

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 57
Version: First Engrossment

DATE: January 20, 2005

Authors: Knoblach and others

STATUS: House Floor

Subject: Deficiency Funding

Analyst: Kathy Novak (651-296-9253)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/hrd.htm.

Overview

This bill appropriates money for fiscal year 2005. Most of the appropriations are additions to amounts that were previously appropriated for fiscal year 2005. The appropriations are funded by transferring money from the budget reserve to the general fund.

Section

- 1 **Appropriations.** Provides for \$30.6 million in general fund appropriations for fiscal year 2005 for purposes specified in the bill.
- 2 **Board of judicial standards.** Appropriates \$199,000 in addition to the \$252,000 previously appropriated for FY 2005 as a one-time appropriation.
- 3 **Board of public defense.** Appropriates \$7.7 million in addition to the \$46.1 million previously appropriated for FY 2005.
- 4 **Public safety.** Appropriates \$986,000 in addition to the \$69.5 million from the general fund previously appropriated for FY 2005. \$710,000 of the total is a one-time appropriation to provide the necessary match for federal disaster funds to be available until June 30, 2007. \$276,000 of the total is for grants to the criminal gang strike force.
- 5 **Corrections.** Appropriates \$4.4 million in addition to the \$363 million from the general fund previously appropriated for FY 2005. \$3.8 million of the total is for correctional institutions, \$190,000 is for operations support, and \$330,000 is for community services.

Section

- 6 **Human services.** Appropriates \$13.4 million for forensic treatment programs operated by state-operated services. This appropriation is in addition to the \$3.5 billion from the general fund previously appropriated for FY 2005. \$1.25 million of this is a one-time appropriation.
- 7 **Veterans affairs.** Appropriates \$39,000 in addition to the \$4.1 million previously appropriated for FY 2005.
- 8 **Administration.** Appropriates \$3.72 million to the Department of Administration as a one-time appropriation for the relocation costs of the Department of Health and the Department of Agriculture. This appropriation is available until June 30, 2007. Requires the deposit of the net proceeds of the sale of the Department of Health facilities to be deposited into the general fund. The net proceeds are estimated to be \$4.85 million.
- 9 **Sunset of uncodified language.** Provides a sunset of June 30, 2005 for the uncodified language in the bill unless another date is specified.
- 10 **Transfer.** Transfers \$24.1 million from the budget reserve to the general fund.

Senate Counsel & Research

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX (651) 296-7747

JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

COUNSEL

PETER S. WATTSON
JOHN C. FULLER
BONNIE L. BEREZOVSKY
DANIEL P. MCGOWAN
KATHLEEN E. PONTIUS
PATRICIA A. LIEN
KATHERINE T. CAVANOR
CHRISTOPHER B. STANG
KENNETH P. BACKHUS
CAROL E. BAKER
JOAN E. WHITE
THOMAS S. BOTTERN
ANN MARIE BUTLER

LEGISLATIVE ANALYSTS

DAVID GIEL
GREGORY C. KNOPFF
MATTHEW GROSSER
DANIEL L. MUELLER
JACK PAULSON
KRIS L. TURNER
M. VENNEWITZ
JA WEIDMANN

S.F. No. 350 - Relating to 2005 Deficiency Appropriations, the first engrossment

Author: Senator Richard J. Cohen

Prepared by: Chris Turner, Senate Research (651/296-4350)

Date: January 20, 2005

Section 1 is the appropriation summary.

Section 2 appropriates \$199,000 to the Board on Judicial Standards to pay for the costs of a contested case related to the removal of a judge from the bench.

Section 3 appropriates \$7,681,000 to the Board of Public Defense to replace dedicated funding that was lost when the public defender co-pay legislation passed during the 2003 session was found to be unconstitutional.

Section 4 appropriates \$986,000 to the Department of Public Safety.

\$710,000 is to match federal disaster assistance money (FEMA) for flooding that occurred late in the summer of 2004 in southeastern Minnesota.

\$276,000 is to continue operation of the Criminal Gang Strike Force.

Section 5 appropriates \$3,870,000 to the Department of Corrections.

\$2,850,000 is for renting prison beds to accommodate a higher inmate population than was projected at the time of the original appropriation.

\$500,000 is for increased costs in the Department of Corrections health system due to higher inmate populations and higher than projected inflation costs for staff, supplies, and equipment.

\$520,000 (\$330,000 in community services and \$190,000 in operations services) is for the restructure of the civil commitment review process and increased staffing to manage sex offender revocation hearings.

Section 6 appropriates \$13,394,000 to the Department of Human Services. This appropriation is to accommodate higher numbers of patients in DHS forensic treatment programs (sex offenders who have been civilly committed and persons committed as mentally ill and dangerous) at the St. Peter state hospital. The \$13.4 million appropriation is offset by a 10 percent county share of \$1.6 million, for a net cost to the general fund of \$11.9 million.

