an integrated setting with other persons who have different needs. Funding is needed to provide a program that includes heavy nursing and medical care, family therapy, mental health and chemical dependency support services. This type of veteran requires long term placement with little prognosis of rehabilitation and return to the community. Without this type of special programming, this resident may be prematurely placed in a nursing home setting which results in more cost to the state.

REVENUE:

This activity generates non-dedicated revenue to the General Fund.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Non-dedicated - Gen'l	$963	$1,146	$1,200	$1,350	1500

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: DIRECT CARE-HASTINGS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	815	974	1,031	980	980	947	981	981	948
EXPENSES/CONTRACTUAL SRVCS	4	4	5	5	5	5	5	5	5
MISC OPERATING EXPENSES		1							
SUPPLIES/MATERIALS/PARTS	40	44	42	42	42	42	42	42	42
SUBTOTAL STATE OPERATIONS	859	1,023	1,078	1,027	1,027	994	1,028	1,028	995
TOTAL EXPENDITURES	859	1,023	1,078	1,027	1,027	994	1,028	1,028	995
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<33>			<33>
TOTAL GOV'S INITIATIVES						<33>			<33>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	859	1,023	1,078	1,027	1,027	994	1,028	1,028	995
TOTAL FINANCING	859	1,023	1,078	1,027	1,027	994	1,028	1,028	995
POSITIONS BY FUND:									
GENERAL	21.5	24.5	25.4	25.4	25.4	25.4	25.4	25.4	25.4
TOTAL POSITIONS	21.5	24.5	25.4	25.4	25.4	25.4	25.4	25.4	25.4

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: INDIRECT CARE-HASTINGS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,155	1,083	1,282	1,215	1,133	1,094	1,215	1,113	1,075
EXPENSES/CONTRACTUAL SRVCS	35	43	97	97	97	97	97	97	97
MISC OPERATING EXPENSES	83	92	89	89	89	89	89	89	89
SUPPLIES/MATERIALS/PARTS	270	258	290	290	290	290	290	290	290
CAPITAL EQUIPMENT	3								
SUBTOTAL STATE OPERATIONS	1,546	1,476	1,758	1,691	1,609	1,570	1,691	1,589	1,551
TOTAL EXPENDITURES	1,546	1,476	1,758	1,691	1,609	1,570	1,691	1,589	1,551
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<39>			<38>
TOTAL GOV'S INITIATIVES						<39>			<38>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,546	1,476	1,758	1,691	1,609	1,570	1,691	1,589	1,551
TOTAL FINANCING	1,546	1,476	1,758	1,691	1,609	1,570	1,691	1,589	1,551
POSITIONS BY FUND:									
GENERAL	38.1	36.6	36.6	36.6	36.6	36.6	36.6	36.6	36.6
TOTAL POSITIONS	38.1	36.6	36.6	36.6	36.6	36.6	36.6	36.6	36.6

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: ADMINISTRATIVE SUPPORT-HAST

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	381	392	457	432	369	357	432	454	439
EXPENSES/CONTRACTUAL SRVCS	166	190	132	132	122	122	132	52	52
MISC OPERATING EXPENSES	30	28	30	30	30	30	30	30	30
SUPPLIES/MATERIALS/PARTS	22	21	27	27	53	53	27	80	80
CAPITAL EQUIPMENT	34	42	35	35	35	35	35	35	35
SUBTOTAL STATE OPERATIONS	633	673	681	656	609	597	656	651	636
TOTAL EXPENDITURES	633	673	681	656	609	597	656	651	636
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<12>			<15>
TOTAL GOV'S INITIATIVES						<12>			<15>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	633	673	681	656	609	597	656	651	636
TOTAL FINANCING	633	673	681	656	609	597	656	651	636
POSITIONS BY FUND:									
GENERAL	13.4	11.9	11.0	11.0	11.0	11.0	11.0	11.0	11.0
TOTAL POSITIONS	13.4	11.9	11.0	11.0	11.0	11.0	11.0	11.0	11.0

BUDGET ACTIVITY: Silver Bay Veterans Home
PROGRAM: Veterans Homes
AGENCY: Veterans Affairs - Veterans Homes, Department of

ACTIVITY DESCRIPTION:

The Minnesota Veterans Home-Silver Bay will provide high quality skilled nursing care, supportive services, and specific contracted health care services to veterans and spouses.

Residents are individually assessed and appropriate care plans are developed by an interdisciplinary care team recognizing the uniqueness of the individual. Care is delivered in a homelike atmosphere conducive to the special medical and psychological needs of this dementia based population.

Innovation and creative options are explored in developing behavior modification programming and a living environment that creates a peaceful, life enhancing and safe home.

The admissions trend at Silver Bay clearly points out that we are caring for people with heavy health care needs and behavior problems that other health care providers are not equipped to address. The current case mix level is a G and is expected to increase as many of initial residents admitted are becoming well enough to return to the community.

The Minnesota Veterans Home-Silver Bay is continually exploring internal and external services and programs which create the least restrictive environment psychotropically and physically. The utilization of state of the art adaptive equipment allows immobile residents to become mobile, express needs, and socialize in activities with others. Volunteer integration into the care of residents is facilitated through groups such as Family Council, educational offerings, and staff training. This positively affects the resident and the volunteer.

A "foster family program" is in early development with community based care givers assisting in the resident activities of daily living, one on one therapy, and activities. Their participation is scheduled during times of high professional staff need. This program enhances staff production, budget responsibility, and continuity of care for our residents.

The Minnesota Veterans Home-Silver Bay is situated along the historic North Shore of Minnesota. The nearest acute care facility is 30 miles away. This will require us to expand on the normal elements of care to include intravenous therapy, naso-gastric feeding, intravenous antibiotic treatments, minor emergency room treatments, and quiet rooms. Standards of care and treatment will be explored with community physicians in October, 1992 when their services become available.

We are developing education and staff training programs to meet the unique needs of our residents. Cost effective educational resources are being developed through contractual arrangements. We are exploring sharing education resources with other local, state and federal agencies.

The management team monitors its budget by monthly reviewing the facility budget and the objectives in relation to revenue and expense. Individual departments have specific budgets which cover their individual operations with appropriate authority and responsibility.

Innovative mutually beneficial agreements for services are sought and developed which result in the greatest benefit for the resident and the state at the least cost.

BUDGET ISSUES:

During the F.Y. 1993 summer, the home is projected to reach full capacity. When fully occupied we anticipate our cost of care per resident day to be less than $100.

Silver Bay, because of its unique location and special needs population, is able to be the veterans home site for innovative program changes. The home with its strong community support and involvement will continue to explore methods of providing services at reduced costs by continuing innovative and shared services care delivery methods. One innovative shared services affiliation currently being implemented provides rehabilitation therapies to our residents at no cost. Another share service affiliation allows us to have maintenance services at a reduced cost.

These innovations and other alternative care options provide opportunities to implement the changes in medical technology and to maintain services at lower costs.

The home will continue to solicit donations and increase volunteer hours. Both programs are strong evidence of Minnesotans support of our mission and goals and allow the home to operate at a lower cost to the state.

EFFICIENCY MEASURES:

Projected residency in F.Y. 1994 is expected to be 80 residents. Staffing levels will be increased ahead of census to maintain standards of high quality care.

Shared service agreements with the state agencies will be pursued to maximize personnel utilization and budget responsibility while maintaining the quality for the Minnesota Veterans Home-Silver Bay.

REVENUE:

This activity generates non-dedicated revenue to the General Fund.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Non-dedicated - Gen'l	$-0-	$105	?	?	?

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: DIRECT_CARE_ADMIN-SILVER BAY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	22	561	1,728	1,728	1,728	1,670	1,728	1,728	1,670
EXPENSES/CONTRACTUAL SRVCS		1	8	8	8	8	8	8	8
MISC OPERATING EXPENSES		6	19	19	23	23	19	23	23
SUPPLIES/MATERIALS/PARTS		45	150	150	177	177	150	177	177
CAPITAL EQUIPMENT			10	10	10	10	10	10	10
SUBTOTAL STATE OPERATIONS	22	613	1,915	1,915	1,946	1,888	1,915	1,946	1,888
TOTAL EXPENDITURES	22	613	1,915	1,915	1,946	1,888	1,915	1,946	1,888
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<58>			<58>
TOTAL GOV'S INITIATIVES						<58>			<58>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	22	613	1,915	1,915	1,946	1,888	1,915	1,946	1,888
TOTAL FINANCING	22	613	1,915	1,915	1,946	1,888	1,915	1,946	1,888
POSITIONS BY FUND:									
GENERAL	59.0	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3
TOTAL POSITIONS	59.0	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: INDIRECT_CARE_ADMIN-SILVER BAY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	33	372	667	667	667	645	667	667	645
EXPENSES/CONTRACTUAL SRVCS		5	91	91	113	113	91	113	113
MISC OPERATING EXPENSES	7	24	72	72	84	84	72	84	84
SUPPLIES/MATERIALS/PARTS	16	63	198	198	216	216	198	216	216
CAPITAL EQUIPMENT			5	5	10	10	5	10	10
SUBTOTAL STATE OPERATIONS	56	464	1,033	1,033	1,090	1,068	1,033	1,090	1,068
TOTAL EXPENDITURES	56	464	1,033	1,033	1,090	1,068	1,033	1,090	1,068
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<22>			<22>
TOTAL GOV'S INITIATIVES						<22>			<22>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	56	464	1,033	1,033	1,090	1,068	1,033	1,090	1,068
TOTAL FINANCING	56	464	1,033	1,033	1,090	1,068	1,033	1,090	1,068
POSITIONS BY FUND:									
GENERAL	21.0	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5
TOTAL POSITIONS	21.0	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: ADMIN_SUPPORT-SILVER BAY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	173	234	319	319	324	314	319	324	314
EXPENSES/CONTRACTUAL SRVCS	34	53	457	457	467	467	457	467	467
MISC OPERATING EXPENSES	25	22	49	49	53	53	49	53	53
SUPPLIES/MATERIALS/PARTS	203	30	25	25	33	33	25	33	33
CAPITAL EQUIPMENT	155	9	235	235	235	235	235	235	235
SUBTOTAL STATE OPERATIONS	590	348	1,085	1,085	1,112	1,102	1,085	1,112	1,102
TOTAL EXPENDITURES	590	348	1,085	1,085	1,112	1,102	1,085	1,112	1,102
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<10>			<10>
TOTAL GOV'S INITIATIVES						<10>			<10>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	590	348	1,085	1,085	1,112	1,102	1,085	1,112	1,102
TOTAL FINANCING	590	348	1,085	1,085	1,112	1,102	1,085	1,112	1,102
POSITIONS BY FUND:									
GENERAL	10.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
TOTAL POSITIONS	10.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0

BUDGET ACTIVITY: Luverne Veterans Home
PROGRAM: Veterans Homes
AGENCY: Veterans Affairs - Veterans Home, Department of

ACTIVITY DESCRIPTION:

The Minnesota Veterans Home-Luverne will provide high quality skilled nursing care and associated health care services to all residents in a long term residency program and appropriate interaction with family members of residents. The Veterans Home will stress a home-like environment which is more conducive to long term care than an institutional atmosphere.

Each resident will be assisted to attain and maintain the highest level of function possible within the development of appropriate medical programs.

The facility will work within the rules and guidelines of the Minnesota Health Department, Fire Marshall, OSHA and the United States Department of Veterans Affairs. Support will be coordinated with the veterans organizations of Minnesota and the community health service organizations.

The Minnesota Veterans Home-Luverne is unique from the veterans homes in the metro area. It is located in southwestern rural Minnesota. Cooperation is ongoing with the Royal C. Johnson Veterans Administration Medical Center in Sioux Falls for the medical and clinical care of the veteran residents.

While serving eligible residents from throughout the state, the Veterans Home will become an integral part of the community and will work with area nursing and health care facilities utilizing these facilities as resources in the development of home programs.

BUDGET ISSUES:

The management team will occupy the building after substantial completion of the building occurs, and the facility will enter the operational phase after completion is declared on the building at the end of F.Y. 1993.

Residents will be admitted during this phase-up at a rate not to exceed 3 residents per week. This slower phase-in is necessary to ensure that a high quality of health care services is provided to each resident while staff are trained and adjusted to the health care environment and to allow correction of any minor problems resulting from the construction of this new building.

Phase-in of the operation will require a higher cost per resident day due to the regulatory staffing levels required for 24-hour operation as the census builds during the first 2 years of operation. This cost factor per resident day drops gradually, but significantly, as census approaches full occupancy.

The objective is the phasing in of facility residents and staff positions over the biennium period of F.Y. 1994-95 to full operation by 7-1-94.

With the improving capabilities of, and accessibility to, alternative care services, today's applicants requiring long term care are generally in poorer health and require more skilled care than previous applicants for long term care.

Due to the advanced age of applicants (mean age of the World War II veteran is 75) and the fact that the Veterans Homes consist of more than 90% males versus a private industry status of about 80% female census (who historically are in better health than their male contemporaries), further resources will be necessary to meet the needs of the clients.

The Veterans Homes are experiencing an increase in the average percentage of admission of residents with behavioral problems. The average case mix anticipated will be G (residents needing assistance with 6 functions of daily living) with an average behavioral rating between 2 and 3 due to a higher level of case mix levels J and K admission than is experienced in the private health care sector. Residents are seldom discharged after admission due to their increased case mix level. The average length of stay generally is 4 years.

EFFICIENCY MEASURES:

Projections are to fill one wing during F.Y. 1994 with 42 residents and complete the phase-up to 84 residents through F.Y. 1995.

Staff levels will be increased slightly ahead of resident admissions to maintain a high quality of care while being responsive to budget by not overstaffing.

Contractual arrangements will be discussed and negotiated to deal with the increased workload through contract medical services rather than through increased staffing levels.

REVENUE:

This activity generates non-dedicated revenue to the General Fund.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Non-dedicated - Gen'l	$-0-	$-0-	$927	$1,768	$2,100

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: DIRECT CARE-LUVERNE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES			200		1,121	1,084		1,850	1,788
SUPPLIES/MATERIALS/PARTS			21		89	89		131	131
SUBTOTAL STATE OPERATIONS			221		1,210	1,173		1,981	1,919
TOTAL EXPENDITURES			221		1,210	1,173		1,981	1,919
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<37>			<62>
TOTAL GOV'S INITIATIVES						<37>			<62>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL			221		1,210	1,173		1,981	1,919
TOTAL FINANCING			221		1,210	1,173		1,981	1,919
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: INDIRECT CARE-LUVERNE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES			156		459	445		563	545
MISC OPERATING EXPENSES			39		55	55		102	102
SUPPLIES/MATERIALS/PARTS			17		46	46		68	68
SUBTOTAL STATE OPERATIONS			212		560	546		733	715
TOTAL EXPENDITURES			212		560	546		733	715
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<14>			<18>
TOTAL GOV'S INITIATIVES						<14>			<18>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL			212		560	546		733	715
TOTAL FINANCING			212		560	546		733	715
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: ADMIN SUPPORT-LUVERNE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES		17	202		355	343		368	356
EXPENSES/CONTRACTUAL SRVCS	8		301		244	244		373	373
MISC OPERATING EXPENSES		5	49		65	65		70	70
SUPPLIES/MATERIALS/PARTS			15		26	26		21	21
CAPITAL EQUIPMENT			190		50	50		75	75
SUBTOTAL STATE OPERATIONS	8	22	757		740	728		907	895
TOTAL EXPENDITURES	8	22	757		740	728		907	895
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<12>			<12>
TOTAL GOV'S INITIATIVES						<12>			<12>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL		22	757		740	728		907	895
OPEN APPROPRIATIONS:									
GIFTS AND DEPOSITS	8								
TOTAL FINANCING	8	22	757		740	728		907	895
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Board Office
PROGRAM: Veterans Homes Board of Directors
AGENCY: Veterans Affairs - Veterans Homes, Department of

ACTIVITY DESCRIPTION:

In F.Y. 1988, the legislature created the board of directors to govern the Minnesota Veterans Homes. This charge included clearing the health care citations that almost closed the Minneapolis and Hastings homes and renovating an elementary school to nursing care standards in Silver Bay. In F.Y. 1990, the legislature also added to the board's charge the building of a home in Luverne.

The board of directors, comprised of nine members whose backgrounds support not only the long term care needs of our residents, health care issues, and public policy making expertise, but also have a clear understanding of veterans needs, sought the advice of various State agencies on how to create and staff a centralized management team that would not duplicate services already available within the homes. This advice was implemented based on minimal staffing requirements in the areas of internal auditing, human resource management, fiscal management, and rules writing. A project position was also added that researched and wrote the strategic management information plan that, when funded and implemented, will provide the homes with tools needed to further evolve into modern long term care homes and pursue additional revenue sources. As the short term and long term challenges continue, various projects will be researched, reviewed and challenges met.

The efforts of the management team have resulted in rules for the homes, new and revised personnel plans, greatly improved labor relations, internal audits identifying problems and potential problems, updated methods of nursing staffing, improved fiscal management plus solutions to challenges in developing and implementing innovative programs needs at the homes.

The board and board staff act as representatives of the homes at federal, state, and local levels.

By being a single contact point and representative, we have secured federal reimbursement for capital renovations, increased public awareness and support of the homes mission and goals, enabled the homes to concentrate on improving quality of care and implementing new program ideas, and provided assistance to the homes in forming affiliations that improve services while reducing costs.

BUDGET ISSUES:

The board of directors does not provide support staff positions for its management team. The team operates and communicates as a management team extension of the homes. To reduce the size of the board staff would place undue burdens on the homes by requiring duplication of efforts.

The board committees are charged with solving challenges faced by all the homes in quality of care, rules, building and maintenance, long range planning, risk management, personnel issues, fiscal responsibility, and the homes continued improvement in long term care delivery.

The board and its committees are able to meet these challenges with the support of an integrated management team that is able to focus on the mission and the short and long term care goals of the homes.

EFFICIENCY MEASURES:

The board of directors is constantly reviewing the staff of the management team to ensure that the needs of the veterans are being met for both the short term and long range goals. The board reviews the homes' programs in light of the changing needs of the veterans. The management team assists the homes in implementing the changes.

The board of directors in deciding which positions were needed as part of a centralized management team sought the advice of the various regulatory agencies and also looked at each home to see which positions were needed, but were not cost effective to have staffed at a home level.

REVENUE:

This activity does not generate revenue.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: VETERANS HOMES
ACTIVITY: BOARD OF DIRECTORS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	328	364	428	422	435	421	422	454	439
EXPENSES/CONTRACTUAL SRVCS	27	206	53	56	56	56	56	56	56
MISC OPERATING EXPENSES	32	27	28	28	16	16	28	16	16
SUPPLIES/MATERIALS/PARTS	33	5	20	20	28	28	20	30	30
CAPITAL EQUIPMENT	6	5							
SUBTOTAL STATE OPERATIONS	426	607	529	526	535	521	526	556	541
TOTAL EXPENDITURES	426	607	529	526	535	521	526	556	541
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<14>			<15>
TOTAL GOV'S INITIATIVES						<14>			<15>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	426	607	529	526	535	521	526	556	541
TOTAL FINANCING	426	607	529	526	535	521	526	556	541
POSITIONS BY FUND:									
GENERAL	8.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
TOTAL POSITIONS	8.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0

PROGRAM: Designated Contributions
AGENCY: Veterans Affairs - Veterans Homes, Department of

PROGRAM PURPOSE:

The agency, under M.S. 198.161, is authorized to accept gifts, donations, and trusts to be used for the benefit of the residents.

Funds received are deposited into the State Treasury and expended through statewide accounting in accordance with the intent of the donor. These donations provide funding for recreational and rehabilitational programs without increasing the taxpayer's burden.

Volunteers, especially family members of residents, provide invaluable assistance to the homes in reducing the staffing demands during recreational outings.

PROGRAM PLAN:

The agency will continue to solicit, receive and expend funds within the purposes stated by the donor.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: DESIGNATED CONTRIBUTIONS

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
DESIGNATED CONTRIB - MPLS	133	73	125	125	125	125	125	125	125
DESIGNATED CONTRIB - HASTNG	67	74	150	150	150	150	150	150	150
DESIGNATED CONTRIB - SILVER BAY		36	70	70	70	70	70	70	70
DESIGNATED CONTRIB - LUVERNE			1	1	1	1	1	1	1
ACTIVITIES DONATIONS-BOARD	4		59	59	59	59	59	59	59
TOTAL EXPENDITURES BY ACTIVITY	204	183	405	405	405	405	405	405	405
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
GIFTS AND DEPOSITS	204	183	405	405	405	405	405	405	405
TOTAL FINANCING	204	183	405	405	405	405	405	405	405
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

PROGRAM: Dedicated Resources
AGENCY: Veterans Affairs - Veterans Homes, Department of

PROGRAM PURPOSE:

The agency, under M.S. 198.003, subdivision 3, is authorized to lease space that is either surplus to the home's needs or is not suitable for health care.

The agency, under M.S. 198.265, is authorized to accept money from residents for safekeeping purposes. These funds must be returned to the resident on demand.

PROSPECTS:

Funds received by each for the lease of space are used to reduce the cost of maintaining that space to the General Fund.

Interest earned on resident accounts is used to fund various rehabilitation activities for our residents.

PROGRAM PLAN:

The agency will continue to lease or rent space, surplus or unsuitable to its needs, thereby generating income which is used to maintain the condition of the building, to make minor repairs and improvements, to ensure there is no cost to the General Fund.

The agency will continue to accept residents' funds for safekeeping purposes and to utilize the interest earnings for rehabilitation and recreational activities that enhance the quality of life of our residents.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VET AFFRS-NURS HOMES
PROGRAM: DEDICATED RESOURCES

				FY 1994			FY 1995		
ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
DEDICATED RESOURCES - MPLS	673	730	676	676	676	676	676	676	676
DEDICATED RESOURCES - HAST	283	666	538	538	538	538	538	538	538
DEDICATED RESOURCES - SILVER BAY		3	36	36	36	36	36	36	36
TOTAL EXPENDITURES BY ACTIVITY	956	1,399	1,250	1,250	1,250	1,250	1,250	1,250	1,250
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	165	539	367	367	367	367	367	367	367
AGENCY	791	860	883	883	883	883	883	883	883
TOTAL FINANCING	956	1,399	1,250	1,250	1,250	1,250	1,250	1,250	1,250
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Chiropractic Examiners, Board of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$305	$305	$610
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$305	$305	$610
Inflation Cost Increase	11	21	32
Agency Management Decisions			
Agency Operations:			
Hold position vacant	$(11)	$(21)	$(32)
TOTAL AGENCY PLAN	$305	$305	$610
Governor's Initiative			
Salary Planning Estimates	$(6)	$(6)	$(12)
Health Bds. Admin. Support Unit	63	63	126
Subtotal	$57	$57	$114
GOVERNOR'S RECOMMENDATION	$362	$362	$724

Brief Explanation of Agency's Overall Actions:
One position will be left vacant. This vacancy will increase the time taken by the MBCE to adopt rules and develop the licensing examination. The increased demands on other staff members will reduce the speed with which they can complete their job duties. It is not anticipated that a reduction in services will occur.

The MBCE will need to raise fees collected from licensees and other individuals or groups which use the MBCE as a resource of information or services in order to cover increased attorney general and statewide indirect costs.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions left Vacant or Eliminated	1.0	1.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$91	$91	$182
Governor's Initiatives			
Health Bds. Admin. Support Unit	63	63	126
Governor's Recommendation	$154	$154	$308

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan, however, the proposed funding has been reduced due to revised salary planning estimates.

In addition, the Governor recommends a biennial increase of $126,000 and 1.5 positions to redesign the delivery of administrative support services to the 12 health-related licensing boards. The Board of Chiropractic Examiners will provide office space and joint supervision for the administrative support unit. The health-related licensing boards will increase fees to cover the cost of this initiative.

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: CHIROPRACTIC, BOARD OF

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(A) SALARY PLANNING ESTIMATES	SGS	<6>	<6>	<12>			
(B) HEALTH BOARDS ADMINISTRATIVE SUPPORT	SGS	63	63	126	63	63	126
TOTAL BY FUND	SGS	57	57	114	63	63	126
TOTAL INVESTMENT INITIATIVES		57	57	114	63	63	126

AGENCY: Chiropractic Examiners, Board of

MISSION:

The mission of the Minnesota Board of Chiropractic Examiners (MBCE) is to protect the public interest by ensuring that all chiropractic practitioners meet the necessary qualifications and standards to competently practice their profession in Minnesota. The MBCE strives to achieve this mission by examining practitioners prior to licensure to ensure that they meet or exceed minimal competence, respond to complaints about chiropractors and enforce the laws governing the practice of chiropractic in Minnesota, establish continuing education requirements and monitor compliance with those requirements and monitoring existing statutes and administrative rules so that changes can be initiated or requested when those changes would serve to enhance the protection of the public interest.

MINNESOTA MILESTONES:

The MBCE's mission is related to the following Minnesota Milestone goal: Minnesotans will be healthy.

The MBCE supports this goal through the monitoring of competence of chiropractors in the state, the investigation of complaints against chiropractors, the monitoring of current regulations involving chiropractic to ensure that they are appropriate and the establishment of and investigation for compliance with infection control measures.

CLIMATE:

The current health care crisis will require the MBCE to remain responsive to changing demands on the health care delivery system, particularly the changes which require new emphasis on regulation of the chiropractic profession in Minnesota. The changed expectations of the chiropractors will demand efficient information distribution by the MBCE and effective enforcement of new public safeguards. The MBCE will be required to respond quickly and efficiently to new expectations with innovative solutions.

As society wrestles with epidemics, including HIV, the MBCE will be called upon by the public to ensure that protective standards and programs are established. The dramatic changes in both knowledge base and public opinion will require a high level of innovation. This area will create unexpected high priority demand on resources of the MBCE.

There has been an increase in the number of and complexity of complaints filed with the MBCE. This trend is expected to continue. With diminishing resources at it's disposal, the MBCE will need to explore not only new ways to make the complaint investigation process efficient but also innovative solutions which address areas in which complaints are generated.

The current trend of using funds from fee funded agencies to finance other agencies will require more frequent fee increases and may require that the MBCE reduces it's services in order to make funds available to other agencies.

OUTCOMES:

The last 2 years have seen 2 major areas of development take place in the interest of more effectively enhancing the public experience with chiropractic in Minnesota. The first area was increased communication with the chiropractic profession. Through increased communication the chiropractors are made more acutely aware of the publics concerns and expectations as well as being informed of regulatory initiatives to require response to the public needs. This communication was enhanced through the development of a quarterly newsletter and the increased availability of the executive director. The second area of activity is the promulgation of administrative rules. Rules are generated in response to large numbers of public complaints. The areas which were addressed by rule have shown a significant decrease in numbers of public complaints.

OBJECTIVES:

The MBCE plans to ensure that Minnesotan's have the best possible chance for a healthy life by:

1. Continuing to address areas which generate complaints through the promulgation of administrative rule. The goal is to reduce the number of public complaints in the areas of unnecessary services, unprofessional conduct, bulling and advertising.
2. Improve the quality of the licensing examination. The MBCE is working with a national testing group to develop a national standardized practical examination to replace the current MBCE generated examination.
3. Improve the efficiency of complaint investigation process. The cost of and response time for complaint investigations will be reduced.

REVENUE/COSTS:

This activity generates non-dedicated revenue in the state government special revenue fund. Fees are set to cover all direct appropriated and indirect costs.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Costs:					
Direct Costs	$251	$240	$305	$305	$305
Indirect Costs					
Statewide Indirect	12	23	24	25	25
Attorney General	56	45	80	120	120
Total Costs	$319	$308	$409	$450	$450
Non-Dedicated Revenue					
Current Fees	374	369	369	369	369
Proposed Fee Increase	-0-	-0-	-0-	91	91
Total Revenue	$374	$369	$369	$460	$460
Surplus or (Shortfall)	$55	$61	$(40)	$10	$10

AGENCY BUDGET PLAN:

The MBCE faces a challenge of $11,000 in F.Y. 1994 and $21,000 in F.Y. 1995, for a combined biennial challenge of $32,000. In order to address that challenge, 2 actions will be taken.

First, 1 position will be left vacant. This vacancy will increase the time taken by the MBCE to adopt rules and develop the licensing examination. The increased demands on other staff members will reduce the speed with which they can complete their job duties. It is not anticipated that a reduction in services will occur.

Second, the MBCE will need to raise fees collected from licensees and other individuals or groups which use the MBCE as a resource of information or services.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan, however, the proposed funding has been reduced due to revised salary planning estimates.

In addition, the Governor recommends a biennial increase of $126,000 and 1.5 positions to redesign the delivery of administrative support services to the 12 health-related licensing boards. The Board of Chiropractic Examiners will provide office space and joint supervision for the administrative support unit. The health-related licensing boards will increase fees to cover the cost of this initiative.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHIROPRACTIC, BOARD OF
PROGRAM: BD OF CHIROPRACTORS
ACTIVITY: BD OF CHIROPRACTORS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	174	174	201	201	201	250	201	204	253
EXPENSES/CONTRACTUAL SRVCS	53	33	63	63	63	67	63	60	64
MISC OPERATING EXPENSES	19	21	32	32	32	33	32	32	33
SUPPLIES/MATERIALS/PARTS	2	7	5	5	5	6	5	5	6
CAPITAL EQUIPMENT		2	1	1	1	3	1	1	3
OTHER	15	26	27	27	28	28	27	28	28
SUBTOTAL STATE OPERATIONS	263	263	329	329	330	387	329	330	387
TOTAL EXPENDITURES	263	263	329	329	330	387	329	330	387
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<6>			<6>
(B) HEALTH BOARDS ADMINISTRATIVE SUPPORT		SGS				63			63
TOTAL GOV'S INITIATIVES						57			57
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	251	240	305	305	305	362	305	305	362
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	12	23	24	24	25	25	24	25	25
TOTAL FINANCING	263	263	329	329	330	387	329	330	387
POSITIONS BY FUND:									
STATE GOVT SPEC REV	5.1	5.0	5.0	5.0	5.0	6.5	5.0	5.0	6.5

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHIROPRACTIC, BOARD OF
PROGRAM: BD OF CHIROPRACTORS
ACTIVITY: BD OF CHIROPRACTORS

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
TOTAL POSITIONS	5.1	5.0	5.0	5.0	5.0	6.5	5.0	5.0	6.5

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: CHIROPRACTIC, BOARD OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	329	329			329	329		
CURRENT SPENDING	329	329			329	329		
FORECAST ADJUSTMENTS								
OPEN APPROPRIATION ADJUSTMENT	1	1			1	1		
SUBTOTAL FORECAST ADJ.	1	1			1	1		
AGENCY BASE	330	330			330	330		

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Chiropractic Examiners, Board of
PROGRAM:
ACTIVITY:

ITEM TITLE: Health Boards Administrative Support Unit

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
State Gov't Spec Revenue Fund	$63	$63	$63	$63
Revenues: ($000s)				
State Gov't Spec Revenue Fund	$63	$63	$63	$63

Statutory Change? Yes X No ____
If yes, statute affected: M.S. 214

RECOMMENDATION:

The Governor recommends the consolidation of administrative support activities provided to the health-related licensing boards into a central administrative services unit. An appropriation of $63,000 per year from the State Government Special Revenue Fund to the Board of Chiropractic Examiners and 1.5 full time employees would provide budgeting, financial analysis, transaction processing, purchasing, and printing services to the 12 health-related licensing boards. M.S. Sect. 214, must be amended to change the administrative relationship between the boards and the Department of Health and to provide the boards with the authority to make transfers from their regular operating accounts to this new account.

RATIONALE:

Currently, financial and administrative services are accomplished by the boards in a variety of ways. The Department of Health provides many services. Some boards have been allowed to develop their own capacity to provide these services. State staff agencies (Finance, DOER, and Administration) spend inordinate amounts of time tending to small agency needs. By restructuring the delivery of services to the boards, accountability for Fund 17 account management and for use of services will be increased, service quality can be improved, users will more directly bear the cost of these services, General Fund costs can be reduced, and services can be more efficiently provided.

Based on a formula developed by the boards, the fee revenue necessary to cover the cost of this appropriation would be allocated as follows:

Board of Medical Practice	$20,078
Board of Nursing	$10,781
Board of Social Work	$3,843
Board of Pharmacy	$5,793
Board of Dentistry	$7,544
Board of Chiropractic Examiners	$3,770
Board of Psychology	$4,075
Board of Marriage and Family Therapy	$1,418
Board of Veterinary Medicine	$1,570
Board of Exam for Nursing Home Admin	$1,877
Board of Optometry	$1,181
Board of Podiatric Medicine	$ 578
	$62,508

PROGRAM OUTCOMES:

While most of the benefits from this program will improve internal operations, the most significant program outcome will be to provide management for the health board account within the State Government Special Revenue Fund (Fund 17). Currently, no one tracks all the activities in this account or is responsible for assuring that revenues and expenditures and costs are in balance. The agencies using this account should be held responsible for its management and solvency.

LONG-TERM IMPACT:

In the long-term, the boards will operate more efficiently and at less total cost. By consolidating and coordinating administrative support services, the boards can provide a model for how small agencies in state government can operate more efficiently and cooperatively.

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Dentistry, Board of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$598	$600	$1,198
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$598	$600	$1,198
Inflation Cost Increases	19	39	58
Agency Management Decisions			
Agency Operations:			
Salary Savings	$(19)	$(26)	$(45)
Printing & Out-State Travel	-0-	(13)	(13)
Infection Control Inspections	22	22	44
Assessment Technology	15	-0-	15
Fill Vacant Complaint Pos.	30	30	60
Subtotal	$48	$13	$61
TOTAL AGENCY PLAN	$665	$652	$1,317
Governor's Initiatives			
Salary Planning Estimate	$(14)	$(14)	$ (28)
GOVERNOR'S RECOMMENDATION	$651	$638	$1,289

Brief Explanation of Agency's Overall Actions:

In order to fund inflationary increases, the board will reduce part-time/seasonal staff during peak processing periods, reduce printing, and reduce out-state travel which will reduce participation in national dental licensing meetings and conferences.

In addition, the board requests $22,000 annually for infection control inspections to review dental office practices and procedures to ensure that the public is protected from dental office transmission of AIDS and hepatitis B viruses, $30,000 annually to fund a vacant position for complaint processing and disciplinary actions, and $15,000 in F.Y. 1994 for videodisc technology to help examine and assess licensees. The board will increase fees to cover all direct and indirect costs, including increased attorney general's services.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions left Vacant or Eliminated	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$127	$112	$239

4. Affected Statutes:

None.

5. Governor's Recommendation

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

AGENCY: Dentistry, Board of

MISSION:

The Minnesota Board of Dentistry is the primary state agency charged with protecting the public in the areas of dental care, dental services, and the practice of dentistry. Public protection is accomplished through competency standards maintained by examining, initially licensing and registering, and annually renewing dentists, dental hygienists, and registered dental assistants. Competency standards to protect the public are also maintained through establishment and enforcement of a Continuing Dental Education Program and a complaint and discipline process.

MINNESOTA MILESTONES:

The board's mission is related to the following Minnesota Milestones goal: Minnesotans will be healthy. The board supports this goal by assuring Minnesota citizens that their dental practitioners meet standards of competence and are qualified to practice in Minnesota.

CLIMATE:

A number of current trends will influence the role of the board in the near future. Greater awareness by the public of its health care needs and rights will cause the state's level of dental care to continue to increase. Commensurate with this increase in service and awareness of patient rights will be an increase in the number of patients dissatisfied with their health care service, including their dental care. This will drive more complaints for the board to handle and increase the cost of responding to the complaints.

Similarly, the advent of Health Right legislation will increase the access of Minnesotans to dental services. In turn, the board's role of ensuring Minnesotans that they receive proper dental service from competent providers will become even more important.

Additionally, increased public concern over the transmission of the AIDS and Hepatitis B viruses and the passage of legislation in 1992 will increase the board's role in ensuring that proper infection control practices are occurring in dental offices and in monitoring the viruses amongst dental providers.

OUTCOMES AND OBJECTIVES:

The major challenge of the next biennium will be to maintain base operations regarding licensing and continuing education while at the same time finding ways to reduce the complaint response time and its associated costs. Strategies for accomplishing these objectives include: a) using the board's Compliance Officer to respond immediately to complaints, rather than using the lengthier AG investigative process, b) using informational conferences and letter agreements to correct substandard care cases of a more minor nature, rather than using the longer and more expensive formal disciplinary process, and c) developing videodisc technology to test the competence of practitioners applying for licensure or subject to the disciplinary process.

PERFORMANCE INDICATORS:

	F.Y. 1990-91	F.Y. 1992-93	F.Y. 1994-95
Number of Dentists Licenses	3,930	4,095	4,185
Number of Hygienists Licenses	2,793	2,934	3,104
Number of Dental Assistants Registered	4,007	4,422	4,837
Number of Initial Licensure/Registrations	1,185	1,323	1,406
Number of Complaints	491	529	625
Number of Disciplinary Actions	53	48	48
Number of Licensure by Credential Denials	4	4	4
Number of Licenses Terminated for Failure to Meet Cont. Education Requirement	37	46	46

REVENUE/COSTS:

This activity generates non-dedicated revenue in the State Government Special Revenue Fund. Fees are set to recover all direct appropriated and indirect costs.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Direct Costs	$421	$429	$597	$665	$652
Indirect Costs:					
Statewide Indirect	18	28	29	31	31
Attorney General	145	275	240	300	300
Health Department	-0-	-0-	28	28	28
Total Costs	$584	$732	$894	$1,024	$1,011
Non-Dedicated Revenue:					
Current Fees	$583	$758	$868	$883	$913
Proposed Fee Increase	-0-	-0-	-0-	$127	$112
Total Revenue	$583	$758	$868	$1,010	$1,025
Surplus (shortfall)	$(1)	$26	$(26)	$(14)	$14

AGENCY BUDGET PLAN:

In order to fund inflationary increases of $19,000 in F.Y. 1994 and $39,000 in F.Y. 1995, the Board will reduce part time/seasonal staff, printing and out-state travel. The effect of these actions will be to maintain licensing, continuing education, and complaint discipline activities.

The board requests an additional $22,000 annually for infection control inspections to review dental office practices and procedures to ensure that the public is protected from dental office transmission of the AIDS and hepatitis B viruses, $30,000 annually to fund a vacant position for complaint processing and disciplinary actions, and $15,000 in F.Y. 1994 for videodisc technology to help examine and assess licensees.

The board will increase fees to cover increased operating costs and attorney general's costs.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DENTISTRY, BOARD OF
PROGRAM: BD OF DENTISTRY
ACTIVITY: BD OF DENTISTRY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	245	219	361	361	391	377	361	391	377
EXPENSES/CONTRACTUAL SRVCS	93	108	123	124	161	161	126	148	148
MISC OPERATING EXPENSES	49	76	80	80	80	80	80	80	80
SUPPLIES/MATERIALS/PARTS	9	9	12	12	12	12	12	12	12
CAPITAL EQUIPMENT	21	10	15	15	15	15	15	15	15
OTHER	22	35	35	35	37	37	35	37	37
SUBTOTAL STATE OPERATIONS	439	457	626	627	696	682	629	683	669
TOTAL EXPENDITURES	439	457	626	627	696	682	629	683	669
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<14>			<14>
TOTAL GOV'S INITIATIVES						<14>			<14>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	421	429	597	598	665	651	600	652	638
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	18	28	29	29	31	31	29	31	31
TOTAL FINANCING	439	457	626	627	696	682	629	683	669
POSITIONS BY FUND:									
STATE GOVT SPEC REV	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
TOTAL POSITIONS	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: DENTISTRY, BOARD OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	626	626			626	626		
TECHNICAL ADJUSTMENTS								
DOCUMENTED RENT/LEASE INC/DEC	1	3			1	3		
SUBTOTAL TECH. ADJ.	1	3			1	3		
CURRENT SPENDING	627	629			627	629		
FORECAST ADJUSTMENTS								
OPEN APPROPRIATION ADJUSTMENT	2	2			2	2		
SUBTOTAL FORECAST ADJ.	2	2			2	2		
AGENCY BASE	629	631			629	631		

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Marriage and Family Therapy, Board of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$94	$94	$188
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$94	$94	$188
Inflation Cost Increases	3	6	9
Agency Management Decisions			
Agency Operations:			
Miscellaneous Reductions	$(3)	$(6)	$(9)
TOTAL AGENCY PLAN	$94	$94	$188
Governor's Initiatives			
Salary Planning Estimates	$(2)	$(2)	$(4)
GOVERNOR'S RECOMMENDATION	$92	$92	$184

Brief Explanation of Agency's Overall Actions:

The board is an emerging board which already has absorbed most of the costs associated with its start-up functions. Monies associated with initial equipment costs involved in the start-up can now be shifted to the increasing operational functions and also cover the inflationary compensation costs. The board authorized a full-time executive director, but has filled the position successfully on a half-time basis for 2 years and will continue to do so.

If revenue from fees is not sufficient to cover direct and indirect costs, the board will reduce costs, rather than increase fees.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions left Vacant or Eliminated	0.0	0.0

4. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

AGENCY: Marriage and Family Therapy, Board of

MISSION:

The Board of Marriage and Family Therapy exists to provide a reasonable assurance to the public that licensed marriage and family therapists are competent professionals by enforcement of M.S. 148B. The board strives to achieve its mission by licensing properly educated and experienced personnel, enforcing a strong code of ethics and by requiring continuing education by its licensees.

MINNESOTA MILESTONES:

The board's mission is related to the following Minnesota Milestone goal: "Minnesotans will be healthy." The board supports this goal by insuring that certain mental health professionals meet standards of competence as specified in law.

CLIMATE:

The board began licensing in 1989 through a grandparenting process. Permanent rules were finalized in 1991 and most of the people who may be licensed under those rules are now completing their graduate education and obtaining the required 2 years of post-degree supervised experience. Over 800 copies of the licensure rules have been requested by the public so licensure requests should begin to pick up in F.Y. 1994-95. Changes in the psychology licensure law can also be expected to cause an increase in the numbers seeking marriage and family therapy licensure.

OUTCOMES AND OBJECTIVES:

This new board has established standards for licensure both in terms of graduate education and experience. A code of ethics and procedures for enforcing it have been established. Continuing education standards and enforcement procedures are now in place.

Between 7-1-93 and 6-30-95, the board will strive to achieve the following objectives: 1) to act on all complete licensure applications within 45 days, 2) to process and act on 80% of all complaints within 6 months, and 3) to increase by 15% the number of clinically-oriented continuing education programs available to licensees dealing with violence and cultural diversity.

PERFORMANCE INDICATORS/EFFECTIVENESS MEASURES:

In that this is a new licensing board, historical performance data is very limited and probably not sufficient to be yet reliable. The objectives listed above are measurable performance indicators which should be obtainable by the end of F.Y. 1994. If that occurs, the board will strive to reduce the time period for handling complaints by yet another month.

REVENUE/COSTS:

This activity generates non-dedicated revenue in the State Government Special Revenue Fund. Fees are set to cover all direct and indirect costs.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Appropriation/Cancellation	$66	$78	$94	$94	$94
Indirect Costs					
Statewide Indirect	5	1	1	1	1
Attorney General	13	7	6	6	6
Total Costs	$84	$86	$101	$101	$101
Revenue					
Non-dedicated	$80	$92	$101	$101	$101
Surplus	$(4)	$6	$-0-	$-0-	$-0-

AGENCY BUDGET PLAN:

This agency should be able to function smoothly and meet its mandated objectives in F.Y. 1994-95 despite inflation and budget constraints. This new board has a history of limiting disbursement to fall within actual revenues. This is accomplished in some part due to the fact that almost 90% of revenue is from license renewal fees and that amount is accounted for at the middle of each fiscal year. The second factor that helps to ensure budget balance is that as a new board much revenue has been directed to initial start-up costs which do not reoccur on an annual basis. During F.Y. 1994-95, those funds can be redirected toward on-going operational efforts which are increasing in the areas of licensure and discipline.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: MARR & FAM THER, BOARD OF
PROGRAM: BD_OF_MARRIAGE & FAM THERAPY
ACTIVITY: BD_OF_MARRIAGE & FAM THERAPY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES		54	61	61	61	59	61	61	59
EXPENSES/CONTRACTUAL SRVCS		9	14	14	14	14	14	14	14
MISC OPERATING EXPENSES		11	12	12	12	12	12	12	12
SUPPLIES/MATERIALS/PARTS		3	1	1	1	1	1	1	1
CAPITAL EQUIPMENT			5	5	5	5	5	5	5
OTHER	1	2	2	2	2	2	2	2	2
SUBTOTAL STATE OPERATIONS	1	79	95	95	95	93	95	95	93
TOTAL EXPENDITURES	1	79	95	95	95	93	95	95	93
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<2>			<2>
TOTAL GOV'S INITIATIVES						<2>			<2>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV		78	94	94	94	92	94	94	92
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	1	1	1	1	1	1	1	1	1
TOTAL FINANCING	1	79	95	95	95	93	95	95	93
POSITIONS BY FUND:									
STATE GOVT SPEC REV	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL POSITIONS	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Medical Practice, Board of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$2,045	$2,045	$4,090
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$2,045	$2,045	$4,090
Inflation Cost Increase	72	145	217
Agency Management Decisions			
Agency Operations:			
Eliminate CME Seminar	$(56)	$(56)	$(112)
Reduce Data Processing	(16)	(76)	(91)
Reduce Prof/Tech	-0-	(13)	(13)
Subtotal	$(72)	$(145)	$(217)
TOTAL AGENCY PLAN	$2,045	$2,045	$4,090
Governor's Initiative			
Salary Planning Estimates	$(34)	$(35)	$(69)
GOVERNOR'S RECOMMENDATION	$2,011	$2,010	$4,021

Brief Explanation of Agency's Overall Actions:

The board plans to reduce its expenditures by eliminating Continuing Medical Education (CME) seminars and by using board staff rather than outside vendors for computer programming and chemical dependency monitoring.

In the previous biennium, funds were established for CME training workshops. The board will be providing education updates in its newsletter rather than holding training sessions around the state.

When the board converted from the Statewide Licensing Computer to its own system, computer programmers were hired through InterTech to write the code for the licensing portion of the system. The board plans to use staff rather than outside vendors to write the code for the remaining portions of the system.

Monitoring of physicians who are chemically dependent will be done by board staff during the next biennium rather than by an outside contractor.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
None.	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

The board may need to increase fees to cover potential surcharge for the operating expenses to the Office of Mental Health Practice. The board recommends that M.S., Sec. 148B.72 be amended so that the Office of Mental Health Practice be funded under an independent appropriation under the General Revenue Fund.

4. Affected Statutes:

M.S., Sec. 148B.72.

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates. The Governor also recommends a General Fund appropriation in the Health Department for the Office of Mental Health Practice.

AGENCY: Medical Practice, Board of

MISSION:

The mission of the board is to protect the public by ensuring that all physicians (M.D.), doctors of osteopathic medicine (D.O.), physical therapists (P.T.), physician assistants (P.A.), respiratory care practitioners (RCP) and medical corporations (M.C.) meet the necessary qualifications and standards to competently practice their profession in Minnesota. The board strives to achieve this mission by (1) licensing M.D. and D.O. applicants, and registering P.T., P.A., RCP, and M.C. applicants; (2) renewing annually licenses and registrations; (3) receiving and taking action on every complaint alleging a violation of statutes, investigating allegations, conducting hearings, taking disciplinary action as indicated, and enforcing board orders; (4) enforcing continuing medical education requirements.

MINNESOTA MILESTONES:

The board's mission is related to the following Minnesota Milestone goal: Minnesotans will be healthy.

The board supports this goal by assuring Minnesota citizens that their physician, doctor of osteopathy, physical therapist, physician assistant, respiratory care practitioner and medical corporation meets certain standards of competence, complies with Minnesota and federal regulations, and is qualified to practice in Minnesota.

CLIMATE:

A. After a short period of complaint stabilization, the total number of complaints increased by 20% in 1992. The number of complaints and the nature of those complaints continues to tax the ability of the board to protect the public by disposing of those complaints in a timely manner. The limited ability of the attorney general to investigate and provide legal services due to their budget constraints has further limited the board to carry out its mission.

B. The 1992 HIV/HBV legislation authorizes the board to write administrative rules governing infection control procedures in clinic and physician offices. Once the rule is promulgated, the board, in cooperation with the Department of Health, is authorized to do office/clinic site inspections.