The caseload need of the department is actually \$16 million (which produces the \$1.6 million county share figure). State-operated services is using \$2.7 million in carryforward funds to mitigate a portion of the increased cost, hence the lower deficiency appropriation.

Section 7 appropriates \$39,000 to the Department of Veterans Affairs for increased rent.

Section 8 appropriates \$4,705,000 to the Department of Administration to fund the lab and office space relocation costs of the Departments of Health and Agriculture. The cost is offset by the anticipated sale proceeds of \$4.8 million from the existing Department of Health lab building in Minneapolis.

Section 9 provides an immediate effective date.

CT:vs



FY05 Budget Deficiencies

Prison Population (\$2.85 million)

- Prison population is greater than projected in 2003.
- Population increases due to steadily increasing new commitments, offenders serving longer sentences, and an increase in releasee returns.
- Approximate costs for renting beds in FY05 are \$6.5 million.

Health Services (\$1 million)

- **Increased costs due to inflation of operating supplies and equipment - \$1.2 million.**
The annual amount for supplies and equipment per inmate was \$145 per year in 1999. In 2005 this amount decreased to \$72. This funding pays for all medical and dental supplies and equipment. There has also been a 6% inflation increase in this area, which is not even considered in the figure. Funding for operating supplies and equipment is not included in the forecasted per diem for population increases.
- **Employee salary and benefits - \$1.6 million.**
Increased number of behavioral health staff, un-funded step, insurance, and cost of living increases. For example, in FY02-03 the nurses negotiated five percent cost of living increases totaling over \$561,000. These costs are not included in the forecasted per diem for population increases.
- **Increased costs for health services due to inflation of contracted medical services and possible major medical expenses - \$500,000 - \$1 million.**
The cost of this is that claims may be paid at a higher reimbursement rate than anticipated under the contract thereby obligating the department for additional payment to Correctional Medical Services. The cost of this based on utilization and is anticipated to be between \$500,000 and \$1 million.
- **A significant increase in methamphetamine users who have a multitude of health and behavior concerns - \$200,000 - \$500,000.**

Sex Offender Management (\$520,000)

- Hearings Officers to manage offender revocation hearings in a timely manner to ensure offenders are placed into appropriate programming and/or secure placement to ensure public safety. **This funding is for 2 hearing officers and 1 support staff.**
 - Restructure of civil commitment review process to ensure all appropriate sex offender are referred for consider of civil commitment. **This funding is for 2 support positions, 2 psychologists, and 1 management analyst.**
-

This Document can be made available in alternative formats upon request

Printed Page No.

1

State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-FOURTH SESSION

HOUSE FILE NO. 57

January 10, 2005

Authored by Knoblach, Solberg, Smith, Murphy and Bradley

The bill was read for the first time and referred to the Committee on Ways and Means

January 20, 2005

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

R/S Rules Suspended and Read Third Time

Passed by the House and transmitted to the Senate

1

A bill for an act

2

relating to state government; providing deficiency

3

funding for certain state agencies; appropriating

4

money.

5

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6

DEFICIENCY APPROPRIATIONS

7

Section 1. [APPROPRIATIONS.]

8

The sums shown in the columns marked "APPROPRIATIONS" are

9

appropriated from the general fund, or another named fund, to

10

the agencies and for the purposes specified in this act, to be

11

available for the fiscal year indicated for each purpose, and

12

are added to appropriations in Laws 2003, First Special Session

13

chapters 1, 2, and 14. The figure "2005," where used in this

14

act, means that the appropriation or appropriations listed under

15

it are available for the year ending June 30, 2005.

16

SUMMARY BY FUND

17

2005

TOTAL

18

General

\$ 30,386,000 \$ 30,386,000

19

TOTAL

\$ 30,386,000 \$ 30,386,000

20

APPROPRIATIONS

21

Available for the Year

22

Ending June 30

23

2005

24

Sec. 2. BOARD ON JUDICIAL

25

STANDARDS

199,000

26

This appropriation is added to

27

appropriations in Laws 2003, First

28

Special Session chapter 2, article 1,

1 section 7.

2 This is a onetime appropriation.

3 Sec. 3. BOARD OF PUBLIC DEFENSE 7,681,000

4 This appropriation is added to
 5 appropriations in Laws 2003, First
 6 Special Session chapter 2, article 1,
 7 section 8.

8 Sec. 4. PUBLIC SAFETY

9 Subdivision 1. Total
 10 Appropriation

11 General Fund 986,000

12 This appropriation is added to
 13 appropriations in Laws 2003, First
 14 Special Session chapter 2, article 1,
 15 section 9. The amounts that may be
 16 spent from this appropriation for each
 17 program are specified in subdivisions 2
 18 and 3.

19 Subd. 2. Emergency Management 710,000

20 [FEMA MATCHING FUNDS.] This
 21 appropriation is to provide matching
 22 funds for FEMA funds received for
 23 natural disaster assistance payments.
 24 This appropriation is available until
 25 June 30, 2007.

26 This is a onetime appropriation.

27 Subd. 3. Law Enforcement and
 28 Community Grants 276,000

29 [GANG STRIKE FORCE.] This appropriation
 30 is for grants to the Criminal Gang
 31 Strike Force under Minnesota Statutes,
 32 chapter 299A.

33 Sec. 5. CORRECTIONS

34 Subdivision 1. Total
 35 Appropriation

36 General Fund 4,370,000

37 This appropriation is added to
 38 appropriations in Laws 2003, First
 39 Special Session chapter 2, article 1,
 40 section 13. The amounts that may be
 41 spent from this appropriation for each
 42 program are specified in subdivisions 2
 43 to 4.

44 Subd. 2. Correctional Institutions 3,850,000

45 Subd. 3. Operations Support 190,000

46 Subd. 4. Community Services 330,000

47 Sec. 6. HUMAN SERVICES

48 Subdivision 1. Total
 49 Appropriation 13,394,000

1 This appropriation is added to
 2 appropriations in Laws 2003, First
 3 Special Session chapter 14, article
 4 13C, section 2, subdivision 8. The
 5 amounts that may be spent from this
 6 appropriation for each program is
 7 specified in subdivision 2.

8 Subd. 2. State-Operated
 9 Services

13,394,000

10 This appropriation is for the forensic
 11 treatment programs operated by
 12 state-operated services.

13 \$1,250,000 of this appropriation is one
 14 time.

15 Sec. 7. VETERANS AFFAIRS

39,000

16 This appropriation is added to
 17 appropriations in Laws 2003, First
 18 Special Session chapter 1, article 1,
 19 section 17.

20 Sec. 8. ADMINISTRATION

3,717,000

21 This appropriation is to the Department
 22 of Administration for relocation costs
 23 for the Departments of Health and
 24 Agriculture and is available until June
 25 30, 2007. Notwithstanding any law to
 26 the contrary, proceeds from the sale or
 27 disposition of the Department of Health
 28 land and building at 717 Delaware
 29 Street in Minneapolis, after paying all
 30 expenses incurred in selling or
 31 disposing of it, estimated to be
 32 approximately \$4,853,000, must be
 33 deposited in the general fund.

34 This is a onetime appropriation.

35 Sec. 9. [SUNSET OF UNCODIFIED LANGUAGE.]

36 All uncodified language in this act expires June 30, 2005,
 37 unless another date is specified.

38 Sec. 10. [TRANSFER.]

39 \$24,100,000 is transferred from the budget reserve in the
 40 general fund under Minnesota Statutes, section 16A.152,
 41 subdivision 1a, to the general fund.

42 Sec. 11. [EFFECTIVE DATE.]

43 Sections 1 to 10 are effective the day following final
 44 enactment.

Senate Counsel & Research

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

COUNSEL

PETER S. WATTSON
JOHN C. FULLER
BONNIE L. BEREZOVSKY
DANIEL P. MCGOWAN
KATHLEEN E. PONTIUS
PATRICIA A. LIEN
KATHERINE T. CAVANOR
CHRISTOPHER B. STANG
KENNETH P. BACKHUS
CAROL E. BAKER
JOAN E. WHITE
THOMAS S. BOTTERN
ANN MARIE BUTLER

LEGISLATIVE ANALYSTS

DAVID GIEL
GREGORY C. KNOPFF
MATTHEW GROSSER
DANIEL L. MUELLER
JACK PAULSON
CHRIS L. TURNER
M. VENNEWITZ
A. WEIDMANN

S.F. No. 350 - Relating to 2005 Deficiency Appropriations, the first engrossment

Author: Senator Richard J. Cohen

Prepared by: Chris Turner, Senate Research (651/296-4350)

Date: January 20, 2005

Section 1 is the appropriation summary.

Section 2 appropriates \$199,000 to the Board on Judicial Standards to pay for the costs of a contested case related to the removal of a judge from the bench.

Section 3 appropriates \$7,681,000 to the Board of Public Defense to replace dedicated funding that was lost when the public defender co-pay legislation passed during the 2003 session was found to be unconstitutional.

Section 4 appropriates \$986,000 to the Department of Public Safety.

\$710,000 is to match federal disaster assistance money (FEMA) for flooding that occurred late in the summer of 2004 in southeastern Minnesota.

\$276,000 is to continue operation of the Criminal Gang Strike Force.