OBJECTIVES AND OUTCOMES:

Total Complaints Received

F.Y. 1989	F.Y. 1990	F.Y.1991	F.Y.1992	F.Y.1993	F.Y.1994	F.Y.1995
1,044	1,089	1,061	1,217	1,512	1,708	1,930

Total Jurisdictional Complaints Reviewed by Discipline Committee

F.Y. 1989	F.Y. 1990	F.Y.1991	F.Y.1992	F.Y.1993	F.Y.1994	F.Y.1995
1,020	1,063	943	1,156	1,375	1,637	1,800

Number of Complaints Referred to Attorney General for Investigation

309	248	186	191	210	231	254

Total Discipline Committee Agenda Action Items

F.Y. 1989	F.Y. 1990	F.Y.1991	F.Y.1992	F.Y.1993	F.Y.1994	F.Y.1995
244	236	200	308	385	481	529

Total Board Orders

F.Y. 1989	F.Y. 1990	F.Y.1991	F.Y.1992	F.Y.1993	F.Y.1994	F.Y.1995
81	76	74	82	90	99	109

- Reduce the inventory of unresolved complaints.
- Shorten the time period between the date a physician is informed of an investigation commencing and the disposition of the complaint being investigated.
- Complete HIV/HBV rule and commence infection control inspections.

PERFORMANCE EFFICIENCY INDICATORS FOR OBJECTIVES

- Reduce the inventory of unresolved complaints.
  - Year end 1992 1,844 complaints
  - Year end 1993 1,800 complaints
  - Year end 1994 1,500 complaints
  - Year end 1995 1,200 complaints
- Shorten time period
  - Establish 1993 base line
  - 1994 reduce by 15%
  - 1995 reduce by another 15%
- Complete HIV/HBV rule
  - 1-1-94 Complete Administrative Rule
  - 7-1-94 Begin site inspections

AGENCY: Medical Practice, Board of
(Continuation)

REVENUE/COSTS:

This activity generates non-dedicated revenue in the State Government Special Revenue Fund. Fees are set to recover all direct and indirect costs. To cover the shortfall in revenue for the F.Y. 1994-95 biennium, the board will increase licensing fees.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Direct Costs	$2,043	$1,793	$2,045	$2,045	$2,045
Indirect Costs					
Statewide Indirect	40	40	45	45	45
Attorney General	357	716	850	980	1,000
Revenue Refund	3	4	3	3	3
HIV/Health Dept.			45	41	43
Total Costs	$2,443	$2,553	$2,988	$3,114	$3,136
Revenue:					
Non-dedicated	$2,189	$2,708	$3,112	$3,112	$3,112
Surplus/(Shortfall)	$(254)	$155	$124	$(2)	$(24)

AGENCY BUDGET PLAN:

The board plans to reduce its expenditures by eliminating Continuing Medical Education (CME) seminars and by using board staff rather than outside vendors for computer programming and chemical dependency monitoring.

In the previous biennium, funds were established for CME training workshops. The board will be providing education updates in its newsletter rather than holding training sessions around the state.

When the board converted from the Statewide Licensing Computer to its own system, computer programmers were hired through InterTech to write the code for the licensing portion of the system. The board plans to use staff rather than outside vendors to write the code for the remaining portions of the system.

Monitoring of physicians who are chemically dependent will be done by board staff during the next biennium rather than by an outside contractor.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: MEDICAL PRACTICE, BOARD OF
PROGRAM: BD_OF_MEDICAL_PRACTICE
ACTIVITY: BD_OF_MEDICAL_PRACTICE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,143	969	974	974	1,020	986	974	1,054	1,019
EXPENSES/CONTRACTUAL SRVCS	733	602	878	878	832	832	878	798	798
MISC OPERATING EXPENSES	105	135	133	133	133	133	133	133	133
SUPPLIES/MATERIALS/PARTS	22	39	25	25	25	25	25	25	25
CAPITAL EQUIPMENT	24	27	15	15	15	15	15	15	15
OTHER	56	61	65	65	65	65	65	65	65
SUBTOTAL STATE OPERATIONS	2,083	1,833	2,090	2,090	2,090	2,056	2,090	2,090	2,055
TOTAL EXPENDITURES	2,083	1,833	2,090	2,090	2,090	2,056	2,090	2,090	2,055
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<34>			<35>
TOTAL GOV'S INITIATIVES						<34>			<35>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	2,043	1,793	2,045	2,045	2,045	2,011	2,045	2,045	2,010
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	40	40	45	45	45	45	45	45	45
TOTAL FINANCING	2,083	1,833	2,090	2,090	2,090	2,056	2,090	2,090	2,055
POSITIONS BY FUND:									
STATE GOVT SPEC REV	23.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
TOTAL POSITIONS	23.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: MEDICAL PRACTICE, BOARD OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	2,090	2,090			2,090	2,090		
CURRENT SPENDING	2,090	2,090			2,090	2,090		
AGENCY BASE	2,090	2,090			2,090	2,090		

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1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Nursing, Board of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$1,501	$1,504	$3,005
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$1,501	$1,504	$3,005
Inflation Cost Increase	46	94	140
Agency Management Decisions			
Agency Operations:			
Miscellaneous Reduction	$(46)	$(94)	$(140)
TOTAL AGENCY PLAN	$1,501	$1,504	$3,005
Governor's Initiative			
Salary Planning Estimates	$(35)	$(35)	$(70)
GOVERNOR'S RECOMMENDATION	$1,466	$1,469	$2,935

Brief Explanation of Agency's Overall Actions:

The board will cover increases in salaries from savings in positions which are unfilled during a portion of each fiscal year. Inflation in other operations will be covered by limiting the computer programming necessary to correct or improve the licensure/registration system. If necessary, 1 of the 3 annual issues of the board newsletter will be eliminated.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
None.	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

AGENCY: Nursing, Board of

MISSION:

The Board of Nursing's mission is to provide public protection by ensuring that registered nurses and licensed practical nurses meet standards of education and practice through activities authorized in M.S. 148.171-148.285, 214, and 319A. The board strives to achieve this mission through the following activities:

- Testing applicants for licensure as a registered nurse (RN) or licensed practical nurse (LPN) and granting licenses to those who qualify;
- renewing registration of existing licensees;
- registering public health nurses who meet qualifications;
- authorizing nurse practitioners to prescribe drugs and therapeutic devices;
- receiving and taking action on complaints alleging a violation of statutes or rules enforced by the board;
- verifying licensure status of Minnesota licensees to other states and countries,
- approving nursing programs which prepare for licensure;
- registering nursing corporations;
- collecting a "voluntary surcharge" for a grant program administered by the Higher Education Coordinating Board (HECB); and
- developing and applying rules governing nursing practice.

MINNESOTA MILESTONES:

The board's mission is related to the following Minnesota Milestone goal: Minnesotans will be healthy.

The board supports this goal by assuring Minnesota citizens that registered nurses and licensed practical nurses meet certain standards of competence and state laws and are qualified to practice in Minnesota.

CLIMATE:

Licensure: The number of applicants and licensees continues to increase each year. In F.Y. 1992 the board issued 4,160 new licenses, renewed the registration of 71,851 nurses and registered 300 public health nurses.

Complaints: The number of complaints remains significant. In F.Y. 1992 the board received 632 written jurisdictional complaints. Currently, the board monitors about 400 nurses under an order and has another 250 open cases awaiting processing.

HIV/HBV: Efforts are underway to minimize the possibility of transmission of the HIV/HBV viruses between nurse and patient. The board is working with the Department of Health and other boards to develop infection control procedures and conduct inspections of practice sites.

OUTCOMES:

Licensure: Qualified applicants will be licensed and/or registered within 10 days following receipt of a complete application. The board expects to convert to computer adaptive testing during F.Y. 1994.

Complaints: The average length of time from receipt of a complaint to date of first action will be reduced by 10 days.

HIV/HBV: Transmission of the HIV/HBV virus from nurse to patient will not occur.

OBJECTIVES:

Licensure: The board will respond to the continually increasing number of applicants and licensees in an effective, timely manner.

Complaints: Nurses who are unsafe, incompetent or unethical will be removed from practice or have license encumbrances as soon as possible following submission of a complaint.

HIV/HBV: The board will disseminate standards of practice pertaining to infection control and inspect at least 10 practice sites per year.

EFFECTIVENESS MEASURES:

	F.Y. 1990-91	F.Y. 1992-93	F.Y. 1994-95
Licensure:			
New licenses granted	7,153	8,000	8,500
Registrations in effect	71,495	73,000	75,000
Complaints:			
Written jurisdictional complaints received	1,327	1,500	1,800
Disciplinary actions taken	265	300	350
HIV/HBV:			
Surveys conducted	-0-	-0-	10

REVENUE/COSTS:

This activity generates dedicated and non-dedicated revenue in the State Government Special Revenue Fund. Fees are set to recover all direct appropriated and indirect costs.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Revenues:					
Non-dedicated	$1,387	$1,584	$1,726	$1,754	$1,758
Dedicated	22	34	41	41	41
Federal Grants	136	64	-0-	-0-	-0-
Total Revenues	$1,545	$1,682	$1,767	$1,795	$1,799

AGENCY: Nursing, Board of
(Continuation)

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
COSTS:					
Direct appropriation	$1,019	$1,216	$1,498	$1,501	$1,504
Federal Grants	136	62	-0-	-0-	-0-
Voluntary Surcharge Transfer	12	40	37	37	37
Indirect Costs:					
Statewide	47	14	16	16	17
Attorney General	123	151	155	180	180
Health Dept.	-0-	-0-	61	59	61
Total	$1,337	$1,483	$1,767	$1,793	$1,799
Surplus/Shortfall	$208	$199	$-0-	$2	$-0-

AGENCY BUDGET PLAN:

The board will continue to operate its statutorily mandated programs, process disciplinary complaints in as efficient and effective a manner as possible and attempt to maintain the high level of public responsiveness utilizing the existing resources. The agency will not expand into additional areas of public information and assistance to employers of nurses relative to practice and reporting issues.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: NURSING, BOARD OF
PROGRAM: BD OF NURSING
ACTIVITY: BD OF NURSING

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	815	856	1,067	1,067	1,067	1,032	1,067	1,067	1,032
EXPENSES/CONTRACTUAL SRVCS	184	216	278	281	281	281	284	284	284
MISC OPERATING EXPENSES	121	139	125	125	125	125	125	125	125
SUPPLIES/MATERIALS/PARTS	11	49	9	9	9	9	9	9	9
CAPITAL EQUIPMENT	13	8	4	4	4	4	4	4	4
OTHER	46	24	31	31	31	31	31	32	32
SUBTOTAL STATE OPERATIONS	1,190	1,292	1,514	1,517	1,517	1,482	1,520	1,521	1,486
LOCAL ASSISTANCE	12								
TOTAL EXPENDITURES	1,202	1,292	1,514	1,517	1,517	1,482	1,520	1,521	1,486
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<35>			<35>
TOTAL GOV'S INITIATIVES						<35>			<35>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	1,019	1,216	1,498	1,501	1,501	1,466	1,504	1,504	1,469
STATUTORY APPROPRIATIONS:									
GENERAL	136	62							
STATE GOVT SPEC REV	47	14	16	16	16	16	16	17	17
TOTAL FINANCING	1,202	1,292	1,514	1,517	1,517	1,482	1,520	1,521	1,486

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: NURSING, BOARD OF
PROGRAM: BD OF NURSING
ACTIVITY: BD OF NURSING

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
STATE GOVT SPEC REV	21.5	26.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0
TOTAL POSITIONS	21.5	26.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: NURSING, BOARD OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	1,514	1,514			1,514	1,514		
TECHNICAL ADJUSTMENTS								
DOCUMENTED RENT/LEASE INC/DEC	3	6			3	6		
SUBTOTAL TECH. ADJ.	3	6			3	6		
CURRENT SPENDING	1,517	1,520			1,517	1,520		
FORECAST ADJUSTMENTS								
OPEN APPROPRIATION ADJUSTMENT		1				1		
SUBTOTAL FORECAST ADJ.		1				1		
AGENCY BASE	1,517	1,521			1,517	1,521		

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Nursing Home Administrator Examining Board

Fund: State Government Special Revenue Fund

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$171	$171	$342
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$171	$171	$342
Inflation Cost Increases	6	13	19
Agency Management Decisions			
Agency Operations:			
Employ Staff Lower Salary	($6)	($6)	($12)
Reduce - Prof/Tech Service	-0-	(4)	(4)
Reduce Equipment	-0-	(3)	(3)
Subtotal	$ (6)	$(13)	$(19)
TOTAL AGENCY PLAN	$171	$171	$342
Governor's Initiatives			
Salary Planning Estimates	$ (3)	$ (4)	$ (7)
GOVERNOR'S RECOMMENDATION	$168	$167	$335

Brief Explanation of Agency's Overall Actions:

In order to cover inflationary increases from within base funding levels, the board will employ staff at a lower salary, reduce professional and technical services which includes such activities as educational, advisory and consulting services, contracts including expert witnesses and program developers, and reduce computer/printer purchases.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions left Vacant or Eliminated	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

AGENCY: Nursing Home Administrator Examining Board

MISSION:

The Nursing Home Administrator Examining Board exists to protect the public, particularly the infirm aged public, from unsatisfactory care, vulnerable abuse and other needed supporting services and to provide a reasonable assurance that licensed administrators are suitably qualified to fulfill their professional and administrative responsibilities in the practice of nursing home administration. The board strives to fulfill this mission by enforcing the Board of Examiners for Administrators Act M.S. 144A.19-144A.29 and by Board Rules Chapter 6400.

In order to meet the above stated mission objectives for F.Y. 1994 and F.Y. 1995 the board will:

- Provide specific information to potential licensure applicants on licensure requirements and standards and consultation to same;
- conduct licensure examinations;
- license successful applicants;
- relicense existing licensees;
- evaluate and approve continuing educational offerings for licensees;
- investigate complaints against licensees;
- assist in providing training and consultation to administrators and other health professionals; and
- cooperate with other regulatory boards and agencies in evaluating and improving services so that Minnesotans may have the best possible chance for a happy and satisfying life.

MINNESOTA MILESTONES:

The Nursing Home Administrator Examining Board supports the Minnesota Milestone's goal that "Minnesotans will be healthy." The board supports this goal by:

1. The examination of candidates for licensure so that only suitably qualified individuals will be licensed to serve as administrators in nursing homes.
2. Approving continuing education offerings that serve to update and improve the knowledge, skills and competency of licensed administrators in Minnesota.
3. Investigate all complaints, provide information and consultation and/or mandate compliance with regulations so that residents are cared for in an appropriate manner to meet their specific needs.
4. Hold educational or disciplinary conferences so that administrators function as required or needed in the provision of care and services to residents of the facility.
5. Promulgate rules relating to administrator functions and standards as changes may demand.

CLIMATE:

The Nursing Home Administrator Examining Board will basically continue, in the upcoming biennium, to function as it has in the recent past and with the same staff complement. The potential does exist for having more complaints referred to it for investigation by the Department of Health because of recent federal regulations. However, to counteract this potential, special emphasis will be directed by specific educational programs to administrators on this topic. The board's intent is to handle these to the extent possible without incurring significant additional attorney general costs.

Some increases in the number of licensure applicants, continuing education seminars for approval and examinations to be administered are anticipated.

Plans are in process to computerize the procedures for the relicensure of administrators. This will free up staff time as well as improve record accuracy.

OUTCOMES:

	Actual F.Y. 1992	Estimate F.Y. 1993	Estimate F.Y. 1994	Estimate F.Y. 1995
Applications processed	90	100	110	125
Complaints addressed	110	125	140	150
Educational offerings reviewed	425	475	500	550
Exams administered	146	160	175	185
Licenses issued	904	930	950	960

OBJECTIVES:

Being acutely aware of the constantly increasing demands placed upon administrators by new federal and state requirements in the provision of quality patient care, the board will monitor more closely these developments and what changes may be required in licensure standards and regulations. One or more academic courses may need to be required that address shortcomings that develop or specific continuing education courses for licensure renewal may be required in order to address specific problems and improve administrator knowledge and competency. A specific objective for the biennium is an attempt to reduce the number of valid complaints received by the board concerning provision of satisfactory patient care. This objective would be accomplished by conducting or causing to be conducted educational seminars to licensees in the major areas of complaints received by the board.

REVENUES/COSTS:

This activity generates non-dedicated revenue in the State Government Special Revenue Fund. Fees are set to recover all direct appropriated and indirect costs.

AGENCY: Nursing Home Administrator Examining Board
(Continuation)

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Costs:					
Appropriation/Cancellation	$141	$138	$175	$171	$171
SW Indirect costs	6	1	1	1	1
Attorney general costs	20	12	10	10	10
Total costs:	$167	$151	$186	$182	$182
Revenue:					
Non-Dedicated Special Revenue	$162	$150	$190	$185	$185
Difference	$(5)	$(1)	$4	$3	$3

AGENCY BUDGET PLAN:

The F.Y. 1993 base included a severance payment which will not be needed in F.Y. 1994-95. In order to fund inflationary increases which are estimated at $6,000 in F.Y. 1994 and $13,000 in F.Y. 1995, the board will employ new staff at lower salary levels, reduce professional and technical services and reduce equipment purchases.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: NURSING HOME ADM, BOARD OF
PROGRAM: BD OF NURSING HOME ADMIN
ACTIVITY: BD_OF_NURSING HOME ADMIN

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	105	106	131	109	111	108	109	116	112
EXPENSES/CONTRACTUAL SRVCS	20	26	33	33	32	32	33	29	29
MISC OPERATING EXPENSES	12	13	20	20	19	19	20	17	17
SUPPLIES/MATERIALS/PARTS	2	2	2	2	2	2	2	2	2
CAPITAL EQUIPMENT			5	5	5	5	5	5	5
OTHER	8	3	3	3	3	3	3	3	3
SUBTOTAL STATE OPERATIONS	147	150	194	172	172	169	172	172	168
TOTAL EXPENDITURES	147	150	194	172	172	169	172	172	168
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<3>			<4>
TOTAL GOV'S INITIATIVES						<3>			<4>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	141	149	193	171	171	168	171	171	167
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	6	1	1	1	1	1	1	1	1
TOTAL FINANCING	147	150	194	172	172	169	172	172	168
POSITIONS BY FUND:									
STATE GOVT SPEC REV	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL POSITIONS	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: NURSING HOME ADM, BOARD OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	194	194			194	194		
TECHNICAL ADJUSTMENTS								
NON-RECURRING EXPENDITURES	<22>	<22>			<22>	<22>		
SUBTOTAL TECH. ADJ.	<22>	<22>			<22>	<22>		
CURRENT SPENDING	172	172			172	172		
AGENCY BASE	172	172			172	172		

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Optometry, Board of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$71	$72	$143
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$71	$72	$143
Inflation Cost Increases	2	5	7
Agency Management Decisions			
Agency Operations:			
Limit Outstate Travel	$(2)	$(3)	$(5)
Prof/Tech Services	–	(2)	(2)
Subtotal	$(2)	$(5)	$(7)
TOTAL AGENCY PLAN	$71	$72	$143
Governor's Initiatives			
Salary Planning Estimates	$(1)	$(1)	$(2)
GOVERNOR'S RECOMMENDATION	$70	$71	$141

Brief Explanation of Agency's Overall Actions:

The Board of Optometry will decrease the number of members attending national meetings outside of the state.

The board will use less professional consulting services to review and revise the administration of state board examinations, and limit use of temporary/seasonal employees during peak periods of Board activity.

The board will increase fees to recover all direct and indirect costs.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
None.	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$11	$11	$22

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

AGENCY: Optometry, Board of

MISSION:

The Board of Optometry serves to protect the residents of the state of Minnesota 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).

The board, in an effort to achieve this mission, closely reviews all applications for licensure, administers an examination to test competency of qualified applicants, monitors continuing education, and processes consumer complaints.

MINNESOTA MILESTONES:

The Board of Optometry's mission supports the Minnesota Milestone goal: "Minnesotans will be healthy."

In meeting this goal, the Optometry Board will assure citizens that the licensed optometrist providing their primary eye care is qualified to practice optometry, and meets the standard of competency required in the state of Minnesota.

CLIMATE:

Factors that influence program policy for the Board of Optometry include:
- Changes to the Optometric Practice Act
- Availability of an expanded National Examination
- Increasing number of consumer inquiries and complaints

OUTCOMES AND OBJECTIVES:

The results of the board administered examination, along with pre-requisites for examination show that competent individuals are being licensed by the state of Minnesota to provide high quality primary eye care to the public.

It is an objective of the Board of Optometry to fully implement the newly expanded examination administered by the National Board of Examiners in Optometry. In doing so, the board will be providing to the state of Minnesota optometric professionals meeting the highest possible level of knowledge and skill.

PERFORMANCE INDICATORS/EFFECTIVENESS MEASURES:

	Actual F.Y. 1991	Actual F.Y. 1992	Estimated F.Y. 1993
Examination Applicants	64	41	30
Licenses Granted by Examination	50	37	25
Reciprocity Applicants	4	-0-	-0-
Licenses Granted by Reciprocity	2	2	-0-
Licenses Renewed (Dec. 31)	762	767	765
Licenses Voluntarily Dropped	9	31	24
Continuing Education Programs Reviewed	113	107	110
Telephone Inquiries (not resulting in complaint filed	166	175 (estimates)	180
Complaints Processed	8	9	10

REVENUE/COST:

This activity generates non-dedicated revenue in the State Government Special Revenue Fund. Fees are set to recover all direct appropriated and indirect costs.

	Dollars in Thousands				
	Actual F.Y. 1991	Actual F.Y. 1992	Estimated F.Y. 1993	Estimated F.Y. 1994	Estimated F.Y. 1995
Direct Costs	$65	$66	$71	$71	$72
Indirect Costs					
Statewide Indirect	4	1	10	5	5
Attorney General	5	9	7	7	8
Total Costs	$74	$76	$88	$83	$85
Non-Dedicated Revenue:					
Current Fees	$79	$77	$78	$78	$79
Proposed Fee Increase	-	-	-	11	11
Total Revenue	$79	$72	$78	$89	$90
Surplus/Shortfall	$5	$1	$(10)	$(6)	$(5)

The board will increase its fees to recover all direct and indirect costs.

AGENCY BUDGET PLAN:

In order that the Board of Optometry continue providing high quality service to the citizens of the state of Minnesota, slight adjustments need to be made.

The Optometry Board will need to reduce board member participation at national level programs, yet keep abreast of the ever changing requirements for the practice of optometry. The board office will need to limit the use of professional consultant services and temporary/seasonal employees, but continue to provide adequate service to consumers and licensees.

Even without initiation of new programs and services provided by the Board of Optometry, operation within the current base level funding will take a great deal of strategy and imagination.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: OPTOMETRY, BOARD OF
PROGRAM: BD OF OPTOMETRY
ACTIVITY: BD OF OPTOMETRY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	44	45	48	48	48	47	48	48	47
EXPENSES/CONTRACTUAL SRVCS	10	9	12	12	12	12	13	13	13
MISC OPERATING EXPENSES	8	11	8	8	8	8	8	8	8
SUPPLIES/MATERIALS/PARTS			2	2	2	2	2	2	2
CAPITAL EQUIPMENT	2								
OTHER	5	2	11	11	6	6	11	6	6
SUBTOTAL STATE OPERATIONS	69	67	81	81	76	75	82	77	76
TOTAL EXPENDITURES	69	67	81	81	76	75	82	77	76
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<1>			<1>
TOTAL GOV'S INITIATIVES						<1>			<1>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	65	66	71	71	71	70	72	72	71
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	4	1	10	10	5	5	10	5	5
TOTAL FINANCING	69	67	81	81	76	75	82	77	76
POSITIONS BY FUND:									
STATE GOVT SPEC REV	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
TOTAL POSITIONS	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: OPTOMETRY, BOARD OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	81	81			81	81		
TECHNICAL ADJUSTMENTS								
DOCUMENTED RENT/LEASE INC/DEC		1				1		
SUBTOTAL TECH. ADJ.		1				1		
CURRENT SPENDING	81	82			81	82		
FORECAST ADJUSTMENTS								
OPEN APPROPRIATION ADJUSTMENT	<5>	<5>			<5>	<5>		
SUBTOTAL FORECAST ADJ.	<5>	<5>			<5>	<5>		
AGENCY BASE	76	77			76	77		

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Pharmacy, Board of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$600	$602	$1,202
Forecast Adjustments	0-	-0-	-0-
AGENCY BASE	$600	$602	$1,202
Inflation Cost Increases	21	42	63
Agency Management Decisions			
Agency Operations:			
Supplies and Equipment	$(8)	$(12)	$(20)
Professional/Technical Svs.	(4)	(4)	(8)
Travel Out-State	(5)	(7)	(12)
Travel In-State	(4)	(7)	(11)
Printing	-	(9)	(9)
Dues	-	(1)	(1)
Per Diem	-	(2)	(2)
Subtotal	$(21)	$(42)	$(63)
TOTAL AGENCY PLAN	$600	$602	$1,202
Governor's Initiatives:			
Salary Planning Estimates	$(13)	$(14)	$(27)
GOVERNOR'S RECOMMENDATION	$587	$588	$1,175

Brief Explanation of Agency's Overall Actions:

The Board of Pharmacy will meet its "challenge" for F.Y. 1994 through reductions in the purchase of supplies and equipment, through the postponing of rule making and the associated hearings costs, through curtailing participation in district meetings of the boards of pharmacy and colleges of pharmacy in the 5-state area, and through restricting inspections and complaint investigations that require travel expenses.

In F.Y. 1995, these restrictions will be increased and, in addition, fewer disciplinary hearings will be held, savings per diem and travel expenses for board members.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
None.	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

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AGENCY: Social Work, Board of

MISSION:

The Minnesota Board of Social Work's mission is to protect the public with respect to the practice of social work by ensuring that all licensed social workers meet the necessary qualifications and standards to practice social work in a safe, competent, and ethical manner.

The board strives to fulfill its mission by various activities that are defined in M.S. Sec. 148B.01 to 148B.28, including maintaining initial licensure requirements, enforcing continuing licensure requirements of supervision and continuing education, investigating complaints, and educating the public about proper and ethical social work practice.

MINNESOTA MILESTONES:

The work of the Minnesota Board of Social Work supports the Minnesota Milestone goal that our communities will be safe, friendly and caring. The board's work advances the specific goal that Minnesotans will be healthy by the following:

- ensuring that candidates for licensure meet the necessary education and supervision requirements, and that qualified candidates pass the board's examination;
- ensuring that licensees comply with the requirements for maintaining licensure, such as supervision, if applicable, and continuing education, as verified by a biennial licensure renewal process;
- investigating and processing all complaints against licensees in an efficient and expedient manner and, if applicable, publicize any disciplinary action to inform the public and licensees of improper social work practice;
- educating the public about both the complaint process and appropriate social work practices; and
- revising the board's rules and seeking legislative changes as needed to advance the board's mission of protecting the public.

CLIMATE:

The Minnesota Board of Social Work has been operating as an independent agency only since 7-1-91. It has had to continue to create new systems and policies and train its personnel while servicing the public and its licensees who expect the board to operate at a level which is consistent with its age of existence, as the board was created by the legislature in 1987. Although the board expects to be in a position to provide efficient and prompt services by the beginning of F.Y. 1994, the following dynamics may continue to affect the board's future program operations:

- *Complaints* - The board has received approximately 350 complaints since its establishment in 1987. As the public has become more aware of the board's existence and its functions, the number of complaints filed has increased. This increase has occurred even though the board has not been able to publicize the complaint process to the extent envisioned by the board's statutory directives. The board receives approximately 10 complaints per month, and it expects that the rate of complaints will increase. The board is concerned that this expected increase will not be able to be managed by current staff and will prohibit the board from fulfilling its mission of protecting the public and its goal of responding to complaints in an efficient and expedient manner.

- *Licensing* - The board has licensed approximately 9,900 social workers since 1987. Of this total, approximately 10% have terminated their licenses, chosen to have their licenses placed on inactive status, or have allowed their licenses to expire because of failure to comply with the licensure renewal requirements. Many of the voluntary terminations and expirations are persons who no longer practice social work or who practice in an exempt setting.

  The number of persons applying for licensure by examination increased in F.Y. 1991, 323% over F.Y. 1990 and in F.Y. 1992 it increased 13% over F.Y. 1991. The expectation is that the number of initial applicants for licensure will continue to increase, but at a decreasing rate.

  These 2 variables regarding the numbers of current licensees make it difficult to predict the workload over the next biennium. The board is not able to make accurate predictions until the board reaches a position of stability.

- The board is now completing the upgrading of its original computer database system. It is expected that this database will enable the board to operate more efficiently and expediently. Until the system is completed and implemented fully, however, it is not possible to predict the full impact which the upgrade will have on the board's operations.

- The board has completed the initial renewal of all grandparented licensees, and it has converted to a birth-month licensure renewal process. The board expects that the complexity of the issues will lessen and the average time spent processing each renewal application will decrease. If this expectation is inaccurate, then the processing of renewal applications may not be able to be managed by current staff.

OUTCOMES:

The board has licensed approximately 9,900 social workers since the board was established in 1987.

The board has been operating as an independent agency since 7-1-91, with a significant increase in its efficiency.

The board has completed the first licensure renewal for all grandparented licensees and has converted to a birth-month renewal process. The board processes approximately 200 licensure renewals per month and will be processing approximately 400 licensure renewals per month beginning January 1993.

The board has received approximately 350 complaints. The board has successfully closed approximately 225 complaints, and the remaining 125 complaints are being investigated. The board has revoked 1 license.

The board has granted approval for approximately 1,900 continuing education programs.

OBJECTIVES:

To complete the implementation of a functional database for complaint processing and licensure compliance tracking before the end of F.Y. 1994 to ensure the public is served in a more effective manner.

To develop and clarify the rules governing social workers by the end of F.Y. 1994 to ensure that the requirements are designed to protect the public and are clear to licensees.

To process all initial licensure and licensure renewal applications within stated deadlines.

AGENCY: Social Work, Board of
(Continuation)

PERFORMANCE INDICATORS:

Applications for licensure renewal will be processed within 30 days of receipt by the end of F.Y. 1994.

The upgrade to the board's database will be implemented fully by the end of F.Y. 1994.

The length of time for the processing of complaints will be reduced in half by the end of F.Y. 1995.

REVENUE/COSTS:

This activity generates non-dedicated revenue in the State Government Special Revenue Fund. Fees are set to recover all direct appropriated and indirect costs.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Direct Costs	$158	$431	$438	$438	$438
Indirect Costs					
Statewide Indirect	5	4	4	5	5
Attorney General	26	45	50	50	57
Total Costs	$189	$480	$492	$493	$500
Revenue:					
Non-Dedicated	$317	$579	$449	$510	$500
Surplus/(Shortfall)	$128	$99	$(43)	$17	$-0-

AGENCY BUDGET PLAN:

The implementation of the upgrade to the board's database will enable the board to operate more efficiently and expediently. The cost of the upgrade will be absorbed in the F.Y. 1993 budget. The funds expended in F.Y. 1993 for this upgrade will be available to offset expected increases in salaries and rent for F.Y. 1994-95.

The board is not able to allocate funds from its base level budget to support the hiring of additional personnel to manage its increasing complaint load and is concerned about its ability to process and investigate complaints.

Because of the large number of persons who have chosen either to terminate voluntarily or to allow their licenses to expire, the board may need to raise its fees to cover its costs in F.Y. 1994-95.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: SOCIAL WORK, BOARD OF
PROGRAM: BD OF SOCIAL WORK
ACTIVITY: BD OF SOCIAL WORK

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	96	308	317	317	326	316	317	337	327
EXPENSES/CONTRACTUAL SRVCS	20	74	75	75	68	68	75	57	57
MISC OPERATING EXPENSES	36	42	37	37	37	37	37	37	37
SUPPLIES/MATERIALS/PARTS	2	8	5	5	3	3	5	3	3
CAPITAL EQUIPMENT	3	7							
OTHER	6	8	8	8	9	9	8	9	9
SUBTOTAL STATE OPERATIONS	163	447	442	442	443	433	442	443	433
TOTAL EXPENDITURES	163	447	442	442	443	433	442	443	433
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<10>			<10>
TOTAL GOV'S INITIATIVES						<10>			<10>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	158	443	438	438	438	428	438	438	428
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	5	4	4	4	5	5	4	5	5
TOTAL FINANCING	163	447	442	442	443	433	442	443	433
POSITIONS BY FUND:									
STATE GOVT SPEC REV	10.0	8.0	9.8	9.8	9.8	9.8	9.8	9.8	9.8
TOTAL POSITIONS	10.0	8.0	9.8	9.8	9.8	9.8	9.8	9.8	9.8

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: SOCIAL WORK, BOARD OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	442	442			442	442		
CURRENT SPENDING	442	442			442	442		
FORECAST ADJUSTMENTS								
OPEN APPROPRIATION ADJUSTMENT	1	1			1	1		
SUBTOTAL FORECAST ADJ.	1	1			1	1		
AGENCY BASE	443	443			443	443		

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AGENCY: Social Work and Mental Health, Boards of

STATEMENT:

The budget for the Office of Social Work and Mental Health Boards includes historical expenditure data only. As a result of legislative changes made during the 1991 legislative session, the Office of Social Work and Mental Health Boards was dissolved, and the Board of Unlicensed Mental Health Service Practitioners was allowed to sunset. The Office of Mental Health Practice was created in the Department of Health, and the powers and duties of the Board of Unlicensed Mental Health Service Providers were transferred to the Commissioner of Health effective 7-1-91. The Board of Social Work and the Board of Marriage and Family Therapists were designated as autonomous entities and appropriated resources for administrative and programmatic purposes effective 7-1-91.

AGENCY: Pharmacy, Board of

MISSION:

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 statues. The board strives to fulfill its mission through a combination of regulatory activity, technical consultation, and support for pharmacy practice, through the issuance of advisories on pharmacy issues and through education of pharmacy practitioners.

In order to meet our objectives for F.Y. 1994 and F.Y. 1995, 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) renewing licenses of existing licensees; 4) reviewing CE participation of licensees; 5) licensing and inspecting pharmacies, drug wholesalers, drug manufacturers, medical gas distributors, and controlled substance researchers; 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. The board sets fees to ensure recovery of the costs of its operations.

MINNESOTA MILESTONES:

The Minnesota Board of Pharmacy supports the Minnesota Milestone's goal that "Minnesotans will be healthy." The board supports this goal by assuring Minnesota residents that their pharmacy services meet certain minimum standards through the following activities:

1. examining candidates for licensure so that only qualified pharmacists fill Minnesotan's prescriptions;

2. inspect pharmacies, wholesalers, manufacturers, and medical gas distributors to ensure compliance with state and federal laws and rules;

3. investigate all complaints and make suggestions or mandate compliance of rules so that the amount of prescription errors decreases;

4. hold disciplinary conferences so that the integrity of the pharmacy profession is upheld; and,

5. promulgate rules relating to pharmacy practice and drug distribution in order to protect Minnesotans from adulterated or misbranded drugs and substandard pharmacy practice.

CLIMATE:

The following factors influence program policy, service delivery, and expenditures of the Board of Pharmacy.

In broad terms, the Board of Pharmacy tests and licenses pharmacists; inspects and licenses pharmacies, drug wholesalers, and drug manufacturers; and responds to complaints regarding licensees.

Program policy has remained constant over recent years, with the nature and number of complaints affecting resource allocation.

Recent activity on the federal level, via the Omnibus Budget Reconciliation Act of 1990, has focused the profession of pharmacy on areas of practice not engaged in to any great extent by pharmacists prior to this time. These federal initiatives will require rule making by the board and will require the board staff to adopt an educational mode rather than an enforcement mode in these new practice areas for 2 to 3 years. The long-term benefits to the public, through optimization of drug therapy and reduced health care expenditures, offer exciting potential.

OUTCOMES:

1. **Pharmacy, Wholesaler, Manufacturer, and Medical Gas Distributor Inspections:**

   In F.Y. 1992, the Minnesota Board of Pharmacy inspected 1,800 facilities compared to 1,500 facilities in F.Y. 1987. With the increase of one more surveyor in F.Y. 1993, it is expected that 2,100 facilities will be inspected in F.Y. 1994 and F.Y. 1995 and the facilities will be inspected in more depth.

2. **Examination of prospective pharmacists:**

   In F.Y. 1992, the Board of Pharmacy tested 154 full board candidates and 95 Reciprocity candidates compared to 112 full Board and 91 Reciprocity candidates in F.Y. 1987. In F.Y. 1994 and F.Y. 1995, we are expecting to examine 169 full Board and 100 Reciprocity candidates.

3. **Complaints received from the public, other agencies, and Pharmacy Board Surveyors:**

   In F.Y. 1992, the board received 77 written complaints compared to 43 written complaints in F.Y. 1987. Due to the fact that more Minnesotans are aware of the fact that the Board of Pharmacy accepts complaints, the number of complaints received in F.Y. 1994 and 1997 should increase.

4. **Disciplinary actions:**

   In F.Y. 1992, the Board of Pharmacy conducted 15 disciplinary actions compared with 12 disciplinary actions in F.Y. 1987. Due to the fact that inspections and complaints are expected to rise in F.Y. 1994 and 1995, the number of disciplinary actions is also expected to rise.

5. **Rule Promulgation:**

   Due to anticipated changes in state and federal laws, the Minnesota Board of Pharmacy will promulgate rules to comply with state and federal laws and to ensure public safety.

AGENCY: Pharmacy, Board of
(Continuation)

Performance Indicators	Actual F.Y. 1993	Actual F.Y. 1994	Estimated F.Y. 1995
Number of People Examined	141	154	160
Number of Reciprocity Candidates Examined	82	95	100
Number of New People Licensed	201	212	220
Number of Pharmacist Licenses Renewed	4597	4755	4800
Number of Facility Inspections Completed	1800	1800	2100
Number of Facility Licenses Renewed	1532	1626	1680
Number of Professional Education Offerings Reviewed	132	235	240
Number of Complaints Processed	53	77	70
Number of Disciplinary Actions	9	15	20

"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.

The Board of Pharmacy implemented a new computer system in F.Y. 1992. Due to this implementation, it will be easier and quicker to gain information for outside inquiries and will allow our surveyors to gather information in a more timely manner, so that more inspections can be accomplished.

REVENUE/COSTS:

This activity generates non-dedicated revenue in the State Government Special Revenue Fund. Fees are set to recover all direct appropriated and indirect costs:

REVENUE/COSTS:

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Direct Costs	$485	$544	$599	$600	$602
Indirect Costs					
Revenue Refund	1	-0-	1	1	1
Statewide Indirect	10	3	3	3	3
Attorney General	18	19	22	24	26
Total Costs	$514	$566	$625	$628	$632
Non-dedicated Revenue	542	632	637	638	638
Surplus or (Shortfall)	$28	$66	$12	$10	$6

AGENCY BUDGET PLAN:

The Board of Pharmacy will meet its "challenge" for F.Y. 1994 through reductions in the purchase of supplies and equipment, through the postponing of rule making and the associated hearings costs, through curtailing participation in District meetings of the boards of pharmacy and colleges of pharmacy in the 5 state area, and through restricting inspections and complaint investigations that require travel expenses.

In F.Y. 1995, these restrictions will be increased and, in addition, fewer disciplinary hearings will be held, saving per diem and travel expenses for board members.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: PHARMACY, BOARD OF
PROGRAM: BD OF PHARMACY
ACTIVITY: BD OF PHARMACY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	316	328	442	442	415	402	442	427	413
EXPENSES/CONTRACTUAL SRVCS	87	130	94	95	95	95	97	93	93
MISC OPERATING EXPENSES	49	59	78	78	66	66	78	59	59
SUPPLIES/MATERIALS/PARTS	9	10	14	14	11	11	14	10	10
CAPITAL EQUIPMENT	19	11	7	7	7	7	7	7	7
OTHER	15	9	9	9	9	9	9	9	9
SUBTOTAL STATE OPERATIONS	495	547	644	645	603	590	647	605	591
TOTAL EXPENDITURES	495	547	644	645	603	590	647	605	591
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<13>			<14>
TOTAL GOV'S INITIATIVES						<13>			<14>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	485	544	599	600	600	587	602	602	588
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	10	3	3	3	3	3	3	3	3
FEDERAL			42	42			42		
TOTAL FINANCING	495	547	644	645	603	590	647	605	591
POSITIONS BY FUND:									
STATE GOVT SPEC REV	7.0	7.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: PHARMACY, BOARD OF
PROGRAM: BD OF PHARMACY
ACTIVITY: BD OF PHARMACY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL POSITIONS	7.0	7.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: PHARMACY, BOARD OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	644	644			602	602	42	42
TECHNICAL ADJUSTMENTS								
DOCUMENTED RENT/LEASE INC/DEC	1	3			1	3		
SUBTOTAL TECH. ADJ.	1	3			1	3		
CURRENT SPENDING	645	647			603	605	42	42
FORECAST ADJUSTMENTS								
FEDERAL RECEIPTS	<42>	<42>					<42>	<42>
SUBTOTAL FORECAST ADJ.	<42>	<42>					<42>	<42>
AGENCY BASE	603	605			603	605		

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Social Work, Board of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$438	$438	$876
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$438	$438	$876
Inflation Cost Increase	14	30	44
Agency Management Decisions			
Agency Operations:			
Reduce Computer Programming Costs	$(9)	$(14)	$(23)
Reduce Prof. Technical Costs		(3)	(3)
Reduce across the board spending	(5)	(13)	(19)
Subtotal	$(14)	$(30)	$(44)
TOTAL AGENCY PLAN	$438	$438	$876
Governor's Initiative			
Salary Planning Estimates	$(10)	$(10)	$(20)
GOVERNOR'S RECOMMENDATION	$428	$428	$856

Brief Explanation of Agency's Overall Actions:

The board will eliminate overtime and reduce computer programming costs as the project will be completed in F.Y. 1993 and additional funds will not be necessary for this in the future. The remainder of the costs will be absorbed by trying to cut costs on ordering some supply items and limiting the printing of a newsletter to once a year.

The staff will have to assume the responsibility of additional processing as the number of complaints, examination applications increase, renewals increase, and continuing education sponsorships increase.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
None.	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

The board estimates that current fees will cover all costs for the F.Y. 1994-95 biennium. However, because the Board of Social Work is a relatively new agency, and the number of licensees has not yet stabilized, revenue estimates have been difficult to predict. Therefore, if a significant number of persons choose not to renew their licenses in the F.Y. 1994-95 biennium, the board may need to increase its fees to cover all costs. The board may also have to increase fees to cover a potential surcharge for the operating expenses to the Office of Mental health Practice. The board recommends that M.S. Sec. 148B.72 be amended so that the Office of Mental health Practice be funded under an independent appropriation under the General Fund.

4. Affected Statutes:

M.S., Sec. 148B.72

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates. The Governor also recommends a General Fund appropriation in the Health Department for the Office of Mental Health Practice.

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: PODIATRY, BOARD OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	32	32			32	32		
CURRENT SPENDING	32	32			32	32		
AGENCY BASE	32	32			32	32		

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: PODIATRY, BOARD OF
PROGRAM: BD OF PODIATRY
ACTIVITY: BD OF PODIATRY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	18	18	1	1	1	1	1	1	1
EXPENSES/CONTRACTUAL SRVCS	4	4	24	24	24	24	24	24	24
MISC OPERATING EXPENSES	4	4	4	4	4	4	4	4	4
SUPPLIES/MATERIALS/PARTS			1	1	1	1	1	1	1
OTHER	2	2	2	2	2	2	2	2	2
SUBTOTAL STATE OPERATIONS	28	28	32	32	32	32	32	32	32
TOTAL EXPENDITURES	28	28	32	32	32	32	32	32	32
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	26	26	30	30	30	30	30	30	30
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	2	2	2	2	2	2	2	2	2
TOTAL FINANCING	28	28	32	32	32	32	32	32	32
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

AGENCY: Podiatric Medicine, Board of

MISSION:

The mission of the Minnesota Board of Podiatric Medicine is the protection of the public from incompetent and/or unprofessional health services through the regulation of the practice of podiatric medicine. The board strives to achieve its mission by ensuring that only persons who meet the qualifications for licensure are granted licensure; periodically re-examining its procedures in an effort to improve the quality of podiatric medicine provided to the public; and disciplining with fairness and consistency those licensees who violate laws pertaining to the ethical and competent practice of podiatric medicine.

MINNESOTA MILESTONES:

The board's mission is related to the following Minnesota Milestone goal: Minnesotans will be healthy. The board supports this goal by assuring Minnesota residents that practitioners of podiatric medicine meet certain standards of competence, comply with state and federal laws, rules, and regulations, and are qualified to practice in Minnesota.

CLIMATE:

The factor with highest impact on program policy, service delivery, and expenditures is the enactment of laws affecting the practice of podiatric medicine. The most recent of these is the law passed in 1992 that requires mandatory reporting of regulated persons infected with HIV/HBV, monitoring of the practice of same, continuing education in infection control, and inspection to assure infection control procedures are being followed. The degree of impact will be partly determined by the incidence of HIV/HBV infection; however, the financial impact on the board is immediate in terms of rulemaking and assuming the board's share of the cost of the monitoring program administered by the Health Department.

Demographic factors which affect the board to a minor degree are that 13% of licensees are over 62 years old and will be leaving practice in the next decade, and that with only 120 licensees, many areas of the state are without access to podiatric medical services. New licensees are currently keeping the number of licensees stable, and there appears to be a trend toward moving into under-serviced areas of the state.

OUTCOMES AND OBJECTIVES:

Modern history for the board began with the revised licensure law passed in 1987. Since that date, the board has granted licenses to 45 applicants and temporary permits to 44 applicants to complete post-graduate training in Minnesota. Also since that date, the board has received 49 written jurisdictional complaints against the practice of 36 licensees, of which 21 are pending (13 from F.Y. 1992). Disciplinary action was taken against 5 licensees, including 1 suspension and 1 termination.

The board has little control over the number of persons seeking licensure or temporary permits, and can affect these numbers only indirectly through communication and outreach. The long range objective is to license enough podiatric medical doctors to assure residents in all areas of the state of adequate foot care, with an objective for the next biennium of a net gain of 5 to 10 licensees. The second objective is to reduce the amount of time to process complaints to completion, with an immediate goal of reducing the average time by at least 20%. The third objective is to establish infection control procedures in the next biennium and begin inspections to assure patients that practitioners are in compliance with those procedures.

PERFORMANCE INDICATORS/EFFECTIVENESS MEASURES

	F.Y. 1990-91 ACTUAL	F.Y. 1992-93 (EST. IN BRACKETS)	F.Y. 1994-95 PROJECTED
Total Number Licensees	120	120	125
Number New Licensees	17	20(25)	30
Number Temporary Permits	8	24(30)	35
Number Terminations-Non-renewal	32	10	5
Number Written Complaints	19	15(20)	20
Number Complaints Dismissed	21	1(22)	23
Average Number months to Dismiss	14	18	12
Number Licensees Disciplined	3	0(2)	3
Average number months to Discipline	37		30

REVENUE/COSTS:

This activity generates non-dedicated revenue in the State Government Special Revenue Fund. Fees are set to recover all direct appropriated and indirect costs.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Direct Costs	$26	$26	$30	$30	$30
Indirect Costs					
Statewide Indirect	2	2	2	2	2
Attorney General	12	6	7	7	7
Health Department HIV/HBV Monitoring	–	–	–	2	2
Total Costs	$40	$34	$39	$41	$41
Revenue					
Non-Dedicated	$36	$45	$40	$43	$44
Difference	$(4)	$11	$1	$2	$3

AGENCY BUDGET PLAN:

The board will hold the consultant services contract to the current hourly rate in F.Y. 1994 and allow a slight increase in F.Y. 1995. The board will reduce professional technical services by restricting rulemaking, other than to implement the HIV/HBV law.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan.

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1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Podiatric Medicine, Board of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$30	$30	$60
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$30	$30	$60
Inflation Cost Increases	1	2	3
Agency Management Decisions			
Professional, Technical and Consultant Services	$(1)	$(2)	$(3)
TOTAL AGENCY PLAN	$30	$30	$60
GOVERNOR'S RECOMMENDATION	$30	$30	$60

Brief Explanation of Agency's Overall Actions:

There are no employee compensation costs. Services are provided to the board by means of a consultant contract. Therefore, no line item exists for compensation. Instead, the board will absorb the decrease by holding the consultant services contract to the current hourly rate in F.Y. 1994 and allowing for a modest increase in hourly rate for F.Y. 1995. The board expects to use less professional/technical services in the next biennium, by restricting rulemaking other than to implement the HIV/HBV law.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
None.	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: SOCIAL WORK/MENTAL HEALTH, BOARDS OF
PROGRAM: SOC WORK & MENTAL HLTH, BDS OF
ACTIVITY: SOC WORK & MENTAL HLTH, BDS OF

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	189								
EXPENSES/CONTRACTUAL SRVCS	42								
MISC OPERATING EXPENSES	8								
SUPPLIES/MATERIALS/PARTS	7								
CAPITAL EQUIPMENT	11								
OTHER	15								
SUBTOTAL STATE OPERATIONS	272								
TOTAL EXPENDITURES	272								
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	260								
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	12								
TOTAL FINANCING	272								
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Psychology, Board of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$315	$315	$630
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$315	$315	$630
Inflation Cost Increase	11	23	34
Agency Management Decisions			
Agency Operations:			
Reduce Amount for Per Diem	$(3)	$(5)	$(8)
Reduce Amount for Printing	(1)	(4)	(5)
Reduce Amount for Communications	(3)	(5)	(8)
Reduce Amount for In-State Travel	(2)	(4)	(6)
Reduce Amount for Equipment	(2)	(5)	(7)
Subtotal	$(11)	$(23)	$(34)
TOTAL AGENCY PLAN	$315	$315	$630
Governor's Initiative			
Salary Planning Estimates	$(7)	$(7)	$(14)
GOVERNOR'S RECOMMENDATION	$308	$308	$616

Brief Explanation of Agency's Overall Actions:

Because of the decision not to leave positions vacant and to plan for cost of living increases, all of the cuts must be made in operating expenses. Many items in the operating expenses cannot be cut without impacting negatively on mandated services and functions. The remaining few items with enough flexibility to endure cuts without adversely affecting services are listed in the above table. Decreases are accomplished by consolidating board activities, scheduling fewer newsletters and other general mailings to licensees, postponing decisions to purchase upgraded computer hardware.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
None.	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

AGENCY: Psychology, Board of

MISSION:

The mission of the Minnesota Board of Psychology is the protection of the public from incompetent and/or unprofessional mental health services through the regulation of the practice of psychology. The board strives to achieve its mission by ensuring that only persons who meet the qualifications for licensure are granted licensure; periodically re-examining its procedures in an effort to improve the quality of psychological services provided to the public; and disciplining with fairness and consistency those licensees who violate rules and laws pertaining to the ethical and competent practice of psychology.

MINNESOTA MILESTONES:

The board's mission is related to the following Minnesota Milestones goal: Minnesotans will be healthy. The board supports this goal by assuring Minnesota residents that persons who practice psychology meet certain standards of competence, comply with state and federal laws, rules, and regulations, and are qualified to practice psychology in Minnesota.

CLIMATE:

The factor with the highest impact on program policy, service delivery, and expenditures is the enactment of laws affecting the practice of psychology. The most recent of these is the new psychology practice act passed in 1991, which supersedes the practice act passed in 1973. The new act phases out licensure for independent practice for master level psychologists, institutes a new restricted license for master level psychologists, establishes mandatory continuing education, and sets requirements for supervision of persons preparing for independent licensure. The immediate impact of the new act on the board was the need for increased staff to manage all the new functions, which in turn created the need for more office space, a more sophisticated computer system and telephone communications, and the added burden of rulemaking. Long-range effects include changes in the delivery of psychological services, possible increase in the cost of those services, and possible realignment of graduate psychology programs in Minnesota schools.

OUTCOMES/OBJECTIVES:

In spite of a limited staff, the licensure functions of the board have been accomplished within the absolute deadlines dictated by examination schedules, board review, and renewal cycles. The objective for the next biennium is to phase in licensure and renewal of psychological practitioners and continuing education monitoring. Long-range objectives include meshing all licensure related functions into an integrated system.

The other major function for the protection of the public is processing of complaints. In the past the process has been hampered by a lack of sufficient staff, delays resulting from staff turnover in the Attorney General's Office, and multiple complaint committees. The immediate objective is to increase staff, consolidate complaint workload in 1 committee, and facilitate communications between the attorney general's office and board staff, in order to decrease the amount of time between complaint receipt and resolution.

PERFORMANCE INDICATORS/EFFECTIVENESS MEASURES:

Data Category	Actual F.Y. 1990-91	Actual F.Y. 1992-93	(Extim)	Projected F.Y. 1994-95
Total # Licensees - LP* (Rd #s)	2,400	2,800		3,200
# New Licensees - LP*	468	223	(470)	475
Total # Licensees - PP**			(500)	800
# New Licensees - PP**			(500)	300
# Applicants for Examination	1,099	929	(1,260)	1,200
# Complaints Received	257	193	(308)	320
# Complaints Closed/Dismissed	154	45	(130)	175
# Licensees Disciplined	9***	-0-	(15)****	20

* Includes Licensed Consulting Psychologists and Licensed Psychologists (pre-1991 law) and Licensed Psychologists (1991 law)
** New Psychological Practitioner licensure
*** Plus 19 proposed orders
**** Plus 5 proposed orders

REVENUE/COSTS:

This activity generates non-dedicated revenue in the State Government Special Revenue Fund. Fees are set to recover all direct and indirect costs.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Direct Costs	$225	$238	$391	$315	$315
Indirect Costs					
Statewide	7	1	1	1	1
Attorney General	137	164	165	185	185
Revenue Refund	-0-	6	-0-	-0-	-0-
Total Cost	$369	$409	$557	$501	$501
Revenue:					
Non-Dedicated	386	403	581	471	551
Balance	$17	$(6)	$24	$(30)	$50

AGENCY BUDGET PLAN:

The board will cover inflationary increases in F.Y. 1994-95 by consolidating board activities, scheduling fewer newsletters and other general mailings to licensees, postponing decisions to purchase upgraded computer hardware.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: PSYCHOLOGY, BOARD OF
PROGRAM: BD OF PSYCHOLOGY
ACTIVITY: BD OF PSYCHOLOGY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	143	144	224	224	224	217	224	224	217
EXPENSES/CONTRACTUAL SRVCS	59	61	48	43	48	48	48	48	48
MISC OPERATING EXPENSES	19	16	31	31	31	31	31	31	31
SUPPLIES/MATERIALS/PARTS	2	3	4	4	4	4	4	4	4
CAPITAL EQUIPMENT		11	80	4	4	4	4	4	4
OTHER	9	4	5	5	5	5	5	5	5
SUBTOTAL STATE OPERATIONS	232	239	392	316	316	309	316	316	309
TOTAL EXPENDITURES	232	239	392	316	316	309	316	316	309
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<7>			<7>
TOTAL GOV'S INITIATIVES						<7>			<7>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	225	238	391	315	315	308	315	315	308
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	7	1	1	1	1	1	1	1	1
TOTAL FINANCING	232	239	392	316	316	309	316	316	309
POSITIONS BY FUND:									
STATE GOVT SPEC REV	3.8	3.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
TOTAL POSITIONS	3.8	3.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: PSYCHOLOGY, BOARD OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	392	392			392	392		
TECHNICAL ADJUSTMENTS								
NON-RECURRING EXPENDITURES	<76>	<76>			<76>	<76>		
SUBTOTAL TECH. ADJ.	<76>	<76>			<76>	<76>		
CURRENT SPENDING	316	316			316	316		
AGENCY BASE	316	316			316	316		

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AGENCY: Unlicensed Mental Health Service Practitioners, Board of

STATEMENT:

The budget for the Board of Unlicensed Mental Health Service Practitioners includes historical expenditure data only. As a result of legislative changes made during the 1991 legislative session, the Board of Unlicensed Mental Health Service Practitioners was allowed to sunset, and the Office of Social Work and Mental Health Boards was dissolved. The Office of Mental Health Practice was created in the Department of Health, and the powers and duties of the Board of Unlicensed Mental Health Service Providers were transferred to the Commissioner of Health effective 7-1-91. The Board of Social Work and the Board of Marrriage and Family Therapists were designated as autonomous entities and appropriated resources for administrative and programmatic purposes effective 7-1-91.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: UNLIC MENTAL HEALTH SVC PR, BOARD OF
PROGRAM: UNLICENSED MH SVC PROV, BD OF
ACTIVITY: UNLICENSED MH SVC PROV, BD OF

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	73								
EXPENSES/CONTRACTUAL SRVCS	2								
MISC OPERATING EXPENSES	25								
SUPPLIES/MATERIALS/PARTS	1								
OTHER	6								
SUBTOTAL STATE OPERATIONS	107								
TOTAL EXPENDITURES	107								
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	102								
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	5								
TOTAL FINANCING	107								
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

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1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Veterinary Medicine, Board of **Fund:** State Government Special Revenue

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$108	$108	$216
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$108	$108	$216
Inflation Cost Increase	3	7	10
Agency Management Decisions			
Agency Operations:			
Miscellaneous Reductions	$(3)	$(7)	$(10)
TOTAL AGENCY PLAN	$108	$108	$216
Governor's Initiative			
Salary Planning Estimates	$(2)	$(2)	$(4)
GOVERNOR'S RECOMMENDATION	$106	$106	$212

Brief Explanation of Agency's Overall Actions:

The Board of Veterinary Medicine's operating costs will be adjusted in several areas to continue to meet mission requirements with fewer resources. The national level meeting that several Board members attend will fortunately be in Minneapolis in F.Y. 1994, which will allow a significant reduction in out-of-state travel expenditures for F.Y. 1994. On into F.Y. 1995, there will have to be a reduction in board meetings and complaint review committee meetings to reduce in-state travel and per diem costs. Furthermore, operating cost reductions are anticipated in data processing, as we now do all our own data processing in house, and in communications and supplies, as we anticipate implementing a biennial license renewal cycle rather than an annual renewal cycle.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
None.	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

AGENCY: Veterinary Medicine, Board of

MISSION:

The Board of Veterinary Medicine is the licensing agency for veterinarians in Minnesota, established under M.S. 156 to ensure that veterinary practitioners meet and maintain competency standards.

The board accomplishes its mission by reviewing all license applications, preparing and administering the State Board Examination, and administering the National Board Examination and Clinical Competency Test to qualified applicants. Consumer complaints are processed and investigated. When indicated, the board inspects veterinary premises for sanitation, conducts license disciplinary hearings and disciplines veterinarians found to be in violation of M.S. 156. The board also develops, alters or amends rules governing the practice of veterinary medicine in Minnesota. Routinely, fees are collected for license examinations, annual license renewal, certifying new veterinary corporations, and annually renewing current corporations.

MINNESOTA MILESTONES:

The Board of Veterinary Medicine supports the Minnesota Milestone theme, "Minnesotans will be healthy."

The board supports this goal by assuring that the licensed veterinarians of the state, who are responsible for the animal health portion of the overall public health, have and maintain the knowledge and competency to prevent diseases such as rabies and brucellosis from causing economic ruin by wiping out flocks and herds or from being transmitted from animals to humans, as well as being competent to provide care for the many pet animals whose healthy presence is depended upon by Minnesotans for companionship and emotional well being.

CLIMATE:

Program policy is influenced by the number of veterinarians seeking initial licensure in Minnesota in a given year versus the number of current licensees leaving the state, retiring or dying, as well as the number of complaints received from the public or other agencies relating to veterinary services. Trends and issues affecting future program operations are the number of veterinarians being graduated from colleges of veterinary medicine, the number of veterinarians employed and seeking employment in Minnesota and the overall economic climate which has an influence on the discretionary income of citizens that can be spent on companion animal care, as well as an influence on growth or reduction in food animal production. As citizen awareness of what constitutes quality, competent veterinary care increases, so will their expectation to receive competent care increase, which in turn will lead to more complaints should quality veterinary care not be maintained or available to the citizens of Minnesota. In addition, as more restrictive federal laws are enacted regulating drug usage in food animals, disciplinary actions could increase if veterinarians are found to be willfully or carelessly circumventing drug regulations and causing harmful residues to occur in food products.

OUTCOMES AND OBJECTIVES:

A primary objective of this agency is to reduce the number of complaints received from citizens that are generated by incompetent or substandard veterinary practice, particularly multiple complaints received on a single licensee. To achieve this goal, comprehensive new rules delineating unprofessional conduct and establishing standards of practice will be in effect prior to F.Y. 1994. These rules will supplement M.S. 156, the Veterinary Practice Act, and will serve as guidelines for licensees and aid in the disciplinary process of incompetent licensees. With the implementation of the proposed rules, it is anticipated that the agency will be better equipped to legally deal with incompetent licensees and either re-educate them or remove them from the practice arena. Also to aid in the objective of complaint reduction will be a requirement that all licensees must obtain a minimum number of continuing education hours per year to qualify for relicensure. This proposal is in the embryonic stage; it hopefully can be established to take effect during F.Y. 1995.

The objective of the above rulemaking initiatives would be to reduce the number of written complaints received by the agency 10% per year, which in turn would indicate a rise in the overall standard of veterinary care in the state.

PERFORMANCE INDICATORS/EFFECTIVENESS MEASURES:

	Actual F.Y. 1991	Actual F.Y. 1992	Estimated F.Y. 1993
Examination Applicants	100	144	150
Licenses Granted by Examination	99	142	148
Licenses Renewed	2,510	2,616	2,700
Licenses Voluntarily Dropped or Lapsed	44	49	50
Licenses Revoked, Suspended or Restricted	2	3	3
Complaints Processed*	8	9	10

*Does not include telephone complaints not followed up in writing.

REVENUE/COST:

This activity generates non-dedicated revenue in the State Government Special Revenue fund. Fees are set to recover all direct and indirect costs.

	Dollars in Thousands				
	Actual F.Y. 1991	Actual F.Y. 1992	Estimated F.Y. 1993	Estimated F.Y. 1994	Estimated F.Y. 1995
Direct Costs	$101	$106	$108	$108	$108
Indirect Costs					
Statewide Indirect	4	1	1	1	1
Attorney General	30	14	20	25	25
Total Costs	$135	$121	$129	$134	$134
Revenue:					
Non-dedicated	131	135	135	135	136
Difference	$(4)	$14	$6	$1	$2

AGENCY BUDGET PLAN:

The Board of Veterinary Medicine's operating costs will be adjusted in several areas to continue to meet mission requirements with fewer resources. The national level meeting that several board members attend will fortunately be in Minneapolis in F.Y. 1994, which will allow a significant reduction in out-of-state travel expenditures for F.Y. 1994. On into F.Y. 1995, there will have to be a reduction in board meetings and complaint review committee meetings to reduce in-state travel and per diem costs. Furthermore, operating cost reductions are anticipated in data processing, as we now do all our own data processing in house, and in communications and supplies, as we anticipate implementing a biennial license renewal cycle rather than an annual renewal cycle.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: VETERINARY MED, BOARD OF
PROGRAM: BD OF VETERINARY MEDICINE
ACTIVITY: BD OF VETERINARY MEDICINE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	61	65	68	68	68	66	68	68	66
EXPENSES/CONTRACTUAL SRVCS	27	25	25	25	25	25	25	25	25
MISC OPERATING EXPENSES	10	13	12	12	12	12	12	12	12
SUPPLIES/MATERIALS/PARTS	1	2	2	2	2	2	2	2	2
CAPITAL EQUIPMENT	1								
OTHER	5	2	2	2	2	2	2	2	2
SUBTOTAL STATE OPERATIONS	105	107	109	109	109	107	109	109	107
TOTAL EXPENDITURES	105	107	109	109	109	107	109	109	107
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		SGS				<2>			<2>
TOTAL GOV'S INITIATIVES						<2>			<2>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
STATE GOVT SPEC REV	101	106	108	108	108	106	108	108	106
STATUTORY APPROPRIATIONS:									
STATE GOVT SPEC REV	4	1	1	1	1	1	1	1	1
TOTAL FINANCING	105	107	109	109	109	107	109	109	107
POSITIONS BY FUND:									
STATE GOVT SPEC REV	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
TOTAL POSITIONS	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3

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Office of the Ombudsman for Mental Health and Mental Retardation

Position and Employee Status Information

Position Reconciliation:

Authority	Current F.Y. 1993	Requested for 6/30/95
Legislative Complement:		
General Fund	18.0	18.0
Total Permanent Positions	18.0	18.0
TOTAL Positions	18.0	18.0
Employees on 6/30/92	18.0	

Employees by Employment Status:

	6/30/92
Full-Time Unlimited	18.0
TOTAL	18.0

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Ombudsman for Mental Health and Mental Retardation, Office of **Fund: General**

1. Summary of Agency Actions:

CURRENT SPENDING	$984	$984	$1,968
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$984	$984	$1,968
Inflation Cost Increase	34	69	103
Agency Management Decisions			
Hold Positions Vacant	$(48)	$(97)	$(145)
Across the Board	(34)	(21)	(55)
Subtotal	$(82)	$(118)	$(200)
TOTAL AGENCY PLAN	$936	$935	$1,871
Governor's Initiatives			
Salary Planning Estimates	(26)	(27)	(53)
GOVERNOR'S RECOMMENDATION	$910	$908	$1,818

Brief Explanation of Agency's Overall Actions:

The Office will meet the financial and other challenges that will arise in the next biennium by:

- **Reducing overhead and operating costs.** The Office will take a number of steps to reduce its general overhead and operating costs. The most significant will be eliminating the subsidy for employee parking and reducing outside training costs, which will result in savings of $20,000 and $6,000, respectively, over the biennium.
- **Shifting emphasis in the way the Office's statutory death and serious injury review function is conducted.** The past focus of the Office's death and serious injury has tended toward intensive review of each individual case culminating in recommendations to the specific service providers involved. That focus will be redirected toward acquiring and interpreting data in the aggregate relating to deaths and serious injuries occurring within large segments of the Office's constituent special needs populations in order to identify trends and patterns. The new approach will take advantage of available technology and reduce the total among of staff time spent on this function but at the same time provide valuable data that can help reduce the overall incidence of deaths and serious injuries.
- **Leaving a client advocate position vacant during the biennium.** The Office will take several steps to compensate for the loss of a client advocate position: (1) jurisdictional boundaries of the Office's eight regional client advocates will be redrawn to even out distribution of caseloads; (2) regional staff will assist periodically in delivering Metro area advocacy services, since over half of the special needs populations served by the Office reside in community programs there; (3) the current Office policy of handling all complaints received, regardless of the nature, will be modified to incorporate priorities, which will be established by coordinating the Office's activities with other local and private consumer assistance agencies and by conducting consumer surveys and advocacy needs assessments at Regtional Treatment Centers (RTCs) to identify areas where the need for advocacy is greatest.
- **Working to improve the effectiveness and efficiency of the services delivery system.** The Office handles approximately 2,500 consumer complaints each year. A majority of these complaints arise because of systemic defects and problems that impede the state's ability to deliver services that meet individual needs. The Office's management information system has been redesigned to bring these systemic defects and problems into sharp focus, to determine the efficacy of the Office's intervention on behalf of consumers, and to make this information available to policymakers. Ultimately, the best way to reduce the number of consumer complains and the need for the Office's intervention is to create a service delivery system that generates few complaints.
- **Vacating the Office's legislative liaison and policy coordinator position beginning in F.Y. 1995.** The Office's primary mission is to provide assistance to individual consumers. Rather than making any further cuts in client advocate positions, the Office's legislative liaison and policy coordinator position will be vacated beginning in F.Y. 1995. This will impact the Office's ability to identify and analyze systemic problems, since those functions will have to be added to the duties of the Ombudsman and Deputy Ombudsman. The void can be filled partly by collaborating with other state consumers assistance and advisory agencies on legislative matters and in addressing policy issues.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions left Vacant or Eliminated	1.0	2.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: OMBDSMN FOR MH & MR

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(A) SALARY PLANNING ESTIMATES	GEN	<26>	<27>	<53>			
TOTAL BY FUND	GEN	<26>	<27>	<53>			
TOTAL INVESTMENT INITIATIVES		<26>	<27>	<53>			

AGENCY: Ombudsman for Mental Health and Mental Retardation, Office of

MISSION:
The Office of the Ombudsman for Mental Health and Mental Retardation is an independent state agency committed to the following mission: provide direct assistance to consumers with mental illness, developmental disabilities, chemical dependency, and emotional disturbance so that they can obtain services meeting the highest attainable standards; intervene through advocacy and mediation to resolve disputes and difficulties in ways which are fair and equitable; identify through investigatory and monitoring activities, systemic problems and issues that affect the adequacy and quality of services delivered to consumers; make recommendations to elected officials, government agencies and service providers about systemic changes.

The office is organized on a regional basis with staff located throughout the state who are officed in each of the regional treatment centers. This structure supports the following mission-related objectives:

- assure that the office is accessible to consumers and that complaints are responded to in a timely fashion;
- provide effective consultation to agencies and providers on questions of access of services, consumer rights, and the quality of care and treatment for consumers in the state;
- maximize utilization of staff in a cost effective manner;
- identify potential systemic problems and issues relating to the delivery of services to consumers; and
- make recommendations about improving the quality of care and treatment provided to consumers.

MINNESOTA MILESTONES:
- Minnesotans will be healthy.
- People who need help providing for themselves will receive the help they need.
- People with disabilities will have the opportunity to participate in society.

CLIMATE:
Children. In Minnesota, the number of children reported abused and neglected continues to increase. This creates a greater need for increased protection and advocacy for children. The office has responsibility for children and adolescents in over 100 facilities and in over 4,000 foster homes throughout Minnesota.

Limited Resources. Limited resources at the state and federal level for consumers will increase the need for Ombudsman services. Through advocacy, outreach, monitoring, and mediation functions, the office connects the resources available to meet specific needs of the consumers.

Increased complexity of consumer needs. Public policy in Minnesota will lead to an increase in the number of community support programs in smaller, homelike facilities throughout the 1990's. Providing program evaluation and advocacy services and reviewing serious injuries and deaths of consumers to assure that the highest attainable standards of care and treatment are achieved will become more challenging as more facilities are created.

OBJECTIVES:
The office has 3 objectives to guide its future operations: ensure that consumers will have an effective agency in which to voice their concerns, issues, and problems; identify and make recommendations on systemic problems; and improve the quality of Ombudsman services to agencies, providers, and consumers.

1. **Ensuring Minnesota Citizens with Mental Illness, Developmental Disabilities, Chemical Dependency, or Emotional Disturbances Have an Effective Voice.**
   - number of concerns registered with office F.Y. 1995: 3,395
   - % of concerns with further action resolved, F.Y. 1995: 85%
2. **Improving the Effectiveness and Efficiency of the Service Delivery System**
   - % of concerns reviewed for systemic problem identification, F.Y. 1995: 10% (340)
   - % of systemic problems identified with actions taken, F.Y. 1995: 10% (34)
   - number of recommendations made to correct identified systemic problems, F.Y. 1995: 75
3. **Quality and Usefulness of Ombudsman Services**
   - % of consumers who rate our services as useful and very useful, F.Y. 1995: 80%
   - % of agencies and providers that use our services, F.Y. 1995: 85%
   - % of agencies and providers who rate our services good/very good, F.Y. 1995: 75%

OUTCOMES:
1. The office is dedicated to ensuring quality services. The following is based on a recent satisfaction survey carried out for F.Y. 1992:

	F.Y. 1992
% of Agencies and Providers that Use Our Services	78%
% of Agencies and Providers who Rate Our Services as Good or Very Good	69%
% of Agencies and Providers who Use Technical and Consultative Services	54%

This survey will be expanded in F.Y. 1993 to include consumers.

2. The office is accessible to any party who has concerns regarding the care and treatment of consumers, including serious injury and death reports. It is the goal of the office to work closely with agencies, providers, parents, consumers, advocates, and interested others in promoting the highest attainable standards.

Effectiveness Measures	Actual F.Y. 1992	Actual F.Y. 1993	Actual F.Y. 1994	Estimate F.Y. 1995
Complaints	2,628	2,694	2,265	2,530
Deaths	199	195	183	195
Serious Injuries	679	702	672	670

AGENCY BUDGET PLAN:
Because of projected increases in costs during the biennium and a reduction in its base funding, the office will operate cost effectively by: evaluating current staffing needs; developing shared-service contracts with state agencies; coordinating advocacy and mediation services statewide with private and state agencies.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: OMBDSMN FOR MH & MR
PROGRAM: OMBUD MENTAL HEALTH/RETARD
ACTIVITY: OMBUD MENTAL HEALTH/RETARD

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	803	835	827	827	779	753	827	778	751
EXPENSES/CONTRACTUAL SRVCS	66	95	76	84	84	84	84	84	84
MISC OPERATING EXPENSES	53	58	61	61	61	61	61	61	61
SUPPLIES/MATERIALS/PARTS	12	20	11	11	11	11	11	11	11
CAPITAL EQUIPMENT		23	1	1	1	1	1	1	1
SUBTOTAL STATE OPERATIONS	934	1,031	976	984	936	910	984	935	908
LOCAL ASSISTANCE	36								
TOTAL EXPENDITURES	970	1,031	976	984	936	910	984	935	908
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<26>			<27>
TOTAL GOV'S INITIATIVES						<26>			<27>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	970	1,031	976	984	936	910	984	935	908
TOTAL FINANCING	970	1,031	976	984	936	910	984	935	908
POSITIONS BY FUND:									
GENERAL	19.0	19.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
TOTAL POSITIONS	19.0	19.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: OMBDSMN FOR MH & MR

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	976	976	976	976				
TECHNICAL ADJUSTMENTS								
DOCUMENTED RENT/LEASE INC/DEC	8	8	8	8				
SUBTOTAL TECH. ADJ.	8	8	8	8				
CURRENT SPENDING	984	984	984	984				
AGENCY BASE	984	984	984	984				

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1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Disability, Council on

Fund: General

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$583	$583	$1,166
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$583	$583	$1,166
Inflation Cost Increase	23	40	63
Agency Management Decisions			
Hold positions vacant	$(17)	$(17)	$(34)
Restructuring:			
Consolidate certain activities.			
Increase productivity by doing			
- workshops in cooperation with other agencies, private and public.	(10)	(10)	(20)
- large quantity cost savings for shared printed materials	(5)	(5)	(10)
- conference call board meetings	(10)	(10)	(20)
- taped presentations vs personal presentations	(3)	(3)	(6)
- coalition advocacy vs individual to share costs	(3)	(3)	(6)
Across-the-Board			
Travel, contracts, workshops, printing, council member expense	(4)	(21)	(25)
Sub-total	$(52)	$(69)	$(121)
TOTAL AGENCY PLAN	$554	$554	$1,108
Governor's Initiatives			
Salary Planning Estimates	(13)	(13)	(26)
GOVERNOR'S RECOMMENDATION	$541	$541	$1,082

Brief Explanation of Agency's Overall Actions:

The agency will save costs by presenting workshops in cooperation with other private and public agencies. The costs of designing and printing of documents that more than 1 agency can distribute will be reduced by sharing the expense. The cost per copy will be reduced since we are ordering more.

To save on travel costs we would have out-state council members attend council meetings via conference calls.

To save on staff travel costs we will tape presentations to be distributed instead of in-person presentations. Establish coalitions instead of individual advocacy investigation to reduce cost and share management decisions.

	F.Y. 1994	F.Y. 1995	
2. Impact on Staffing:			
Positions left Vacant or Eliminated	0.5	0.5	
	F.Y. 1994	**F.Y. 1995**	**F.Y. 94-95**
3. Impact on Revenue Generation:			
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

AGENCY: Disability, Council on

MISSION:

The mission of The Minnesota State Council on Disability (MSCOD) is to expand opportunities for all children and adults with a disability throughout Minnesota, without regard to disability, and to advocate policies and programs which will promote the independence of children and adults with disabilities and protect their right to participate fully in society.

The Council on Disability is organized into 4 programmatic areas:

- *Advocacy.* MSCOD serves as an advocate for children and adults with disabilities in the areas of physical and programmatic access, employment, education, transportation, health care and human services, housing, and laws and regulations pertaining to children and adults with disabilities. MSCOD is the major advocate in Minnesota for architectural accessibility.
- *Public Policy.* MSCOD researches, formulates and advocates programs and policies which will serve the needs of children and adults with disabilities and advises and otherwise aids the governor, appropriate state agencies, the legislature, and the public on matters pertaining to public policy and administration of programs, services and facilities for children and adults who have disabilities.
- *Public Education.* MSCOD serves as source of information regarding services, programs, and legislation for children and adults with disabilities, policy makers and the general public. This takes the form of information and referral, Americans With Disability Act (ADA) training, disability awareness training, public forums, workshops, and a newsletter with a circulation of 9,000.
- *Cooperative Efforts With Community Organizations.* Through networking with disability related organizations and agencies, and through public forums, MSCOD gathers and shares information and tries to achieve a consensus within the disability community on relevant issues.

MINNESOTA MILESTONES:

The work of the Minnesota State Council on Disability supports 4 of the major Milestone themes:

The work of the Minnesota State Council on Disability (MSCOD) supports the following Minnesota Milestones goals:

1. **People with disabilities will have the opportunity to participate in society. People who need help providing for themselves will receive the help they need.**

- MSCOD has completed a survey of physical accessibility of the 87 county courthouses in Minnesota and has informed and made recommendations to each county on the accessibility of their courthouse.
- MSCOD participates with the Department of Administration in measuring the physical access to state owned and leased buildings and recommending improvements in accessibility. Fixed route bus service to be lift equipped.
- MSCOD has been the lead agency in Minnesota for passage of the Americans With Disabilities Act which will make fixed route bus service accessible to persons with physical disabilities.

2. **All children will come to school ready to learn. Minnesotans will excel in basic academic skills.**

- The Department of Education and MSCOD are working together on accessibility surveys in all of the states 435 school districts.
- In F.Y. 1992, MSCOD made numerous presentations on disability awareness. Arrangements are being made with the Department of Education to do extensive disability awareness training for teachers and students.

3. **Minnesotans will be healthy.**

- MSCOD, in cooperation with disability oriented organizations, identifies health care needs of persons with disabilities and advocates for change when necessary.

4. **All Minnesotans will have the economic means to maintain a reasonable standard of living.**

- MSCOD does training on the requirements of the Americans With Disabilities Act for employers and consumers. MSCOD, in cooperation with disability related groups, seeks to identify and solve employment problems for persons with disabilities and is the states representative of the President's Committee for Employment of People with Disabilities.

CLIMATE:

- Legislation enacted during the 1992 session directed the Council on Disability to define the term medically fragile and technology dependent and to do a census of children in the state who meet that definition.
- Numerous schools in the state are not accessible to students with physical disabilities. Children should have the right to attend school with their peers.
- Many government buildings are not physically accessible. MSCOD, in cooperation with the Department of Administration is working to make all state owned and leased buildings accessible. MSCOD has conducted an accessibility survey of county courthouses and encouraged counties to improve the accessibility of their courthouses.
- Many health care plans do not offer adequate coverage for persons with disabilities, in some cases even forcing them on to Medicaid for adequate health care. This results in cost shifting to the public sector with a loss in employment and taxes as well as the losses in human terms. For long term care a shift must be made to integrated community based services; this will represent a significant savings over nursing homes or institutions as well as contribute to the independence of people in need of long term care.
- Persons with disabilities have a high rate of unemployment and underemployment. The Council works with community organizations on employment issues and represents the state on the President's Committee on Employment of People With Disabilities.
- Community based and integrated mental health services need to be expanded for children and adults.
- Persons with disabilities as well as policy makers and the general public need a source of information regarding resources, services and accessibility standards.

AGENCY: Disability, Council on
(Continuation)

OBJECTIVES:

- MSCOD will provide persons with disabilities, public officials and the general public information and resources pertaining to disabilities. There has been a steady increase in the use of this information and referral service; in F.Y. 1992 approximately 10,000 persons used this service.
- MSCOD will define medically fragile/technology dependent (MF/TD) and do a census of MF/TD children in Minnesota, and survey needs and costs of these children support services.
- State owned and leased buildings will be physically accessible to persons with disabilities. MSCOD and the Department of Administration have participated in study of these buildings and have developed a plan to make all of these buildings accessible. 2. County courthouses will be physically accessible to persons with disabilities; MSCOD has done a survey of all county courthouses in Minnesota and has encouraged counties to make the courthouse accessible.
- School buildings will be made physically accessible for children with disabilities. MSCOD is working with the Department of Education on accessibility of public schools.
- Employers, consumers and the general public will be presented with information on the requirements of the Americans With Disabilities Act (ADA); in F.Y. 1992 MSCOD presented to over 50 audiences and 2,500 persons on the ADA. 2. Teachers and students will be given disability awareness training; MSCOD made 21 disability awareness presentations and presented to over 500 persons on disability awareness in F.Y. 1992. MSCOD, in cooperation with the Department of Education, will expand this disability awareness training.
- MSCOD, in cooperation with disability related community organizations, will identify problems with health care for persons with disabilities, including work disincentives, and advocate for change when necessary.

OUTCOMES:

- Consumer satisfaction with this service will be rated by asking 20% of the users of the service to complete a questionnaire.
- The purpose of this study is to determine the number of MF/TD children for service purposes, and view service gaps.
- The removal of physical barriers to accessibility gives persons with disabilities a more equal opportunity to government services and to participate in and contribute to society.
- Children with physical disabilities will be allowed the same opportunity to attend their local school along with their peers without a disability.
- People with disabilities and the general public will better understand the legal requirements of the ADA. Teachers and students will become aware of persons with disabilities and disability related issues.
- Necessary health care coverage will be available to persons with disabilities and health care related work disincentives will be eliminated.

INDICATOR:

- Percentage of consumers rating service excellent or good to be established over 24,000 calls by F.Y. 1995.
- The number of MF/TD children identified, approximately 2,000, will be located by F.Y. 1995.
- Percentage of buildings that are fully accessible established to be 25% of state buildings.
- 227 school districts have completed an accessibility survey in F.Y. 1992 - MSCOD to assist changing an additional 25% of the school districts per year or 50% over the biennium (utilizing levied funds for accessibility improvements).
- Varied audiences who rate presentation good or excellent, 10,000 public to be educated by F.Y. 1995.
- Number of persons identifying a health care benefit problem or health care work disincentive. Will consult with 6,000 concerned citizens by F.Y. 1995.

AGENCY BUDGET PLAN:

The budget reduction causes us no reduction of effort; only an opportunity to re-think how we can collaborate more intensively with our customers and allies in the delivery of services and knowledge across the state. MSCOD has been drawing more multiple disability groups into numerous statewide events; such as, seminars on the Americans with Disabilities Act, school accessibility training for board members, architects, etc. Our council has authorized us, for the first time ever, to become income generators; charge for certain training experiences and solicit foundation grants and seek federal and regional funds on long term to replace state monies, i.e., charge for accessibility plan development for small communities and seek attitude/diversity training funding for disabilities community.

In an attempt to improve the delivery of our services and information skills to the Minnesota public, we have combined our efforts with other public and private organizations to expand our influence and services to the maximum, without injuring the integrity of our goals: Various types of combinations are displayed as examples; combining workshops and seminars with other governmental and private agencies; assisting the League of Cities working statewide with 100 small cities and towns (population 2,500 and under) to develop ADA self-evaluation plans by F.Y. 1995; coordinating with association of county governments and 20 county governments on self-evaluation plan development by F.Y. 1995; coordinating with 100 townships on ADA training and teaching them how to pull together self-evaluation planning by F.Y. 1995; establishing 5 regional accessibility teams, statewide using multiple agency personnel by F.Y. 1995.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: CNCL ON DISABILITY

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	587	587	581	581	6	6		
TECHNICAL ADJUSTMENTS								
INSURANCE PREMIUM HOLIDAY	2	2	2	2				
SUBTOTAL TECH. ADJ.	2	2	2	2				
CURRENT SPENDING	589	589	583	583	6	6		
FORECAST ADJUSTMENTS								
DED STAT APPROP SPENDING	<3>	<3>			<3>	<3>		
SUBTOTAL FORECAST ADJ.	<3>	<3>			<3>	<3>		
AGENCY BASE	586	586	583	583	3	3		

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CNCL ON DISABILITY
PROGRAM: CNCL ON DISABILITY
ACTIVITY: CNCL ON DISABILITY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	341	353	402	404	397	384	404	401	388
EXPENSES/CONTRACTUAL SRVCS	67	84	110	110	85	85	110	86	86
MISC OPERATING EXPENSES	49	62	65	65	65	65	65	60	60
SUPPLIES/MATERIALS/PARTS	11	18	10	10	10	10	10	10	10
CAPITAL EQUIPMENT		10							
SUBTOTAL STATE OPERATIONS	468	527	587	589	557	544	589	557	544
LOCAL ASSISTANCE	40	40							
TOTAL EXPENDITURES	508	567	587	589	557	544	589	557	544
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<13>			<13>
TOTAL GOV'S INITIATIVES						<13>			<13>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	503	564	581	583	554	541	583	554	541
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE			3	3			3		
FEDERAL		1							
GIFTS AND DEPOSITS	5	2	3	3	3	3	3	3	3
TOTAL FINANCING	508	567	587	589	557	544	589	557	544

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CNCL ON DISABILITY
PROGRAM: CNCL ON DISABILITY
ACTIVITY: CNCL ON DISABILITY

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
TOTAL POSITIONS	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0

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1994-95 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: CORRECTIONS, DEPARTMENT OF

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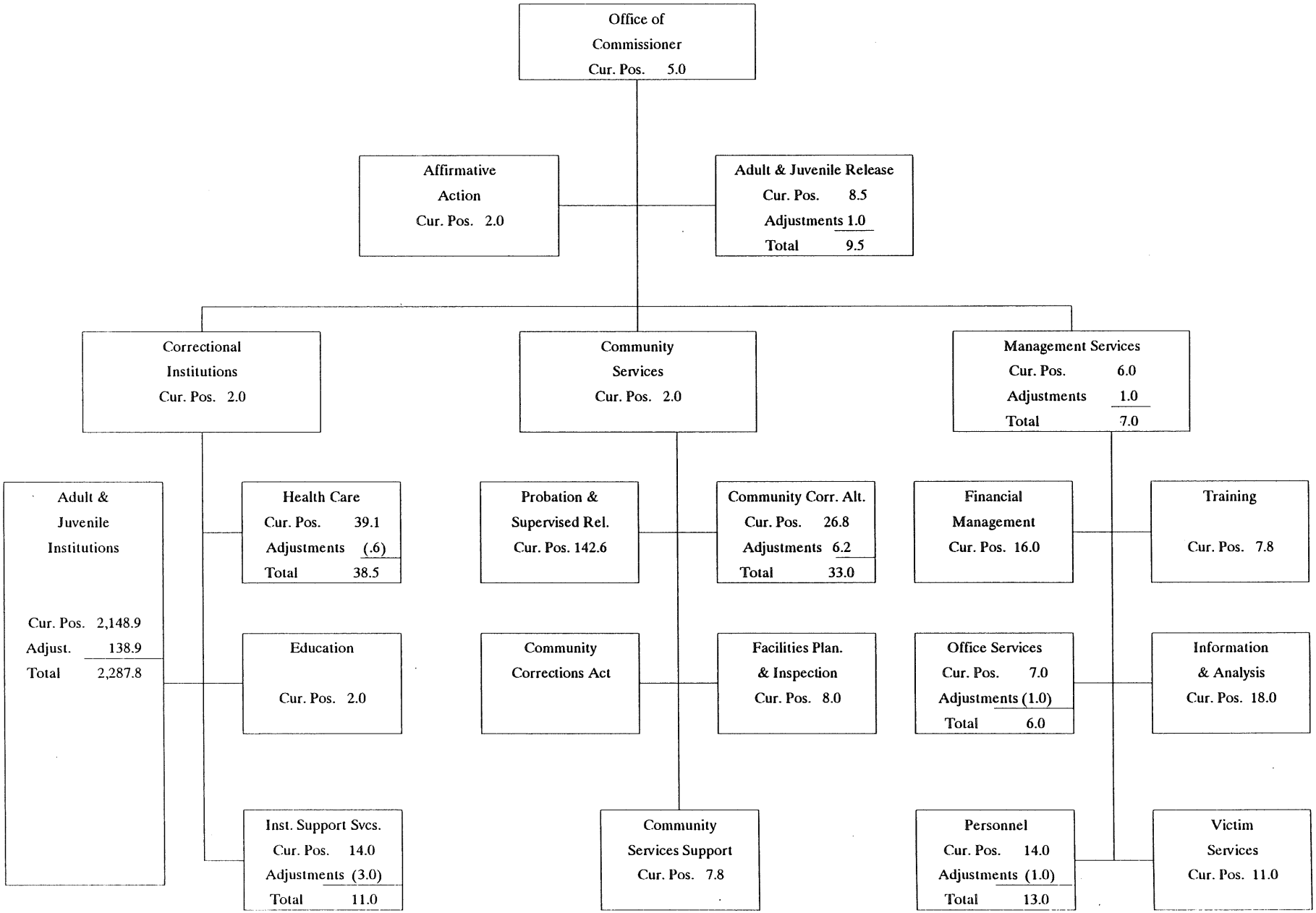
Department of Corrections
Organization Chart 7/1/92



Department of Corrections

Position and Employee Status Information

Position Reconciliation:

Authority	Current F.Y.'93	Requested for 6/30/95
Legislative Complement:		
General Fund	5.0	–0–
Legislative Authorized:		
General Fund	2,275.5	2,415.1
Special Revenues	44.3	114.6
Federal	7.9	9.7
Agency	2.5	3.5
Correctional Industry	77.1	87.1
Budgetary Authorized:		
General	46.6	–0–
Special Revenues	24.5	–0–
Federal	2.1	–0–
Agency	1.0	–0–
Correctional Industry	2.0	–0–
Total Permanent Positions	2,488.5	2,630.0
Other Complement (FTE)	5.0	5.0
Total Positions	2,493.5	2,635.0
Employees on 6/30/92	2,479	

Employees by Employment Status:

	6/30/92
Full–Time Unlimited	2,294
Full–Time Temporary	66
Full–Time Emergency	8
Full–Time Seasonal	1
Part–Time Unlimited	83
Part–Time Temporary	7
Part–Time Emergency	1
Intermittent Unlimited	18
Intermittent Temporary	1
Total	2,479

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Corrections, Department of **Fund: General**

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$173,005	$173,024	$346,029
Forecast Adjustments	7,483	11,481	18,964
AGENCY BASE	$180,488	$184,505	$364,993
Inflation Cost Increase	4,938	10,290	15,228
Agency Management Decisions			
Correctional Institutions			
Position Reductions	(3,218)	(6,685)	(9,903)
Conversion of Sauk Centre to Fee-for-Service	-0-	(4,147)	(4,147)
Absorb Inflation	(1,070)	(3,135)	(4,205)
Subtotal	$(4,288)	$(13,967)	$(18,255)
Community Services			
Position Reductions	(268)	(554)	(822)
Absorb Inflation	(170)	(504)	(674)
Subtotal	$(438)	$(1,058)	$(1,496)
Management Services			
Position Reductions	(158)	(325)	(483)
Caseload Driven Support Services, Communication, Spaces, Transportation	$291	$239	$530
Information System Upgrade	250	250	500
Pardon Board Support	50	43	93
Absorb Inflation	(54)	(111)	(165)
Subtotal	$379	$ 96	$475
TOTAL AGENCY PLAN	$181,079	$179,866	$360,945
Governor's Initiatives			
Position Reductions/Buy Back	$3,644	$7,564	$11,208
Increase Community Alternatives			
Community Corrections Act Aid	3,000	6,500	9,500
County Criminal Justice Assistance	2,500	2,500	5,000
Sentencing to Service	1,750	2,000	3,750
Work Release	750	1,000	1,750
Juvenile Detention Subsidy	400	650	1,050
Probation & Supervised Release	933	1,134	2,067
Intensive Community Supervision	250	500	750
Contract Revocation Services	500	500	1,000
Female Offender Supervisor	125	125	250
Female Recidivism Reduction	125	125	250
Sex Offender Biomedical Intervention	125	125	250
Sex Offender Community Transition	175	180	355
Sex Offender Community Treatment	150	150	300
Crime Victim Services & Assistance	3,250	3,250	6,500
Increase Adult Male Capacity	$ 4,800	$10,600	$15,400-
Salary Planning Estimates	(3,497)	(3,463)	(6,960)
Subtotal	~~$16,480~~	~~$30,940~~	~~$47,420~~
	$18,980	$33,440	$52,420
GOVERNOR'S RECOMMENDATION	~~$197,559~~	~~$210,806~~	~~$408,365~~
	$200,059	$213,306	$413,365

Brief Explanation of Agency's Overall Actions:
A constantly growing offender population, particularly adult males, sets the overall context for the department's budget. The adult male population is projected to increase by 889 from F.Y. 1992 to F.Y. 1995, and by an additional 439 by F.Y. 2000. The overall challenge for society is how to deal with this caseload growth in an appropriate and resource efficient manner.

In the short term, under existing law, there seems little alternative than to provide additional bed capacity in state prisons. However, continuing to spend scarce resources to build and staff more state prisons is a policy that makes little sense in the long run. This is especially true if these prisons continue to be used to incarcerate low and moderate risk offenders who can be managed in effective and less costly community based programs.

Currently, many offenders are entering state prisons with less than one year remaining on their sentences. State prisons have neither the capacity nor the necessary programming to deal appropriately with these individuals.

Within this context, the department proposes that existing state law be modified to require that all offenders with less than one year to serve remain a county responsibility. This change will dramatically reduce the number of new prison beds currently needed and delay part of the need for additional capital expansion to the 1996-1997 biennium. On a statewide basis, sufficient beds exist at the local level to absorb this caseload.

~~Revised 2-11-93~~
Revised 3-4-93

The department also proposes to convert the Sauk Centre juvenile facility from a totally state funded facility to that of a fee-for-service facility. Counties will be able to pick from among all available juvenile custody and treatment programs and make choices solely upon the basis of the most appropriate program.

Finally, the department will absorb the cost of non-salary inflation by modifying and streamlining operations to the extent possible and making optimum use of dedicated receipts. In addition, the projected budget assumes the department absorbs the cost of a 3.5% compensation increase in each year of the biennium. If required to absorb these costs, the department would have no alternative other than to translate these costs into position reductions. At current position costs, the amounts to be absorbed equate to approximately 76.0 positions. Layoff and other costs to achieve this level of cost absorption would further increase this number.

The real impact of position reductions would be reflected in:

- A serious decrease in the level of security and control provided in state prisons, an increased level of risk to the public, incarcerated offenders, and department staff.
- A reduced level of supervision of offenders in the community and a corresponding decrease in public safety as offenders repeat their criminal activities.
- A reduced level of assistance and support for victims of violence and abusive behavior.
- Deterioration of offender information systems, departmental planning, and administrative support services.

2. **Impact on Staffing:**

	F.Y. 1994	F.Y. 1995
	(114)	(76)

3. **Impact on Revenue Generation:**

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Juvenile fee for service operation - Sauk Centre	$-0-	$4,147	$4,147

4. **Affected Statutes:**
M.S. 242.41; 242.51, M.S. 401.13

5. **Governor's Recommendation**

The Governor concurs that the department can not reasonably absorb the costs of employee compensation planning estimates in its agency plan. The negative impacts upon public safety would be too great. Therefore, the Governors' budget recommendation provides additional resources of $3,644,000 in F.Y. 1994 and $7,564,000 in F.Y. 1995 to buy back the position reductions that would otherwise be required in order to maintain the essential services provided by the department.

The Governor also concurs with the department's budget plan for the F.Y. 1994-1995 biennium to make more effective and appropriate use of scarce state prison facilities in managing the increasing number of offenders being brought to justice, by requiring that short term offenders be managed at the local level.

However, as counties retain responsibility for short term offenders rather than sending them to state funded prisons, county costs will rise. In recognition of the additional costs and program responsibilities of the counties from which these offenders currently come, the Governor proposes major increases in state funding for county corrections and community based programming.

First, the Governor proposes to increase state funding for the Community Corrections Act by $3,000,000 in F.Y. 1994 and $6,500,000 in F.Y. 1995. This is a 13% increase in funding in 1994 and a 28% increase in 1995, and will raise the ratio of state to local spending to that last achieved in 1981. The Governor further recommends new funding of $2,500,000 each year to assist counties with the costs associated with local incarceration of adults and program placement costs for juvenile offenders. The Governor also recommends an additional $1,750,000 in F.Y. 1994 and $2,000,000 in F.Y. 1995 for the Sentencing to Service program, and an additional $750,000 in F.Y. 1994 and $1,000,000 in F.Y. 1995 for the Work Release program. Both of these programs provide an alternative to incarceration of adults at the local level and allow the offender to make a positive contribution to the community. The Governor further recommends an additional $400,000 in F.Y. 1994 and $650,000 in F.Y. 1995 for Juvenile Detention Subsidy grants to local authorities to ensure that juvenile offenders are not held in local facilities with adult offenders.

At the state level, the Governor proposes to increase the level of resources committed to non institutional programs which deal with the regulation of offender behavior while in the community. The Governor recommends $1,808,000 in F.Y. 1994 and $2,259,000 in F.Y. 1995 for Probation and Supervised Release of offenders, Intensive Community Supervision of special offenders, the purchase of Contract Revocation Services, and Female Offender Supervision as detailed above.

In addition to these efforts, the Governor is committed to initiatives directed toward intervention to reduce the incidence of future criminal behavior. To this end he recommends $575,000 in F.Y. 1994 and $580,000 in F.Y. 1995 for funding of the following initiatives within the context of the Department of Corrections' budget; Female Recidivism Reduction project, Sex Offender Biomedical Intervention, Sex Offender Community Transition, and Sex Offender Community Treatment after leaving state institutions.

The Governor places one of his highest priorities on the protection and support of the women and children who are the victims of violence and abuse. In many parts of the state some victim services are readily available. In others there are very few if any services available. The Governor recommends an additional $3,250,000 each year of the biennium for services in under and unserved areas of the state. The department has demonstrated an ability to work with organizations representing the victims of violence and abuse. The Governor recommends that the department be given the flexibility of working with these groups in determining the geographic and programmatic areas of greatest need.

The Governor also recommends $4,800,000 in F.Y. 1994 and $10,600,000 in F.Y. 1995 for the purpose of converting the Department of Human Services Moose Lake Regional Treatment Center to a medium security prison during the biennium. The Department of Human Services is currently involved in the process of downsizing the Moose Lake Center and moving the majority of its residents to community based residential programming. Corrections currently occupies a portion of the Center for prison purposes. The recommended funding will provide for conversion of the remainder of the facility by the end of F.Y. 1994, when it is no longer needed for Human Services purposes. This recommendation coupled with the proposal to manage short-term, low risk offenders at the local level will meet the prison capacity demand for the 1994-95 biennium.

Finally, the Governor recommends a reduction of $6,960,000 due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(A) POSN REDUCTION BUY BACK	GEN	3,644	7,564	11,208			
(A) SALARY PLANNING ESTIMATES	GEN	<3,497>	<3,463>	<6,960>			
(P) COUNTY CRIMINAL JUSTICE ASSISTANCE LGT	~~GEN~~	2,500	2,500	5,000			
(B) INMATE BED EXPANSION	GEN	4,800	10,600	15,400			
(B) PILOT GRANT - BIOMEDICAL INTERVENTION	GEN	125	125	250			
(B) REVOCATION PROGRAM	GEN	500	500	1,000			
(B) SO TRANSITIONING BACK INTO COMMUNITY	GEN	175	180	355			
(B) PROBATION & SUPVD RELEASE INITIATIVE	GEN	933	1,134	2,067			
(B) COMMUNITY CORRECTIONS ACT INITIATIVE	GEN	3,000	6,500	9,500			
(B) EXPAND SENTENCING TO SERVICE PROGRAM	GEN	1,750	2,000	3,750			
(B) EXPAND WORK RELEASE PROGRAM	GEN	750	1,000	1,750			
(B) JUVENILE DETENTION SUBSIDY PROGRAM	GEN	400	650	1,050			
(B) CONTINUE INTENSIVE COMMUNITY SUPERVISION	GEN	250	500	750			
(B) SEX OFFENDER TREATMENT	GEN	150	150	300			
(B) FEMALE RECIDIVISM REDUCTION PROJECT	GEN	125	125	250			
(B) JUVENILE FEMALE MINI GRANTS	GEN	125	125	250			
(B) VICTIM SERVICES INITIATIVE	GEN	3,250	3,250	6,500			
TOTAL BY FUNDS	GEN	18,980	33,440	52,420			
TOTAL INVESTMENT INITIATIVES		18,980	33,440	52,420			

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AGENCY: Corrections, Department of

MISSION STATEMENT:

The mission of the Minnesota Department of Corrections is to protect the public through the incarceration of offenders and to deliver a wide variety of correctional services for juvenile and adult offenders on probation, supervised release and parole. To better achieve this mission of public protection, the department also administers financial and technical assistance to counties under the Community Corrections Act to provide correctional services and to public and private organizations to provide services for victims of crime.

The department operates 10 correctional facilities including 7 for adults, 2 for juveniles and 1 that serves both adults and juveniles. Adult prison populations currently total more than 3,700 inmates; juvenile offenders number in the 160 to 170 range. More than 10,000 offenders on probation, supervised release and parole are supervised by department agents. Through the state Community Corrections Act the department also administers grant funds to units of local government for correctional services. Through grant funding provided by the department, programs serve battered women, victims of sexual assault, abused children and general crime victims.

The department is organized into 3 programmatic divisions: institutions, community services and management. Also at the division level are the offices of adult and juvenile release and the affirmative action office. Numerous volunteer citizen advisory groups play key roles in the department in areas such as victim services, community corrections, women offender issues and correctional industries.

The 3 program divisions perform their functions in order to meet the following objectives:

- to maintain a safe, secure and humane environment for adult and juvenile offenders while incarcerated;
- to provide programming and work opportunities for adult and juvenile offenders while incarcerated to help them return to the community as law-abiding citizens;
- to provide structure to and control behavior of offenders on probation, supervised release and parole;
- to work with the Department of Natural Resources and counties to provide sentencing to service programs for non-dangerous offenders who are sentenced to perform useful community service projects;
- to subsidize and support local correctional services through the Community Corrections Act;
- to provide assistance and support to victims of crime;
- to provide internal service support in an efficient and effective manner by utilizing cost-beneficial information systems; and
- to promote a culturally diverse workforce.

MINNESOTA MILESTONES:

The work of the Department of Corrections supports the major Milestone theme of "A Caring and Secure Community." The department contributes to this theme by:

- protecting citizens, staff and inmates by controlling the behavior of adult and juvenile offenders;
- promoting positive behavior for adult and juvenile offenders upon return to the community;
- assisting victims of crime including children; and
- valuing its workforce.

Leading role among state agencies. The department is part of the Minnesota Criminal Justice System. It is the lead state agency in administering to offenders various levels of sanctions resulting from court decisions. As such, it is responsible for community protection and the humane care of offenders during their period of sanction.

Minnesota is 49th in the nation in the number incarcerated in state prisons per 100,000 population. Ranking 37th in the country, Minnesota has had relatively low levels of violent crime for many years. Minnesota's low rate of incarceration is reflected in the correctional system's reliance on local alternatives to prison for less serious offenders. The system is designed to reserve expensive prison space for those criminals who are dangerous and need to be incarcerated. The state ranks 48th nationally in the cost to operate institutions or approximately $22 per capita for its adult prisons.

The rate at which inmates return to prison after release is relatively low in Minnesota. Nearly 80% of offenders released from state correctional facilities do not return to prison as the result of a conviction for a new crime. After 2 years 22% return because they were reconvicted. Another 13% are returned to prison because they violated their conditions of release, most frequently because they failed to report to their agent or for use of drugs or alcohol.

Children - The department operates a juvenile correctional facility at Sauk Centre and another at Red Wing where adults are also housed. Thistledew Camp, which operates on a per diem basis, provides an educational and confidence building program for male juveniles. Recently, the department's juvenile detention services subsidy program has provided funding to local communities to remove juveniles from adult jails.

Supporting role among state agencies. In its supporting role, the department continues to provide admission and release data on offenders to the Department of Public Safety where Minnesota criminal histories are maintained. The department's victim service programs complement the victim services provided by the Department of Public Safety. The department works closely with the Sentencing Guidelines Commission in projecting inmate populations and maintaining sentencing guidelines. The commissioner of corrections is a member of the Sentencing Guidelines Commission. In partnership with the Department of Natural Resources, the department operates the Sentencing to Service Program which diverts at the local level the non-dangerous offender to community service in lieu of jail or a fine.

CLIMATE:

The following factors are shaping the development of policies and programs at the Department of Corrections:

Adult Population Growth. The department has no discretion to limit the number of adult offenders committed to the commissioner of corrections by the courts under the sentencing guidelines. In 1989 penalties for serious violent offenders were increased substantially by the Legislature and the Sentencing Guidelines Commission. Sentences under the guidelines increased for most violent

offenses and for offenders with repeat violent criminal records. Life sentences were increased from 17 to 30 years before parole consideration. Life sentences without the possibility of parole were added for certain 1st degree murderers and 37-year sentences for certain categories of repeat sex offenders became law. During the 1992 legislative session, state law was changed to increase penalties for powdered cocaine offenses resulting in substantial increases in prison population projections.

The ~~impact of the cocaine penalty increases combined with~~ inmate population projections prepared by the Sentencing Guidelines Commission and the Department of Corrections in February, 1992, and reforecast in January, 1993, indicate that adult inmate populations will continue to increase far beyond the department's prison bed capacity. With state correctional facilities at capacity, more beds will be needed for adult males by the end of the next biennium. ~~Although new population projections will be available in January, 1993, it is not anticipated that the February, 1992, projections will change substantially.~~

While the adult inmate population is increasing, it is also undergoing change in characteristic. The inmate population is aging and will have a greater need for health care. More sex offenders also are coming into the system and in July, 1992, they account for 21% of the adult population. At the same time, over 61% of the adult inmate population was in prison for person offenses.

Juvenile Offender Population: The juvenile population has remained in the range of 160 to 170 over the last several biennia. An echo boom is expected to increase the number of juveniles in the state system in the next several years but then the population will likely decrease again to current levels. A new sex offender program at MCF-Sauk Centre will add 20 juvenile residents to the state system.

Alternatives to Prison:

Probation and Supervised Release. The number of offenders placed under supervision and probation is increasing rapidly and expected to near 500 additional cases by F.Y. 1995. Over 90% of the offenders in the community and under the department's authority are on court-ordered probation with the remaining 10% on supervised release from the correctional facilities. It is vital to supervise offenders on probation and supervised release at a level commensurate with public safety.

Work Release. This activity combines supervision and work experience in the community for offenders nearing their release from state correctional facilities. It provides goal oriented work programs for property offenders and saves beds for the more violent offender. Work release beds are less expensive than prison beds and 53 additional beds are sought for the next biennium.

Federal Funding: Federal funds granted on a matching basis for new programs are being reduced in accordance with federal guidelines even though they have proven cost efficient and programmatically effective. Declining federal revenues are projected for the following community programs:

Sentencing to Service. In cooperation with the Department of Natural Resources (DNR), this project is designed to serve the needs of both the DNR and the criminal justice system by sentencing non-dangerous offenders to community service in Minnesota's state parks and other public lands. A loss of federal dollars would greatly curtail this community service program.

Juvenile Detention Subsidy Program. This community service program provides funding to local units of government for a continuum of juvenile detention resources which encourages the least restrictive detention alternative and retains juveniles in or near their own communities. It removes juveniles from local adult jails. The continuation of this program at currently funded levels will result in a more closely monitored Juvenile Detention System in Minnesota with trained staff and para-professionals emphasizing the use of the child's own community to meet the child's needs.

Intensive Community Supervision. This program provides intensive community supervision to high risk inmates being released from state correctional facilities. Programs in the Metro area counties including Anoka, Hennepin, Ramsey and Washington are funded at the 80% level by federal funds with 20% paid by state funds. Federal revenues are not expected to be available after 12-31-93, for this program.

Grant Programs: There are increasing demands at the local community level due to offender population increases and an increasing need for services to victims.

Victim Services. Legislative mandate dictates that domestic abuse intervention services be established in each of the state's 27 judicial assignment districts by 6-30-95. This funding would provide for an effective and consistent criminal justice system response to domestic violence and abuse. It would promote safety for victims and ensure consistent consequences for perpetrators. Current resources cannot fill this mandate for services.

Community Corrections Act. This Act provides grants to a county or group of counties for the provision of local correctional services. The act is designed to encourage development of a local correctional system which includes sanctions for offenders and a variety of community programs. Offender population increases at the local level have increased the need for resources to maintain safety in the local communities.

Correctional Support Services: With the increasing population pressures of the adult inmate population and offenders on probation and supervised release, and with the addition of new and expanded programming for offenders, department information systems need to be updated and expanded and program staff need more space. To become more efficient in data collection and retrieval and to provide adequate space for employees, the department requires additional resources to meet these demands.

AGENCY BUDGET PLAN:

The department has reviewed its various activities to determine how best to meet its basic mission to protect the public through the control of offender behavior in a period of limited resources. Safety of the public, department staff and inmates in the institutions and on probation and supervised release are considered to be the department's primary responsibility. To increase the risk to public safety by failure to control prisons and offenders in the community is not considered an acceptable alternative. The department has determined that major across-the-board reallocations are not viable. So that public safety is maintained, restructuring of the provision of services within the criminal justice system in a more efficient and effective manner needs to be considered.

Agency-Wide - All Programs. Recent state budget guidelines have not allowed automatic inflationary increases for many years. The department has made reallocations to meet those increases, used other sources of funding or reduced services to stay within budget. Contract services have in particular been impacted by this method of budgeting, especially in the areas of work release, residential service, health care, food preparation and utilities where shortages in funding often occur. These are basic services that must be provided in order to maintain public safety in the community and safety within the confines of the correctional facilities.

The department has absorbed these cost increases by buying fewer supplies, purchasing less equipment, negotiating same level contracts, and using dedicated receipts or whatever means available to stay within budget. The department will make every effort in the coming biennium to absorb increased costs through the use of similar methods. However, the department cannot maintain existing levels of custody, supervision or public service if required to internally fund salary and non-salary inflation.

Correctional Institutions

In order to provide juvenile services to the courts, the department already has a successful model in Thistledew Camp, which provides on a per-diem basis an educational and confidence building outdoor survival program for young men 13 to 18 years of age who experience difficulties in their home communities. Thistledew Camp is a state facility which operates on the funding it receives from counties and school districts and receives only small sums from the state for building repair.

As a pilot project, in F.Y. 1995, the department proposes to change the operation of MCF-Sauk Centre from that of a state funded facility to that of a fee-for-service facility in a manner similar to that of Thistledew Camp. If that effort is successful, the department would propose to change the operation of MCF-Red Wing to a fee-for-service agency in the second year of the following biennium. At that time, the state would no longer directly fund juvenile services for the courts, except for juveniles who are committed for murder and would continue to be committed to the state at no cost to counties. All other juvenile services would be purchased directly by the counties and school districts. Thus, the local community would make the decision to use these services based on their efficiency and effectiveness in the juvenile programming marketplace.

During this transition in funding for juvenile services in Minnesota's criminal justice system, the department will propose statutory changes in the Community Corrections Act to change actual per diems at MCF-Sauk Centre and MCF-Red Wing rather than the current partial chargeback. In F.Y. 1994, both correctional facilities would charge actual per diems and save these receipts for use at MCF-Sauk Centre in the following year for transition funding from a state-funded facility to a self-supporting facility. An additional $1 million investment will be needed for cash flow purposes in F.Y. 1995.

During this interim, the department proposes to continue the division of the state for commitments to MCF-Red Wing while part of the state would be in a fee-for-service area. The same process would then be used to convert MCF-Red Wing from a state funded facility to a self-supporting one.

MCF-Sauk Centre will continue to offer the sex offender program initiative as part of its overall program on a purchase of service basis. While Community Corrections Act counties already pay for their county commitments to the state, non Community Corrections Act counties do not.

Community Services

In 1991, 578 beds were used at state adult correctional facilities for offenders who had less than a year to serve when they arrive at those facilities. Of those commitments, 454 beds or 79% of the total beds utilized were from Community Corrections Act (CCA) counties. CCA counties represent about 65% of the state's population.

With the enactment of the Community Corrections Act, counties joining the act were given formula dollars for local programming. These dollars were given with the belief that corrections was a local responsibility and that significant programming dollars would give counties other alternatives than incarceration. If counties chose to send offenders to state correctional facilities for sentences of less than 5 years, they were required to use their Community Corrections dollars to pay the per-diem cost of maintaining the offender at the institution.

Subsequently, the enactment of the sentencing guidelines law greatly limited court discretion in the sentencing process. As a result, courts in both CCA and non-CCA counties were allowed (and even mandated) to send offenders to prison for periods under 5 years. Commitments of less than a year have increased steadily. The problem has been exacerbated in the last 3 years with commitments of less than a year as follows: 1989 - 792; 1990 - 869; 1991 - 913.

No sentencing guideline calls for a sentence of imprisonment for less than 12 months, however. Individuals arriving with sentences of less than 1 year do so in one of the following ways:

- The original sentence is for more than a year but credits for jail time reduce the sentence to less than a year when the commitment is actually executed.
- The original sentence is for more than a year but time spent in the community or served in local jails/workhouses/correctional facilities/halfway houses, as a condition of probation, is credited and the individual has less than a year to serve when a commitment is executed.

Individuals arriving with such short terms cause considerable custodial problems at the correctional facilities and do not afford enough time to recruit or motivate those individuals into behavioral change programming. Additionally, these short term offenders tend to be from lower severity levels with limited history. The effect on populations in the adult correctional facilities is to cause crowding and to make resources for longer term, more serious offenders more scarce. Finally, a continuation of commitments of these short term offenders will ultimately result in a need to create new beds at existing facilities or eventually to seek funds to build new correctional facilities. Accordingly, the department proposes that statutory changes be initiated which will prohibit commitment to a state adult correctional facility of individuals who have less than a year and a day to serve from the time of their commitment.

AGENCY: Corrections, Department of
(Continuation)

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the department's budget plan, but augments that plan with ~~$47~~ $52 million of investment initiatives to assist the department and local units of government in carrying out their responsibilities in the criminal justice system.

First, the Governor recommends additional funding in order to buy back the departmental work force reductions that would otherwise be required under the budget plan. It is critical that the department maintain its current level of staffing in order to perform its many public safety and programmatic responsibilities.

Secondly, the Governor recommends an ambitious aids package to assist local units of government to meet the demands of providing community based correctional programs for low risk short term offenders as an alternative to incarceration. Increased funding is recommended for the Community Corrections Act, County Criminal Justice Assistance grants, Sentencing to Service, Work Release, the Juvenile Detention Subsidy program, and to develop county alternative programming for juvenile girls entering the correctional system. The juvenile detention subsidy and juvenile girls initiatives are part of the children's integrated budget and are detailed on the investment initiatives of the budget. ~~A summary of the entire children's integrated budget can be found at the end of this department's budget.~~ The entire children's integrated budget is detailed further in the Department of ~~Human~~ Children and Education Services budget.

The Governor also proposes a major increase in state funding to provide assistance for victims of violence and abuse. New funding is also provided to increase the supervision of offenders on release in local communities, for sex offender treatment after release from state prison facilities, and for intervention efforts to reduce repeat offenses by offenders.

The Governor also recommends additional funding which will allow the department to staff additional adult male medium security beds at the Moose Lake Regional Treatment Center (RTC) when such space is no longer needed by the Department of Human Services. Conversion and utilization of excess RTC space for prison purposes will be less expensive than building new prison space, and will provide for continued employment of RTC employees.

Finally, the Governor's budget includes a reduction due to revised salary planning estiamtes.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF

PROGRAM RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
CORRECTIONAL INSTITUTIONS	126,994	142,681	153,745	150,921	158,948	164,685	150,923	162,472	177,523
COMMUNITY SERVICES	34,855	42,882	45,508	44,937	42,671	52,410	44,946	42,413	57,133
MANAGEMENT SERVICES	12,143	12,272	14,451	14,351	14,489	17,993	14,359	14,463	18,132
TOTAL EXPENDITURES BY PROGRAM	173,992	197,835	213,704	210,209	216,108	235,088	210,228	219,348	252,788
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
LOCAL GOVERNMENT TRUST						2,500			2,500
GENERAL	142,575	162,790	176,500	173,005	181,079	197,559	173,024	179,866	210,806
STATUTORY APPROPRIATIONS:									
GENERAL	14	8	18	18			18		
SPECIAL REVENUE	7,384	6,654	6,797	6,797	4,783	4,783	6,797	8,932	8,932
FEDERAL	3,096	4,698	5,188	5,188	3,371	3,371	5,188	2,623	2,623
AGENCY	9,608	11,203	11,997	11,997	13,138	13,138	11,997	13,321	13,321
GIFTS AND DEPOSITS	32	15	4	4	4	4	4	4	4
CORRECTIONAL INDUS	11,283	12,467	13,200	13,200	13,733	13,733	13,200	14,602	14,602
TOTAL FINANCING	173,992	197,835	213,704	210,209	216,108	235,088	210,228	219,348	252,788
POSITIONS BY FUND:									
GENERAL	2,127.0	2,189.0	2,327.1	2,323.8	2,484.6	2,610.1	2,323.8	2,420.6	2,624.1
SPECIAL REVENUE	68.3	54.3	68.8	45.6	45.6	45.6	45.6	114.6	114.6
FEDERAL	12.3	10.2	10.0	9.7	9.7	9.7	9.7	9.7	9.7
AGENCY	2.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
CORRECTIONAL INDUS	76.8	81.1	79.1	84.1	84.1	84.1	87.1	87.1	87.1
TOTAL POSITIONS	2,286.9	2,338.1	2,488.5	2,466.7	2,627.5	2,753.0	2,469.7	2,635.5	2,839.0

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: CORRECTIONS,DPT OF

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	213,704	213,704	176,518	176,518	31,998	31,998	5,188	5,188
TECHNICAL ADJUSTMENTS								
ONE-TIME APPROPRIATIONS	<1,042>	<1,042>	<1,042>	<1,042>				
BIENNIAL APPROPRIATIONS	105	101	105	101				
APPROPRIATIONS CARRIED FWD	<2,976>	<2,976>	<2,976>	<2,976>				
DOCUMENTED RENT/LEASE INC/DEC	26	49	26	49				
INSURANCE PREMIUM HOLIDAY	392	392	392	392				
SUBTOTAL TECH. ADJ.	<3,495>	<3,476>	<3,495>	<3,476>				
CURRENT SPENDING	210,209	210,228	173,023	173,042	31,998	31,998	5,188	5,188
FORECAST ADJUSTMENTS								
LEG-DIRECTED ADJUSTMENTS	40	388	40	388				
ANNUALIZING NEW PROG COSTS	2,513	2,746	2,513	2,746				
FEDERAL RECEIPTS	<1,817>	<2,565>					<1,817>	<2,565>
CORR FACILITY CASELOAD CHANGE	4,930	8,347	4,930	8,347				
DED STAT APPROP SPENDING	<358>	696	<18>	<18>	<340>	714		
SUBTOTAL FORECAST ADJ.	5,308	9,612	7,465	11,463	<340>	714	<1,817>	<2,565>
AGENCY BASE	215,517	219,840	180,488	184,505	31,658	32,712	3,371	2,623

PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

PROGRAM PURPOSE:

The Correctional Institutions program includes the operation of 10 correctional facilities plus the department-wide coordination and supervision of institution health care, education, industry and other support services. The facilities serve a dual purpose - to protect the community by incarceration of the offender and to provide industrial, vocational, academic and therapeutic opportunities for inmates that help them to return to the community as law-abiding citizens. The mission of the Institutions is to provide a safe, secure and humane environment for inmates and staff while offering various programs to inmates.

This program contributes directly to several state milestones including:

- Communities that are safe, friendly and caring;
- Value and respect for staff and inmates of all cultures, races and ethnic backgrounds;
- Basic health care for inmates;
- Basic academic programs for inmates;
- Vocational training for inmates; and
- Cost efficient facilities to house inmates.

1. Minnesota Correctional Facility (MCF)-Faribault opened in F.Y. 1990 and shares the campus at the Faribault Regional Treatment Center. It is for adult males in medium security and provides an opportunity for inmates to participate in work programs with training and self-discipline.

2. MCF-Red Wing receives and treats delinquent juvenile males up to 19 years of age committed to the Commissioner of Corrections from the juvenile courts in 21 southeastern Minnesota counties including Hennepin County. Red Wing is also a minimum security facility for adult male offenders nearing their release dates.

3. MCF-Lino Lakes is for adult male offenders in medium security and provides opportunities for inmates to participate in work programs with training and self-discipline. Two new cottages housing an additional 168 inmates opened in February, 1992.

4. MCF-Shakopee provides for adult female offenders and offers activities in education, vocational education, specialized programming such as chemical dependency, parenting, independent living skills, battered women's groups, recreation work release and industry programs. Two new cottages and a Mental Health Unit will open in July, 1994.

5. MCF-Willow River/Moose Lake is for both adult male and female offenders in minimum security at Moose Lake on a shared campus with the Moose Lake Regional Treatment Center. Programming for adult males includes vocational, academic, work and group treatment and a short-term offender program. Programming for women provides education and work programs for up to 55 adult female offenders. In October, 1992, a New Challenge Program will open at the Willow River site for up to 72 inmates.

6. MCF-Sauk Centre receives and treats delinquent juvenile males from juvenile courts in 66 counties in western Minnesota and delinquent girls from juvenile courts from all of Minnesota. Currently, juvenile girls are being retained in community resources rather than at MCF-Sauk Centre.

7. Thistledew Camp provides on a per diem basis on educational and confidence building outdoor survival program for young men 13 to 18 years of age who experience difficulties in their home communities. Thistledew Camp is available for use by all juvenile county courts in Minnesota and operates through purchase of service agreements with counties and the local school district.

8. MCF-Stillwater provides academic, vocational, therapeutic and work opportunities 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.

9. MCF-St. Cloud is a receiving facility for younger adult male offenders. Programming includes academic, vocational, chemical dependency, individual, group and job counseling, and work programs. With younger adult males, the emphasis is on education, especially vocational education.

10. MCF-Oak Park Heights is the state's maximum security facility and is designed to receive inmates transferred from the St. Cloud and Stillwater facilities. Inmates at MCF-Oak Park Heights are classified as maximum custody or risks to the public including those convicted of serious person offenses, high escape risks and dangerous and disruptive management problems from other institutions. It offers various programs to inmates with an emphasis on industry programming.

    Institution Support Services coordinates health care, education, industries, transportation of inmates, fugitive arrests, facility planning and development, and accreditation activities to ensure that adequate services are provided efficiently at each institution and to prevent duplication of these service within the department.

PROSPECTS:

Inmate population projections prepared by the Corrections Department and the Minnesota Sentencing Guidelines Commission in ~~February, 1992,~~ January, 1993, indicate that the number of inmates will continue to increase during the next and succeeding bienniums. The adult male population is projected to increase by ~~832~~ 889 from F.Y. 1992 to F.Y. 1995 and by ~~1,335~~ 1,328 by 2000.

Adult female populations are ~~also~~ slowly increasing. Projections indicate an increase of ~~96~~ 10 from 1992 to F.Y. 1995 and by ~~173~~ 14 to the year 2000.

Juvenile populations are expected to remain stable between 170 and 200 during the F.Y. 1994-95 biennium.

	Actual F.Y. 1992	Projected F.Y. 1995	Projected F.Y. 2000	Increase F.Y. 1995	Increase F.Y. 2000
Adult male	3,566	~~4,398~~	~~4,901~~	~~832~~	~~1,335~~
		4,455	4,884	889	1,328
Adult female	200	~~296~~	~~373~~	~~96~~	~~173~~
		210	214	10	14
Total	3,766	~~4,694~~	~~5,274~~	~~928~~	~~1,508~~
		4,665	5,108	899	1,342

Revised 2/10/93

PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of
(Continuation)

~~It should be noted that new inmate population projections will be available in January, 1993.~~

OUTCOMES:

Adult inmate populations have doubled since 1981 while commitments to the commissioner of corrections have increased over 140%. Following are the actual inmate populations and commitments for the past 12 years:

Year	Adult Inmate Population (Year End Total)	Adult Court Commitments (Monthly Averages)
1981	1886	79
1982	2011	100
1983	2057	105
1984	2111	105
1985	2293	111
1986	2304	115
1987	2448	129
1988	2723	150
1989	2988	161
1990	3131	161
1991	3386	169
1992	3766	190
Increase	+1880 or 99.7%	+111 or 140.5%

To meet these past increases, new construction and renovation have provided new beds. However, existing institutions have expanded their capacity to the physical limits of the facilities.

OBJECTIVES:

1. To provide sufficient adult male beds to meet projected inmate population increases.

2. To operate safe, secure and humane correctional facilities and thus contribute to communities that are safe and caring.

PROGRAM PLAN:

MCF-Sauk Centre As a pilot project, in F.Y. 1995, the department proposes to change the operation of MCF-Sauk Centre from that of a state funded facility to that of a fee-for-service facility in a manner similar to that of Thistledew Camp. If that effort is successful, the department will change the operation of MCF-Red-Wing to a fee-for-service agency in the second year of the following biennium. At that time, the state would no longer directly fund juvenile services for the courts, except that juveniles committed for murder would continue to be committed to the state at no cost to counties. All other juvenile services would be purchased directly by the counties and school districts. Thus, the local community would make the decision to use these services based on their efficiency and effectiveness in the juvenile programming marketplace.

Short-term Sentences ~~In 1991, 578 beds were used at state adult correctional facilities for offenders who had less than 1 year to serve when they arrive at the facilities.~~ In 1991, 364 beds were used at state adult correctional facilities for offenders who had less than a year to serve when they arrived at those facilities and whose original sentence was a presumptive stay according to the sentencing guidelines or who had their sentence stayed as a dispositional departure. These individuals arriving with such short terms cause considerable custodial problems and do not afford enough time to recruit or motivate those individuals into behavioral change programming. Also, these short term offenders tend to be from lower security levels. The effect on populations in the adult correctional facilities is to cause crowding and to make resources for longer term, more serious offenders more scarce. Accordingly, the department is recommending that statutory changes be made which will prohibit commitment to a state adult correctional facility of those offenders who have less than a year and a day to serve from the time of their commitment. This recommended change, if implemented, would significantly reduce the need for new beds for approximately one biennium.

Adult Bed Space There is a substantial need for additional adult male beds in the next biennium. If no change is made for short term offenders, the state will need to look at alternatives such as further expansion at a Department of Human Services regional treatment center should one become available, development of other facilities, further increasing work release, initiating a parole violator program and maintaining intensive community supervision.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an alternative program funding level of $342,208,000 for the biennium. In addition to the budget incorporated in the agency's plan, the Governor recommends initiatives to buy back position reductions which would otherwise be required. These positions are needed to assure that appropriate security and control is maintained within the state institutions operated by the department. In addition, a total of $15,400,000 in additional funds is recommended for staffing of additional prison beds upon the conversion of the Moose Lake RTC, and an additional $1,000,000 is recommended for the purchase of community beds for parole and probation violators. The Governor also recommends funding for the sex offender biomedical intervention pilot project, and efforts to assure a more successful community transition of sex offenders. This recommendation also includes a $6,120,000 reduction due to revised salary planning estimates.

Where the Governor concurs with the agency's activity plan, no recommendation will occur on the budget activity narrative.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
MCF-FARIBAULT	9,928	16,202	18,224	16,694	18,055	17,727	16,694	18,613	18,285
MCF-RED WING	7,020	7,387	7,572	7,443	7,857	7,657	7,442	7,856	7,656
MCF-LINO LAKES	12,491	15,282	18,827	18,268	19,506	19,171	18,268	19,536	19,202
MCF-SHAKOPEE	6,087	6,604	6,730	6,728	7,744	7,563	6,728	10,665	10,417
MCF-WILLOW RIVER/MOOSE LAKE	5,043	5,859	6,971	6,952	8,773	13,411	6,958	8,742	19,180
MCF-SAUK CENTRE	4,626	4,745	5,420	5,405	5,624	5,482	5,405	5,624	5,590
THISTLEDEW CAMP	1,957	2,002	2,253	2,238	2,233	2,233	2,238	2,233	2,233
MCF-STILLWATER	35,310	37,379	37,738	37,657	37,720	37,040	37,666	37,860	37,180
MCF-ST CLOUD	20,230	21,720	22,355	22,193	23,471	22,914	22,193	23,496	22,939
MCF-OAK PARK	18,251	18,920	19,175	19,146	19,302	18,887	19,146	19,602	19,187
HEALTH CARE	4,600	5,079	5,030	5,029	5,483	5,425	5,029	5,904	5,846
EDUCATION	478	501	562	562	560	556	562	560	556
INSTITUTION SUPPORT SERV	973	1,001	2,888	2,596	2,620	6,619	2,594	1,781	9,252
TOTAL EXPENDITURES BY ACTIVITY	126,994	142,681	153,745	150,921	158,948	164,685	150,923	162,472	177,523

GOV'S INITIATIVES:	FUND								
(A) SALARY PLANNING ESTIMATES	GEN					<3,081>			<3,039>
(A) POSN REDUCTION BUY BACK	GEN					3,218			6,685
(B) INMATE BED EXPANSION	GEN					4,800			10,600
(B) REVOCATION PROGRAM	GEN					500			500
(B) PILOT GRANT - BIOMEDICAL INTERVENTION	GEN					125			125
(B) SO TRANSITIONING BACK INTO COMMUNITY	GEN					175			180
TOTAL GOV'S INITIATIVES						5,737			15,051

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	101,065	112,638	122,934	120,110	127,308	133,045	120,112	125,631	140,682
STATUTORY APPROPRIATIONS:									
GENERAL		8	18	18			18		
SPECIAL REVENUE	4,399	5,544	4,546	4,546	3,761	3,761	4,546	7,910	7,910
FEDERAL	823	1,038	1,266	1,266	1,224	1,224	1,266	1,224	1,224

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
AGENCY	9,399	10,976	11,777	11,777	12,918	12,918	11,777	13,101	13,101
GIFTS AND DEPOSITS	25	10	4	4	4	4	4	4	4
CORRECTIONAL INDUS	11,283	12,467	13,200	13,200	13,733	13,733	13,200	14,602	14,602
TOTAL FINANCING	126,994	142,681	153,745	150,921	158,948	164,685	150,923	162,472	177,523
POSITIONS BY FUND:									
GENERAL	1,876.9	1,914.9	2,047.2	2,043.9	2,195.0	2,293.5	2,043.9	2,126.0	2,298.0
SPECIAL REVENUE	65.2	50.7	64.2	44.0	44.0	44.0	44.0	113.0	113.0
FEDERAL	10.3	10.2	10.0	9.7	9.7	9.7	9.7	9.7	9.7
AGENCY	2.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
CORRECTIONAL INDUS	76.8	81.1	79.1	84.1	84.1	84.1	87.1	87.1	87.1
TOTAL POSITIONS	2,031.7	2,060.4	2,204.0	2,185.2	2,336.3	2,434.8	2,188.2	2,339.3	2,511.3

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BUDGET ACTIVITY: Minnesota Correctional Facility-Faribault
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The purpose of the Minnesota Correctional Facility-Faribault (MCF-Faribault) is to maintain a safe, secure and humane environment for adult male offenders, within which they have an opportunity to work, learn and prepare for their return to the community.

This institution is a medium security facility for adult male felons transferred from other medium, close or maximum security Minnesota correctional facilities. Inmates at this institution are generally within the last 10 to 30 months of completing their sentence, however, appropriate longer term inmates are also incarcerated.

MCF-Faribault provides a program where the expectations for inmate behavior and responsibilities are patterned as closely as possible to life in the community while maintaining adequate security to assure protection of the public. Emphasis is on employment, education and treatment. Each inmate must be productive by participating in a 40 hour per week program, either in industry, education and treatment or by performing essential institution support services.

The industry program consists of vehicle refurbishing, wood products manufacturing, furniture upholstery, fabricated metal products and thermoforming. Vocational education programs include cabinet-making, upholstery, horticulture, building care maintenance and small engine repair. Literacy classes, GED/ABE classes and other academic offerings are available. A chemical health program is also offered.

Counseling, education and recreational activity resources are available outside regular working hours.

BUDGET ISSUES:

MCF-Faribault, which shares a campus with the Faribault Regional Treatment Center, will reach its current capacity of 510 by April, 1993.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of inmates served	290	653	706	874	874
Average daily population	121	272	412	510	510
Average daily cost	$171.49	$109.03	$96.86	$77.21	$77.21
Average length of stay (months)	5	5	7	7	7
Average daily program participation:					
Industry program	60	112	158	170	170
Education	29	92	147	165	165
Support services	27	58	97	115	115
Chemical dep/drug program	0	0	0	50	50
Inmate orientation	5	10	10	10	10
% of inmates in:					
Productive assignment	100	97	97	97	97
Segregation	0	2	2	2	2
Protective custody	0	0	0	0	0
Idle status	0	1	1	1	1
Security:					
Medium security escapes	0	0	0	0	0
Minimum security escapes	0	0	0	0	0
Outcomes:					
% of enrollees completing chemical health treatment	0	0	80	80	80
GED certificates issued	0	2	10	10	10
College credits earned	1,184	3,344	3,400	3,400	3,400

REVENUE:

This activity generates dedicated revenue from employee meals and minor miscellaneous receipts.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$15	$41	$20	$31	$31

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-FARIBAULT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	5,414	7,389	10,546	10,566	10,713	10,385	10,566	10,837	10,509
EXPENSES/CONTRACTUAL SRVCS	752	2,792	3,142	1,804	1,810	1,810	1,804	1,813	1,813
MISC OPERATING EXPENSES	436	1,120	1,350	1,350	2,154	2,154	1,350	2,310	2,310
SUPPLIES/MATERIALS/PARTS	2,527	2,976	3,004	2,839	3,222	3,222	2,839	3,495	3,495
CAPITAL EQUIPMENT	783	421	180	133	153	153	133	153	153
OTHER	16	1,502	2	2	3	3	2	5	5
SUBTOTAL STATE OPERATIONS	9,928	16,200	18,224	16,694	18,055	17,727	16,694	18,613	18,285
LOCAL ASSISTANCE		2							
TOTAL EXPENDITURES	9,928	16,202	18,224	16,694	18,055	17,727	16,694	18,613	18,285
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<328>			<328>
TOTAL GOV'S INITIATIVES						<328>			<328>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	9,134	14,388	15,969	14,439	14,439	14,111	14,439	14,439	14,111
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	22	18	18	18	31	31	18	31	31
FEDERAL		10	10	10	10	10	10	10	10
AGENCY	403	1,064	1,227	1,227	2,276	2,276	1,227	2,434	2,434
CORRECTIONAL INDUS	369	722	1,000	1,000	1,299	1,299	1,000	1,699	1,699
TOTAL FINANCING	9,928	16,202	18,224	16,694	18,055	17,727	16,694	18,613	18,285

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-FARIBAULT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	244.0	245.0	245.0	245.0	245.0	245.0	245.0	245.0	245.0
CORRECTIONAL INDUS	.0	.0	.0	3.0	3.0	3.0	6.0	6.0	6.0
TOTAL POSITIONS	244.0	245.0	245.0	248.0	248.0	248.0	251.0	251.0	251.0

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BUDGET ACTIVITY: Minnesota Correctional Facility-Red Wing
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The Minnesota Correctional Facility-Red Wing (MCF-Red Wing) exists to receive and treat, in a safe, secure and humane environment, deliquent 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 pre-dispositional evaluations for the juvenile courts. It also receives 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 to 30 residents.

MCF-Red Wing's mission includes the protection of the public and programming for residents. This is accomplished through academic and pre-vocational training aimed at attitudinal and behavioral 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.

Adults are transferred to MCF-Red Wing from correctional facilities at St. Cloud, Stillwater, Faribault and Lino Lakes. The adult male population is separated from juvenile residents. Programs for adults include vocational training, land management and other work programs. These programs allow the adult male to accept responsibilities and acquire decision-making skills in preparation for his return to the community.

BUDGET ISSUES:

MCF-Red Wing will add 10 minimum security adult male beds for the F.Y. 1994-95 biennium.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of residents/inmates served:					
Juvenile	546	500	502	502	502
Adult	233	235	235	235	235
Average daily population:					
Juvenile	74	78	85	85	85
Adult	79	79	75	85	85
Average daily cost	$112.67	$111.41	$114.81	$112.67	$112.67
Average length of stay (months):					
Juvenile	5.9	5.9	5.9	5.9	5.9
Adult	7.0	7.0	7.0	7.0	7.0

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Average daily program participation:					
Juveniles:					
Education	74	78	85	85	85
Pre-Vocational	74	78	85	85	85
Adults:					
Pre-Vocational	25	25	24	25	25
Work Programs	54	54	51	60	60
Number served:					
County detention services	191	172	170	170	170
County pre-dispositional evaluations	30	48	45	45	45
Outcomes:					
% of enrollees completing chemical health treatment					
Juvenile	0	89	92	91	91
Adult	0	93	91	92	92
GED certificates issued					
Juvenile	9	9	9	9	9
Adult	8	8	8	8	8

REVENUE:

This activity generates dedicated revenue from detention and predispositional evaluations, the land management program and vocational shops.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$372	$434	$336	$312	$312

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-RED WING

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	5,594	5,748	5,963	5,918	6,293	6,093	5,918	6,293	6,093
EXPENSES/CONTRACTUAL SRVCS	307	227	362	307	299	299	306	298	298
MISC OPERATING EXPENSES	330	373	378	376	377	377	376	377	377
SUPPLIES/MATERIALS/PARTS	711	901	790	767	812	812	767	812	812
CAPITAL EQUIPMENT	52	116	65	61	61	61	61	61	61
OTHER	26	21	14	14	15	15	14	15	15
SUBTOTAL STATE OPERATIONS	7,020	7,386	7,572	7,443	7,857	7,657	7,442	7,856	7,656
LOCAL ASSISTANCE		1							
TOTAL EXPENDITURES	7,020	7,387	7,572	7,443	7,857	7,657	7,442	7,856	7,656
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<200>			<200>
TOTAL GOV'S INITIATIVES						<200>			<200>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	6,361	6,427	6,777	6,648	7,064	6,864	6,647	7,063	6,863
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	200	516	313	313	312	312	313	312	312
FEDERAL	232	209	199	199	199	199	199	199	199
AGENCY	227	232	283	283	282	282	283	282	282
GIFTS AND DEPOSITS		3							
TOTAL FINANCING	7,020	7,387	7,572	7,443	7,857	7,657	7,442	7,856	7,656

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-RED WING

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	127.0	128.0	128.0	128.0	132.0	132.0	128.0	132.0	132.0
FEDERAL	2.0	2.5	2.2	2.2	2.2	2.2	2.2	2.2	2.2
TOTAL POSITIONS	129.0	130.5	130.2	130.2	134.2	134.2	130.2	134.2	134.2

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BUDGET ACTIVITY: Minnesota Correctional Facility-Lino Lakes
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

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 programs to help them prepare for their return to society.

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.

MCF-Lino Lakes provides a program where the daily living conditions for inmates 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 40 hours per week, either in the industry program or performing essential services for the institution. 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 Lino Lake 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. These 2 treatment programs, as well as the academic education program, also operate during the day to accommodate those inmates seeking full-time participation.

The minimum security area includes one cottage (28 beds) devoted to a work release program. A second cottage (31 beds) houses a minimum security work program for inmates working on institution or community service jobs or who work in the industry program.

BUDGET ISSUES:

MCF-Lino Lakes opened 2 new living units in F.Y. 1992 to meet population increases and bed needs.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number inmates served	885	944	1,100	1,100	1,100
Avg. daily population (w/o WR)	297	344	450	480	480
Average daily cost (w/o WR)	$69.33	$70.24	$72.38	$71.89	$71.89
Average length of stay (months)	9.0	9.6	9.6	9.6	9.6
Average daily program participation:					
Medium Security:					
Sex offender program	42	62	77	82	82
Therapeutic community	42	43	54	57	57
Work programs	173	200	273	290	290
Special needs/education	0	15	19	20	20
Minimum Security:					
Work programs	40	24	27	31	31
Work release	10	28	28	28	28
% of inmates in:					
Productive assignment	100	100	100	100	100
Idle	0	0	0	0	0
Security:					
Medium security escapes	0	0	0	0	0
Minimum security escapes	1	2	2	2	2
Outcomes:					
% of enrollees completing chemical health treatment	65	75	80	80	80
GED certificates issued	6	8	10	12	12
College credits earned	42	49	63	70	70

REVENUE:

This activity generates revenue from Anoka County reimbursements, employee meals and work release.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$430	$525	$664	$681	$683

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-LINO LAKES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	7,656	9,175	11,576	11,611	12,058	11,723	11,611	12,069	11,735
EXPENSES/CONTRACTUAL SRVCS	840	787	855	824	1,049	1,049	824	1,053	1,053
MISC OPERATING EXPENSES	1,168	1,451	2,508	2,022	2,226	2,226	2,022	2,227	2,227
SUPPLIES/MATERIALS/PARTS	2,674	3,313	3,762	3,707	4,031	4,031	3,707	4,045	4,045
CAPITAL EQUIPMENT	108	496	80	58	88	88	58	88	88
OTHER	44	58	46	46	50	50	46	50	50
SUBTOTAL STATE OPERATIONS	12,490	15,280	18,827	18,268	19,502	19,167	18,268	19,532	19,198
LOCAL ASSISTANCE	1	2			4	4		4	4
TOTAL EXPENDITURES	12,491	15,282	18,827	18,268	19,506	19,171	18,268	19,536	19,202
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<335>			<334>
TOTAL GOV'S INITIATIVES						<335>			<334>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	7,639	9,048	12,444	11,885	12,684	12,349	11,885	12,684	12,350
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	535	1,372	664	664	681	681	664	683	683
FEDERAL		5	5	5	5	5	5	5	5
AGENCY	1,154	1,479	2,144	2,144	2,272	2,272	2,144	2,272	2,272
CORRECTIONAL INDUS	3,163	3,378	3,570	3,570	3,864	3,864	3,570	3,892	3,892
TOTAL FINANCING	12,491	15,282	18,827	18,268	19,506	19,171	18,268	19,536	19,202

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-LINO LAKES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	145.5	149.5	234.0	234.0	245.0	245.0	234.0	245.0	245.0
SPECIAL REVENUE	5.5	6.0	7.0	3.0	3.0	3.0	3.0	3.0	3.0
CORRECTIONAL INDUS	18.0	20.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
TOTAL POSITIONS	169.0	175.5	259.0	255.0	266.0	266.0	255.0	266.0	266.0

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BUDGET ACTIVITY: Minnesota Correctional Facility-Shakopee
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

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, 63% 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 electronic office skills, data entry, textiles and marketing research. Extensive specialized programming include chemical dependency, family counseling, parenting, personal development 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.

Emphasis is placed on parenting, education and relapse prevention services through the institution's parenting/family program, the education program and the chemical health program. The primary focus of the parenting/family program is to help inmate mothers restructure and preserve the family unit during their incarceration, while at the same time providing them with some background in parenting skills. Providing new skills and opportunities for increased interaction with their children, is intended to ease re-entry into the family upon release. The education program is designed to serve the educational needs of the inmate population by offering a variety of services including individualized, open entry/open exit programs, usage of available community resources and appropriate materials and technology to enhance skills for reintegration into the community. In the relapse prevention program women review their motivations in recovery and their power of choices in preparation for release.

BUDGET ISSUES:

Due to the population increases during the F.Y. 1990-91 biennium, minimum security women were transferred to MCF/Willow River/Moose Lake in November, 1990. However, two new cottages are planned for MCF-Shakopee and should be completed by July, 1994. At this time, women from Moose Lake will be returned to Shakopee as Moose Lake is converted to an adult male facility. This move will return MCF-Shakopee to the state's only adult female facility.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of inmates served	250	367	375	375	650
Average daily population	146	138	142	142	242
Average daily cost	$93.51	$110.77	$110.36	$132.14	$110.61
Average length of stay (months)	16	30	30	30	30
Average daily program participation:					
Chemical dependency	87	85	95	95	170
Chaplaincy program	30	35	35	35	65
Parenting	21	19	20	20	35
Personal development skills	79	80	80	80	140
Work release	16	17	20	20	35
Average daily employment					
Industry programs	59	61	65	65	115
Support service	44	59	60	60	105
Education	79	82	85	85	150
% of inmates in:					
Productive assignment	80	80	80	80	80
Segregation	5	5	5	5	5
Protective custody	0	0	0	0	0
Idle status	15	15	15	15	15
Security:					
Close security escape	0	0	0	0	0
Minimum security escape	1	0	1	1	1
Outcomes:					
% of enrollees completing chemical health treatment	-	81	85	90	90
GED certificates issued	20	15	25	25	40
College credits earned	276	401	450	450	800
Number successfully completing work release	31	30	35	35	60

REVENUE:

This activity generates dedicated revenue from employee meals and housing federal inmates.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$209	$195	$90	$62	$62

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-SHAKOPEE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	4,316	4,770	4,789	4,808	5,767	5,586	4,808	7,864	7,616
EXPENSES/CONTRACTUAL SRVCS	392	446	510	510	593	593	510	900	900
MISC OPERATING EXPENSES	756	699	692	692	671	671	692	752	752
SUPPLIES/MATERIALS/PARTS	566	606	704	686	655	655	686	1,050	1,050
CAPITAL EQUIPMENT	33	72	23	20	46	46	20	87	87
OTHER	22	8	9	9	9	9	9	9	9
SUBTOTAL STATE OPERATIONS	6,085	6,601	6,727	6,725	7,741	7,560	6,725	10,662	10,414
AIDS TO INDIVIDUALS	2	3	3	3	3	3	3	3	3
TOTAL EXPENDITURES	6,087	6,604	6,730	6,728	7,744	7,563	6,728	10,665	10,417
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<181>			<248>
TOTAL GOV'S INITIATIVES						<181>			<248>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	4,983	5,595	5,720	5,718	6,849	6,668	5,718	9,770	9,522
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	324	173	111	111	62	62	111	62	62
FEDERAL		7	22	22	10	10	22	10	10
AGENCY	546	543	595	595	545	545	595	545	545
GIFTS AND DEPOSITS	2								
CORRECTIONAL INDUS	232	286	282	282	278	278	282	278	278
TOTAL FINANCING	6,087	6,604	6,730	6,728	7,744	7,563	6,728	10,665	10,417

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-SHAKOPEE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	96.9	108.4	108.4	108.4	179.0	179.0	108.4	179.0	179.0
SPECIAL REVENUE	5.0	1.5	1.5	.0	.0	.0	.0	.0	.0
CORRECTIONAL INDUS	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
TOTAL POSITIONS	104.5	112.5	112.5	111.0	181.6	181.6	111.0	181.6	181.6

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BUDGET ACTIVITY: Minnesota Correctional Facility-Willow River/Moose Lake
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The primary purpose of the Minnesota Correctional Facility-Willow River/Moose Lake (MCF-WR/ML) is to maintain a safe, secure and humane environment for adult male and female offenders and to provide a variety of treatment programs to help both female and male offenders prepare for their return to the community thereby helping to make communities safe.

The total capacity of the 2 adult male minimum security units is 125. Male offenders participate in vocational programming (machine tool operation, truck driving, truck trailer repair, welding, sales/marketing or business microcomputers) or other types of work programs. Morning and evening treatment programs are also available.

The female offender program provides for women who are minimum custody and generally within their last year of incarceration. The female offenders also are provided with various treatment programs including educational, vocational educational, chemical dependency and other programming plus an opportunity to work on work crew projects. The adult female capacity is 55, which relieves overcrowding at MCF-Shakopee.

When inmates return to the community with increased academic and vocational skills, they are in a better position to achieve a self-sufficient, productive lifestyle. At least 50% of inmates completing vocational programs at MCF-WR/ML will be placed in related employment upon release. Also, inmates participating in Parenting Education will show an increase in knowledge of affective parenting, as determined by the pre/post testing.

BUDGET ISSUES:

The female offender program opened at Moose Lake in November, 1990. Since then the legislature has funded the construction of 2 new living units at MCF-Shakopee. When these units are complete in July, 1994, the women at Moose Lake will be returned to MCF-Shakopee. The vacated beds will then be available for adult male offenders.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Adult Male:					
Number of inmates served	415	446	450	450	600
Average daily population	116	118	125	125	167
Average length of stay (months)	4	4	4	4	4
Adult Female:					
Number of inmates served	60	121	250	250	0
Average daily population	18	38	55	55	0
Average length of stay (months)	6	6	6	6	0
Average daily cost	$89.98	$87.85	$77.48	$77.20	$83.31
Challenge Program:					
Number of inmates served			72	144	144
Average daily population			36	72	72
Average daily cost			$123.94	$110.50	$110.05
Average length of stay (months)			6	6	6
Average daily program participation:					
Work program	55	60	63	73	73
Education	79	96	117	107	94
Challenge program			36	72	72
Security:					
Minimum escapes	14	13	12	12	12
Outcomes:					
GED certificates issued	24	29	25	27	29
College credits earned:					
Academic	100	100	100	100	100
Vocational	2800	2857	3000	3000	3000

REVENUE:

This activity generates dedicated revenue from work programs and employee meals.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$139	$181	$155	$155	$155

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-WILLOW RIVER/MOOSE LAKE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	2,731	3,371	4,135	4,149	5,272	8,818	4,149	5,272	13,294
EXPENSES/CONTRACTUAL SRVCS	951	985	1,143	1,149	1,550	1,855	1,155	1,531	2,236
MISC OPERATING EXPENSES	367	464	480	480	571	571	480	571	638
SUPPLIES/MATERIALS/PARTS	758	842	1,078	1,058	1,223	1,990	1,058	1,223	2,827
CAPITAL EQUIPMENT	218	174	122	103	137	157	103	125	165
OTHER	18	22	11	11	11	11	11	11	11
SUBTOTAL STATE OPERATIONS	5,043	5,858	6,969	6,950	8,764	13,402	6,956	8,733	19,171
AIDS TO INDIVIDUALS		1	2	2	9	9	2	9	9
TOTAL EXPENDITURES	5,043	5,859	6,971	6,952	8,773	13,411	6,958	8,742	19,180
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<162>			<162>
(B) INMATE BED EXPANSION		GEN				4,800			10,600
TOTAL GOV'S INITIATIVES						4,638			10,438
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	4,507	5,027	6,052	6,033	8,097	12,735	6,039	8,066	18,504
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	114	264	388	388	155	155	388	155	155
FEDERAL	44	52	63	63	63	63	63	63	63
AGENCY	378	516	468	468	458	458	468	458	458
TOTAL FINANCING	5,043	5,859	6,971	6,952	8,773	13,411	6,958	8,742	19,180

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-WILLOW RIVER/MOOSE LAKE

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
POSITIONS BY FUND:									
GENERAL	70.0	75.0	95.0	95.0	116.0	214.5	95.0	116.0	288.0
SPECIAL REVENUE	.5	.0	6.0	.5	.5	.5	.5	.5	.5
FEDERAL	.5	.5	.5	.5	.5	.5	.5	.5	.5
TOTAL POSITIONS	71.0	75.5	101.5	96.0	117.0	215.5	96.0	117.0	289.0

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Correctional Institutions
ACTIVITY: Minnesota Correctional Facility-Willow River/Moose Lake

ITEM TITLE: Inmate Bed Expansion

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$4,800	$10,600	$16,712	$16,712

Statutory Change? Yes _____ No X
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends $4,800,000 in F.Y. 1994 and $10,600,000 in F.Y. 1995 for the purpose of converting the Department of Human Services Moose Lake Regional Treatment Center to a medium security prison during the biennium. The Department of Human Services is currently involved in the process of downsizing the Moose Lake Center and moving the majority of its residents to community based residential programming. Corrections currently occupies a portion of the center for prison purposes. The recommended funding will provide for conversion of the remainder of the facility when it is no longer needed for Human Services purposes.

Population projections indicate a need continuing for new beds during the next biennium. This initiative would fund the operating costs for up to 260 inmate beds in addition to the 170 currently operated by the department on the RTC campus.

Operating costs are based on expansion of existing services at the Moose Lake RTC. It is less costly to renovate existing buildings than to construct new facilities. Capital funding in the amount of $25.8 million must be provided during the 1993 legislative session to fully convert the Moose Lake RTC to a 620 bed medium security facility operational in F.Y. 1996. Other alternatives such as work release expansion and retaining short-term offenders in the community will also be necessary to meet population projections.

PROGRAM OUTCOMES:

This initiative will help the department meet its objective to provide sufficient adult male beds to meet projected population increases. It will also contribute to the Minnesota milestone that communities will be safe and caring by providing protection for the public.

LONG-TERM IMPACT:

Since population projections continue to increase, the likelihood of further expansion is very high. The department will continue to look to existing state facilities to expand bed capacity rather than new construction which would help meet the Minnesota milestone that government will be cost-efficient and services designed to meet the needs of the people.

BUDGET ACTIVITY: Minnesota Correctional Facility-Sauk Centre
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The Minnesota Correctional Facility-Sauk Centre (MCF-Sauk Centre) receives and treats, in a safe, secure and humane environment, delinquent boys committed from juvenile courts in 66 counties in the western region of Minnesota and delinquent girls committed from juvenile courts throughout the state.

MCF-Sauk Centre's mission includes protection of the public in conjunction with the treatment of residents. This is accomplished in a controlled and structured environment where personal goals are established for each resident that attempts to bring about positive changes in attitude and behavior. Such changes are promoted through peer group therapy, individual counseling and academic and remedial education.

The facility has an open campus atmosphere with living quarters consisting of 2 story cottages housing 23 residents each. A 20 bed program for adolescent sex offenders was added during F.Y. 1993.

MCF-Sauk Centre provides secure detention services and pre-dispositional evaluations to the juvenile courts.

BUDGET ISSUES:

As part of its agency budget plan, the department proposes to change the operation of MCF-Sauk Centre from that of a state funded facility to that of a fee-for-service facility in a manner similar to the operation of Thistledew Camp. This change would take place in the second year of the F.Y. 1994-95 biennium.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of residents served	508	475	542	550	555
Average daily population	71	81	95	105	105
Boys	68	79	92	102	102
Girls	3	2	3	3	3
Average daily cost	$157.13	$142.11	$139.26	$133.33	$133.33
Average length of stay (months)	5.3	5.0	5.0	5.0	5.0
Average daily program participation:					
Education	71	81	95	105	105
Sex offender program			10	20	20
Number served:					
County detention services	203	137	150	150	150
County pre-dispositional services	5	2	5	5	5
Security:					
Juvenile escapes and furlough failures	61	87	60	55	50
Outcomes:					
GED certificates issued	30	17	25	25	25
Grade gain/reading skills	0.3	0.5	0.5	0.5	0.5
Grade gain/math skills	1.2	1.2	1.2	1.2	1.2
Grade gain/language	0.8	2.1	2.0	2.0	2.0

REVENUE:

This activity generates dedicated revenue from detention services, pre-dispositional evaluations and employee meals plus fee for services in F.Y. 1995.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$182	$188	$186	$188	$188
Dedicated - Special					$4,147

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-SAUK CENTRE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	3,884	3,977	4,300	4,318	4,593	4,451	4,318	4,593	4,559
EXPENSES/CONTRACTUAL SRVCS	218	197	496	478	368	368	478	458	458
MISC OPERATING EXPENSES	131	141	145	145	146	146	145	57	57
SUPPLIES/MATERIALS/PARTS	330	368	419	407	460	460	407	461	461
CAPITAL EQUIPMENT	41	25	37	34	34	34	34	32	32
OTHER	22	37	23	23	23	23	23	23	23
SUBTOTAL STATE OPERATIONS	4,626	4,745	5,420	5,405	5,624	5,482	5,405	5,624	5,590
TOTAL EXPENDITURES	4,626	4,745	5,420	5,405	5,624	5,482	5,405	5,624	5,590
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<142>			<34>
TOTAL GOV'S INITIATIVES						<142>			<34>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	4,176	4,256	4,894	4,879	5,147	5,005	4,879	1,000	966
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	236	239	235	235	188	188	235	4,335	4,335
FEDERAL	152	170	203	203	201	201	203	201	201
AGENCY	62	80	88	88	88	88	88	88	88
TOTAL FINANCING	4,626	4,745	5,420	5,405	5,624	5,482	5,405	5,624	5,590

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-SAUK CENTRE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	79.0	79.0	93.5	93.5	94.0	94.0	93.5	25.0	25.0
SPECIAL REVENUE	5.0	5.0	4.0	2.5	2.5	2.5	2.5	71.5	71.5
FEDERAL	3.0	3.5	3.2	3.2	3.2	3.2	3.2	3.2	3.2
TOTAL POSITIONS	87.0	87.5	100.7	99.2	99.7	99.7	99.2	99.7	99.7

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BUDGET ACTIVITY: Thistledew Camp
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

Thistledew 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 area on Highway 65 near Togo.

Thistledew 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.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of students served	231	242	227	227	227
Average daily population	49	48	45	45	45
Total per diem:	$ 117.31	$ 125.61	$ 131.35	$ 135.00	$ 135.00
County contract per diem	$ 75.00	$ 80.00	$ 85.00	$ 87.00	$ 87.00
Education contract per diem	$ 42.31	$ 45.61	$ 46.35	$ 48.00	$ 48.00
Average length of stay (days)	96	96	96	96	96
Outcomes:					
Number of admissions	190	189	189	189	189
Number of successful completions (graduated)	171	170	170	170	170
Number of returnees (inappropriate referrals)	19	19	19	19	19
% of successful completions	90	90	90	90	90
Years of academic growth:					
Reading	2.08	1.65	1.75	1.75	1.75
Math	2.36	2.26	2.30	2.30	2.30
Vocabulary	1.63	1.27	1.25	1.25	1.25
Comprehension	2.16	1.87	2.00	2.00	2.00

REVENUE:

This activity generates dedicated revenue for its operation from county and school district contracts.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$ 1,821	$ 1,923	$ 1,991	$ 2,120	$ 2,120

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: THISTLEDEW CAMP

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,561	1,589	1,783	1,783	1,869	1,869	1,783	1,869	1,869
EXPENSES/CONTRACTUAL SRVCS	62	81	110	100	60	60	100	60	60
MISC OPERATING EXPENSES	98	83	108	103	88	88	103	88	88
SUPPLIES/MATERIALS/PARTS	184	191	196	196	160	160	196	160	160
CAPITAL EQUIPMENT	18	24	20	20	20	20	20	20	20
OTHER	34	29	36	36	36	36	36	36	36
SUBTOTAL STATE OPERATIONS	1,957	2,002	2,253	2,238	2,233	2,233	2,238	2,233	2,233
TOTAL EXPENDITURES	1,957	2,002	2,253	2,238	2,233	2,233	2,238	2,233	2,233
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	27	8	33	18	18	18	18	18	18
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	1,840	1,899	2,125	2,125	2,120	2,120	2,125	2,120	2,120
FEDERAL	40	53	48	48	48	48	48	48	48
AGENCY	50	42	47	47	47	47	47	47	47
TOTAL FINANCING	1,957	2,002	2,253	2,238	2,233	2,233	2,238	2,233	2,233
POSITIONS BY FUND:									
SPECIAL REVENUE	35.0	36.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0
TOTAL POSITIONS	35.0	36.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0

BUDGET ACTIVITY: Minnesota Correctional Facility-Stillwater
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

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 25 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 Technical College. 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, truck/auto body repair division and diversified products division, which includes office furniture along with a variety of other products. 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 90 inmates nearing the end of their incarceration.

BUDGET ISSUES:

MCF-Stillwater continues to house inmates in excess of capacity. It is hoped that alternative budget plans for the next biennium will provide some relief for this facility.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of inmates processed	4,442	4,607	4,800	4,900	5,000
Number of inmates served	3,564	3,657	3,722	3,810	3,850
Average daily population	1,348	1,347	1,330	1,350	1,350
Average daily costs	$51.94	$56.21	$57.52	$57.39	$57.39
Average length of stay (months)	23.0	25.0	28.0	30.0	33.0
Average daily program participation:					
Academic education	287	290	280	280	280
Vocational	92	95	120	120	120
Chemical dependency (Atlantis)	28	28	28	28	28
Sex offender	0	36	36	36	36
Average daily employment:					
Industry program	145	145	155	155	155
Support services	277	278	279	280	280
% of inmates in:					
Productive assignment	64.0	65.8	68.0	69.0	70.0
Segregation	5.0	6.1	6.7	6.7	6.6
Protective custody	4.5	4.2	5.0	5.1	5.2
Idle status	26.5	23.9	20.3	19.2	18.2
Security:					
Close security escapes	0	0	0	0	0
Minimum security walkaways/ furlough failures	7	5	5	5	5
Outcomes:					
% of enrollees completing chemical health treatment	63	67	66	66	66
GED certificates issued	55	56	60	65	70
College credits earned:					
Academic	386	322	576	576	576
Vocational	5,547	5,717	7,000	7,000	7,000
Insight program	1,400	1,475	1,475	1,475	1,475

REVENUE:

This activity generates dedicated revenue from the vocational print shop and miscellaneous equipment and auction sales.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$215	$210	$166	$109	$109

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-STILLWATER

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	21,514	22,791	23,097	23,171	23,623	22,943	23,171	23,673	22,993
EXPENSES/CONTRACTUAL SRVCS	1,799	2,087	1,996	1,993	1,946	1,946	1,992	1,952	1,952
MISC OPERATING EXPENSES	3,492	3,740	4,777	4,771	4,715	4,715	4,771	4,721	4,721
SUPPLIES/MATERIALS/PARTS	8,028	8,328	7,412	7,280	7,011	7,011	7,280	7,078	7,078
CAPITAL EQUIPMENT	318	304	354	350	321	321	350	330	330
OTHER	138	105	81	81	83	83	81	85	85
SUBTOTAL STATE OPERATIONS	35,289	37,355	37,717	37,646	37,699	37,019	37,645	37,839	37,159
AIDS TO INDIVIDUALS	18	22	20	20	20	20	20	20	20
LOCAL ASSISTANCE	3	2	1	1	1	1	1	1	1
TOTAL EXPENDITURES	35,310	37,379	37,738	37,667	37,720	37,040	37,666	37,860	37,180
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<680>			<680>
TOTAL GOV'S INITIATIVES						<680>			<680>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	25,762	27,967	28,112	28,041	28,464	27,784	28,040	28,463	27,783
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	701	283	226	226	109	109	226	109	109
FEDERAL	12	25	25	25	25	25	25	25	25
AGENCY	3,916	4,313	4,141	4,141	4,141	4,141	4,141	4,141	4,141
GIFTS AND DEPOSITS	21	1							
CORRECTIONAL INDUS	4,898	4,790	5,234	5,234	4,981	4,981	5,234	5,122	5,122
TOTAL FINANCING	35,310	37,379	37,738	37,667	37,720	37,040	37,666	37,860	37,180

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-STILLWATER

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	423.0	446.5	447.5	447.5	455.5	455.5	447.5	455.5	455.5
SPECIAL REVENUE	13.0	1.0	2.0	.0	.0	.0	.0	.0	.0
AGENCY	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
CORRECTIONAL INDUS	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0
TOTAL POSITIONS	479.0	491.5	493.5	491.5	499.5	499.5	491.5	499.5	499.5

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BUDGET ACTIVITY: Minnesota Correctional Facility-St. Cloud
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The purpose of the Minnesota Correctional Facility-St. Cloud (MCF-St. Cloud) is to maintain a safe, secure, humane environment for adult male offenders. It is a close security facility housing younger adult males and is the receiving facility for convicted adult male felons under age 25.

The facility provides protection to the public by holding offenders until their release and by working with inmates through a variety of educational, vocational and work programs or specialized programs. Programs provide inmates with the opportunity to gain skills necessary to re-enter the community with an expectancy of success. Treatment programs include individual and group plus job counseling and drug treatment.

A complete academic educational offering is available to students. Courses include basic literacy, life, social and work skills, as well as a high school diploma or its equivalency and 2 years of college level course work. 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, wood products, a variety of piecework and engraving/silk screening.

BUDGET ISSUES:

With inmate population increases, MCF-St. Cloud has expanded its bed capacity to the extent possible. Additional space will be needed to carry out legislative initiatives for convicted sex offenders.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of inmates served	1,846	2,488	2,707	2,848	2,989
Average daily population	745	781	740	800	800
Average daily cost	$63.75	$64.28	$69.68	$69.29	$69.29
Average length of stay (months)	17	17	17	17	17
Average program participation:					
Academic (includes part time)	320	340	350	355	360
Vocational	134	135	138	140	140
Higher education	28	28	28	28	28
Treatment programs	65	80	80	80	80
Average daily employment:					
Industries	91	91	95	97	100
Public safety - license plant	41	41	41	41	41
Support services	345	305	356	360	360
% of inmates in:					
Productive assignment	76.5	76.0	76.5	76.0	76.0
Segregation	8.5	7.5	8.0	8.0	8.0
Pre-placement status	10.0	11.5	10.5	11.0	11.0
Protective custody	0	0	0	0	0
Idle status	5.0	5.0	5.0	5.0	5.0
Security:					
Close security escapes	0	0	0	0	0
Medium security escapes	0	0	0	0	0
Minimum security escapes	0	0	0	0	0
Outcomes:					
% of enrollees completing chemical health treatment	48	49	50	50	50
GED certificates issued	57	134	141	148	155
College credits earned:					
Academic	996	988	1,100	1,100	1,100
Vocational	691	1,923	2,058	2,202	2,356

REVENUE:

This activity generates dedicated revenue from employee meals and vocational work projects.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$92	$66	$50	$50	$50

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-ST CLOUD

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	15,369	16,378	16,731	16,787	17,971	17,414	16,787	17,982	17,425
EXPENSES/CONTRACTUAL SRVCS	617	612	627	608	608	608	608	608	608
MISC OPERATING EXPENSES	1,249	1,303	1,263	1,244	1,258	1,258	1,244	1,283	1,283
SUPPLIES/MATERIALS/PARTS	2,639	2,950	3,403	3,223	3,359	3,359	3,223	3,348	3,348
CAPITAL EQUIPMENT	180	208	271	271	228	228	271	228	228
OTHER	164	259	51	51	38	38	51	38	38
SUBTOTAL STATE OPERATIONS	20,218	21,710	22,346	22,184	23,462	22,905	22,184	23,487	22,930
AIDS TO INDIVIDUALS	12	10	9	9	9	9	9	9	9
TOTAL EXPENDITURES	20,230	21,720	22,355	22,193	23,471	22,914	22,193	23,496	22,939
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<557>			<557>
TOTAL GOV'S INITIATIVES						<557>			<557>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	17,466	18,534	19,002	18,840	20,395	19,838	18,840	20,395	19,838
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	231	428	342	342	50	50	342	50	50
FEDERAL	223	270	480	480	470	470	480	470	470
AGENCY	1,635	1,650	1,720	1,720	1,745	1,745	1,720	1,770	1,770
CORRECTIONAL INDUS	675	838	811	811	811	811	811	811	811
TOTAL FINANCING	20,230	21,720	22,355	22,193	23,471	22,914	22,193	23,496	22,939

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-ST CLOUD

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	335.0	342.0	352.0	352.0	388.0	388.0	352.0	388.0	388.0
SPECIAL REVENUE	1.2	1.2	5.7	.0	.0	.0	.0	.0	.0
FEDERAL	3.8	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.8
CORRECTIONAL INDUS	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.0
TOTAL POSITIONS	346.0	352.9	367.5	362.8	398.8	398.8	362.8	398.8	398.8

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BUDGET ACTIVITY: Minnesota Correctional Facility-Oak Park Heights
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The Minnesota Correctional Facility-Oak Park Heights (MCF-Oak Park Heights) is committed to the common themes of the Governor's vision for Minnesota's future and provides for public safety and institution security while maintaining a safe, just, humane and secure environment for high risk inmates. This environment assists the inmate in facilitating changes in himself that will improve his probability for a successful adjustment upon his return to a less secure facility and/or the free community.

MCF-Oak Park Heights, as the state's high security adult male correctional institution, is designed to receive from the St. Cloud and Stillwater facilities inmates 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 for sex offenders and chemically dependent inmates and in the areas of training, education, mental health and work experiences under close supervision within a highly structured environment. The institution program 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. The presence of Oak Park Heights has reduced the number of escape attempts, assaults, disturbances and deaths that one might otherwise expect to find in a prison population of over 3,500 offenders.

Product lines in the industry program include vinyl notebooks, three-ring binders, office products, commercial sewing, printing and a variety of contract services that not only provide opportunities for the inmate to acquire marketable skills, but also manufacture viable products which have the potential of generating sufficient revenue to operate a financially solvent industry program at minimal cost to taxpayers. Besides instilling a work ethic in the inmates who participate in the program, the purchase of raw materials for our industry products create jobs and contribute to the growth of markets throughout Minnesota.

MCF-Oak Park Heights supports education and literacy. Offenders who test below an 8th grade reading level are required to participate in reading classes. Fifty inmates a year advance to an 8th grade reading level. Other inmates enjoy increased self esteem by tutoring their peers in reading.

MCF-Oak Park Heights actively supports energy conservation and recycling. In the first year of organized effort over 100 tons of material have been recycled.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of inmates served	753	744	740	740	740
Average daily population	377	378	375	375	375
Average daily cost	$109.08	$110.49	$114.33	$114.12	$114.12
Average length of stay (months)					
Mental health unit only	1	1	1	1	1
All other living units	12	24	24	24	24
Average daily program participation:					
Education program (full time)	46	50	49	49	49
Sex offender program	12	12	12	12	12
Chemical dependency treatment	18	18	18	18	18
Sex offender/chemical dependency dual treatment	21	21	21	21	21
Receiving & orientation assignments	5	5	5	5	5
Segregation assignments	55	50	53	53	53
Awaiting assignments	13	8	10	10	10
Assignments refused by inmates	47	44	40	35	35
Average daily employment:					
Industry program	115	115	115	115	115
Support services	40	41	41	41	41
Food services	30	30	30	30	30
% of inmates in:					
Productive assignment	70	73	72	74	74
Segregation	15	13	14	14	14
Pre-placement status	3	2	3	3	3
Assignments refused	12	12	11	9	9
Maximum security escapes	0	0	0	0	0
Outcomes:					
% of enrollees completing chemical health treatment	55	55	55	55	55
GED certificates issued	27	19	22	23	21
College credits earned	1,685	1,476	1,500	1,500	1,500
College degrees (AA or BA)	4	7	5	5	5

REVENUE:

This activity generates dedicated revenue from employee meals and miscellaneous equipment sales.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$ 60	$ 49	$ 47	$ 53	$ 53

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-OAK PARK

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	12,682	13,118	13,362	13,381	13,504	13,089	13,381	13,554	13,139
EXPENSES/CONTRACTUAL SRVCS	1,360	1,177	1,216	1,216	1,198	1,198	1,216	1,201	1,201
MISC OPERATING EXPENSES	1,392	1,479	1,488	1,481	1,490	1,490	1,481	1,502	1,502
SUPPLIES/MATERIALS/PARTS	2,674	2,951	3,010	2,988	3,028	3,028	2,988	3,263	3,263
CAPITAL EQUIPMENT	95	172	77	58	58	58	58	58	58
OTHER	46	20	21	21	23	23	21	23	23
SUBTOTAL STATE OPERATIONS	18,249	18,917	19,174	19,145	19,301	18,886	19,145	19,601	19,186
AIDS TO INDIVIDUALS	1	1	1	1	1	1	1	1	1
LOCAL ASSISTANCE	1	2							
TOTAL EXPENDITURES	18,251	18,920	19,175	19,146	19,302	18,887	19,146	19,602	19,187
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<415>			<415>
TOTAL GOV'S INITIATIVES						<415>			<415>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	15,071	15,208	15,703	15,674	15,674	15,259	15,674	15,674	15,259
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	195	189	94	94	53	53	94	53	53
FEDERAL	9	7	7	7	7	7	7	7	7
AGENCY	1,028	1,057	1,064	1,064	1,064	1,064	1,064	1,064	1,064
GIFTS AND DEPOSITS	2	6	4	4	4	4	4	4	4
CORRECTIONAL INDUS	1,946	2,453	2,303	2,303	2,500	2,500	2,303	2,800	2,800
TOTAL FINANCING	18,251	18,920	19,175	19,146	19,302	18,887	19,146	19,602	19,187

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: MCF-OAK PARK

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	288.0	289.0	289.0	289.0	289.0	289.0	289.0	289.0	289.0
AGENCY	.5	.5	.5	.5	.5	.5	.5	.5	.5
CORRECTIONAL INDUS	9.2	11.5	11.5	12.5	12.5	12.5	12.5	12.5	12.5
TOTAL POSITIONS	297.7	301.0	301.0	302.0	302.0	302.0	302.0	302.0	302.0

BUDGET ACTIVITY: Health Care
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

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 cost effective, comprehensive, quality health services. It directly contributes to the milestone statement that Minnesotans will be healthy. 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 MCF-Oak Park Heights (MCF-OPH).

3. The coordination and advancement of chemical health within the department.

BUDGET ISSUES:

The continued rise in costs for inmate health care are of concern to the department. While inmate caseload increases have been added, inflationary increases have not. Also, changes in the length of sentencing and the aging of the inmate population will have an impact on the cost of delivering health care to inmates in the next and succeeding bienniums.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of annual physical exams completed	1,500	1,500	1,680	1,806	1,986
Number of sick calls held (per year)	2,028	2,160	2,160	2,160	2,160
Number of inmates seen at sick call throughout the state/day	234	234	265	280	310
Patients served by St. Paul Ramsey Medical Center	2,600	2,876	3,221	3,462	3,808
Inpatient	275	293	328	352	380
Outpatient	2,150	2,582	2,891	3,108	3,419
Number of admissions to Mental Health Unit (MCF-OPH)	120	120	120	120	120
Number of chemical dependency referrals	575	575	644	692	761
Cases reviewed for prior authorization	103	105	118	127	140
Number of institutional inspections by external regulatory bodies	54	54	54	54	54
Medical bills audited	24	21	25	30	35

REVENUE:

None.

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1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: HEALTH CARE

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,658	1,741	1,795	1,801	1,773	1,715	1,801	1,773	1,715
EXPENSES/CONTRACTUAL SRVCS	2,837	3,276	3,183	3,176	3,672	3,672	3,176	4,093	4,093
MISC OPERATING EXPENSES	40	33	25	25	19	19	25	19	19
SUPPLIES/MATERIALS/PARTS	37	28	27	27	19	19	27	19	19
CAPITAL EQUIPMENT	28	1							
SUBTOTAL STATE OPERATIONS	4,600	5,079	5,030	5,029	5,483	5,425	5,029	5,904	5,846
TOTAL EXPENDITURES	4,600	5,079	5,030	5,029	5,483	5,425	5,029	5,904	5,846
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<58>			<58>
TOTAL GOV'S INITIATIVES						<58>			<58>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	4,595	4,918	4,994	4,993	5,483	5,425	4,993	5,904	5,846
STATUTORY APPROPRIATIONS:									
GENERAL		8	18	18			18		
SPECIAL REVENUE		90							
FEDERAL	5	63	18	18			18		
TOTAL FINANCING	4,600	5,079	5,030	5,029	5,483	5,425	5,029	5,904	5,846
POSITIONS BY FUND:									
GENERAL	49.5	38.5	38.8	38.5	38.5	38.5	38.5	38.5	38.5
FEDERAL	.0	.0	.3	.0	.0	.0	.0	.0	.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: HEALTH CARE

				FY 1994			FY 1995		
ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
TOTAL POSITIONS	49.5	38.5	39.1	33.5	38.5	38.5	38.5	38.5	38.5

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BUDGET ACTIVITY: Education
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The Education unit provides centralized planning, implementation and coordination of educational services in 10 correctional institutions and contributes directly to the milestone that Minnesotans will excel in basic academic skills. 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.

BUDGET ISSUES:

Education continues to be an important part of the programs offered at all correctional facilities and serves 70% of the inmate population.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of students served:					
Juveniles	900	920	920	960	960
Adult male	3,600	3,910	3,910	4,300	4,300
Adult female	300	320	320	370	370
Total	4,800	5,150	5,150	5,630	5,630
% of inmates served	70	70	70	70	70
Cost per student served:					
Juvenile programs	$2,200	$2,200	$2,100	$2,000	$2,000
Adult male	$2,000	$2,000	$2,000	$2,000	2,000
Adult female	$1,600	$1,600	$1,600	$2,000	2,000
Number of educational programs available	56	58	60	72	75
Number of students earning a GED	236	297	335	352	379
Number of vocational certificates earned	150	170	180	240	280

REVENUE:

None.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: EDUCATION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	123	74	118	118	118	114	118	118	114
EXPENSES/CONTRACTUAL SRVCS	306	305	314	314	312	312	314	312	312
MISC OPERATING EXPENSES	6	6	4	4	4	4	4	4	4
SUPPLIES/MATERIALS/PARTS	27	31	27	27	27	27	27	27	27
CAPITAL EQUIPMENT	16	25	19	19	19	19	19	19	19
OTHER			6	6	6	6	6	6	6
SUBTOTAL STATE OPERATIONS	478	441	488	488	486	482	488	486	482
LOCAL ASSISTANCE		60	74	74	74	74	74	74	74
TOTAL EXPENDITURES	478	501	562	562	560	556	562	560	556
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<4>			<4>
TOTAL GOV'S INITIATIVES						<4>			<4>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	372	334	376	376	374	370	376	374	370
STATUTORY APPROPRIATIONS:									
FEDERAL	106	167	186	186	186	186	186	186	186
TOTAL FINANCING	478	501	562	562	560	556	562	560	556
POSITIONS BY FUND:									
GENERAL	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
FEDERAL	1.0	.0	.0	.0	.0	.0	.0	.0	.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: EDUCATION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL POSITIONS	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

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BUDGET ACTIVITY: Institution Support Services
PROGRAM: Correctional Institutions
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The purpose of this activity is to provide centralized coordination for the support activities to assure that adequate services are provided at each institution and to prevent duplication of services within the department. 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, 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 and 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.
- Sex offender program development and coordination is included in this activity. This unit is responding to legislative initiatives involving sex offenders.

BUDGET ISSUES:

There were several initiatives relating to sex offender programming included in the 1992 Legislative Crime Bill. Many will need additional time and resources before completion.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of facilities accredited	8	8	9	9	9
Number of warrants issued	900	900	900	1,200	1,200
Number of adult escapees/furlough violators apprehended	18	20	22	90	100
Number of people transported	535	535	535	600	600
Percent of transports complete within 24 hours of request	90%	90%	90%	90%	90%
Number of persons transported by sheriff	2,200	2,200	2,200	2,500	2,500
Number of consultant days plus person trained days	1,640	1,600	1,600	1,800	1,800
Number of training sessions for jails	30	23	23	27	27
Number of inmate law library requests processed	10,000	10,000	10,000	12,000	12,000
Industry net sales (000's)	$11,100	$11,400	$14,800	$15,000	$15,000
Sex offender programs licensed				10	20
Sex offenders in programming				1,000	2,000

REVENUE:

None.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: INSTITUTION SUPPORT SERV

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	549	559	656	570	582	3,781	570	582	7,248
EXPENSES/CONTRACTUAL SRVCS	191	233	1,046	862	841	1,516	862	848	1,528
MISC OPERATING EXPENSES	127	190	156	146	179	179	146	207	207
SUPPLIES/MATERIALS/PARTS	83	17	469	429	429	429	429	429	429
CAPITAL EQUIPMENT	22	2	136	239	239	239	237	237	237
OTHER	1							<872>	<872>
SUBTOTAL STATE OPERATIONS	973	1,001	2,463	2,246	2,270	6,144	2,244	1,431	8,777
LOCAL ASSISTANCE			425	350	350	475	350	350	475
TOTAL EXPENDITURES	973	1,001	2,888	2,596	2,620	6,619	2,594	1,781	9,252
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<19>			<19>
(A) POSN REDUCTION BUY BACK		GEN				3,218			6,685
(B) REVOCATION PROGRAM		GEN				500			500
(B) PILOT GRANT - BIOMEDICAL INTERVENTION		GEN				125			125
(B) SO TRANSITIONING BACK INTO COMMUNITY		GEN				175			180
TOTAL GOV'S INITIATIVES						3,999			7,471
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	972	928	2,858	2,566	2,620	6,619	2,564	1,781	9,252
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	1	73	30	30			30		
TOTAL FINANCING	973	1,001	2,888	2,596	2,620	6,619	2,594	1,781	9,252

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: CORRECTIONAL INSTITUTIONS
ACTIVITY: INSTITUTION SUPPORT SERV

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	17.0	12.0	14.0	11.0	11.0	11.0	11.0	11.0	11.0
TOTAL POSITIONS	17.0	12.0	14.0	11.0	11.0	11.0	11.0	11.0	11.0

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Correctional Institutions
ACTIVITY: Institution Support Services

ITEM TITLE: Revocation Program Contracts

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$500	$500	$500	$500

Statutory Change? Yes _____ No _____
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends that an additional $500,000 annually be appropriated to the Department of Corrections for the purchase of bed space in local jails.

Revocation of supervised release/parole status means the return of an offender to a state institution with a subsequent return to supervised release status in the community within 90 days of the revocation. It is proposed that the department would contract for local jail space for approximately 25 beds instead of returning these offenders to state institutions.

State prisons managed by the department are already filled beyond their proper operation capacity, and the forecast of new commitments indicates a demand for several hundred additional beds during the 1994-95 biennium. The department believes that short-term, low risk offenders can be well managed at the local level while preserving scarce state prison beds for longer-term, high risk offenders.

PROGRAM OUTCOMES:

This program is an alternative to returning offenders to state institutions and thereby saves institution beds for the most dangerous offenders in need of programming and security.

LONG-TERM IMPACT:

Offenders housed in local jails are considered on institution status and are subject to institution discipline and due process systems. This project constitutes a cost-efficient method of public protection and control of offenders.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Correctional Institutions
ACTIVITY: Institution Support Services

ITEM TITLE: Pilot Grant - Biomedical Intervention

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$125	$125	$125	$125

Statutory Change? Yes _____ No __X__
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends $125,000 annually to continue the biomedical intervention project for sex offenders initiated by the 1992 Legislature.

The 1992 legislature allocated $75,000 for studying the use of biomedical intervention in the treatment of adult male sex offenders. The study is being developed and conducted by the University of Minnesota's Program in Human Sexuality. The majority of the first year will be used for developing the protocol and recruiting participants for the study.

The pilot grant funding for the study of the use of biomedical intervention in the treatment of sex offenders needs to continue over an extended period of time. A study of this nature can continue for years. An increase in funding is necessary to both increase the number of participants in the study and to increase the different type of pharmaceuticals used.

PROGRAM OUTCOMES:

The outcome of this funding will provide added information regarding the treatment of adult sex offenders. Such information may lead to more innovative ways in treating sex offenders and thereby reduce victimization and increase public safety.

LONG-TERM IMPACT:

The long-term impact of funding this Investment Initiative follows the Department of Corrections philosophy of safeguarding the community through, not only it's correctional institutions, but by facilitating safe innovative approaches to treating sex offenders in the least costly environment. This study will provide insight into the use of biomedical intervention in controlling sexually deviant behavior.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Correctional Institutions
ACTIVITY: Institution Support Services

ITEM TITLE: Programming for Sex Offender's Transitioning Back Into Community

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$175	$180	$190	$200

Statutory Change? Yes ____ No _X_
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends $175,000 in F.Y. 1994 and $180,000 in F.Y. 1995 for community transition programming of sexual offenders completing their period of incarceration in state institutions.

The transition phase back to the community is the most critical phase of an inmate's incarceration. Correctional inmates receive specific therapy while they are residents of state institutions. Provision of continued programming including individual and group therapy to sex offenders being released from correctional facilities is intended to assist in reducing the inmates risk of re-offending.

PROGRAM OUTCOMES:

The outcome of this funding will be to increase services for sex offenders being released from institutions and rejoining society and thereby increase the level of public safety.

LONG-TERM IMPACT:

The long-term impact of this funding follows the Department of Corrections philosophy of not only providing a safe and secure facility to incarcerate offenders, but also to control and correct inappropriate behavior and assist offenders to re-enter society and function as law abiding citizens.

PROGRAM: Community Services
AGENCY: Corrections, Department of

PROGRAM PURPOSE:

The Community Services program provides a broad range of correctional services in the community. Objectives of these services are to protect the public, to control criminal behavior of offenders, to assist offenders in the development of skills necessary to function in the community and to ensure compliance with standards governing operation of local correctional facilities. In order to achieve these objectives the program carries out the following functions:

1. Department of Corrections (DOC) agents supervise individuals who have been placed on probation, supervised release and parole in 57 counties not under the Community Corrections Act (CCA).
2. Community Services administers the CCA. Thirty Minnesota counties representing over 65% of the state's population voluntarily participate in the Act and assume responsibility for the provision of community based correctional services.
3. Work Release provides highly structured programs and supervision for offenders being released from state institutions.
4. Anishinabe Longhouse residence provides supervision and services specifically tailored to meet the unique needs of the Native American offender.
5. Community Services in conjunction with the Department of Natural Resources (DNR) and counties operates Sentencing to Service (STS) programs for non-dangerous offenders who are sentenced to perform useful community service projects.
6. Community residential facilities provide structure and strict surveillance for offenders being released from institutions or who require stricter conditions of supervision.
7. Community corrections centers provide housing, education, supervision and treatment of juveniles adjudicated as delinquent.
8. Community Services, through contractual arrangements, provides outpatient services such as job placement, electronic monitoring, after-care treatment for sex offenders, day programming and drug testing and treatment programs.
9. Supervision to interstate transfer cases is provided through the Interstate Compact for the Supervision of Probationers and Parolees.
10. Community Services administers the county probation subsidy which reimburses counties for some costs associated with probation services.
11. The inspection and enforcement unit licenses, monitors and assists local correctional facilities in Minnesota. Its function is designed to ensure that conditions of confinement in local facilities adequately protect the public and meet basic safety, health and constitutional standards and to avoid legislation.

PROSPECTS:

Like the Institutions program, the Community Services program has had a steady growth of clientele and workload. This has taxed the ability of the division to provide timely and quality services to its clients which include offenders, victims, courts, county boards, sheriffs, probation and community corrections officials. It is expected that providing services to a continued expanding client population will be a major challenge throughout the biennium. The division must continue to develop intermediate sanctions which will be acceptable to the public as well as to the Legislature for dealing with more offenders in a way which is economically feasible yet effective. Among these programs will be intensive supervision, day reporting centers, electronic surveillance, sentencing to service and other community work options, increased use of fines and house arrest. With the exception of Hennepin, Ramsey and St. Louis counties, jails provide services for pre-trial detainees and sentenced prisoners. In Hennepin, Ramsey and St. Louis counties, jails are under the jurisdiction of the Sheriff and hold only pre-trial detainees and are not under the CCA administration. These counties operate separate facilities for sentenced prisoners.

OUTCOMES:

Over the years Community Services has been able to provide low cost alternatives to expensive prison beds and has also enabled local facilities to free up valuable jail space while continuing to assure the safety of the public. This has been accomplished through the use of innovative programs such as Intensive Community Supervision, Sentencing to Service, Work Release and Phase 2 of the Challenge Incarceration Program. Community Services has also played an important role in keeping the need for additional prison beds down by developing and initiating intermediate sanctions that have safely kept a high number of individuals on probation.

OBJECTIVES:

Community Services will continue to provide cost effective alternatives to expensive incarceration of offenders through the use of Intensive Community Supervision, Sentencing to Service, Work Release and Phase 2 of the Challenge Incarceration Program. Probation and Parole Services will also continue to pursue intermediate sanctions that will enhance public safety while holding offenders accountable without placing them in expensive prison beds.

PROGRAM PLAN:

Community Services is dedicated to the maintenance of current effective programs and the development of new programs to accomplish the above mentioned objectives. The division will meet these objectives through constant review of current programs and through the study and research of potential new programs. Community Services is prepared to address issues such as programming for the short term offender.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an expanded alternative funding level of ~~$104,543,000~~ $109,543,000 for the biennium. In order to meet the caseload demands placed on the department, the Governor recommends funding to buy back position reductions which would otherwise be required to meet budget targets. The number of people involved in criminal activity continues to grow, and the policy of building more and more prisons is extremely costly and in certain cases unnecessary. It is clear that alternatives to incarceration in state prisons must be considered and used to sanction offenders whenever appropriate and consistent with public safety. Within this policy framework, the department proposes that low risk offenders with less than one year of sentence to serve not be sent to state prisons but be managed at the community level. In recognition of the increasing number of offenders that will be dealt with at the community level, the Governor recommends several investment initiatives to assist local governments managing this increased caseload. First the Governor recommends a major increase in state funding for the Community Corrections Act to increase the percentage level of state assistance. Secondly, the Governor recommends new funding of $2,500,000 each year for County Criminal Justice Assistance grants to be used by counties to pay expenses associated with criminal justice activities. It is strongly recommended that these funds be used by the counties for providing, when deemed necessary, local incarceration of offenders who do not have a presumptive sentence to a state prison. This is consistent with the long-standing philosophy that state prison space is to be used for dangerous long-term inmates and those who have

PROGRAM: Community Services
AGENCY: Corrections, Department of
(Continuation)

less than one year of incarceration to serve should be held and programmed in local counties. In counties where local incarceration is not an issue, funds should be used to provide programming for juveniles who the court recommends should be placed in specific treatment programs. If these priorities are not deemed appropriate in a specific county, funds may be used to strengthen any area of the criminal justice system.

Eligibility should be based on the formula used in the 1993 County Criminal Justice Aid program, and counties should be required to report the use of this assistance annually. The department should be authorized to use a portion of these new funds for the program administration. Finally, the Governor proposes significant increases for the Sentencing to Service, Work Release, and Juvenile Detention Subsidy programs. These initiatives will be augmented by additional resources invested in probation and supervised release of offenders in the community and sex offender treatment.

Finally, this recommendation includes a $530,000 reduction due to revised salary planning estimates.

Where the Governor concurs with the agency's activity plan, no recommendation will occur on the budget activity narrative.

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1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: COMMUNITY SERVICES

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
PROB & SUPVD REL	5,814	6,502	6,924	6,925	6,896	7,636	6,933	6,904	7,845
COMM CORR ACT	19,409	23,609	23,474	23,389	23,389	26,389	23,389	23,389	29,889
COMM CORRECTIONAL ALTERNATIVES	4,004	5,037	6,023	5,957	4,712	9,671	5,958	4,771	10,224
FACILITIES PLG & INSPECT	619	1,575	1,486	1,472	1,020	1,408	1,472	820	1,458
COMMUNITY SERV SUPPT	5,009	6,159	7,601	7,194	6,654	7,306	7,194	6,529	7,717
TOTAL EXPENDITURES BY ACTIVITY	34,855	42,882	45,508	44,937	42,671	52,410	44,946	42,413	57,133

GOV'S INITIATIVES:	FUND								
(A) SALARY PLANNING ESTIMATES	GEN					<262>			<268>
(A) POSN REDUCTION BUY BACK	GEN					268			554
(P) COUNTY CRIMINAL JUSTICE ASSISTANCE	LGT					2,500			2,500
(B) EXPAND SENTENCING TO SERVICE PROGRAM	GEN					1,750			2,000
(B) EXPAND WORK RELEASE PROGRAM	GEN					750			1,000
(B) CONTINUE INTENSIVE COMMUNITY SUPERVISION	GEN					250			500
(B) COMMUNITY CORRECTIONS ACT INITIATIVE	GEN					3,000			6,500
(B) JUVENILE DETENTION SUBSIDY PROGRAM	GEN					400			650
(B) SEX OFFENDER TREATMENT	GEN					150			150
(B) PROBATION & SUPVD RELEASE INITIATIVE	GEN					933			1,134
TOTAL GOV'S INITIATIVES						9,739			14,720

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
LOCAL GOVERNMENT TRUST						2,500			2,500
GENERAL	31,025	39,735	41,361	40,790	41,011	48,250	40,799	41,486	53,706
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	2,616	669	1,420	1,420	707	707	1,420	707	707
FEDERAL	1,005	2,251	2,507	2,507	733	733	2,507		
AGENCY	209	227	220	220	220	220	220	220	220
TOTAL FINANCING	34,855	42,882	45,508	44,937	42,671	52,410	44,946	42,413	57,133

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: COMMUNITY SERVICES

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	162.4	179.4	184.2	184.2	187.4	211.4	184.2	191.4	219.9
SPECIAL REVENUE	1.0	1.0	1.0	.0	.0	.0	.0	.0	.0
FEDERAL	2.0	.0	.0	.0	.0	.0	.0	.0	.0
TOTAL POSITIONS	165.4	180.4	185.2	184.2	187.4	211.4	184.2	191.4	219.9

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Community Services
ACTIVITY: Community Correctional Alternatives

ITEM TITLE: Sentencing to Service

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$1,750	$2,000	$2,000	$2,000

Statutory Change? Yes ____ No X
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends a substantial increase for the Sentencing to Service (STS) program in order to continue operation of the programs currently covered by federal funding and fund an additional 30 work crews to be located throughout the state. These crews will be placed in counties that continue to experience jail overcrowding and are seeking additional community based alternatives. With this level of expansion, additional supervision and support services will be required to maintain the effectiveness of the program. The recommendation includes funds for 2 additional Regional Supervisor positions, and an Account Clerk. This investment will significantly improve program management, accountability and productivity. It is an intervention opportunity to avoid future costs. Additionally, it is an enterprise management which produces a product from the labor and which encourages efficiency and accountability.

State prisons managed by the Department of Corrections are already filled beyond their proper operation capacity, and the forecast of new commitments indicates a demand for several hundred additional beds during the 1994-95 biennium. The department believes that short-term, low risk offenders can be best managed at the local level while preserving scarce state prison beds for longer-term, high risk offenders. As part of an integrated state plan to accommodate this increased demand, the department has proposed that all offenders with 1 year or less to serve, remain the responsibility of the county where the offender is committed. This policy would place new demands upon the counties. The additional dollars provided by this recommendation are intended to assist the counties in meeting these new demands.

PROGRAM OUTCOMES:

Total Number of Clients Served
F.Y. 1992 - 9,127
F.Y. 1993 - 9,583
F.Y. 1994 - 11,020
F.Y. 1995 - 12,458

Total Number of Clients Completing STS
F.Y. 1992 - 5,177
F.Y. 1993 - 5,436
F.Y. 1994 - 6,251
F.Y. 1995 - 7,067

Total Hours Worked by STS Clients
F.Y. 1992 - 454,173
F.Y. 1993 - 476,882
F.Y. 1994 - 548,414
F.Y. 1995 - 619,947

Dollar Benefit of STS Labor
F.Y. 1992 - $2,270,865
F.Y. 1993 - $2,384,408
F.Y. 1994 - $2,742,069
F.Y. 1995 - $3,099,730

Estimated Market Value of Completed DNR Projects
F.Y. 1992 - $521,623
F.Y. 1993 - $547,704
F.Y. 1994 - $629,860
F.Y. 1995 - $712,015

Jail Days Saved
F.Y. 1992 - 31,175
F.Y. 1993 - 32,734
F.Y. 1994 - 37,644
F.Y. 1995 - 42,554

Benefit of Jail Days Saved
F.Y. 1992 - $1,091,125
F.Y. 1993 - $1,145,690
F.Y. 1994 - $1,317,540
F.Y. 1995 - $1,489,390

LONG-TERM IMPACT:

This is a new initiative in the corrections field having its start in 1986 as a pilot project funded by foundation grants. Modest expansion from dedicated receipts came in 1987 and 1988. Further expansion from general fund dollars came in 1989. In 1990, an additional $874,000 in federal funds was added along with $500,000 general fund match dollars. There are continued requests from county governments to increase this program because; 1) it serves to reduce jail crowding and thereby reduces the need to purchase bed space and/or to build additional bed space; 2) it is viewed by the public as a very desirable sanction for non-dangerous offenders; 3) it produces a labor value in excess of the program cost; and 4) it is the best known alternative sanction for non-dangerous offenders because it does not rely on the more expensive building of physical plants used for incarceration of offenders. The long term impact of this new initiative is that in the future there will be less reliance on the very costly physical plants to sanction non-dangerous offenders and more creative and productive efforts used in sanctioning this group of offenders.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Community Services
ACTIVITY: Community Correctional Alternatives

ITEM TITLE: Work Release Program

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$750	$1,000	$1,000	$1,000

Statutory Change? Yes ____ No X
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends a substantial increase in funding for the Work Release Program in order to purchase additional beds and services in the community. These beds will allow the program to serve 780 inmates in F.Y. 1994 and 857 inmates in F.Y. 1995. This recommendation also includes funds for 1 corrections agent position in F.Y. 1994 to handle the increased case management load and 2 clerk typist positions in F.Y. 1994 to provide clerical support. (One of the clerk typist positions is currently assigned to the Unit as a budget authorized position and these funds will make that position permanent.) This increase is necessitated by the fact that the department's institution populations have increased over the past several years and are expected to continue increasing indefinitely. In order to avoid further overcrowding in it's institutions, the department must plan to make use of community based Work Release to the fullest extent possible consistent with public safety.

PROGRAM OUTCOMES:

This increase in Work Release funding will allow the department to buy 73,730 bed days in F.Y. 1994 and 78,110 bed days in F.Y. 1995. At an estimated cost of $33.61 per bed day in F.Y. 1994 and $34.93 in F.Y. 1995, the result will be the ability to place a large number of inmates in the community at a cost that is approximately half of the cost to house an inmate in an adult institution. It is anticipated that this increase in funding for Work Release will not result in any greater risk to the public.

By increasing the Work Release population we anticipate the following savings over the cost of having these inmates housed in a state corrections facility:

Average Daily Population for F.Y. 1994 Based on:

F.Y. 1992-93 Funding	141
F.Y. 1994 Recommendation	202

Average Daily Population for F.Y. 1995 Based on:

F.Y. 1992-93 Funding	136
F.Y. 1995 Recommendation	214

Cost to Keep Additional Inmates Housed in an Institution at $65.98 per bed day:

F.Y. 1994 (61 inmates)	$1,469,000
F.Y. 1995 (78 inmates)	1,878,500

Cost of Placing Additional Inmates on Work Release:

F.Y. 1994 (61 inmates)	$ 750,000
F.Y. 1995 (78 inmates)	1,000,000

Estimated Savings had These Offenders Been in Prison:

F.Y. 1994	$ 719,000
F.Y. 1995	878,500

LONG-TERM IMPACT:

The long-term impact of increasing the funding for the Work Release Program will be to ensure that there are positive, goal oriented work release programs in the community that will be available to inmates as an alternative to incarceration. While providing this valuable experience for inmates the DOC will also maintain a Work Release population that will alleviate the crowding in state correctional facilities.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Community Services
ACTIVITY: Community Services Support

ITEM TITLE: Intensive Community Supervision

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$250	$500	$500	$500

Statutory Change? Yes _____ No __X__
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends an additional investment of $250,000 in F.Y. 1994 and $500,000 in F.Y. 1995 to continue the Intensive Supervision Program established by the legislature in 1990 and modified in 1991. The program, which places selected offenders under strict control and surveillance in the community, has 2 main components: intensive community supervision (ICS) and intensive supervised release (ISR). ICS is designed for low-risk offenders committed to the commissioner of corrections who with court approval may be selected to serve part of their sentence under a highly restrictive community supervision plan. ISR provides intensive surveillance and supervision of offenders who have served their entire term of imprisonment as required by law, are on supervised release status and are identified by the corrections department as higher risks to public safety.

The programs in Anoka, Hennepin, Ramsey and Washington counties are currently funded 80% by federal funds and 20% by state funds. These federal funds may not be available after 12/31/93. This investment will produce significant improvements in accountability for 255 of Minnesota's most dangerous offenders. These resources will allow the DOC to closely monitor these serious offenders and hold them strictly accountable for any deviation from the rules governing their release.

PROGRAM OUTCOMES:

Number of ICS offenders served	F.Y. 1992	43
	F.Y. 1993	54
	F.Y. 1994	54
	F.Y. 1995	54
Number of ISR offenders served	F.Y. 1992	203
	F.Y. 1993	255
	F.Y. 1994	255
	F.Y. 1995	255
Total number of persons served	F.Y. 1992	246
	F.Y. 1993	309
	F.Y. 1994	309
	F.Y. 1995	309
% of successful ICS completions	F.Y. 1992	61
	F.Y. 1993	61
	F.Y. 1994	61
	F.Y. 1995	61
% of successful ISR completions	F.Y. 1992	40
	F.Y. 1993	50
	F.Y. 1994	50
	F.Y. 1995	50

LONG-TERM IMPACT:

The long term impact of investing in the Intensive Community Supervision Program is reduced institution populations and increased supervision of many of Minnesota's most serious offenders while maintaining public safety.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Community Services
ACTIVITY: Community Corrections Act

ITEM TITLE: Community Corrections Act Investment

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$3,000	$6,500	$6,500	$6,500

Statutory Change? Yes _____ **No** X

If yes, statute affected:

GOVERNOR'S RECOMMENDATION: The Governor recommends an increase of $3.0 million for F.Y. 1994 and $6.5 million for F.Y. 1995 to provide additional resources for counties to maintain and expand existing services and introduce new and innovative programs to deal with greater correctional demands at the local level. This request will increase the state's percentage share by 13% in F.Y. 1994 and 28% in F.Y. 1995 in an effort to match the state-county partnership at the 1981 level. The state's share has not kept up with significant spending increases by the counties as they attempt to meet increasing correctional demands. By investing now in the development of county corrections programming, the need to build new prisons in Minnesota can be reduced or postponed.

State prisons managed by the Department of Corrections are already filled beyond their proper operation capacity, and the forecast of new commitments indicates a demand for several hundred additional beds during the 1994-95 biennium. The department believes that short-term, low risk offenders can be best managed at the local level while preserving scarce state prison beds for longer-term, high risk offenders. As part of an integrated state plan to accommodate this increased demand, the department has proposed that all offenders with 1 year or less to serve, remain the responsibility of the county where the offender is committed. This policy would place new demands upon the counties. The additional dollars provided by this recommendation are intended to assist the counties in meeting these new demands.

DESCRIPTION/BACKGROUND: The Community Corrections Act (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. Participation in this program is a county option. 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. Most CCA counties have found the need for programs and the numbers to be served to have increased substantially since their beginning participation. Virtually all counties have increased their spending at a rate that exceeds the increase in funds provided by the state.

PROGRAM OUTCOMES:

No. of participating counties	1992	30
	1993	30
	1994	30
	1995	30
Population of participating Counties (000's)	1992	2,995
	1993	3,055
	1994	3,116
	1995	3,178
Client avg. daily population	1992	76,055
	1993	88,756
	1994	103,578
	1995	120,875
Client per diem activity cost	1992	$3.76
	1993	3.41
	1994	3.08
	1995	2.79
Total clients served	1992	200,160
	1993	217,843
	1994	237,089
	1995	258,035
Total cost/client served	1992	$523
	1993	507
	1994	491
	1995	477

Sources of revenue for services in participating counties (000's)

State subsidy eligibility (C.Y.)	1992	$23,314
	1993	24,489
	1994	28,139
	1995	29,889
County funds (C.Y.)	1992	$81,390
	1993	85,912
	1994	88,358
	1995	93,131
Total (C.Y.)	1992	$104,704
	1993	110,401
	1994	116,497
	1995	123,020
Appropriation Base (F.Y.)	1992	$23,239
	1993	23,389
	1994	23,389
	1995	23,389

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Community Services
ACTIVITY: Community Corrections Act

ITEM TITLE: Community Corrections Act Investment (Continuation)

LONG-TERM IMPACT:

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 this Initiative 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 re-offending, thereby improving public safety and reducing reliance on the limited number of prison beds. Nearly all areas have seen the demands for services to misdemeanor offenders grow very substantially very quickly.

Percentage Share of Corrections Expenditures:

	State	County
C.Y. 1991	22	78
C.Y. 1992	22	78
C.Y. 1993	22	78
C.Y. 1994	24	76
C.Y. 1995	24	76

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Community Services
ACTIVITY: Facilities Planning and Inspection

ITEM TITLE: Juvenile Detention Services Subsidy Program

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$400	$650	$650	$650

Statutory Change? Yes _____ No X
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends $1,050,000 in additional state funding for the Juvenile Detention Subsidy program to assure that juvenile offenders are not commingled with adult offenders in local lock-ups.

This Initiative is essential to the continuation of the Juvenile Detention Subsidy Program. Without state funding for the subsidy program, local units of government may revert to utilization of local adult jail resources to detain juvenile offenders, and Minnesota could be out of compliance with the jail removal mandates of the Federal Juvenile Justice Delinquency Prevention Act (JJDPA) of 1974 as amended. Non-compliance could result in Minnesota losing approximately $800,000 - $900,000 of the Federal JJDPA dollars per year. The recommended initiative dollars are to replace Federal funds that have been used to establish the Juvenile Subsidy Program on a statewide basis.

PROGRAM OUTCOMES:

Juvenile Detention Services subsidized by this Initiative will result in the following measurable outcomes:

1. Compliance with the expressed intent of the Governor and the 1991 Legislature to achieve and maintain compliance with the jail removal mandates of the Juvenile Justice Delinquency Prevention Act of 1974, as amended.

2. Retention of Minnesota's eligibility for $800,000 - $900,000 of Federal Juvenile Justice Delinquency Prevention Act funds annually.

3. Retention and expansion of juvenile detention resources for juveniles in need of detention in or near their own communities (keeping them near their family, attorneys, courts and school). Funds will be used to assist 33 counties in developing and financing up to 28 short-term emergency secure and non-secure temporary holdover facilities and up to 5 8-day temporary holdover facilities. In addition, all 87 counties will be eligible to develop and receive a detention subsidy for alternative detention services, involving transportation services, home detention services and financial assistance for per diem costs for placement of juveniles in need of detention in long-term detention facilities. This will result in fewer juveniles being admitted into long-term detention facilities, thus freeing up bed space for the more serious, violent offender.

4. A decreased need to utilize space in adult local detention facilities (jails), thus freeing up such space for adult prisoner use and easing the periodic overcrowded conditions evident in some rural jails throughout the state. It is estimated that 150 jail beds will be freed up if juvenile offenders are kept out of adult jails.

5. A continuum of juvenile detention services which encourages the utilization of the least restrictive detention alternative available beginning at the local community level through the utilization, if necessary in the interest of public safety, of secure juvenile detention centers, thus decreasing the need to construct and operate long-term, high cost secure juvenile detention centers.

6. Increased use of trained para-professionals in providing juvenile detention services, thus resulting in lower costs for such services.

LONG-TERM IMPACT:

Approval of this Investment Initiative will have long-term impact in the following areas:

1. The need to construct and subsidize large, long-term secure detention centers will be minimized;

2. Local law enforcement and correctional agencies will have alternative juvenile detention resources available locally, which encourage the use of the least restrictive alternative available and reduces the need to transport youths from their local area to a detention center;

3. A coordinated, consistent detention delivery system will be provided throughout the state that will provide greater equity in detention service options between metro and greater Minnesota areas;

4. The resulting juvenile detention system in Minnesota will be less fragmented than in the past and less reliant on the use of jail staff to supervise juveniles in need of detention in isolated jail cell conditions; and

5. Will result in a more closely monitored Juvenile Detention System in Minnesota implemented by trained staff and caring para-professionals emphasizing the use of the child's own community to meet the child's needs in a manner consistent with legislative intent, guided and monitored by policies, procedures and standards established by the DOC.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Community Services
ACTIVITY: Community Services Support

ITEM TITLE: Sex Offender Treatment

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$150	$150	$150	$150

Statutory Change? Yes _____ No __X__
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends $150,000 annually for additional community based sex offender treatment.

With the public awareness of the danger presented by some sex offenders, the department is able to offer selected inmates and offenders more sex offender programs which include treatment, education, supervision and surveillance. This investment in additional programs and supervision is intended to help increase public safety in the future as more sex offenders receive these services. The offenders who can access treatment and education while in the community may reduce reliance on more expensive inpatient or institutional sex offender care.

From F.Y. 1991 to F.Y. 1992, offenders served and offender bed days have more than doubled. The department sees the need to increase program availability in the state and part of this funding request is for out-patient sex offender programs for adult supervised releasees who have not received "treatment" at a state corrections facility.

Money was appropriated by the legislature for the F.Y. 1992-93 biennium to allow the department to provide more surveillance, supervision and aftercare services to offenders who had refused sex offender treatment at a state correctional facility. The residential treatment/education provided is longer in duration and more intensive in nature than that offered to a non-sex offender on supervised release.

Some of this funding will be used to purchase out-patient sex offender services for selected juvenile parolees from the department's juvenile facilities. Another small portion of this money has been used to begin contracting for out-patient sex offender services for adult offenders on supervised release. It is anticipated the demand for these non-residential services will increase dramatically.

PROGRAM OUTCOMES:

RESIDENTIAL		
Number of offenders served	1992	66
	1993	68
	1994	70
	1995	72
Number offender bed days	1992	4,716
	1993	4,857
	1994	5,002
	1995	5,157
Average daily population	1992	13
	1993	13
	1994	14
	1995	14
% successful completion	1992	67
	1993	67
	1994	67
	1995	67
NON-RESIDENTIAL		
Number offenders served	1992	48
	1993	60
	1994	86
	1995	102
% successful completion	1992	90
	1993	90
	1994	90
	1995	90

LONG-TERM IMPACT:

It is expected that the emphasis on treating and educating sex offenders on supervised release status will continue through the next biennium. The number of offenders served more than doubled from F.Y. 1991 to F.Y. 1992, and because of a limited number of residential programs willing to serve sex offenders, non-residential services will need to increase.

The cost of serving an offender in a residential program is approximately $2,700. Non-residential sex offender service cost per offender is approximately $850.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Community Services
ACTIVITY: Probation & Supervised Release

ITEM TITLE: Probation & Supervised Release Initiative

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$933	$1,134	$1,134	$1,134

Statutory Change? Yes _____ No X
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of $2,067,000 in the Department of Corrections supervised release budget to reduce the case load of current probation officers and increase the level of supervision for offenders on supervised release.

Present monthly statistical data clearly confirms a need for an additional 12 probation officers and 6 support staff for F.Y. 1994 and an estimated need for an additional 3 probation officers and 1.5 support staff for F.Y. 1995. The additional staff requested will result in a reduction of department program costs. Probation services for 1 client per year costs $604. The cost of incarceration is many times higher.

The department's 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 classifications of cases have been assigned specific point value and the workload an agent can effectively handle has been established at 156 points. This analysis reflects the need for additional positions.

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Average Monthly Points (Statewide)	9,129	9,630	10,409	10,909	11,409	11,909
Average Monthly Workload Points Per Agent	172	172	175	180	188	197
Number of Agents Needed at 156 Points	59	62	67	70	73	76
Number of Agents	53.1	56.1	59.6	60.6	60.6	73
Additional Agents Needed	5.9	5.9	7.4	9.4	12.4	3
Additional Support Staff Needed					6.0	1.5

PROGRAM OUTCOMES:

This initiative will contribute to safer communities by increasing supervision of offenders.

LONG-TERM IMPACT:

Without adequate staffing for supervision of offenders, public protection will be sacrificed, plus it will clearly cost the State of Minnesota many additional tax dollars if even a small percentage of these offenders end up in prison. Additionally, continued probation services could lessen the need for even more expensive prisons and the related, ongoing staffing costs.

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BUDGET ACTIVITY: Probation & Supervised Release
PROGRAM: Community Services
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The probation, parole and supervised release activity of the Community Services Division is composed of 57 counties, with district offices in Albert Lea, Bemidji, Detroit Lakes, St. Cloud, Shakopee, Stillwater, Glencoe, North Mankato and Willmar. In those 57 counties, agents of the Department of Corrections supervise a monthly average caseload of approximately 10,500 adult and juvenile offenders. Over 90% of these offenders are on court-ordered probation, with the remainder on parole or supervised release.

This activity completes investigations and reports for adult and juvenile courts and releasing authorities, monitors local correctional programs under the Community Corrections Act (CCA). This activity assists in the inspection and licensing of jails, lockups, detention facilities and group homes, including the investigation of any complaints made against any of these facilities.

Supervising staff are responsible for conducting revocation hearings and the imposition of sanctions against those found to be in violation of conditions of probation, parole or supervised release. This activity is directed toward maintaining a revocation rate not to exceed ten percent of those offenders on probation, parole or supervised release, as well as ensuring public protection and compliance with court-ordered or department-ordered special conditions of probation or supervised release.

EFFICIENCY MEASURES:

(NOTE: 1992 figures are based on 10 months of data)

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
% Offenders charged with violation	13	15	15	10	10	10
Number of Counties	57	57	57	57	57	57
Restitution collected	$515,722	$4,335,040	$642,999	$536,557	$547,288	$577,288
Fines, court costs, etc.	$422,157	$480,195	$425,134	$439,275	$456,996	$468,000
Community service work hours at $5/hr.	$246,630	$226,945	$209,787	$232,000	$247,000	$268,000
TOTAL	$1,184,509	$5,042,180	$1,277,920	$1,207,832	$1,251,284	$1,313,288

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Felony Caseload						
Total cases served	8,151	8,236	9,004	9,136	9,312	9,488
Average mo. caseload	5,080	5,250	5,584	5,712	5,888	6,064
Average monthly workload points	9,129	9,630	10,409	10,909	11,409	11,909
Pre-sentence rpts. completed - TOTAL	2,627	2,608	2,994	3,394	3,794	4,194
By agent	1,380	1,686	1,725	1,953	2,181	2,409
Contract	1,247	922	1,269	1,441	1,613	1,785
Cost per PSI	$211	$216	$220	$226	$230	$232
Cost of supervision per case/year	$573	$596	$604	$608	$615	$622

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Juvenile Contract Agent						
Number of Juvenile Agents	23	25	33.4	33.4	36.4	40.4
Number of counties served	17	17	22	22	25	28
Average monthly caseload (juvenile)	741	1,076	1,401	1,600	1,700	1,850
Average monthly caseload (misdemeanor)	1,185	1,627	2,399	3,200	3,400	3,550

REVENUE:

These receipts reflect county reimbursement for juvenile probation and parole services provided by the state to contracting counties.

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Non-dedicated	$1,263	$1,360	$1,360	$1,408	$1,458

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: COMMUNITY SERVICES
ACTIVITY: PROB & SUPVD REL

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	4,888	5,423	5,687	5,716	5,716	6,141	5,716	5,716	6,333
EXPENSES/CONTRACTUAL SRVCS	396	476	658	630	603	721	638	611	785
MISC OPERATING EXPENSES	413	495	528	528	526	603	528	526	622
SUPPLIES/MATERIALS/PARTS	65	62	51	51	51	75	51	51	81
CAPITAL EQUIPMENT	52	43				96			24
OTHER		3							
SUBTOTAL STATE OPERATIONS	5,814	6,502	6,924	6,925	6,896	7,636	6,933	6,904	7,845
TOTAL EXPENDITURES	5,814	6,502	6,924	6,925	6,896	7,636	6,933	6,904	7,845
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<193>			<193>
(B) PROBATION & SUPVD RELEASE INITIATIVE		GEN				933			1,134
TOTAL GOV'S INITIATIVES						740			941
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	5,814	6,502	6,924	6,925	6,896	7,636	6,933	6,904	7,845
TOTAL FINANCING	5,814	6,502	6,924	6,925	6,896	7,636	6,933	6,904	7,845
POSITIONS BY FUND:									
GENERAL	129.1	140.1	142.6	142.6	142.6	160.6	142.6	142.6	165.1
TOTAL POSITIONS	129.1	140.1	142.6	142.6	142.6	160.6	142.6	142.6	165.1

BUDGET ACTIVITY: Community Corrections Act
PROGRAM: Community Services
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

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.

Thirty counties are currently under the Community Corrections Act. These counties represent more than 66% 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.

EFFICIENCY MEASURES:

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.

	C.Y. 1991	C.Y. 1992	C.Y. 1993	C.Y. 1994	C.Y. 1995
Number of participating counties	30	30	30	30	30
Population of participating counties (000's)	2,936	2,995	3,055	3,116	3,178
State and county correctional expenditures					
Client average daily population	65,172	76,055	88,756	103,578	120,875
Client per diem activity cost	$3.97	$3.76	$3.41	$3.08	$2.79
Total clients served	183,912	200,160	217,843	237,089	258,035
Total cost per client served	$515	$523	$507	$491	$477
Sources of revenue for services participating counties (000's)					
State subsidy eligibility	$20,394	$23,314	$23,389	$23,389	$23,389
County funds	74,374	81,390	87,012	93,108	99,631
Total	$94,768	$104,704	$110,401	$116,497	$123,020

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Appropriation Base	$19,848	$23,239	$23,389	$23,389	$23,389

	C.Y. 1991	C.Y. 1992	C.Y. 1993	C.Y. 1994	C.Y. 1995
Percent Share:					
State	22	22	21	20	19
County	78	78	79	80	81

REVENUE:

None.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: COMMUNITY SERVICES
ACTIVITY: COMM CORR ACT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
LOCAL ASSISTANCE	19,409	23,609	23,474	23,389	23,389	26,389	23,389	23,389	29,889
TOTAL EXPENDITURES	19,409	23,609	23,474	23,389	23,389	26,389	23,389	23,389	29,889
GOV'S INITIATIVES:		FUND							
(B) COMMUNITY CORRECTIONS ACT INITIATIVE		GEN				3,000			6,500
TOTAL GOV'S INITIATIVES						3,000			6,500
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	19,409	23,609	23,474	23,389	23,389	26,389	23,389	23,389	29,889
TOTAL FINANCING	19,409	23,609	23,474	23,389	23,389	26,389	23,389	23,389	29,889
POSITIONS BY FUND:									
TOTAL POSITIONS	.0	.0	.0	.0	.0	.0	.0	.0	.0

BUDGET ACTIVITY: Community Correctional Alternatives
PROGRAM: Community Services
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The Community Correctional Alternatives Unit funds services in 4 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.

BUDGET ISSUES:

Expanded community programs such as Sentencing to Service and Work Release provide low-cost alternatives to incarceration in institutions.

EFFICIENCY MEASURES:

1. The Work Release Unit provides, by contract, services for offenders 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.

4. The Challenge Incarceration Program places property offenders into a highly structured 6 month institution program followed by 6 months of very intensive supervision in the community. The goal of the program is to reduce cost without reducing the offender's chances of a successful return to the community. Phase II of the program requires the offender to be fully employed or in school, to report daily to a reporting center, to submit to urine analysis upon demand and participate in chemical dependency treatment if appropriate.

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Work Release					
Number of residents served	633	618	711	566	540
Number of resident days	53,456	57,305	73,000	51,027	48,600
Average daily population	146	156	200	140	133
Average daily population non-residential	40	50	66	46	44
Average cost per client days	$32.15	$32.38	$31.57	$33.86	$35.55
% of successful completion	75	63	65	65	65
% of participating without a felony	98	99	98	98	98

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Anishinabe Longhouse					
Number of residents served	62	56	71	71	71
Number of resident days	2,865	2,221	3,285	3,285	3,285
Average daily population	8	6	9	9	9
Average cost per resident day	$136.64	$168.68	$122.00	$122.00	$122.00
% of successful completion (stay 60 days)	34	27	50	50	50
% of participating without a felony	100	100	98	98	98
Sentencing to Service					
Number of clients served	5,505	9,127	9,583	2,700	4,000
Number of crews	18	56	70	20	30
Jail days saved	20,979	31,175	32,734	9,350	14,000
Hours of service performed	281,110	454,173	476,882	136,200	204,000
Value of service performed at $5.00/hour	$1,405,550	$2,270,865	$2,384,408	$680,000	$1,022,000

REVENUE:

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated - Special	$43	$540	$1,285	$707	$707

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: COMMUNITY SERVICES
ACTIVITY: COMM CORRECTIONAL ALTERNATIVES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,118	1,628	1,925	1,928	1,367	1,557	1,928	1,378	1,571
EXPENSES/CONTRACTUAL SRVCS	2,143	2,610	3,155	3,127	2,650	4,529	3,128	2,743	5,139
MISC OPERATING EXPENSES	394	509	682	656	562	801	656	548	824
SUPPLIES/MATERIALS/PARTS	146	176	105	90	74	144	90	66	121
CAPITAL EQUIPMENT	180	32	64	64	41	122	64	36	69
OTHER	23	82	92	92	18	18	92		
SUBTOTAL STATE OPERATIONS	4,004	5,037	6,023	5,957	4,712	7,171	5,958	4,771	7,724
LOCAL ASSISTANCE						2,500			2,500
TOTAL EXPENDITURES	4,004	5,037	6,023	5,957	4,712	9,671	5,958	4,771	10,224

GOV'S INITIATIVES:	FUND								
(A) SALARY PLANNING ESTIMATES	GEN					<41>			<47>
(P) COUNTY CRIMINAL JUSTICE ASSISTANCE	LGT					2,500			2,500
(B) EXPAND SENTENCING TO SERVICE PROGRAM	GEN					1,750			2,000
(B) EXPAND WORK RELEASE PROGRAM	GEN					750			1,000
TOTAL GOV'S INITIATIVES						4,959			5,453

SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
LOCAL GOVERNMENT TRUST						2,500			2,500
GENERAL	3,210	3,234	3,458	3,392	3,573	6,032	3,393	3,844	6,797
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	43	540	1,285	1,285	707	707	1,285	707	707
FEDERAL	542	1,036	1,060	1,060	212	212	1,060		
AGENCY	209	227	220	220	220	220	220	220	220

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: COMMUNITY SERVICES
ACTIVITY: COMM CORRECTIONAL ALTERNATIVES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL FINANCING	4,004	5,037	6,023	5,957	4,712	9,671	5,958	4,771	10,224
POSITIONS BY FUND:									
GENERAL	22.0	25.0	25.8	25.8	29.0	35.0	25.8	33.0	39.0
SPECIAL REVENUE	1.0	1.0	1.0						
TOTAL POSITIONS	23.0	26.0	26.8	25.8	29.0	35.0	25.8	33.0	39.0

BUDGET ACTIVITY: Facilities Planning and Inspection
PROGRAM: Community Services
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

All of the responsibilities associated with the Facilities Planning and Inspection activity are designed to ensure that conditions of confinement and security of person detained or incarcerated in local facilities meet basic safety, health and constitutional standards while ensuring protection of the public. Additionally, Facilities Planning and Inspection activity is responsible for ensuring that the Juvenile Detention Subsidy Services Program jointly funded through state and federal appropriations is carried out in a manner consistent with Minnesota statute and federal grant award requirements.

Within the context of the 2 basic purposes noted above, the Facilities Planning and Inspection activity serves more specific purposes as follows:

1. To inspect and license secure and nonsecure correctional facilities on a statewide basis.

   Facilities under the inspection and licensing responsibility of this unit include; jails, lockups, adult holding facilities, adult correctional facilities including workhouses/work farms, correctional group foster homes, adult halfway houses, secure juvenile detention facilities including licensed secure juvenile detention centers, 8 day temporary holdover facilities, juvenile residential facilities such as county home schools and municipal police lockup facilities.

2. To provide training and technical assistance in coordination with the Minnesota State Sheriffs Association to personnel of local adult detention facilities.

3. To develop and enforce standards for correctional facilities in accordance with legislative directives and the administrative rule making process.

4. To maintain and analyze statistical data on admission to adult local secure detention facilities.

5. To act as a statewide clearinghouse in accordance with Minnesota statutory requirements for the review and approval of remodeling, renovation or new construction plans and documents related to facilities inspected and licensed by the Department of Corrections.

6. To administer juvenile detention subsidy service program funds in a manner consistent with juvenile detention subsidy services program guidelines established by the Department of Corrections.

7. To ensure that attendants utilized in 24 hour and 8 day temporary holdover facilities have been trained in a manner consistent with DOC attendant training requirements.

8. To monitor the detention of juveniles in adult local facilities and facilities under juvenile detention services subsidy program funding to ensure compliance with Juvenile Justice Delinquency Prevention Act requirements for jail removal and compliance with established criteria for subsidy reimbursement.

9. To provide technical assistance to local officials to the extent resources permit to enhance their ability 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.

10. To coordinate the investigation of complaints and unusual occurrences in facilities inspected so that validity of complaints, rule compliance and recommendations for change can be made.

BUDGET ISSUES:

Replacement of federal funding is essential to the continuation of the Juvenile Detention Subsidy program so that juvenile offenders are not mixed in with adult offenders.

EFFICIENCY MEASURES:

	1973	1979	1991	1992	1993	1994	1995
Adult local detention facilities:							
Number	80	84	92	93	93	94	95
Condemned	0	6	0	0	0	0	0
Condemnable	38	13	1	1	1	1	0
Percentage of beds in adult local detention facilities meeting approved bed criteria		78%	92%	92%	94%	95%	96%

	1977	1979	1985	1991	1992	1993	1994	1995
Ratio of unnatural cause deaths to average daily population in local detention facilities								
Average daily population	1,480	1,754	2,626	3,911	4,100	4,300	4,500	4,700
Unnatural cause deaths	6	4	4	3	2	3	3	3
Ratio per 1,000 ADP	4.05	2.28	1.52	.76	.49	.70	.67	.64

	1990	1991	1992	1993	1994	1995
Minnesota Sheriffs Association/Department of Corrections jailor training program data						
Training hours provided	7,271	9,142	11,812	10,000	10,000	10,000
Participants	987	1,192	1,410	1,200	1,200	1,200
Training costs	$11,459	$16,317	$17,260	$20,000	$20,000	$20,000
Costs per training hours	$1.58	$1.78	$1.46	$2.00	$2.00	$2.00
Pre/post test score Increase/decrease	+35%	+27%	+31%	+30%	+30%	+30%

	1991	1992	1993	1994	1995
Inspections completed on annual basis	200	210	220	200	195
Cost per inspection	$371	$381	$409	$450	$462

BUDGET ACTIVITY: Facilities Planning and Inspection
PROGRAM: Community Services
AGENCY: Corrections, Department of
(Continuation)

	1980	1991	1992	1993	1994	1995
Juveniles in Jails:						
Admissions	5,090	2,946	2,500	2,400	3,000	4,000
Average daily population	16.19	2.66	2.30	2.00	4.11	8.22
Average daily confined	1.16	.33	.25	.25	.50	.75
Total days confined	5,908	969	625	600	1,500	3,000

	1980	1991	1992	1993	1994	1995
Detention Services Subsidy Programs:						
Licensed juvenile detention ctrs.	5	5	7	7	7	7
8 Day temp. holdover facilities	0	1	2	3	0	0
24 Hour temp. holdover facilities	0	9	23	28	7	0
Alternative program part. counties	0	29	39	45	0	0

REVENUE:

None.

GRANTS:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
General Fund	$ -0-	$ 710	$ 373	$ 373	$ 373
Federal	202	341	600	200	-0-
Total	$ 202	$1,051	$ 973	$ 573	$ 373

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: COMMUNITY SERVICES
ACTIVITY: FACILITIES PLG & INSPECT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	294	336	350	352	352	340	352	352	340
EXPENSES/CONTRACTUAL SRVCS	79	111	126	110	58	58	110	58	58
MISC OPERATING EXPENSES	25	33	26	26	26	26	26	26	26
SUPPLIES/MATERIALS/PARTS	1	7	11	11	11	11	11	11	11
CAPITAL EQUIPMENT	2	26							
OTHER	16	11							
SUBTOTAL STATE OPERATIONS	417	524	513	499	447	435	499	447	435
LOCAL ASSISTANCE	202	1,051	973	973	573	973	973	373	1,023
TOTAL EXPENDITURES	619	1,575	1,486	1,472	1,020	1,408	1,472	820	1,458
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<12>			<12>
(B) JUVENILE DETENTION SUBSIDY PROGRAM		GEN				400			650
TOTAL GOV'S INITIATIVES						388			638
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	289	1,127	836	822	820	1,208	822	820	1,458
STATUTORY APPROPRIATIONS:									
FEDERAL	330	448	650	650	200	200	650		
TOTAL FINANCING	619	1,575	1,486	1,472	1,020	1,408	1,472	820	1,458

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: COMMUNITY SERVICES
ACTIVITY: FACILITIES PLG & INSPECT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	5.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
FEDERAL	2.0	.0	.0	.0	.0	.0	.0	.0	.0
TOTAL POSITIONS	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0

BUDGET ACTIVITY: Community Services Support
PROGRAM: Community Services
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The Community Services Support activity attempts to control the criminal behavior of offenders in the community and to foster development of skills offenders need to live a law-abiding life in the community. Community Services Support: contracts for services at community residential facilities, purchases non-residential community services providing job placement, support service and referral for offenders, electronic monitoring, after-care treatment for sex offenders as well as day programming for selected offenders.

BUDGET ISSUES:

Replacement of federal funding is essential to the continuation of the Intensive Community Supervision program at the current level.

EFFICIENCY MEASURES:

1. 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 and alcohol treatment, testing and assessment, cultural experiences, therapeutic involvement and control of behavior through intensive supervision and electronic monitoring.

2. This activity also included interstate compacts which are reciprocal agreements providing for the supervision of inter-state parolees/probationers and administration of detainers.

3. 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 two categories:

   A. County Probation Reimbursement: Minnesota statutes provide for 50% reimbursement of county probation officer(s) salary in non-CCA counties. (Statutory reference: M.S. 260.311)

   B. 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:

   The Northwest Juvenile Training Center, a non-profit corporation, operates under a joint power agreement involving eight 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.

   Leech Lake Youth Lodge, now Leech Lake Satellite Home, provides a substitute home environment for hard to place predisposition Indian youth and those on probation or parole. (Statutory reference: M.S. 241.31)

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Contract Programs					
No. of residential contracts	9	10	11	11	11
No. of residents served	647	876	900	900	900
No. of resident days	13,009	13,137	14,000	14,500	14,500
Avg. cost per resident per day	$41.07	$39.20	$42.39	$44.30	$46.50
% of successful program completion	70.0	70.0	70.0	70.0	70.0
% participating without new felony	98.0	98.0	98.0	98.0	98.0
Total supervised releases	1,613	1,738	1,872	2,000	2,100
Total mandated residential conditions	407	426	444	450	475
No. of non-residential contracts	8	10	10	10	10
No. of non-residential clients served	872	1,741	1,750	1,800	1,875
Average cost per client per day	$9.42	$9.33	$8.50	$10.00	$10.00
County Probation Reimbursement					
No. of counties receiving subsidy	57	57	57	57	57
% reimbursed	50	50	50	50	50
Agent positions filled	146	154.9	170	176	180
Community Corrections Centers					
Northwest Juvenile Training Center					
No. of counties served	8	8	8	8	8
No. of beds, center	32	32	32	32	32
No. of beds, satellite homes	20	20	20	18	18
No. of children served	265	275	280	240	240
Grant % of budget	14.0	14.0	14.0	11.0	10.0
Leech Lake Satellite Home					
No. of counties served	8	8	8	8	8
No. of beds	12	12	12	5	5
No. of children served	17	18	19	12	12
Grant % of budget	40.0	7.0	7.0	7.0	7.0
Interstate Compact					
Minnesota offenders out of state					
Parole/supervised release	181	206	227	250	275
Probation	3,061	3,284	3,612	3,973	4,370
Out of state offenders in Minnesota					
Parole/supervised release	1,100	1,249	1,374	1,511	1,662
Probation	3,987	4,395	4,835	5,319	5,851

BUDGET ACTIVITY: Community Services Support
PROGRAM: Community Services
AGENCY: Corrections, Department of
(Continuation)

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Sex Offender Programs					
Sex offender residential after-care					
No. of clients	228	474	521	521	521
No. of client days	5,509	11,228	11,789	11,789	11,789
% Successful completion	60	67	67	67	67
Sex offender non-residential after-care					
No. of clients	12	48	48	48	48
% Successful completion	85	90	90	90	90
Sex offender pilot projects					
No. of projects	6	8	8	8	8
Intensive Community Supervision/Metro					
No. of prison releases served	17	43	54	32	11
No. of supervised releases served	24	203	255	154	51
Total number of releases served	41	246	309	186	62
% of successful completions	N/A	37	50	50	50
Care of Persons					
Costs	N/A	$57,000	$57,000	$57,000	$57,000
Use of local jails					
Institution transfer					
No. clients	N/A	114	120	120	120
No. client days	N/A	458	481	481	481
Restructure of Release					
No. clients	N/A	57	60	60	60
No. client days	N/A	799	839	839	839

REVENUE:

None.

GRANTS:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
County Probation Reimbursement					
General Fund	$ 63	$2,832	$3,842	$3,519	$3,865
Special Revenue	2,573	-0-	-0-	-0-	-0-
Total	$2,636	$2,832	$3,842	$3,517	$3,865

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Community Corrections Centers					
General Fund	$ 118	$ 191	$ 191	$ 191	$ 191
Intensive Community Supervision					
General Fund	$ 83	$ 82	-0-	-0-	-0-
Federal	120	613	649	321	-0-
Total	$ 203	$ 695	$ 649	$ 321	$ -0-
Regional Corr. Centers					
General Fund	$ 140	$ 140	$ 140	$ 140	$ 140
Sex Offender Projects					
General Fund	$ 500	$ 483	$ 517	$ 500	$ 500
CD Assessment					
General Fund	$ 31	$ -0-	$ -0-	$ -0-	$ -0-
Federal	-0-	54	133		
Total	$ 31	$ 54	$ 133	$ -0-	$ -0-
Drug Testing					
General Fund	$ 19	$ -0-	$ -0-	$ -0-	$ -0-
Federal	1	96	15	-0-	-0-
Total	$ 20	$ 96	$ 15	-0-	-0-

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: COMMUNITY SERVICES
ACTIVITY: COMMUNITY SERV SUPPT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	288	347	342	340	460	712	340	460	998
EXPENSES/CONTRACTUAL SRVCS	1,005	1,223	1,685	1,662	1,448	1,848	1,662	1,448	2,098
MISC OPERATING EXPENSES	65	67	71	71	71	71	71	71	71
SUPPLIES/MATERIALS/PARTS	2	8	6	6	6	6	6	6	6
CAPITAL EQUIPMENT		13							
OTHER	1							<152>	<152>
SUBTOTAL STATE OPERATIONS	1,361	1,658	2,104	2,079	1,985	2,637	2,079	1,833	3,021
LOCAL ASSISTANCE	3,648	4,501	5,497	5,115	4,669	4,669	5,115	4,696	4,696
TOTAL EXPENDITURES	5,009	6,159	7,601	7,194	6,654	7,306	7,194	6,529	7,717
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<16>			<16>
(A) POSN REDUCTION BUY BACK		GEN				268			554
(B) CONTINUE INTENSIVE COMMUNITY SUPERVISION		GEN				250			500
(B) SEX OFFENDER TREATMENT		GEN				150			150
TOTAL GOV'S INITIATIVES						652			1,188
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	2,303	5,263	6,669	6,262	6,333	6,985	6,262	6,529	7,717
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	2,573	129	135	135			135		
FEDERAL	133	767	797	797	321	321	797		
TOTAL FINANCING	5,009	6,159	7,601	7,194	6,654	7,306	7,194	6,529	7,717

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: COMMUNITY SERVICES
ACTIVITY: COMMUNITY SERV SUPPT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	6.3	6.3	7.8	7.8	7.8	7.8	7.8	7.8	7.8
TOTAL POSITIONS	6.3	6.3	7.8	7.8	7.8	7.8	7.8	7.8	7.8

PROGRAM: Management Services
AGENCY: Corrections, Department of

PROGRAM PURPOSE:

The Management Services Program provides a broad range of management support services throughout the department. The primary objective of this program is to provide to the other program areas management direction that will contribute and enable all programs to accomplish the department's mission. The 7 functions within this program that are directed toward this objective include:

1. Administrative Management which establishes major policy for the department and provides executive leadership to all employees. This activity includes the offices of adult and juvenile release which are responsible for approving release plans, conducting revocation hearings, issuance of warrants and orders for discharge for all adults and juveniles committed to the commissioner. It includes hearing officer services for internal disciplinary hearings for adult inmates. Affirmative Action direction and responsibility are in this activity.

2. Financial Management formulates the fiscal policy, procedure and budgets, financial reports, payroll, internal auditing, purchasing, payments, cost accounting, billings, deposits, contract and grant administration, etc., and supervises the financial management function within the department. Financial Management provides consultation services to all program staff and monitors for consistency in the department's resources.

3. Office Management provides support services within the department for central office and field services. Services include state vehicle use, mailroom, photocopying, word processing, equipment inventory, office cleaning and office space assignments.

4. Personnel Services coordinates recruiting and selection of new employees and all personnel transactions with the Department of Employee Relations. Personnel monitors transactions to ensure equity and consistency with policies and procedures. It provides consultation and direction concerning grievance disputes, discipline matters, staffing patterns and labor relations.

5. The Training unit staffs and operates a training academy for all new employees including correctional counselors and provides in-service training programs throughout the department for all employees. Training in areas such as due process, emergency procedures, AIDS and other diseases, gangs in the prison environment, drug or chemical dependency, as well as sex offender treatment training are provided to help the department to carry out its mission.

6. Information and Analysis provides automated data processing services, analytic support and records management services to department staff and others. Automated data processing services include systems analysis, technical consultation and systems planning. Analytic support is provided in the form of program evaluations, information needs and statistical analysis. Records Management is responsible for developing procedures for the maintenance and protection of department records.

7. Women Offender planning includes issue identification, resource development, research, program development, program development assistance and implementation of the women offender state plan recommendations. It also provides staff support to the legislatively- created Advisory Task Force on the Women Offender in Corrections.

This program also includes the Victim Services activity.

Victim Services provides and promotes programs towards reducing violence in society and in providing needed resources to victims of crime. Increasing awareness of the rights and needs of crime victims is a main goal of the unit. Victim Services administers state and federal program funds for victims of battering, sexual assault, child abuse and other crimes. Staff also provides technical assistance to service providers statewide and produce and distribute community education materials for public awareness programs related to victimization and violence. The unit also identifies and promotes public policy initiatives on behalf of crime victims and assures department compliance with victim rights mandates.

PROSPECTS:

Department turnover. The department projects a large turnover in managerial and supervisory staff during the 1990's. Over 36% of the department's managers and over 35% of its supervisors will retire by the year 2000.

Information system upgrade. Current AS/400 computers lack the power to support the department's 4th generation language at an acceptable level. With increasing offender populations, the department's information system is taxed to its limits.

Victim services. With the increase in violence in our society, the need for more and expanded victim services also rise. Further, legislative initiative requires that domestic abuse intervention services be established in all 27 judicial assignment districts in Minnesota.

Female offenders. Adult and juvenile offenders need special programming to meet their needs and to reduce their rate of return to state institutions.

Correctional support services. Support needs increase when offender populations increase. This puts a heavy demand on central resources.

OUTCOMES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Protected Class Employees					
Women	660	779	800	820	850
Minority	155	158	175	190	220
Disabled	260	267	280	295	320
	1,075	1,204	1,255	1,305	1,390
Financial Audit Findings Implemented	97%	96%	97%	97%	97%
Percent of bills paid within 30 days	99%	99%	99%	99%	99%

PROGRAM: Management Services
AGENCY: Corrections, Department of
(Continuation)

OBJECTIVES:

In accordance with Minnesota milestones, the department will value and respect people of all cultures, races and ethnic backgrounds. The department will continue to emphasize their hiring and retention and provide appropriate training for all employees.

Also, in accordance with Minnesota milestones that Minnesota government will be cost-efficient and services will meet the needs of the people who use them, the department has begun to undertake quality review of its various activities and intends to initiate effectiveness measures where possible.

Victim service funding will be utilized effectively to meet the needs of victims. The department will continue to assess inmate wages for grants to victims.

PROGRAM PLAN:

The department depends heavily upon its management information system and needs to find additional resources for improving that system in order to support institution, community and management services.

Overall, all support units are in the process of reviewing their activities to improve their services to the department in spite of limited resources. Increasing workloads tend to cause stress among employees and priorities must be established.

While this program represents a minor portion of the department's overall budget, staff coordinate a major portion of the information systems and data necessary to operate a department of this size. As the department expands due to offender population, the demand for services in this area also increases. The challenge for the next biennium will be to continue the quality of services necessary to manage this department prudently.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an alternative program funding level of $36,125,000 for the 1994-95 biennium. The Governor recommends funding to buy back the position reduction which would otherwise be required to meet budget targets in order to carry out the department's responsibilities. Included within this recommendation is an increase of $6,500,000 for assistance and support for victims of violence and abuse. The department has shown sensitivity and an ability to work with the advocate groups representing the interests and needs of crime, abuse, and sexual assault victims. The Governor recommends that the department be allowed flexibility in determining the programmatic and geographical distribution of these resources provided they are concentrated in those areas of the state where victim services are lacking or nonexistent.

Finally, this recommendation includes a $310,000 reduction due to revised salary planning estimates.

Where the Governor concurs with the agency's activity plan, no recommendation will occur on the budget activity narrative.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
ADMINISTRATIVE MGT	1,528	1,617	1,628	1,581	1,736	2,094	1,581	1,769	2,293
FINANCIAL MANAGEMENT	604	734	736	738	738	716	738	738	716
OFFICE SERVICES	825	835	847	861	1,095	1,084	869	1,051	1,039
PERSONNEL	577	674	721	722	664	642	722	664	642
TRAINING	431	490	514	498	483	473	498	483	473
INFO & ANALYSIS	1,862	1,535	2,106	2,076	1,906	1,881	2,076	1,906	1,881
VICTIM SERVICES	6,316	6,387	7,899	7,875	7,867	11,103	7,875	7,852	11,088
TOTAL EXPENDITURES BY ACTIVITY	12,143	12,272	14,451	14,351	14,489	17,993	14,359	14,463	18,132
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<154>			<156>
(A) POSN REDUCTION BUY BACK		GEN				158			325
(B) VICTIM SERVICES INITIATIVE		GEN				3,250			3,250
(B) FEMALE RECIDIVISM REDUCTION PROJECT		GEN				125			125
(B) JUVENILE FEMALE MINI GRANTS		GEN				125			125
TOTAL GOV'S INITIATIVES						3,504			3,669
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	10,485	10,417	12,205	12,105	12,760	16,264	12,113	12,749	16,418
STATUTORY APPROPRIATIONS:									
GENERAL	14								
SPECIAL REVENUE	369	441	831	831	315	315	831	315	315
FEDERAL	1,268	1,409	1,415	1,415	1,414	1,414	1,415	1,399	1,399
GIFTS AND DEPOSITS	7	5							
TOTAL FINANCING	12,143	12,272	14,451	14,351	14,489	17,993	14,359	14,463	18,132

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES

ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	87.7	94.7	95.7	95.7	102.2	105.2	95.7	103.2	106.2
SPECIAL REVENUE	2.1	2.6	3.6	1.6	1.6	1.6	1.6	1.6	1.6
TOTAL POSITIONS	89.8	97.3	99.3	97.3	103.8	106.8	97.3	104.8	107.8

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Management Services
ACTIVITY: Victim Services

ITEM TITLE: Victim Services Initiative

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	$200	$200	$200	$200
- Grants	$3,050	$3,050	$3,050	$3,050

Statutory Change? Yes _____ No _X_
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor places one of highest priorities on the protection and support of the women and children who are so often the victims of violence and abuse. It can be argued that there will never be enough victim services so long as violence remains prevalent in our society. However, in many parts of the state some victim services are readily available. In others, there are very few if any services available. The Governor recommends an additional $3,250,000 each year of the biennium for services in under and unserved areas of the state. The department has demonstrated an ability to work with the grassroots organizations representing victims of violence and abuse. The Governor recommends that the department be given the flexibility of working with these groups in determining the geographic and programmatic areas of greatest need.

In an effort to eliminate violence, the department's mission to battered women, victims of sexual assault, abused children and victims of general crime is to: assure the availability of resources for the delivery of service to victims; provide quality grant administration; provide grant related technical assistance; assure the participation and advice of grassroots constituents in the development and implementation of departmental policies; and preserve, promote and incorporate the philosophic and programmatic integrity of each program area.

Presently, a significant number of victims in Minnesota are under-served or not served. This initiative addresses this service need by providing $3,050,000 additional funding for grants each year and operations funds of $200,000 each year. The operational funding is essential to fund the travel expenses of the advisory groups and to support statewide provision of grant administration and technical assistance.

PROGRAM OUTCOMES:

Current victim funding serves approximately 104,000 victims statewide. Additional funding of $3,050,000 will significantly increase the number of victims served. The number of victims served and the form of assistance provided will be determined in cooperation with victim organizations. Further, the investment of $200,000 will ensure grassroots participation and quality grants administration and technical assistance in each program area.

Crime Victim Centers

The department provides funds to 3 community organizations for the operation of crime victim centers which provide crisis intervention, advocacy for victims in the court process, emergency financial assistance and referral to appropriate community services, neighborhood organization activities and liaison with law enforcement, prosecution and court systems.

	F.Y. 1992	F.Y. 1993
Crime Victim Centers		
Victims served	2,351	2,587
Crisis calls & services	5,512	6,063
Criminal justice advocacy	297	327
Information & referral	1,985	2,184

General Crime Victims

Federal funds from the Victims of Crime Act (VOCA) and receipts from Minnesota prison inmate wages enable the department to award grants to local units of government or nonprofit organizations which provide victim assistance services, the state victim ombudsman office and services to underserved crime victims.

	F.Y. 1992	F.Y. 1993
General Crime Victims		
Victims served	5,800	8,000
Crisis calls & services	2,500	3,025
Criminal justice advocacy	2,000	2,000
Information & referral	2,000	3,000

Child Abuse/Child Victims

Federal funds from VOCA and receipts from Minnesota prison inmate wages enable the department to award grants which provide services to victims of child abuse and their families, adolescent victims of nonfamilial physical or sexual assault and juvenile primary and secondary victims of crime.

	F.Y. 1992	F.Y. 1993
Child Abuse/Child Victims		
Abused Children/Child Victims	5,500	7,000
Victims served	2,500	3,000
Crisis calls & services	2,750	3,025

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Management Services
ACTIVITY: Victim Services

ITEM TITLE: Victim Services Initiative (Continuation)

Sexual Assault Services

The department administers a grant program using both federal and state funds for community-based sexual assault services. Thirty-nine projects serving 63 Minnesota counties provide immediate crisis intervention; medical, legal and criminal justice advocacy; professional training; and community education on personal safety to children and adults.

	F.Y. 1992	F.Y. 1993
Sexual Assault Services		
Victims served	9,457	11,349
Professionals trained	20,503	24,604
Community Ed participants	133,370	160,044
Volunteer hours donated	399,492	459,416

Battered Women Services

The department administers a grant program using both federal and state funds to provide emergency shelter and support services to battered women and their children. Over 65 projects provide local services to battered women and their children in 36 counties. Services provided by grantees include emergency housing through shelters and/or safe homes, support and advocacy to both battered women and their children, community intervention with the criminal justice system, public education, training for staff and community professionals and statewide coordination of programs. In addition a statewide legal advocacy project assists in identifying precedent setting legal cases in the area of domestic abuse. The department provides grant-related technical assistance and training.

	F.Y. 1992	F.Y. 1993
Battered Women Services		
Advocacy service	66,000	75,000
Legal Advocacy services	28,000	32,000
Women sheltered	4,800	5,000
Children sheltered	6,000	6,100
Community Ed participants	87,000	100,000
Professionals trained	20,000	23,000

LONG-TERM IMPACT:

Additional funding for these programs will result in more direct services for victims. These services result in long-term benefits such as stabilization of the family, offering an opportunity for children to succeed, and reducing the incidence of victims becoming perpetrators. This, in turn, will result in more safe and caring communities in Minnesota.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Management Services
ACTIVITY: Administrative Management

ITEM TITLE: Female Recidivism Reduction Project

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- Grants	$125	$125	$125	$125

Statutory Change? Yes _____ **No** X
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends that an additional $125,000 annually be appropriated to the department to fund a female recidivism reduction project.

Research completed in March, 1992 indicates that 30 of the 141 (21%) women incarcerated at MCF-Shakopee on a given day in January of that year had been incarcerated there previously. Of those 30, 63% had been there 3 or more times, 78% were mothers and 67% were women of color. All were from the metropolitan area. Most were there for property crimes (79%). If there is an average of 30 women at MCF-Shakopee who have been there before at any given time, and that number is reduced by 12 per year (40%) the cost savings would be substantial, keeping valuable bed space for more dangerous, violent offenders. A focus on the "revolving door" women upon release to the community will assist in their positive adjustment, prevent their return to the institution, and create a stable living situation for their children.

PROGRAM OUTCOMES:

These funds would be used for grants for local programs. It is anticipated that an intensive family based program will have case managers meet with women in their homes and assist them in arranging day care and transportation for work, school or treatment. Other services as needed would be sought within the social service structure, empowering the women to eventually seek and utilize these services independently. The goal would be to keep these women from returning to MCF-Shakopee for a minimum of 3 years.

LONG-TERM IMPACT:

It is anticipated that in addition to improving the lives of female offenders and their families, an investment of $125,000 in this family based supervision project will produce a cost savings of 12 beds per year at MCF-Shakopee. Cost savings will be cumulative because women would not be coming back a third, fourth, fifth and sixth time. These will be community and system savings because these women will not need to be processed in local communities and jails prior to returning to prison. There will be additional indirect long term savings because most of these women are mothers. Addressing the needs of the woman offender and her children will potentially prevent the intergenerational cycle of incarceration that often occurs in these families.

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Corrections, Department of
PROGRAM: Management Services
ACTIVITY: Administrative Management

ITEM TITLE: Juvenile Female Mini-Grants

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- Grants	$125	$125	$125	$125

Statutory Change? Yes _____ **No** X
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of $125,000 annually for grants to assist counties in developing program alternatives for juvenile girls.

Girls who are involved in the correctional system in Minnesota have few options that specifically address their special needs. Very few girls are committed to MCF-Sauk Centre. An attempt is made to find alternative placement for a girl committed to the Commissioner of Corrections as soon as she arrives at Sauk Centre, because the gender disparity at that facility is so great. The serious juvenile male offender receives most of the focus and gender specific programming for juvenile females at Sauk Centre does not exist. Mini-Grant money made available to counties would be a way of assisting officials in developing gender specific programming for juvenile females, to prevent their commitment to a state institution.

PROGRAM OUTCOMES:

The outcome of the juvenile female mini-grants recommended by the Governor are:

To address the needs of underserved populations:

- 35% of the girls served with grant money will be children of color,
- 25% of the juvenile females served will reside outside of the 7 county metropolitan area,

Programs will become self sustaining:

- 50% of programs receiving mini-grants for 3 consecutive years will remain operational without grant assistance from the state.

LONG-TERM IMPACT:

Communities need to address the needs of their juvenile female offenders in a comprehensive way at the local level. Since becoming self sustaining is an objective of the mini-grants, it is intended that programs will continue to operate after grant funding has ceased.

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BUDGET ACTIVITY: Administrative Management
PROGRAM: Management Services
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

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 2,400 employees working in 10 institutions, 45 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;

3. planning and coordination of women's correctional programs and staffing of the state Advisory Task Force on the Women Offender in Corrections; and

4. Affirmative Action direction and support for the department.

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 departmentwide 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.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Adult Release:					
Revocation hearings conducted	703	814	890	966	1,023
Re-entry reviews completed	1,613	1,738	1,907	2,065	2,187
Hearing Office:					
Number of discipline reports filed	7,590	8,350	9,185	10,100	11,110
Protected class employees:					
Women	660	779	800	820	850
Minority	155	158	175	190	220
Disabled	260	267	280	295	320
	1,075	1,204	1,255	1,305	1,390

REVENUE:

None.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: ADMINISTRATIVE MGT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	1,312	1,334	1,410	1,384	1,507	1,615	1,384	1,528	1,802
EXPENSES/CONTRACTUAL SRVCS	63	117	50	43	46	46	43	75	75
MISC OPERATING EXPENSES	65	75	74	65	73	73	65	73	73
SUPPLIES/MATERIALS/PARTS	14	23	13	13	17	17	13	17	17
CAPITAL EQUIPMENT		2	6	6	23	23	6	6	6
SUBTOTAL STATE OPERATIONS	1,454	1,551	1,553	1,511	1,666	1,774	1,511	1,699	1,973
LOCAL ASSISTANCE	74	66	75	70	70	320	70	70	320
TOTAL EXPENDITURES	1,528	1,617	1,628	1,581	1,736	2,094	1,581	1,769	2,293
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<50>			<51>
(A) POSN REDUCTION BUY BACK		GEN				158			325
(B) FEMALE RECIDIVISM REDUCTION PROJECT		GEN				125			125
(B) JUVENILE FEMALE MINI GRANTS		GEN				125			125
TOTAL GOV'S INITIATIVES						358			524
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,448	1,563	1,627	1,580	1,736	2,094	1,580	1,769	2,293
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	80	54	1	1			1		
TOTAL FINANCING	1,528	1,617	1,628	1,581	1,736	2,094	1,581	1,769	2,293

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: ADMINISTRATIVE MGT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	19.0	25.5	25.5	25.5	28.5	28.5	25.5	28.5	28.5
SPECIAL REVENUE	1.0	.0	.0	.0	.0	.0	.0	.0	.0
TOTAL POSITIONS	20.0	25.5	25.5	25.5	28.5	28.5	25.5	28.5	28.5

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BUDGET ACTIVITY: Financial Management
PROGRAM: Management Services
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

Financial Management 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. Financial 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.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Percent of bills paid within 30 days	99%	99%	99%	99%	99%
No. of payment transactions	66,400	74,400	78,100	82,000	82,000
Audits conducted	30	42	48	50	52
Audit findings implemented	97%	96%	97%	97%	97%
Total annual department budget (000's)	$173,992	$197,835	$213,704	$215,517	$219,840
Grant administration of federal funds (000's)	$3,096	$4,698	$5,188	$3,371	$2,623
Grant administration of non-CCA subsidies (000's)	$2,894	$3,163	$4,173	$3,848	$4,196

REVENUE:

None.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: FINANCIAL MANAGEMENT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	582	669	681	684	684	662	684	684	662
EXPENSES/CONTRACTUAL SRVCS		1	1	1	1	1	1	1	1
MISC OPERATING EXPENSES	6	6	7	7	7	7	7	7	7
SUPPLIES/MATERIALS/PARTS	2	3	2	1	1	1	1	1	1
CAPITAL EQUIPMENT		2							
OTHER	14	53	45	45	45	45	45	45	45
SUBTOTAL STATE OPERATIONS	604	734	736	738	738	716	738	738	716
TOTAL EXPENDITURES	604	734	736	738	738	716	738	738	716
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<22>			<22>
TOTAL GOV'S INITIATIVES						<22>			<22>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	564	642	644	646	646	624	646	646	624
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	40	92	92	92	92	92	92	92	92
TOTAL FINANCING	604	734	736	738	738	716	738	738	716
POSITIONS BY FUND:									
GENERAL	14.2	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7
SPECIAL REVENUE	.8	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: FINANCIAL MANAGEMENT

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL POSITIONS	15.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0

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BUDGET ACTIVITY: Office Services
PROGRAM: Management Services
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The Office Services activity provides the support services for 314 Department of Corrections (DOC) staff working in central office and field services offices throughout the state, various community corrections offices and the general public.

The specific services for central office include word processing, motor pool, receptionist, printing, duplicating, responsibility for specialized department-wide forms, assisting in the compliance with the American Correctional Association standards, safety inspections, mail service, daily courier service, office security, purchasing supplies and equipment, 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; consumable asset control; fixed asset control; coordination of recycling projects; and the coordination of the purchase, maintenance and assignment of cars out of the department central office motor pool.

REVENUE:

None.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: OFFICE SERVICES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	239	235	238	238	318	307	238	348	336
EXPENSES/CONTRACTUAL SRVCS	394	393	404	418	453	453	426	466	466
MISC OPERATING EXPENSES	120	128	130	130	142	142	130	142	142
SUPPLIES/MATERIALS/PARTS	67	65	75	75	93	93	75	87	87
CAPITAL EQUIPMENT	5	4			89	89		8	8
OTHER		10							
SUBTOTAL STATE OPERATIONS	825	835	847	861	1,095	1,084	869	1,051	1,039
TOTAL EXPENDITURES	825	835	847	861	1,095	1,084	869	1,051	1,039
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<11>			<12>
TOTAL GOV'S INITIATIVES						<11>			<12>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	815	776	790	804	1,095	1,084	812	1,051	1,039
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	10	58	57	57			57		
GIFTS AND DEPOSITS		1							
TOTAL FINANCING	825	835	847	861	1,095	1,084	869	1,051	1,039
POSITIONS BY FUND:									
GENERAL	9.0	6.0	6.0	6.0	9.5	9.5	6.0	10.5	10.5
SPECIAL REVENUE	.0	1.0	1.0	.0	.0	.0	.0	.0	.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: OFFICE SERVICES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TOTAL POSITIONS	9.0	7.0	7.0	6.0	9.5	9.5	6.0	10.5	10.5

BUDGET ACTIVITY: Personnel
PROGRAM: Management Services
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The Personnel unit:

1. Provides staffing, labor relations, compensation and benefit administration services for the department.

2. Directs staff in the correctional facilities who provide personnel and labor relations services.

3. Provides consultation and direction to the department's managers and supervisors on labor contract negotiation and administration, the formulation of human resource policies and planning for future staff needs.

The department has a diverse workforce, with employees in 12 of the 16 bargaining units authorized by the legislature. The Personnel unit ensures that workforce needs are consistently and effectively met throughout the state. The unit also has responsibility for developing plans to ensure the department is prepared for possible emergency situations.

EFFICIENCY MEASURES:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Job audits, reclassifications	280	300	400	350	350
Applications processed for correctional counselor	4000	5000	5000	6000	6000
Vacancies filled	500	550	600	650	650
Third step grievance	60	70	70	80	80

REVENUE:

None.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: PERSONNEL

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	568	657	702	704	650	628	704	650	628
EXPENSES/CONTRACTUAL SRVCS	2	2	4	3	1	1	3	1	1
MISC OPERATING EXPENSES	5	8	12	12	10	10	12	10	10
SUPPLIES/MATERIALS/PARTS	1	2	3	3	3	3	3	3	3
CAPITAL EQUIPMENT	1	5							
SUBTOTAL STATE OPERATIONS	577	674	721	722	664	642	722	664	642
TOTAL EXPENDITURES	577	674	721	722	664	642	722	664	642
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<22>			<22>
TOTAL GOV'S INITIATIVES						<22>			<22>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	577	674	665	666	664	642	666	664	642
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE			56	56			56		
TOTAL FINANCING	577	674	721	722	664	642	722	664	642
POSITIONS BY FUND:									
GENERAL	11.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
SPECIAL REVENUE	.0	.0	1.0	.0	.0	.0	.0	.0	.0
TOTAL POSITIONS	11.0	13.0	14.0	13.0	13.0	13.0	13.0	13.0	13.0

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BUDGET ACTIVITY: Training
PROGRAM: Management Services
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

Staff training is aimed at skills development and job enrichment for employees in order to create a safe, secure environment for staff and inmates. Relevant pre-service and in-service training is designed to develop and maintain employee competence in performing their work. These areas include due process, emergency procedures, causes and treatment of AIDS, gang impact on the prison environment, agent safety, supervision of sex offenders and other subject matters that have an impact on the department's operation.

In addition to institution and community services staff, the department has a commitment to the training of Community Corrections Act staff and county probation officers. For example, all state corrections agents, as well as county and community corrections agents are mandated to have specialized training in order to supervise sex offenders on probation or supervised release.

Historically, the department has focused on training that is mandated by law. This includes annual fire training, employee right to know, bloodborne pathogens, CPR, first aid, suicide prevention, weapons qualification and chemical munitions. Projections showing that 36% of our managers will retire by the year 2000 (17% by 1995) and 18% of our supervisors will retire by 1995 and 35% by 2000 has made managerial development a critical need of the department's training effort. Current and future managers need to receive training in quality management principles. Our minority and female staff continue to leave the Department of Corrections (DOC) at a faster rate than the white males and this needs to be addressed at the management level. Job enrichment, retention of quality staff and the valuing of a diverse workforce are the cornerstones of our management training.

The growth in inmate population produces an increase in new hires which generates an automatic increase in pre-service and in-service training hours needed to continue the mandated training and to maintain a professional DOC workforce.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Number of trainees through Pre-Service Academy	225	225	300	400	400
Number of persons receiving DOC orientation	110	110	150	200	200
Number of in-service training hours presented	1,000	1,550	2,000	2,500	2,500
Total number of person-hours of training	30,000	31,650	35,000	40,000	42,000
Number of meetings/seminars	110	110	120	130	130

REVENUE:

This activity generates dedicated revenue from provision of training to other agencies.

	Dollars in Thousands				
	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Type of Revenue:					
Dedicated-Special	$28	$19	$10	$10	$10

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: TRAINING

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	279	306	316	317	317	307	317	317	307
EXPENSES/CONTRACTUAL SRVCS	38	58	76	59	59	59	59	59	59
MISC OPERATING EXPENSES	59	70	75	75	60	60	75	60	60
SUPPLIES/MATERIALS/PARTS	47	47	46	46	46	46	46	46	46
CAPITAL EQUIPMENT	8	9							
OTHER			1	1	1	1	1	1	1
SUBTOTAL STATE OPERATIONS	431	490	514	498	483	473	498	483	473
TOTAL EXPENDITURES	431	490	514	498	483	473	498	483	473
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<10>			<10>
TOTAL GOV'S INITIATIVES						<10>			<10>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	391	452	504	488	473	463	488	473	463
STATUTORY APPROPRIATIONS:									
GENERAL	5								
SPECIAL REVENUE	28	19	10	10	10	10	10	10	10
FEDERAL		15							
GIFTS AND DEPOSITS	7	4							
TOTAL FINANCING	431	490	514	498	483	473	498	483	473

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: TRAINING

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	6.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
SPECIAL REVENUE	.3	.3	.3	.3	.3	.3	.3	.3	.3
TOTAL POSITIONS	6.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8

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BUDGET ACTIVITY: Information and Analysis
PROGRAM: Management Services
AGENCY: Corrections, Department of

REVENUE:

None

ACTIVITY DESCRIPTION:

The purpose of Information and Analysis is to maximize the department's information assets by providing 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, field service case management and any other areas of operation. The research component produces program evaluations, statistical reports and policy analysis 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 and offender populations grow rapidly.

The Department of Corrections was the first agency to complete an information needs assessment and from that to develop a strategic information systems plan. This five year plan is the foundation for all information system improvement and budgeting. Planning for a second long-range plan is underway.

During F.Y. 1991 and 1992 the department continued to add computer applications in its' facilities, field offices and central office in order to facilitate the management and operation of department programs. Currently, the department is converting all major agency systems to FOCUS software and replacing TI-990 mini computers with IBM AS400's. This conversion will greatly improve access to and utility of the agency's automated information systems.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
No. of staff with direct access to automated data and services	750	775	800	900	950
No. of computers/terminals	350	450	600	700	750
No. of functional areas supported by automation	100	100	100	125	125
No. of information requests processed	1,000	1,000	1,000	1,200	1,200
No. of inmate record inquiries received and answered according to data privacy regulations	7,500	7,750	8,000	8,200	8,500
No. of inmate base files retrieved for department and criminal justice use	2,600	2,700	2,800	3,000	3,200

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: INFO & ANALYSIS

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	718	671	751	753	753	728	753	753	728
EXPENSES/CONTRACTUAL SRVCS	353	420	449	417	417	417	417	417	417
MISC OPERATING EXPENSES	53	55	94	94	94	94	94	94	94
SUPPLIES/MATERIALS/PARTS	218	203	9	9	9	9	9	9	9
CAPITAL EQUIPMENT	520	186	803	803	633	633	803	633	633
SUBTOTAL STATE OPERATIONS	1,862	1,535	2,106	2,076	1,906	1,881	2,076	1,906	1,881
TOTAL EXPENDITURES	1,862	1,535	2,106	2,076	1,906	1,881	2,076	1,906	1,881
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<25>			<25>
TOTAL GOV'S INITIATIVES						<25>			<25>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	1,845	1,532	1,706	1,676	1,906	1,881	1,676	1,906	1,881
STATUTORY APPROPRIATIONS:									
GENERAL	1								
SPECIAL REVENUE	16	3	400	400			400		
TOTAL FINANCING	1,862	1,535	2,106	2,076	1,906	1,881	2,076	1,906	1,881
POSITIONS BY FUND:									
GENERAL	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
TOTAL POSITIONS	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0

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BUDGET ACTIVITY: Victim Services
PROGRAM: Management Services
AGENCY: Corrections, Department of

ACTIVITY DESCRIPTION:

The Victim Services Unit is responsible for the administration of state and federal funds for battered women and their children, victims of sexual violence, child abuse and other crimes. Victim Services staff provides grant-related technical assistance and training to funded programs. Additionally, Victim Services supports the efforts of grassroots constituency programs to stabilize families, enable children to recover from abuse, experienced and witnessed, and lead communities in a comprehensive approach to eradicate violence in Minnesota.

Crime Victim Centers

The department provides funds to 3 community organizations for the operation of crime victim centers which provide crisis intervention, advocacy for victims in the court process, emergency financial assistance and referral to appropriate community services, neighborhood organization activities and liaison with law enforcement, prosecution and court systems.

General Crime Victims

Federal funds from the Victims of Crime Act (VOCA) and receipts from Minnesota prison inmate wages enable the department to award grants to local units of government or nonprofit organizations which provide victim assistance services, the state victim ombudsman office and services to underserved crime victims.

Child Abuse/Child Victims

Federal funds from VOCA and receipts from Minnesota prison inmate wages enable the department to award grants which provide services to victims of child abuse and their families, adolescent victims of nonfamilial physical or sexual assault and juvenile primary and secondary victims of crime.

Sexual Assault Services

The department administers a grant program using both federal and state funds for community-based sexual assault services. Thirty-nine projects serving 63 Minnesota counties provide immediate crisis intervention; medical, legal and criminal justice advocacy; professional training; and community education on personal safety to children and adults. The Minnesota Coalition Against Sexual Assault, a statewide coalition for sexual assault services, is funded to provide outreach to member programs; provide service-related technical assistance and facilitate statewide efforts to increase awareness of sexual violence issues.

Battered Women Services

The department administers a grant program using both federal and state funds to provide emergency shelter and support services to battered women and their children. Over 65 projects provide local services to battered women and their children in 36 counties. Services provided by grantees include emergency housing through shelters and/or safe homes, support and advocacy to both battered women and their children, community intervention with the criminal justice system, public education, training for staff and community professionals and statewide coordination of programs. Projects are funded to address the needs of Hispanic, Asian, Black, Native American and lesbian battered women. In addition, a statewide legal advocacy project assists in identifying precedent setting legal cases in the area of domestic abuse. The department provides grant-related technical assistance and training. The department also receives reports on domestic abuse incidents from Minnesota law enforcement officers, as mandated in statute.

EFFICIENCY MEASURES:

	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Crime Victim Centers					
Victims served	2,100	2,351	2,587	2,587	2,587
Crisis calls & services	5,000	5,512	6,063	6,063	6,063
Criminal justice advocacy	270	297	327	327	327
Information & referral	1,800	1,985	2,184	2,184	2,184
Programs funded	3	3	3	3	3
General Crime Victims					
Victims served	5,000	5,800	8,000	10,000	10,000
Crisis calls & services	1,890	2,500	3,025	5,000	5,000
Criminal justice advocacy	1,770	2,000	2,000	5,000	5,000
Information & referral	2,000	2,000	3,000	5,000	5,000
Programs funded	16	19	26	31	62
Child Abuse/Child Victims					
Abused Children/Child Victims	5,000	5,500	7,000	8,850	9,025
Victims served	2,500	2,500	3,000	3,800	5,000
Crisis calls & services	1,500	2,750	3,025	5,000	8,000
Programs funded	17	19	18	18	18
Sexual Assault Services					
Victims served	7,881	9,457	11,349	13,618	13,618
Professionals trained	17,086	20,503	24,604	29,525	29,525
Community Ed participants	111,142	133,370	160,044	192,053	192,053
Volunteer hours donated	333,012	399,492	459,416	528,328	528,328
Programs funded	39	39	40	40	40

BUDGET ACTIVITY: Victim Services
PROGRAM: Management Services
AGENCY: Corrections, Department of
(Continuation)

Battered Women Services	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Advocacy service	65,205	66,000	75,000	75,000	75,000
Legal Advocacy services	28,381	28,000	32,000	32,000	32,000
Women sheltered	4,482	4,800	5,000	5,000	5,000
Children sheltered	6,030	6,000	6,100	6,100	6,100
Community Ed. participants	87,421	87,000	100,000	100,000	100,000
Professionals trained	19,418	20,000	23,000	23,000	23,000
Incident Reports (police)	13,500	13,500	16,000	16,000	16,000

REVENUE:

None

GRANTS:	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995
Crime Victim Centers					
General Fund	$214	$214	$409	$409	$409
General Crime Victims					
Federal	$373	$422	$381	$380	$365
Dedicated (inmate wages)	193	193	193	193	193
TOTAL	$566	$615	$574	$573	$558
Child Abuse/Child Victims					
Federal	$332	$355	$344	$344	$344
Dedicated (inmate wages)	—	22	18	18	18
TOTAL	$332	$377	$362	$362	$362
Sexual Assault Services					
General Fund	$798	$775	$1,177	$1,171	$1,171
Federal	277	294	285	285	285
TOTAL	$1,075	$1,069	$1,462	$1,456	$1,456
Battered Women Services					
General Fund	$3,439	$3,385	$4,198	$4,181	$4,181
Federal	275	316	394	394	394
TOTAL	$3,714	$3,701	$4,592	$4,575	$4,575

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: VICTIM SERVICES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	347	362	436	437	432	531	437	432	535
EXPENSES/CONTRACTUAL SRVCS	52	31	39	37	35	73	37	35	73
MISC OPERATING EXPENSES	9	10	14	14	14	32	14	14	32
SUPPLIES/MATERIALS/PARTS	2	1				15			15
CAPITAL EQUIPMENT						16			12
OTHER	5	7	11	11	11	11	11	11	11
SUBTOTAL STATE OPERATIONS	415	411	500	499	492	678	499	492	678
LOCAL ASSISTANCE	5,901	5,976	7,399	7,376	7,375	10,425	7,376	7,360	10,410
TOTAL EXPENDITURES	6,316	6,387	7,899	7,875	7,867	11,103	7,875	7,852	11,088
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<14>			<14>
(B) VICTIM SERVICES INITIATIVE		GEN				3,250			3,250
TOTAL GOV'S INITIATIVES						3,236			3,236
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	4,845	4,778	6,269	6,245	6,240	9,476	6,245	6,240	9,476
STATUTORY APPROPRIATIONS:									
GENERAL	8								
SPECIAL REVENUE	195	215	215	215	213	213	215	213	213
FEDERAL	1,268	1,394	1,415	1,415	1,414	1,414	1,415	1,399	1,399
TOTAL FINANCING	6,316	6,387	7,899	7,875	7,867	11,103	7,875	7,852	11,088

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CORRECTIONS,DPT OF
PROGRAM: MANAGEMENT SERVICES
ACTIVITY: VICTIM SERVICES

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	10.0	10.0	11.0	11.0	11.0	14.0	11.0	11.0	14.0
TOTAL POSITIONS	10.0	10.0	11.0	11.0	11.0	14.0	11.0	11.0	14.0

Department of Ombudsman for Corrections

Position and Employee Status Information

Position Reconciliation:

Authority	Current F.Y. 1993	Requested for 6/30/95
Legislative Complement:		
General Fund	7.5	7.5
Total Permanent Positions	7.5	
Other Complement (FTE)	1.0	
TOTAL Positions	8.5	
Employees on 6/30/92	8.5	

Employees by Employment Status:

	6/30/92
Full-Time Unlimited	7.5
Part-Time Unlimited	.5
Part-Time Temporary	.5
TOTAL	8.5

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1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Ombudsman for Corrections, Office of **Fund:** General

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$446	$446	$892
Forecast Adjustment	-0-	-0-	-0-
AGENCY BASE	$446	$446	$892
Inflation Cost Increase	15	30	45
Agency Management Decisions			
Hold positions vacant	$(29)	$(29)	$(58)
Across-the-board	(8)	(23)	(31)
Sub-total	$(37)	$(52)	$(89)
TOTAL AGENCY PLAN	$424	$424	$848
Governor's Initiatives			
Salary Planning Estimates	(12)	(12)	(24)
GOVERNOR'S RECOMMENDATION	$412	$412	$824

Brief Explanation of Agency's Overall Actions:

~~To make up the budget deficit, we will eliminate the permanent part-time Clerk Typist III position, the part-time Student Worker, and temporary part-time Clerk Typist I positions. The balance of the deficit will come from operations. In F.Y. 1995, due to elimination of positions and operations, our total inflation costs and 5% Base Reduction totals $40,000. We will reduce a professional Correctional Ombudsman Specialist position to 50% and reduce our operations another $16,000.~~

To accommodate inflationary increases and a 5% reduction we will eliminate the permanent part-time Clerk Typist III position, the part-time Student Worker, and temporary part-time Clerk Typist I positions ($58,000). The balance of $31,000 will come from a reduction in out-state travel, fees, supplies and capitol equipment.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions left Vacant or Eliminated	1.5	1.5

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

AGENCY: Ombudsman for Corrections, Office of

MISSION:

The Ombudsman for Corrections exists to promote the highest attainable standards of competence, efficiency, and justice in the administration of corrections. It is an independent state agency, created by M.S. 241.41. The Ombudsman for Corrections' goal is to provide for safe, secure, and humane living conditions for inmates and staff in Minnesota's correctional settings. The agency's purpose is to conduct investigations of complaints lodged by inmates, staff, and other interested sources. Other activities related to the investigation of complaints include: making recommendations to the administrative agency based on findings of investigations, submitting an annual report to the governor, and providing information to the legislature as requested. The results of the agency's activities are safer prison environments, fewer costly law suits by inmates, and a rapid response system for complaint resolutions, which serves to relieve the penal institutions of tension and lessen the likelihood for disturbances by inmates.

MINNESOTA MILESTONES:

The work of the Ombudsman for Corrections supports the Milestone theme of "A sharing and caring community." We contribute to the goal that people who need help providing for themselves will receive the help they need.

CLIMATE:

- **Increasing Prison Population.** 1,100 beds have been added to adult institution capacities since 1985. Additional expansions are planned at Faribault, Shakopee, and Moose Lake. Sentencing Guidelines and Department of Corrections (DOC) projections indicate that the number of inmates will increase beyond this planned prison bed capacity by 1995.
- **Sentencing Changes.** In recent years penalties have increased substantially for violent offenses, for offenders with repeat violent criminal records, and for certain drug offenses.
- **A Different Prisoner.** With recent changes in our sentencing patterns and populations in our communities we are seeing more difficult prisoners in our institutions. This has contributed to increased tensions throughout the system.

OBJECTIVES:

The DOC enjoys a reputation for having well managed programs. We have not had any major disturbance in any institution since the early 1980s. The DOC reports that they settle less than 6 inmate lawsuits annually. This status is maintained due to the cooperative efforts of several state agencies.

The Ombudsman will use the following as measurements of effectiveness:

1. Implement a data base to
   a. analyze the types and disposition of complaints;
   b. prioritize workload of the agency.

	F.Y. 1990	F.Y. 1991	F.Y. 1992
Closed cases:	3,319	3,457	3,706

2. Restructure staffing patterns to provide on-site staff coverage in all the institutions.
3. Resolve 80% of complaints within 15 working days of assignment of the complaint.

	F.Y. 1990	F.Y. 1991
Percentage of complaints resolved within 15 days:	91.10	93.5

OUTCOMES:

Given reduced resources and increased prison populations, the challenge will be to prioritize complaints that are investigated to ensure the following outcomes:

- safe prison environments;
- lessen the likelihood for inmate disturbances;
- provide outlets to reduce costly inmate law suits;
- provide a rapid response system for complaint resolution.

AGENCY BUDGET PLAN:

The Ombudsman has only one program: to investigate complaints. Our primary focus will be to investigate institution complaints and to provide what coverage we can to other correctional facilities.

We began using a new data system in July 1992 to look at the "bigger picture" of our agency functions. With analysis of the nature of the complaints we receive, we hope to focus on larger issues and potentially eliminate some of the individual complaints.

In F.Y. 1993, we restructured and hired a student worker to handle complaints and a temporary Clerk Typist I to help with work demands in the agency with the monies coming from the vacant Clerk Typist III position and operations. This allowed us to have on-site staff coverage at all the state institutions. To cover inflationary increases and a 5% budget reduction totalling $89,000 ~~an anticipated $82,000 budget reduction,~~ we will have to lay off these 2 people, eliminate the Clerk Typist III position and reduce expenditures for travel, fees, supplies and equipment ~~and reduce a professional Correctional Ombudsman Specialist position to 50%. Our operations budget will be reduced by $43,000.~~ The professional staff will be expected to perform more reception and clerical functions such as typing their own letters, answering telephones, and doing data entry. We will re-assign work-loads and prioritize the complaints received. We will no longer be able to handle the numbers of complaints we receive from Community Corrections county facilities. Each financial decision will be weighed carefully with caseload priorities given the most consideration.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: OMBUDSMAN FOR CORR
PROGRAM: OMBUDSMAN-CORRECTION
ACTIVITY: OMBUDSMAN CORRECTION

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	323	343	373	375	353	341	375	353	341
EXPENSES/CONTRACTUAL SRVCS	23	25	22	27	27	27	27	27	27
MISC OPERATING EXPENSES	16	19	28	28	28	28	28	28	28
SUPPLIES/MATERIALS/PARTS	8	14	9	9	9	9	9	9	9
CAPITAL EQUIPMENT		14	7	7	7	7	7	7	7
SUBTOTAL STATE OPERATIONS	370	415	439	446	424	412	446	424	412
TOTAL EXPENDITURES	370	415	439	446	424	412	446	424	412
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<12>			<12>
TOTAL GOV'S INITIATIVES						<12>			<12>
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	368	415	439	446	424	412	446	424	412
STATUTORY APPROPRIATIONS:									
GIFTS AND DEPOSITS	2								
TOTAL FINANCING	370	415	439	446	424	412	446	424	412
POSITIONS BY FUND:									
GENERAL	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
TOTAL POSITIONS	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: OMBUDSMAN FOR CORR

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	439	439	439	439				
TECHNICAL ADJUSTMENTS								
DOCUMENTED RENT/LEASE INC/DEC	5	5	5	5				
INSURANCE PREMIUM HOLIDAY	2	2	2	2				
SUBTOTAL TECH. ADJ.	7	7	7	7				
CURRENT SPENDING	446	446	446	446				
AGENCY BASE	446	446	446	446				

Minnesota Sentencing Guidelines Commission

Position and Employee Status Information

Position Reconciliation:

Authority	Current F.Y. 1993	Requested for 6/30/95*
Legislative Complement:		
General Fund	4.0	4.0
Total Permanent Positions	4.0	4.0
Other Complement (FTE)	.5	
TOTAL Positions	4.5	4.0
Employees on 6/30/92	4.5	

Employees by Employment Status:

	6/30/92
Full-Time Unlimited	4.0
Part-Time Unlimited	.5
TOTAL	4.5

* See 1994-95 Biennial Budget Narrative

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Minnesota Sentencing Guidelines Commission **Fund:** General

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$254	$254	$508
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$254	$254	$508
Inflation Cost Increase	6	15	21
Agency Management Decisions			
Agency Operations:			
Eliminate funds for part-time help and reduce agency expenses	(19)	(27)	(46)
TOTAL AGENCY PLAN	$241	$242	$483
Governor's Initiatives			
Staffing Monitoring System	~~$130~~	~~$109~~	~~$239~~
	89	68	157
Restore Agency Reduction	13	12	25
Salary Planning Estimates	(6)	(6)	(12)
Subtotal	~~$137~~	~~$115~~	~~$252~~
	96	74	170
GOVERNOR'S RECOMMENDATION	~~$378~~	~~$357~~	~~$735~~
	337	316	653

Brief Explanation of Agency's Overall Actions:
Over 75% of the agency's budget is comprised of salaries. Without funding for projected inflationary compensation costs, there are no budgeting options that will not result in the inability of this agency to meet its most important outcome.

The most important outcome of this agency is to maintain and provide information on statewide felony sentencing practices that allow the Commission, the Legislature, and the Department of Corrections to evaluate policies; project prison populations; recognize the impact of the policies on correctional resources and other areas of the criminal justice system; and to inform the decision making process.

In order to provide this outcome, the monitoring system must be up to date. It is currently about 9 months behind. Eliminating the agency's ability to employ part time help will further increase the backlog. The information will become unreliable for impact analysis and the evaluation of the important new criminal justice policies will be greatly delayed.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions left Vacant	.5	.5

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$ -0-	$ -0-	$ -0-

4. Affected Statutes:

None.

5. GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in the agency's budget plan except for the following adjustments: a biennial increase above the agency's plan level of ~~$239,000~~157,000 and 2.0 positions for a monitoring system on statewide felony practices; restoring reductions proposed with the agency plan for an amount of $25,000 for the biennium; and funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: SENTENCING GDLNS COM

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(A) SALARY PLANNING ESTIMATES	GEN	<6>	<6>	<12>			
(B) RESTORE AGENCY REDUCTION	GEN	13	12	25			
(B) STAFFING FOR MONITORING SYSTEM	GEN	89	68	157			
TOTAL BY FUND	GEN	96	74	170			
TOTAL INVESTMENT INITIATIVES		96	74	170			

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AGENCY: Minnesota Sentencing Guidelines Commission

MISSION STATEMENT:

The legislature established the Sentencing Guidelines Commission for the purpose of developing and maintaining rational and consistent sentencing standards which reduce sentencing disparity, increase proportionality in sanctions, and ensure more equitable and uniform sentencing for convicted felons.

The following are the specifically stated goals of the sentencing guidelines system:

- to promote **uniformity** in sentencing so that offenders who are convicted of similar types of crimes and have similar types of criminal records are similarly sentenced;
- to establish **proportionality** in sentencing by recommending the most severe sanctions for those offenders who are convicted of serious violent offenses even with no prior criminal record, those who have repeat violent criminal records, and those who have more extensive nonviolent criminal records;
- to provide **truth and certainty** in sentencing by having the judge pronounce a fixed sentence that requires the offender to serve at least two thirds of the pronounced time as opposed to an indeterminate and symbolic sentence of zero to the statutory maximum sentence and a parole board that ultimately decides when to release an offender;
- to **coordinate sentencing practices with correctional resources** by informing the legislature of the impact of the existing sentencing policy on correctional resources and the impact of any proposed changes to the sentencing system; and
- to promote **public safety** by recommending the harshest sanctions for violent offenders who pose the greatest danger to public safety and coordinating sentencing practices with correctional resources to assure that prison resources are available for these violent offenders.

To achieve the mission and goals stated above, the agency and commission evaluates sentencing policy and practices, modifies sentencing policy; determines the impact of policy on correctional resources; and provides training, implementation, and information services to the criminal justice community and the public. The commission consists of 11 members who represent the criminal justice system and the public. The commission meets approximately once each month to consider sentencing issues and problems. The criminal justice system is extremely dynamic and the commission must consider whether to make changes to the sentencing guidelines in order to continue to fulfill its mission. The commission presents recommendations to the legislature each year for changes to the sentencing guidelines.

MINNESOTA MILESTONES:

The Minnesota Sentencing Guidelines Commission supports the following Minnesota Milestones goals:

Our communities will be safe, friendly and caring.

- The sentencing guidelines recommend the harshest sanctions for violent offenders who pose the greatest danger to public safety;
- The sentencing guidelines provide a mechanism to coordinate sentencing practices with correctional resources to assure that prison resources are available for these violent offenders.

People will participate in government and politics.

- The membership of the commission represents the criminal justice community and private citizens;
- The commission holds public meetings, public hearings, and informational services that promote community participation.

CLIMATE:

The following factors currently drive the decisions regarding the delivery of agency services:

- **There have been substantial increases in the number of felons sentenced each year.** The volume of felony cases sentenced by the courts has increased by 50% over the last 4 years. This increase appears to be due more to overall population growth, increased arrests, increased prosecutions, and more efficient courts as opposed to increases in the rate of crime. This increase in cases has resulted in substantially greater demands on staff to process the information in a timely and accurate manner.

  The agency maintains a unique monitoring system that provides a wealth of information to the commission, the legislature, and other agencies who must make decisions regarding the criminal justice system. This monitoring system is the most inexpensive criminal justice system in the state and is the only criminal justice information system that contains information relevant to the application of the sentencing guidelines. Primary uses of the monitoring system are to evaluate sentencing policy and practices, project prison populations for the Department of Corrections' planning and budgeting purposes, and estimate the impact on prison populations of proposed changes to laws and the sentencing guidelines. In order for this information system to be meaningful, it is critical that it contain the most accurate and current data possible.

- **Information maintained in the monitoring system is supplied by other local and state entities.** The agency does not directly collect the information maintained in the monitoring system but is supplied to the agency by probation agents, judges, and the State Judicial Information System (Supreme Court). Other state agencies who maintain criminal justice information systems also must depend on others to supply the necessary information to their systems. In addition, those that use these state criminal justice information systems (including the sentencing guidelines monitoring system) represent a variety of agencies in both state and local jurisdictions. There is a need to continue the Criminal Justice Information Executive Policy Group which was formed under a 1992 legislative directive. The group is comprised of commissioners and executives who represent the agencies that maintain the major criminal justice information systems. This group, with the help of a task force that represents the users and suppliers in the systems, needs to provide leadership and support to move the state toward more useful criminal justice information. A report is due to the legislature in the 1993 session

but the group should continue to meet to address criminal justice information issues that cross agencies and jurisdictions. No single agency can resolve these issues.

- **There has been an intensified interest in the area of criminal justice over the last several years.** Substantial changes have been made to felony sentencing since 1989, both with regard to state law and the sentencing guidelines. These changes will affect our need for prison resources for decades to come. It is critical to evaluate how these changes to policy are affecting actual practice and to determine whether the goals of the policy changes are being met. It is critical to be able to project how these changes will affect the need for prison space. An up to date sentencing guidelines monitoring system is essential for evaluating the impact of the changes and for guiding any further policy changes that are necessary.

  In addition, this intensified interest in criminal justice issues has resulted in increased requests for information, particularly by the legislature and the commission. The legislature has directed the commission to conduct numerous special studies over the last four years. These studies typically require criminal justice information that is not available from the agency's existing monitoring system. Commission staff has had to conduct several special data collection efforts to obtain the necessary information for these studies, policy making purposes and impact analysis. Increased concern over the availability of local correctional resources and the need to develop innovative alternatives to incarcerative sanctions, e.g., means-based fines, has also required additional information be collected to facilitate these new policy developments.

  The substantial number of changes to state law and sentencing guidelines has increased the training needs for the criminal justice community. New and amended policies cannot be carried out if practitioners are unaware of the changes or do not know how to properly implement the policies. There is a greater need to be able to assist practitioners on daily questions as well as a greater need to conduct special training sessions.

AGENCY BUDGET PLAN:

The targeted funding level used in this budget proposal does not include a salary supplement. This funding level will be extremely detrimental to the important outcomes of the agency. With over 75% of the agency's budget comprised of salaries, there is little opportunity to restructure or redesign processes that would result in cost savings that would equal the necessary reduction in funding. The targeted funding level is particularly devastating given the urgent need to increase our staff size in order for the agency to keep pace with increased caseloads. In addition, approximately 65% of the entire agency's staff is dedicated to developing, maintaining, and analyzing the monitoring system.

The targeted funding level requires that the agency fund an additional $6,000 in F.Y. 1994 and $15,000 in F.Y. 1995 which is needed to cover contract and step level increases for its four staff members. The non salary portion of the budget is 22% of the total funding. The agency must either reduce its non salary budget by 10% in F.Y. 1994 and by 23% in F.Y. 1995 or reduce its staff size. Nearly every non salary item in the budget is fixed and necessary for basic administrative activities of any agency (communications, supplies, rent, maintenance contracts, etc.). Given these figures, there are no budgeting options that will not result in the inability of this agency to meet its most important outcomes.

The most important outcome of this agency is to maintain and provide information on statewide felony sentencing practices that allow the commission, the legislature, and the Department of Corrections to recognize the impact of policies on correctional resources and other areas of the criminal justice system and to inform the decision making process. The monitoring system maintained by this agency, while the least expensive of any statewide criminal justice information system, is the only information system in the state with the critical data necessary to analyze the impact of sentencing policy changes. Given the enormous number of policy changes that have occurred over the last 3 years, the continued interest in criminal justice policy, and the extensive impact the new policies will have on correction resources, it is critical that the monitoring system be kept up to date to evaluate policies and enable the most accurate impact assessment possible. The monitoring system is also important for determining what policies might reduce the need for correctional resources. The monitoring system must be kept up to date.

Presently, the agency is about 9 months behind on maintaining a current data base. This backlog is due primarily to the increased caseload with no additional support. The agency has made numerous improvements over the last 5 years in its data processing activities that has allowed the agency to use the savings to fund temporary part time help. The agency would otherwise be further backlogged.

The targeted funding level will eliminate the funds used to employ part time help. This reduction in staff will further increase the backlog and render the critical information that the monitoring system is designed to maintain unreliable for impact analysis and delay the evaluation of important new policies.

To meet the additional reductions necessary in F.Y. 1994, the agency will reduce the number of copies of reports it makes available to the legislature and the public; eliminate any upgrading of computer equipment or software; reduce data processing activities; and no salary increases for executive director.

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding levels as requested in the agency's budget plan except for the following adjustments: a biennial increase above the agency plan level of ~~$239,000~~157,000 and 2.0 positions for a monitoring system on statewide felony practices; restoring reductions proposed with the agency plan for an amount of $25,000 for the biennium; and anticipated savings due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: SENTENCING GDLNS COM
PROGRAM: MN SENTNCING GUIDELINE COM
ACTIVITY: MN SENTNCING GUIDELINE COM

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	178	189	197	198	187	260	198	188	260
EXPENSES/CONTRACTUAL SRVCS	80	42	44	44	42	44	44	42	44
MISC OPERATING EXPENSES	7	7	8	8	8	8	8	8	8
SUPPLIES/MATERIALS/PARTS	6	8	3	3	3	3	3	3	3
CAPITAL EQUIPMENT	4	2	1	1	1	22	1	1	1
SUBTOTAL STATE OPERATIONS	275	248	253	254	241	337	254	242	316
TOTAL EXPENDITURES	275	248	253	254	241	337	254	242	316
GOV'S INITIATIVES:		FUND							
(A) SALARY PLANNING ESTIMATES		GEN				<6>			<6>
(B) RESTORE AGENCY REDUCTION		GEN				13			12
(B) STAFFING FOR MONITORING SYSTEM		GEN				89			68
TOTAL GOV'S INITIATIVES						96			74
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	275	248	253	254	241	337	254	242	316
TOTAL FINANCING	275	248	253	254	241	337	254	242	316
POSITIONS BY FUND:									
GENERAL	4.0	4.0	4.0	4.0	4.0	6.0	4.0	4.0	6.0
TOTAL POSITIONS	4.0	4.0	4.0	4.0	4.0	6.0	4.0	4.0	6.0

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: SENTENCING GDLNS COM

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	253	253	253	253				
TECHNICAL ADJUSTMENTS								
INSURANCE PREMIUM HOLIDAY	1	1	1	1				
SUBTOTAL TECH. ADJ.	1	1	1	1				
CURRENT SPENDING	254	254	254	254				
AGENCY BASE	254	254	254	254				

F.Y. 1994-95 INVESTMENT INITIATIVE

AGENCY: Sentencing Guidelines Commission
PROGRAM: Sentencing Guidelines Commission
ACTIVITY: Sentencing Guidelines Commission

ITEM TITLE: Staffing for Monitoring System

	1994-95 Biennium		1996-97 Biennium	
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Expenditures: ($000s)				
General Fund				
- State Operations	~~$13~~089	~~$10~~968	~~$10~~968	~~$10~~968

Statutory Change? Yes _____ No __X__
If yes, statute affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding of 2 positions and expenses for monitoring an information system on statewide felony sentencing practices.

The primary function of the agency is to maintain an information system on statewide felony sentencing practices. This information allows the commission, the legislature, and the Department of Corrections to understand the impact of policies on correctional resources and other areas of the criminal justice system and to inform the decision making process. This monitoring system, while the least expensive of any statewide criminal justice information systems, is the only information system in the state with the critical data necessary to analyze the impact of changes to sentencing policy.

There has been enormous growth in the number of convicted felons sentenced each year, from 5,500 cases in 1981 to over 9,000 in 1991 in addition to the increased demand for criminal justice information at both the state and local level. There have been no corresponding increases in commission staff to keep pace with the demand. The information system is nearly a year behind. One Research Analyst and 1 Clerk Typist 4 are needed to conduct general data processing and data collection tasks, and to provide data entry services and manage the increased paper flow. With the new staff, the information system could be kept up to date and information critical to decision making could be readily provided to the legislature and commission.

PROGRAM OUTCOMES:

The information provided by this system is critical to the legislature because it enables them to recognize the cost of proposed and current laws. Uninformed decisions could be extremely costly, especially at a time when prison costs are already climbing rapidly. In addition, the state needs to be kept informed as to the continued impact on prisons of the current policies and laws. Given the enormous number of policy changes that have occurred over the last 3 years, the continued interest in criminal justice policy, and the extensive impact the new policies will have on correctional resources, it is essential that the monitoring system be kept up to date to evaluate policies and enable the most accurate impact assessment possible.

LONG-TERM IMPACT:

Long-term results would be a well planned and managed criminal justice system that recognizes its long-term needs for correctional resources. Minnesota would not need to resort to short-term emergency release mechanisms to relieve prison population pressures.

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Asian-Pacific Minnesotans, Council on **Fund:** General

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$174	$174	$348
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$174	$174	$348
Inflation Cost Increase	7	13	20
Agency Management Decisions			
Communications, travel, supplies, position funding from non-state source	(16)	(22)	(38)
TOTAL AGENCY PLAN	$165	$165	$330
Governor's Initiatives			
Restore Reductions	$ 9	$ 9	$18
Salary Planning Estimates	(4)	(4)	(8)
Subtotal	$ 5	$ 5	$10
GOVERNOR'S RECOMMENDATION	$170	$170	$340

Brief Explanation of Agency's Overall Actions:

The agency will continue communications and community meetings with their constituencies but at a reduced level. Council meeting costs will be reduced.

	F.Y. 1994	F.Y. 1995	
2. Impact on Staffing:			
Positions Left Vacant or Eliminated	0.0	0.0	
	F.Y. 1994	**F.Y. 1995**	**F.Y. 94-95**
3. Impact on Revenue Generation:			
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor recommends restoring reductions proposed in the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: COUNCIL ON ASIAN-PACIFIC MINNESOTANS

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(A) RESTORE REDUCTIONS	GEN	9	9	18			
(A) SALARY PLANNING ESTIMATES	GEN	<4>	<4>	<8>			
TOTAL BY FUND	GEN	5	5	10			
TOTAL INVESTMENT INITIATIVES		5	5	10			

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AGENCY: Asian-Pacific Minnesotans, Council on

MISSION:

The state council on Asian-Pacific Minnesotans was created by the 1985 Minnesota Legislature to ensure that the Asian-Pacific people in Minnesota are more fully incorporated into the governmental and policy-making process; that they have better access to state government services; that the talents and resources of the Asian-Pacific community be used and promoted where appropriate, and to assist others in their contact with the Asian-Pacific population. The council consists of 15 members of which 11 are appointed by the governor who are broadly representative of the Asian-Pacific community of the state representing the following Asian-Pacific communities: Asian-Indian, Cambodian, Chinese, Filipino, Hmong, Indonesian, Japanese, Korean, Laotian, Thai and Vietnamese. Four state legislators serve as non-voting members of the council - 2 members of the House of Representatives are appointed under the rules of the House and 2 members of the Senate are appointed under the rules of the Senate.

MINNESOTA MILESTONES:

The state council on Asian-Pacific Minnesotans will assist the governor and the legislature in the implementation of the *MILESTONE GOALS*:

- Our children will not live in poverty.
- Our communities will be safe, friendly and caring.
- People who need help providing for themselves will receive the help they need.
- We will welcome, value and respect people of all cultures, races and ethnic backgrounds.
- All Minnesotans will have the economic means to maintain a reasonable standard of living.
- People will participate in government and politics.

MAJOR POLICY DRIVERS:

The State Council on Asian-Pacific Minnesotans will implement the above *Minnesota Milestone Goals* in accordance with M.S. 3.9226 which mandates the following:

- Advise the governor and the legislature on issues confronting the Asian-Pacific people in the state, including the unique problems of non-English speaking immigrants and refugees;
- Advise the governor and the legislature of Administrative and Legislative changes necessary to insure Asian-Pacific people access to benefits and services provided to the people in this state;
- Recommend to the governor and the legislature any revisions in the state's Affirmative Action Program and other steps necessary to eliminate the under-utilization of Asian-Pacific people in the state's work force
- Recommend to the governor and the legislature legislation designed to improve the economic and social conditions of the Asian-Pacific people in this state;
- Serve as a conduit to state government for organizations of Asian-Pacific people in this state;
- Serve as a referral agency to assist Asian-Pacific people in securing access to state agencies and programs;
- Serve as a liaison with the federal government, the local government units and private organizations on matters relating to the Asian-Pacific people of this state;
- Perform or contract for the performance of studies designed to suggest solutions to the problems of Asian-Pacific people in the areas of education, employment, human rights, health, housing, social welfare, and other related areas;
- Implement programs designed to solve the problems of Asian-Pacific people when authorized by other law;
- Publicize the accomplishments of Asian-Pacific people and their contributions to this state;
- Work with other state and federal agencies and organizations to develop small business opportunities and promote economic development for Asian-Pacific Minnesotans;
- Supervise the development of an Asian-Pacific trade primer, outlining Asian and Pacific customs, cultural traditions, and business practices, including language usage for the use of Minnesota's export community;
- Cooperate with other state and federal agencies and organizations to develop improved state trade relations with Asian and Pacific countries; and
- Review of grant applications and budget requests - state departments and agencies shall consult with the council concerning any application for federal money that will have primary effect on Asian-Pacific Minnesotans before development of the application. The council shall advise the governor and the commissioner of finance concerning any state agency request that will have its primary effect on Asian-Pacific Minnesotans.

CLIMATE:

Under the 1990 census, the Asian-Pacific population in the U.S. increased by 107.8%, in Minnesota by 193.5%, and with a total population of 77,886 the Asian-Pacific community is presently the second largest minority community in the state. Approximately over 25,000 are under-counted from special populations, namely - adopted children, unaccompanied minors, Amerasians, and non-English speaking ethnic groups. The council serves a diverse Asian-Pacific community of 42 ethnic groups, namely - Afghanistan, Asian-Russian, Australia, Bangladesh, Belau, Bhutan, Brunei, Burma, Cambodia, China, Gibert Islands, Guam, Hmong, Hong Kong, India, Indonesia, Japan, Korea, Laos, Malaysia, Maldive Islands, Maori, Marianas, Melanesia, Marshall Islands, Mongolia, Nepal, New Guinea, New Zealand, Okinawa, Pakistan, Philippines, Polynesia, Samoa, Singapore, Taiwan, Sri Lanka, Thailand, Tibet, Tonga, Vanuatu, and Vietnam.

AGENCY: Asian-Pacific Minnesotans, Council on
(Continuation)

OUTCOMES:

- The percentage of Asian-Pacific representation in the state councils, boards and commissions will increase as follows: 1995=15%; 2000=15%; 2010=15%; 2020=15%.
- The percentage of Asian-Pacific eligible votes who vote in the general elections in gubernatorial election years will increase as follows: 1995=60%; 2000=60%; 2010=60%.

To ensure these outcomes, each member of the council will be responsible in providing leadership in the development and promotion of the following task forces:

1. Asian-Pacific Voter Education-Registration Task Force
2. Asian-American Chamber of Commerce of Minnesota
3. Asian-Pacific Health-Human Services Task Force
4. Asian-Pacific Heritage Center
5. Asian-Pacific Education and Cultural Task Force
6. Asian-Pacific Employment and Training Task Force
7. Southeast Asian Refugee Services Task Force
8. Asian-Pacific Civil Rights Commission
9. Asian-Pacific Housing Services Task Force
10. Asian-Pacific Youth Services Task Force
11. Asian-Pacific Transportation Services Task Force

Each task force consists of 11 community volunteers representing the diverse Asian-Pacific community with a total of 121 Asian-Pacific advocates committed to contribute towards the successful implementation of *Minnesota Milestone*.

AGENCY BUDGET PLAN:

Collaboration, Coordination, Cooperation

The state council on Asian-Pacific Minnesotans will create the Asian-Pacific council network with federal, state, county, city and local governments to achieve *collaboration, coordination, and cooperation*, with an between, government agencies to reduce duplication of services and programs and promote 1-Stop Service Centers to serve the needs of the Asian-Pacific refugees, immigrants and new arrivals.

Public-Private Partnership

In accordance with the Minnesota Milestone Vision, the state council on Asian-Pacific Minnesotans will establish partnerships between the public and private sectors and non-profit community-based organizations to generate funding from foundations, corporations and philanthropic institutions for an Asian-Pacific fund to provide a match for public funds to address the needs of the asian-Pacific community particularly in education, employment, housing, small business development and international trade, health and human services.

GOVERNOR'S RECOMMENDATION:

The Governor recommends restoring reductions proposed in the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: COUNCIL ON ASIAN-PACIFIC MINNESOTANS
PROGRAM: CNCL ASIAN PACIFIC
ACTIVITY: CNCL ASIAN PACIFIC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	121	129	151	152	152	148	152	152	148
EXPENSES/CONTRACTUAL SRVCS	90	55	48	48	44	48	48	44	48
MISC OPERATING EXPENSES	13	11	14	14	9	14	14	9	14
SUPPLIES/MATERIALS/PARTS	8	6	5	5	5	5	5	5	5
CAPITAL EQUIPMENT	1	5							
SUBTOTAL STATE OPERATIONS	233	206	218	219	210	215	219	210	215
AIDS TO INDIVIDUALS	7	21							
LOCAL ASSISTANCE	8								
TOTAL EXPENDITURES	248	227	218	219	210	215	219	210	215
GOV'S INITIATIVES:		FUND							
(A) RESTORE REDUCTIONS		GEN				9			9
(A) SALARY PLANNING ESTIMATES		GEN				<4>			<4>
TOTAL GOV'S INITIATIVES						5			5
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	163	170	173	174	165	170	174	165	170
STATUTORY APPROPRIATIONS:									
GENERAL		5							
SPECIAL REVENUE		1	22	22	22	22	22	22	22
FEDERAL	10	19	12	12	12	12	12	12	12
GIFTS AND DEPOSITS	75	32	11	11	11	11	11	11	11
TOTAL FINANCING	248	227	218	219	210	215	219	210	215

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: COUNCIL ON ASIAN-PACIFIC MINNESOTANS
PROGRAM: CNCL ASIAN PACIFIC
ACTIVITY: CNCL ASIAN PACIFIC

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
SPECIAL REVENUE	.0	.5	.5	.5	.5	.5	.5	.5	.5
TOTAL POSITIONS	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: COUNCIL ON ASIAN-PACIFIC MINNESOTANS

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	218	218	173	173	33	33	12	12
TECHNICAL ADJUSTMENTS								
INSURANCE PREMIUM HOLIDAY	1	1	1	1				
SUBTOTAL TECH. ADJ.	1	1	1	1				
CURRENT SPENDING	219	219	174	174	33	33	12	12
AGENCY BASE	219	219	174	174	33	33	12	12

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Black Minnesotans, Council on **Fund:** General

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$200	$200	$400
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$200	$200	$400
Inflation Cost Increase	11	17	28
Agency Management Decisions			
Hold positions vacant	$(16)	$(16)	$(32)
Across-the-board	(5)	(14)	(16)
Subtotal	$(21)	$(30)	$(48)
TOTAL AGENCY PLAN	$190	$190	$380
Governor's Initiatives			
Restore Reductions	$ 10	$ 10	$ 20
Salary Planning Estimates	(5)	(5)	(10)
Subtotal	$5	$5	$10
GOVERNOR'S RECOMMENDATION	$195	$195	$390

Brief Explanation of Agency's Overall Actions:

The Council on Black Minnesotan's projected biennial budget for F.Y. 1994-95 is $400,000. This figure includes operating expenses, board allotments and salaries for its 3.5 employees. In order to meet the demand for reduction, the part-time Research Analyst position will be terminated. This action will adversely affect our legislative mandate as a *public policy and research* agency and promises to limit valuable communication with the governor, other policy makers as well as African and African Americans in Minnesota.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
Positions Left Vacant or Eliminated	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor recommends restoring reductions proposed in the agency's plan; however, the proposed funding has been reduced for the anticipated savings due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: COUNCIL ON BLACK MINNESOTANS

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(A) RESTORE REDUCTIONS	GEN	10	10	20			
(A) SALARY PLANNING ESTIMATES	GEN	<5>	<5>	<10>			
TOTAL BY FUND	GEN	5	5	10			
TOTAL INVESTMENT INITIATIVES		5	5	10			

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AGENCY: Black Minnesotans, Council on

MISSION:

To ensure that the needs of all individuals of African descent in Minnesota are clear to those who make decisions that impact the well being of individuals of African descent in Minnesota (governor, legislators, federal government, public/private sector).

MINNESOTA MILESTONES:

Our children will not live in poverty. Our communities will be safe, friendly and caring. People who need help providing for themselves will receive the help they need.

All Minnesotans will have the economic means to maintain a reasonable standard of living.

- Legislation to address the needs of children and their families.
- Involvement in approximately 70 different ongoing committees addressing out-of home placement of children of African descent, teen pregnancy, hunger, homelessness, education, drugs, violence, HIV/AIDS, Black-on-Black crime, status of African American males, employment, poverty, police-community relations and unique concerns of the native African community.
- Family-First Approach to addressing the welfare of the community.

CLIMATE:

Persons of African descent are the largest of non-Europeans (minorities) in the state of Minnesota. According to the 1990 statistics, the population of Native African and African Americans increased 78% between 1980 and 1990 (from approximately 53,344 to 94,944).

PERSONS OF AFRICAN DESCENT REPRESENT APPROXIMATELY 2.2% OF THE STATE POPULATION, HOWEVER:

- More persons of African descent are arrested for murder or robbery in Minnesota than in other parts of the country;
- African American males receive stiffer sentences for similar crime than European Americans. Youth are more likely to receive incarceration than treatment, compared to European Americans;
- Sixty-two percent of African American students in Minneapolis (about ½ of state population) live in female headed households;
- Thirty-seven percent African Americans in Minnesota live below the poverty line, compared with the 29.5% of African Americans nationally;
- Fifty-four percent of all African American students do not complete high school (a 4% increase since 1990);
- Over 90% of incarcerated African American males report residing in out-of-home placement.
- African American students had the highest repeated failures in school. (3 to 1 compared to European Americans);
- The rate of sexually transmitted diseases is *126 TIMES HIGHER* than for European Americans. Thirty-five percent of all HIV positive teens (12 to 19) are of African descent;
- Nearly 50% of the children in out-of-home placement in 1990 were African American;
- The Council on Black Minnesotans (CBM) operates on a budget of less than $1.70 per constituent annually compared with approximately $3.00 per person in 1980;
- African American children are *5 TIMES* more likely to experience expulsion than European American children.
- African American children and families are disproportionately homeless.

AGENCY BUDGET PLAN:

In order to meet the demand for reduction from the Council on Black Minnesotans $200,000 budget, the part-time Research Analyst position will be terminated. Such action will effect our legislative mandate as a public policy and research agency.

OUTCOMES:

1. Fewer children will be removed from their homes and returned with a realistic case management plan for the family.
2. Recruitment of adoption and foster families in the community.
3. Build and maintain a positive relationship between community and law enforcement.
4. Build positive relationship between policy makers and the community.
5. Build and maintain a positive relationship between community and law enforcement.
6. Fewer new cases of HIV/AIDS and STDs.
7. Continuation of CBM's Crime and Drug Reduction program.
8. Utilization of CBM's HIV/AIDS video and materials.
9. Encourage positive relationships between community members.
10. Continued involvement on the key community and state task forces, commissions and advisory councils. (i.e. education, housing, health, affirmation action).

AGENCY: Black Minnesotans, Council on
(Continuation)

OBJECTIVES:

1. Reduction of child abuse and neglect.
2. Reduction in substitute care for children of African descent.
3. Reduce rate of poverty.
4. Build communication between policy makers and community.
5. Build communication between police and community.
6. Reduction in health related and excess death.
7. Reduction of chemical usage.
8. Reduction in new cases of sexually transmitted diseases.
9. Reduce the rate of Black-on-Black Crime.
10. Reduce number of arrests.

GOVERNOR'S RECOMMENDATION:

The Governor recommends restoring reductions proposed in the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: COUNCIL ON BLACK MINNESOTANS
PROGRAM: COUNCIL ON BLACK MINN
ACTIVITY: COUNCIL ON BLACK MINN

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	129	147	169	170	160	165	170	160	165
EXPENSES/CONTRACTUAL SRVCS	44	58	44	44	32	32	44	32	32
MISC OPERATING EXPENSES	8	12	14	14	14	14	14	14	14
SUPPLIES/MATERIALS/PARTS	8	17	7	7	6	6	7	6	6
CAPITAL EQUIPMENT	8	9							
SUBTOTAL STATE OPERATIONS	197	243	234	235	212	217	235	212	217
LOCAL ASSISTANCE		13							
TOTAL EXPENDITURES	197	256	234	235	212	217	235	212	217
GOV'S INITIATIVES:		FUND							
(A) RESTORE REDUCTIONS		GEN				10			10
(A) SALARY PLANNING ESTIMATES		GEN				<5>			<5>
TOTAL GOV'S INITIATIVES						5			5
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	181	195	199	200	190	195	200	190	195
STATUTORY APPROPRIATIONS:									
GENERAL		16	1	1			1		
SPECIAL REVENUE		12	22	22	22	22	22	22	22
GIFTS AND DEPOSITS	16	33	12	12			12		
TOTAL FINANCING	197	256	234	235	212	217	235	212	217

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: COUNCIL ON BLACK MINNESOTANS
PROGRAM: COUNCIL ON BLACK MINN
ACTIVITY: COUNCIL ON BLACK MINN

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
SPECIAL REVENUE	.0	.5	.5	.5	.5	.5	.5	.5	.5
TOTAL POSITIONS	3.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: COUNCIL ON BLACK MINNESOTANS

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	234	234	200	200	34	34		
TECHNICAL ADJUSTMENTS								
INSURANCE PREMIUM HOLIDAY	1	1	1	1				
SUBTOTAL TECH. ADJ.	1	1	1	1				
CURRENT SPENDING	235	235	201	201	34	34		
FORECAST ADJUSTMENTS								
DED STAT APPROP SPENDING	<13>	<13>	<1>	<1>	<12>	<12>		
SUBTOTAL FORECAST ADJ.	<13>	<13>	<1>	<1>	<12>	<12>		
AGENCY BASE	222	222	200	200	22	22		

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Indian Affairs Council

Position and Employee Status Information

Position Reconciliation:

Authority	Current F.Y. 1993	Requested for 6/30/95
Legislative Complement:		
General Fund	6.0	6.0
Special Revenue	1.5	1.5
Federal	2.0	2.0
Budgetary Authorized:		
General Fund	6.0	6.0
Total Permanent Positions	6.0	6.0
Other Complement (FTE)	3.5	3.5
TOTAL Positions	9.5	9.5
Employees on 6/30/92	7.5	

Employees by Employment Status:

	6/30/92
Full-Time Unlimited	7.0
Part-Time Unlimited	.5
TOTAL	7.5

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Indian Affairs Council **Fund:** General

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$461	$461	$922
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$461	$461	$922
Inflation Cost Increase	16	32	48
Agency Management Decisions			
Consultant Services	$ (34)	$ (51)	$ (85)
Supplies, Equipment, Travel	(5)	(4)	(9)
Sub-total	$ (39)	$ (55)	$ (94)
TOTAL AGENCY PLAN	$438	$438	$876
Governor's Initiatives			
Restore Reductions	$ 23	$ 23	$ 46
Salary Planning Estimates	(9)	(9)	(18)
Sub-total	$ 14	$ 14	$ 28
GOVERNOR'S RECOMMENDATION	$452	$452	$904

Brief Explanation of Agency's Overall Actions:

- Reduce consulting contract for identification/authentication and delay reburial of Indian remains.
- Reduce travel involved with reburial of Indian human remains.
- Reduce purchases of supplies and equipment of $5,000 for the biennium.

The projected compensation increase of $10,000 in F.Y. 1994 and $20,000 in F.Y. 1995 for the 6.0 General Fund positions will be covered by reduction in consultant services. The projected inflationary increase for supplies and expenses will be covered by reduced travel, supplies and equipment purchases.

No grants to outside agencies are made by the Indian Affairs Council. Therefore, all reductions will be made from the agency's operating budgets.

This reduced funding for reburial of the remains of Indians will cause a delay in the actual projected scheduled completion for reburials of 2,000 bone remains and meeting the annual reburials discovered due to road construction projects, residential and commercial expansion. The reduction in this program's budget will create a backlog for actual reburials of 5 years or more for existing Indian burial remains. It was planned to complete reburial of approximately 500 Indian human remains each year; reduced funding will allow for approximately 200 reburials each year. Culturally this does not meet the expectations of the population, nor the intention of the legislation: M.S. 307.08. Reburials of Indian remains are managed by the Indian Affairs Council and coordinated with the State Archaeologist's Office and Hamline University Osteology Laboratory.

	F.Y. 1994	F.Y. 1995
2. Impact on Staffing:		
Positions left Vacant or Eliminated	0.0	0.0.

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
3. Impact on Revenue Generation:			
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:
None.

5. Governor's Recommendation:

The Governor recommends restoring reductions proposed in the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: INDIAN AFFAIRS COUNCIL

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(A) RESTORE REDUCTIONS	GEN	23	23	46			
(A) SALARY PLANNING ESTIMATES	GEN	<9>	<9>	<18>			
TOTAL BY FUND	GEN	14	14	28			
TOTAL INVESTMENT INITIATIVES		14	14	28			

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AGENCY: Indian Affairs Council

MISSION:

The Indian Affairs Council (IAC) is the official liaison between state and tribal governments and advisor to the state on urban Indian issues and concerns. Created by the legislature in 1963, the mission of the council is mandated in M.S. 3.922.

The primary duties of the IAC are to:

1. Clarify for the legislature and state agencies the nature of tribal governments and the relationship of tribal governments to the Indian people of Minnesota;

2. Assist the secretary of state in establishing and election of at large members of the council;

3. Make recommendation to members of the legislature on desires and needed legislation to benefit the statewide Indian community and communicate to the members of the legislature when legislation has or will have an adverse effect on the statewide Indian population;

4. Assist in establishing Indian advisory councils in cooperation with state agencies that deliver services to the Indian community;

5. Interact with private organizations involved with Indian concerns to develop and implement programs to assist Indian people, as they affect state agencies and departments;

6. Develop educational programs, community organization programs, leadership development programs, motivational programs, and business development programs for Indian persons who have been, are, or will be subject to prejudice and discrimination.

The IAC also manages the following special activities for Minnesota Indians:

1. Indian burial/reburial activities to protect Indian burial sites, identification of human remains and possessions that accompany Indian burials as required under Minnesota's "Private Cemeteries Act." Any willful removal of buried remains can be prosecuted as a felony.

   The IAC, in cooperation with the State Archaeologist, is responsible for the protection, and reburial of Indian remains. The IAC requested the release of 2,500 Indian remains from the University of Minnesota, 68 individual remains from the Science Museum of Minnesota for the purposes of reburial. Last year, IAC supervised the reburial of 395 individual Indian remains in 5 separate ceremonies throughout the state.

   The primary objective of the initial stage of the reburial project was the development of an inventory of the remains to properly establish tribal identification. Priorities for reburial were established as well as securing the various burial sites. The intent of the reburials is to address issues of identification in the most expeditious manner so that the remains are reinterred as soon as possible to their appropriate locations. The original time period for the total reburial project is 3 years, however, due to budget reductions, this project will extend beyond 5 years. It is anticipated that the level of maintenance for new cases will remain between 20-50 individuals per year. The area of prevention of new cases will be the primary focus of the IAC to inform the public about the law, protection of Indian remains, and procedures to follow when these sites are accidently uncovered or discovered.

2. The Ombudsperson for Indian families is a half-time position that has broad powers and authority to investigate issues of out-of-home placement, compliance, and making recommendations to the legislature and governor on the status of out-of-home placement of Indian children.

3. Indian Business Loans were authorized in 1973 and began processing loans in 1980 to provide Minnesota Indians with the opportunity to establish and expand business enterprises both on and off the reservation.

   Approximately $90,000 per year is collected and deposited into a special revenue fund for the purposes of these loans. Money for these loans is generated by taxing 20% of severed mineral interests and unmined ore which are received by county auditors. The IAC works with the tribes in processing and approving loans for their tribal members. The loan amounts available to each individual tribe is allocated based on percentages agreed upon by all the tribal councils.

   For F.Y. 1992, 7 loans were made for a total of $72,392. There are 48 loans in an "active" status and 12 loans have been paid in full since the beginning of the program, which has returned $140,531 to the revolving loan fund.

4. The Indian economic opportunity activity involves an interagency agreement with the Department of Jobs and Training to provide information and technical assistance to the tribes concerning the following federally funded programs:

   Community Services Block Grant Basic Support
   Community Services Block Grant Supplemental
   Minnesota Economic Opportunity Grants
   Head Start Program
   Emergency Community Service Homeless Grants
   Temporary Emergency Food Assistance

The Economic Opportunity Specialist works with each of the 11 Indian reservations in Minnesota that have entered into contracts for program services and provides contract monitoring for compliance, reporting, invoicing, and internal auditing procedures. Requests for technical assistance include review of compliance procedures, reporting requirements, proper completion of forms, assistance with workplans and budgets, and training of new staff.

The IAC is involved in the following Minnesota Milestones as they impact Indians:

- Our children will not live in poverty.
- Our communities will be safe, friendly and caring.
- We will welcome, value and respect people of all cultures, races and ethnic backgrounds.
- Rural areas, small cities and urban neighborhoods throughout the state will be economically viable places for people to live and work.

AGENCY: Indian Affairs Council
(Continuation)

CLIMATE:

The state of Minnesota has the 12th largest American Indian population in the country. According to the 1990 census, the American Indian population was 49,909 or a 36.6% increase from the 1980 census figures. The past decade represented a spiral downward for American Indians throughout the state. American Indians fared the worse of all minority groups in the state in income, employment and education.

- 47% of the American Indian population lives below the poverty level
- 55% of Indian children live below the poverty level
- 12% of all children in out-of-home placement are American Indian
- the Indian infant mortality rate is 12 deaths per 1,000 compared to 7.3 deaths per 1,000 for the general population
- 49% of all Indian pregnancies are to teens
- 68% of all Indian births are out of wedlock
- the average Indian life expectancy is 70 years compared to 76 years for whites
- Indians represent 8.1% of the Aid to Families with Dependent Children
- Indian family income is 49% of the annual income of whites
- Indian males and females have the highest unemployment rate for all races
- Approximately 10% of the Indian population is homeless
- Indians have the highest annual school drop out rate of 11.6%
- Indians represent .8% of the students entering colleges and universities
- Indians in elected or appointed state positions represent less than .4% of the available positions

AGENCY BUDGET PLAN:

The IAC will manage the $46,000 biennial budget reduction and projected increases in salaries, services, and supply costs, primarily by reducing consulting contracts for the authentication, identification, and reburial of Indian human remains which have been turned over to the Indian Affairs Council from private and public sources. The request of $438,000 for each year of the biennium from the General Fund will allow the IAC to carry out a majority of its responsibilities.

The reduction in the contract and associated travel expenses for Indian remains identification and reburial will delay the reburial of 2,000 remains from 2-3 years to 5 or more years. Projected reburials will be reduced from 500 for F.Y. 1993 to less than 200 per year in the next biennium. The number of requests for investigation of sites will increase despite budget reduction because of disturbances of burial sites, however, the identification process will be delayed to correspond with the budget reductions. This is not culturally acceptable to Indian spiritual providers and does not reflect the intentions of the initial funding for the reburial project and maintenance. Delaying this process also delays efforts of prevention of the disturbance to known burial sites and identification and protection of unrecorded burial sites.

OBJECTIVES:

1. Reduce in incidence of poverty among Indian families from 43%.
2. Improve the overall health care indicators for Indians throughout the state.
3. Improve the reporting of incidences of discrimination.
4. Protect the natural environment, surroundings and Indian burials sites.
5. Encourage economic development both on and off the reservation.
6. Improve the availability of safe and affordable housing both on and off the reservation.
7. Improve the educational attainment of Indian students in the public and tribal school systems.
8. Encourage representation in elected, appointed and state government services.

OUTCOMES:

1. The IAC will advocate for the elimination of poverty through improved education and training programs for Indians, and reducing the unemployment rate through job development and hiring programs. The poverty will drop 1% per year.

2. The IAC will coordinate with other Indian organizations on providing information on the availability of Minnesota Care. Indian families and children will have access to preventive health care services both on and off the reservation. Ability to pay will not be a barrier for receiving health care services on the reservation or off.

3. The IAC will work with tribes, and the commissioner of Human Rights to inform the Indian community of their human and civil rights both on and off the reservation.

4. Indian burials will be protected and Indian human remains will be identified and reburied in a culturally appropriate manner prescribed by the tribes and elders of those tribes.

5. The IAC will administer 7-10 loans annually for the purposes of economic development both on and off the reservation.

6. The IAC will work in collaboration with the Minnesota Housing Finance Agency for further development of safe and affordable housing options both on and off the reservations.

7. The IAC will continue to advocate for legislation for the improvement of educational services and opportunities for primary, and secondary education.

8. The IAC will continue to identify, recommend, and serve on state appointed commissions, task forces, and monitor the hiring of Indians in state government.

GOVERNOR'S RECOMMENDATION:

The Governor recommends restoring reductions proposed in the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: INDIAN AFFAIRS COUNCIL
PROGRAM: INDIAN AFFAIRS COUNCIL
ACTIVITY: INDIAN_AFFAIRS_COUNCIL-OPERATION A

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	252	281	381	382	383	374	382	385	376
EXPENSES/CONTRACTUAL SRVCS	212	162	114	121	98	121	121	98	121
MISC OPERATING EXPENSES	45	40	59	59	57	57	59	57	57
SUPPLIES/MATERIALS/PARTS	7	17	15	15	15	15	15	15	15
CAPITAL EQUIPMENT	25	9							
OTHER	116	65	412	412	340	340	412	301	301
SUBTOTAL STATE OPERATIONS	657	574	981	989	893	907	989	856	870
LOCAL ASSISTANCE		10							
TOTAL EXPENDITURES	657	584	981	989	893	907	989	856	870
GOV'S INITIATIVES:		FUND							
(A) RESTORE REDUCTIONS		GEN				23			23
(A) SALARY PLANNING ESTIMATES		GEN				<9>			<9>
TOTAL GOV'S INITIATIVES						14			14
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	385	407	453	461	438	452	461	438	452
STATUTORY APPROPRIATIONS:									
GENERAL	29								
SPECIAL REVENUE	189	115	464	464	393	393	464	356	356
FEDERAL	52	60	61	61	61	61	61	61	61
GIFTS AND DEPOSITS	2	2	3	3	1	1	3	1	1
TOTAL FINANCING	657	584	981	989	893	907	989	856	870

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: INDIAN AFFAIRS COUNCIL
PROGRAM: INDIAN AFFAIRS COUNCIL
ACTIVITY: INDIAN_AFFAIRS_COUNCIL-OPERATION A

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
SPECIAL REVENUE	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
FEDERAL	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL POSITIONS	9.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: INDIAN AFFAIRS COUNCIL

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	981	981	453	453	467	467	61	61
TECHNICAL ADJUSTMENTS								
DOCUMENTED RENT/LEASE INC/DEC	6	6	6	6				
INSURANCE PREMIUM HOLIDAY	1	1	1	1				
PLANT MANAGEMENT REBATES	1	1	1	1				
SUBTOTAL TECH. ADJ.	8	8	8	8				
CURRENT SPENDING	989	989	461	461	467	467	61	61
FORECAST ADJUSTMENTS								
DED STAT APPROP SPENDING	<73>	<110>			<73>	<110>		
SUBTOTAL FORECAST ADJ.	<73>	<110>			<73>	<110>		
AGENCY BASE	916	879	461	461	394	357	61	61

1994-95 Biennial Budget
Agency Budget Brief
($ in thousands)

Agency: Spanish Speaking, Council on **Fund:** General

1. Summary of Agency Actions:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
CURRENT SPENDING	$223	$223	$446
Forecast Adjustments	-0-	-0-	-0-
AGENCY BASE	$223	$223	$446
Inflation Cost Increase	11	16	27
Agency Management Decisions			
Leave without pay	$(5)	$(8)	$(13)
Board per diem and travel	(5)	(5)	(10)
Across-the-board	(12)	(14)	(26)
Sub-total	$(22)	$(27)	$(49)
TOTAL AGENCY PLAN	$212	$212	$424
Governor's Initiatives			
Restore Reductions	$ 11	$ 11	$ 22
Salary Planning Estimates	(5)	(5)	(10)
Sub-total	$6	$6	$12
GOVERNOR'S RECOMMENDATION	$218	$218	$436

Brief Explanation of Agency's Overall Actions:

The council will meet the recommended reductions through staff leaves without pay, elimination of out-of-state travel, reductions in in-state travel, reductions in printing and binding and technical service and move council meetings to a quarterly basis. These reductions will hamper the council's ability to do outreach activities such as in-state travel to locations with problems. Printing reports regarding the Hispanic population will also be affected by reductions. Staff leaves without pay place more pressure on an already overburdened staff of 4. The out-of-state travel allows staff to meet other Hispanics across the United States at conferences where some of the issues we face in Minnesota are being addressed. Overall, reductions such as these make it extremely difficult for this council to carry out is mission given staffing and needs around the state.

2. Impact on Staffing:

	F.Y. 1994	F.Y. 1995
None.	0.0	0.0

3. Impact on Revenue Generation:

	F.Y. 1994	F.Y. 1995	F.Y. 94-95
Agency Plan	$-0-	$-0-	$-0-

4. Affected Statutes:

None.

5. Governor's Recommendation:

The Governor recommends restoring reductions proposed in the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
INVESTMENT INITIATIVES
(DOLLARS IN THOUSANDS)

AGENCY: SPANISH SPEAKING AFFAIRS COUNCIL

ITEM DESCRIPTION:	FUND	EXPENDITURES FY 1994	EXPENDITURES FY 1995	EXPENDITURES BIENNIUM	REVENUES FY 1994	REVENUES FY 1995	REVENUES BIENNIUM
(A) RESTORE REDUCTIONS	GEN	11	11	22			
(A) SALARY PLANNING ESTIMATES	GEN	<5>	<5>	<10>			
TOTAL BY FUND	GEN	6	6	12			
TOTAL INVESTMENT INITIATIVES		6	6	12			

AGENCY: Spanish Speaking, Council on

MISSION:

The Spanish Speaking Affairs Council (SSAC) was created by the legislature in 1978. The mission of the council is mandated in M.S. 3.9223. The primary duties of the SSAC are to:

- advise the governor and the legislature on nature and disabilities confronting Spanish-speaking people including the unique problems encountered by Spanish-speaking migrant agricultural workers;
- advise the governor and legislature on statutes, rules and legislation to insure Spanish speaking people access to benefits and services and improving their economic and social condition;
- serve as a conduit to state government for organizations of Spanish-speaking people and as a referral agency for Spanish speaking people;
- serve as a liaison with federal and local government and private organizations regarding Spanish-speaking people;
- perform or contract for the performance of studies designed to suggest solutions to problems of Spanish speaking people;
- implement programs designed to solve problems of Spanish-speaking people; and
- publicize the accomplishments of Spanish-speaking people.

MINNESOTA MILESTONES:

THE SSAC IS INVOLVED IN THE FOLLOWING MINNESOTA MILESTONES AS THEY IMPACT THE HISPANIC COMMUNITY:

- Our children will not live in poverty;
- Our communities will be safe, friendly and caring;
- People who need help providing for themselves will receive the help they need;
- We will welcome, value and respect people of all cultures, races and ethnic backgrounds; and
- All Minnesotans will have the economic means to maintain a reasonable standard of living.

CLIMATE:

According to information:

- estimated unemployment rate for Hispanics in the twin cities/metro area is 15.4%;
- Hispanics are earning 35% less than non-Hispanics statewide (1980 census);
- Hispanic high school graduation rate is 73%;
- poverty rates for whites remained the same while poverty rates for people of color increased sharply with 25.6% of Hispanics living below the poverty line (1 in 4 Hispanic families);
- by far the most economically deprived segment of the Hispanic population are persons in families headed by females (1980 census);
- Hispanic drop out rate 9.9% statewide for and 2.8% for whites overall 3.4% (1989); Hispanic drop out rate in St. Paul is 20.3% and in Minneapolis it is 26.7%.
- live birth rate for Hispanic adolescent girls (ages 12-19) in 1990 was 320 (Hispanic population of adolescent girls was 2,540); and
- family income for Hispanics according to the 1980 census was $18,327 compared to non Hispanic $21,201.

AGENCY BUDGET PLAN:

The SSAC will meet the recommended reductions for the biennium of $49,000 through staff leaves without pay, elimination of out-of-state travel, reductions in in-state travel, reductions in printing and binding, reductions in technical services and moving council meetings to a quarterly basis.

OUTCOMES:

- The SSAC will continue to seek funding for a statewide needs assessment of the Hispanic population, analyze the census data for 1990 and compare this to 1980 for trends, monitor education, human services, health, housing, employment and human rights issues, and provide information and assistance to state and local government units regarding Hispanic population.
- The SSAC will provide economic development training through partnerships with local governments and private economic development organizations, seek funding for a Hispanic Women's Apprenticeship Project, assist Hispanic communities in Greater Minnesota with organizing efforts, and continue the training of Hispanics through Council's Community Advocate Project.
- The SSAC will develop a Chicano/Latino Youth Leadership Project involving the Hispanic community and develop a youth advisory committee.
- The SSAC will implement a number of advisory committees involving community members regarding issues such as migrants/refugees, housing, education, economic/employment, health, open appointments and children, elders and families and assist Hispanic community members become involved in leadership roles within their communities.

OBJECTIVES:

- To study issues and suggest solutions to problems in the Hispanic community;
- To create programs designed to help the Hispanic community become self-sufficient in dealing with local issues.
- To involve youth in public policy discussions; and
- To provide direct involvement by the Hispanic community in the discussion of public policy issues affecting Hispanics.

GOVERNOR'S RECOMMENDATION:

The Governor recommends restoring reductions proposed in the agency's plan; however, the proposed funding has been reduced due to revised salary planning estimates.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: SPANISH SPEAKING AFFAIRS COUNCIL
PROGRAM: CNCL SPANISH-SPKG
ACTIVITY: CNCL SPANISH-SPKG

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	146	156	181	182	182	177	182	182	177
EXPENSES/CONTRACTUAL SRVCS	91	43	56	60	55	60	60	55	60
MISC OPERATING EXPENSES	20	25	25	25	19	25	25	19	25
SUPPLIES/MATERIALS/PARTS	6	5	12	12	12	12	12	12	12
CAPITAL EQUIPMENT		3							
SUBTOTAL STATE OPERATIONS	263	232	274	279	268	274	279	268	274
LOCAL ASSISTANCE	66								
TOTAL EXPENDITURES	329	232	274	279	268	274	279	268	274
GOV'S INITIATIVES:		FUND							
(A) RESTORE REDUCTIONS		GEN				11			11
(A) SALARY PLANNING ESTIMATES		GEN				<5>			<5>
TOTAL GOV'S INITIATIVES						6			6
SOURCES OF FINANCING:									
DIRECT APPROPRIATIONS:									
GENERAL	204	213	218	223	212	218	223	212	218
STATUTORY APPROPRIATIONS:									
GENERAL		6	27	27	27	27	27	27	27
SPECIAL REVENUE		2	22	22	22	22	22	22	22
GIFTS AND DEPOSITS	125	11	7	7	7	7	7	7	7
TOTAL FINANCING	329	232	274	279	268	274	279	268	274

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: SPANISH SPEAKING AFFAIRS COUNCIL
PROGRAM: CNCL SPANISH-SPKG
ACTIVITY: CNCL SPANISH-SPKG

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
POSITIONS BY FUND:									
GENERAL	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
SPECIAL REVENUE	.0	.5	.5	.5	.5	.5	.5	.5	.5
TOTAL POSITIONS	4.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: SPANISH SPEAKING AFFAIRS COUNCIL

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	274	274	245	245	29	29		
TECHNICAL ADJUSTMENTS								
DOCUMENTED RENT/LEASE INC/DEC	3	3	3	3				
INSURANCE PREMIUM HOLIDAY	1	1	1	1				
PLANT MANAGEMENT REBATES	1	1	1	1				
SUBTOTAL TECH. ADJ.	5	5	5	5				
CURRENT SPENDING	279	279	250	250	29	29		
AGENCY BASE	279	279	250	250	29	29		

AGENCY: Telecommunications Access for Communication-Impaired Persons (TACIP) Board

MISSION:

To provide access to telecommunications for Minnesotans with hearing and speech impairments by:

- distributing communication devices to eligible communication-impaired person; and
- providing a state-wide telecommunications relay service which provides a means of communication between Telecommunications Device for the Deaf users and hearing callers.

The TACIP Board and its services were authorized by the Minnesota Legislature (1987 c308 s1; 1988 c621 s2). The law is repealed 6-30-93. The agency and the services it provides will cease at that time. New legislation will be introduced in January, 1993, and it is anticipated that there will be no interruption of TACIP services. Although there are no authorized funds for TACIP operation beyond 6-30-93, TACIP is preparing its budget request following normal procedures.

MINNESOTA MILESTONES:

Our communities will be safe, friendly and caring.

By providing equal access to telecommunications for the profoundly deaf, the hard of hearing and the speech-impaired, TACIP will empower those communities.

By providing telecommunications equipment and services TACIP will enable the deaf and speech-impaired communities to become more self-sufficient and live more secure lives in their own homes.

All Minnesotans wil have the economic means to maintain a reasonable standard of living.

Rural areas, small cities and urban neighborhoods throughout the state will be economically viable places for people to live and work.

Equal access to telecommunications means jobs maintained and employment enhanced for deaf, speech-impaired and motion-impaired persons. Regional offices with equipment displays and with counselors to assist in selection and training means that rural areas are competently covered and that Minnesotans with a hearing, speech, or motion impairment will be able to increase their economic livelihood wherever they live.

CLIMATE:

Public Law 101-33 (Americans with Disabilities Act of 1990) requires each state to develop and maintain a telephone relay service (Title IV), and directs the Federal Communications Commission (FCC) to see that each state relay meets minimum standards to qualify for certification (FCC Report and Order 91-213 adopted 7-11-91).

OBJECTIVES:

- To maintain an organized and coordinated system of quality assurance which is effective in promoting full access to the telecommunications network.
- To provide leadership in addressing telecommunications needs of individuals with communication-impairments.
- To promote development of new technology designed to enhance greater telecommunications access.
- Empowerment of the hearing-and speech-impaired communities.
- Enhancement of quality of life of consumers.
- Demonstrated and measured customer satisfaction with services.

OUTCOMES:

- Jobs maintained and employment enhanced for disabled persons whose communication impairment severely limits opportunity. Exact numbers are not known but TACIP will begin measuring this outcome about 11-1-92. At a minimum, TACIP's 2 programs played an important part in the Minnesota Department of Jobs and Training's vocational rehabilitation of 169 deaf and hard of hearing persons in F.Y. 1989 and of 176 persons in F.Y. 1990.
- Jobs created in downtown St. Paul due to Relay Service. For F.Y. 1993 there were about 98 FTE staff employed.
- Jobs created in metro area and in Greater Minnesota due to Equipment Distribution Program. For F.Y. 1993 there were 10 employees located in regional offices and at headquarters in St. Paul.
- Telephone access to needed services enabled persons to remain at home rather than to rely heavily on family members or be forced to enter a nursing home. Interviews with county Health Department Intake Counselors indicates that many persons each year are reassured that with Equipment Distribution Program and Minnesota Relay Service services they can remain at home. TACIP plans to study ways of collecting this data and should have a system in place by the beginning of F.Y. 1994.
- Due to efficient and effective operations, both the Equipment Distribution Program and the Minnesota Relay Service are the lowest cost programs for equivalent service among the 23 representative state programs sampled in 1992.
- There continues to be steady growth in number of consumers served in the Equipment Distribution Program (current annual number of persons served is 2,150) and in the Minnesota Relay Service (current annual number of calls relayed is just over 1 million).

AGENCY BUDGET PLAN:

New legislation will be introduced early in the legislative session calling for an extension of agency life and a continuation of services with some additional changes in the present legislation. The funding mechanism, a monthly surcharge on each telephone line in the state, will probably remain, with the Public Utilities Commission given the authority to authorize the actual level of surcharge from year to year.

GOVERNOR'S RECOMMENDATION:

The Governor supports the extension of the agency and the services it provides to be funded at the current monthly surcharge on telephone lines.

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: TELECOMM ACCESS COMM IMPAIRED PERSONS BD

PROGRAM RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
TACIP BOARD-COMM IMPAIRED	2,817	3,258	3,556						
TOTAL EXPENDITURES BY PROGRAM	2,817	3,258	3,556						
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	2,817	3,258	3,556						
TOTAL FINANCING	2,817	3,258	3,556						
POSITIONS BY FUND:									
SPECIAL REVENUE	1.0	1.0	1.0	.0	.0	.0	.0	.0	.0
TOTAL POSITIONS	1.0	1.0	1.0	.0	.0	.0	.0	.0	.0

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: TELECOMM ACCESS COMM IMPAIRED PERSONS BD

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95	F.Y.94	F.Y.95
F.Y.93 FUNDING LEVEL	3,556	3,556			3,556	3,556		
TECHNICAL ADJUSTMENTS								
SUNSET PROGRAM/AGENCY	<3,556>	<3,556>			<3,556>	<3,556>		
SUBTOTAL TECH. ADJ.	<3,556>	<3,556>			<3,556>	<3,556>		
CURRENT SPENDING								
AGENCY BASE								

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: TELECOMM ACCESS COMM IMPAIRED PERSONS BD
PROGRAM: TACIP BOARD-COMM IMPAIRED

				FY 1994			FY 1995		
ACTIVITY RESOURCE ALLOCATION:	FY 1991	FY 1992	Est. FY 1993	Current Spending	Agency Plan	Governor Recomm.	Current Spending	Agency Plan	Governor Recomm.
TACIP BOARD-COMM IMPAIRED	2,817	3,258	3,556						
TOTAL EXPENDITURES BY ACTIVITY	2,817	3,258	3,556						
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	2,817	3,258	3,556						
TOTAL FINANCING	2,817	3,258	3,556						
POSITIONS BY FUND:									
SPECIAL REVENUE	1.0	1.0	1.0	.0	.0	.0	.0	.0	.0
TOTAL POSITIONS	1.0	1.0	1.0	.0	.0	.0	.0	.0	.0

1994-1995 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: TELECOMM ACCESS COMM IMPAIRED PERSONS BD
PROGRAM: TACIP BOARD-COMM IMPAIRED
ACTIVITY: TACIP BOARD-COMM IMPAIRED

ACTIVITY SUMMARY	FY 1991	FY 1992	Est. FY 1993	FY 1994 Current Spending	FY 1994 Agency Plan	FY 1994 Governor Recomm.	FY 1995 Current Spending	FY 1995 Agency Plan	FY 1995 Governor Recomm.
EXPENDITURES:									
DETAIL BY CATEGORY:									
STATE OPERATIONS:									
PERSONAL SERVICES	52	59	56						
EXPENSES/CONTRACTUAL SRVCS	2,483	2,925	3,218						
MISC OPERATING EXPENSES	171	241	268						
SUPPLIES/MATERIALS/PARTS	42	4	2						
CAPITAL EQUIPMENT	62	5	4						
OTHER	7	24	8						
SUBTOTAL STATE OPERATIONS	2,817	3,258	3,556						
TOTAL EXPENDITURES	2,817	3,258	3,556						
SOURCES OF FINANCING:									
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	2,817	3,258	3,556						
TOTAL FINANCING	2,817	3,258	3,556						
POSITIONS BY FUND:									
SPECIAL REVENUE	1.0	1.0	1.0	.0	.0	.0	.0	.0	.0
TOTAL POSITIONS	1.0	1.0	1.0	.0	.0	.0	.0	.0	.0