Section 5 appropriates \$3,870,000 to the Department of Corrections.

\$2,850,000 is for renting prison beds to accommodate a higher inmate population than was projected at the time of the original appropriation.

\$500,000 is for increased costs in the Department of Corrections health system due to higher inmate populations and higher than projected inflation costs for staff, supplies, and equipment.

\$520,000 (\$330,000 in community services and \$190,000 in operations services) is for the restructure of the civil commitment review process and increased staffing to manage sex offender revocation hearings.

Section 6 appropriates \$13,394,000 to the Department of Human Services. This appropriation is to accommodate higher numbers of patients in DHS forensic treatment programs (sex offenders who have been civilly committed and persons committed as mentally ill and dangerous) at the St. Peter state hospital. The \$13.4 million appropriation is offset by a 10 percent county share of \$1.6 million, for a net cost to the general fund of \$11.9 million.

The caseload need of the department is actually \$16 million (which produces the \$1.6 million county share figure). State-operated services is using \$2.7 million in carryforward funds to mitigate a portion of the increased cost, hence the lower deficiency appropriation.

Section 7 appropriates \$39,000 to the Department of Veterans Affairs for increased rent.

Section 8 appropriates \$4,705,000 to the Department of Administration to fund the lab and office space relocation costs of the Departments of Health and Agriculture. The cost is offset by the anticipated sale proceeds of \$4.8 million from the existing Department of Health lab building in Minneapolis.

Section 9 provides an immediate effective date.

CT:vs

1 This appropriation is added to
2 appropriations in Laws 2003, First
3 Special Session chapter 2, article 1,
4 section 8.

5 Sec. 4. PUBLIC SAFETY

6 Subdivision 1. Total
7 Appropriation

8 General Fund 986,000

9 This appropriation is added to
10 appropriations in Laws 2003, First
11 Special Session chapter 2, article 1,
12 section 9. The amounts that may be
13 spent from this appropriation for each
14 program are specified in subdivisions 2
15 and 3.

16 Subd. 2. Emergency Management 710,000

17 [FEMA MATCHING FUNDS.] This
18 appropriation is to provide matching
19 funds for FEMA funds received for
20 natural disaster assistance payments.
21 This appropriation is available until
22 June 30, 2007.

23 Subd. 3. Law Enforcement and
24 Community Grants 276,000

25 [GANG STRIKE FORCE.] This appropriation
26 is for grants to the Criminal Gang
27 Strike Force under Minnesota Statutes,
28 chapter 299A.

29 Sec. 5. CORRECTIONS

30 Subdivision 1. Total
31 Appropriation

32 General Fund 3,870,000

33 This appropriation is added to
34 appropriations in Laws 2003, First
35 Special Session chapter 2, article 1,
36 section 13. The amounts that may be
37 spent from this appropriation for each
38 program are specified in subdivisions 2
39 to 4.

40 Subd. 2. Correctional Institutions 3,350,000

41 Subd. 3. Operations Support 190,000

42 Subd. 4. Community Services 330,000

43 Sec. 6. HUMAN SERVICES

44 Subdivision 1. Total
45 Appropriation 13,394,000

46 This appropriation is added to
47 appropriations in Laws 2003, First
48 Special Session chapter 14, article
49 13C, section 2, subdivision 8. The
50 amounts that may be spent from this
51 appropriation for each program is
52 specified in subdivision 2.

1 Subd. 2. State-Operated
2 Services 13,394,000

3 This appropriation is for the forensic
4 treatment programs operated by
5 state-operated services.

6 Sec. 7. VETERANS AFFAIRS 39,000

7 This appropriation is added to
8 appropriations in Laws 2003, First
9 Special Session chapter 1, article 1,
10 section 17.

11 Sec. 8. ADMINISTRATION 4,705,000

12 This appropriation is to the Department
13 of Administration for relocation costs
14 for the Departments of Health and
15 Agriculture and is available until June
16 30, 2006. Notwithstanding any law to
17 the contrary, proceeds from the sale or
18 disposition of the Department of Health
19 land and building at 717 Delaware
20 Street in Minneapolis, after paying all
21 expenses incurred in selling or
22 disposing of it, estimated to be
23 approximately \$4,853,000, must be
24 deposited in the general fund.

25 Sec. 9. [EFFECTIVE DATE.]

26 Sections 1 to 8 are effective the day following final
27 enactment.

1 This appropriation is added to
2 appropriations in Laws 2003, First
3 Special Session chapter 2, article 1,
4 section 8.

5 Sec. 4. PUBLIC SAFETY

6 Subdivision 1. Total
7 Appropriation

8 General Fund 986,000

9 This appropriation is added to
10 appropriations in Laws 2003, First
11 Special Session chapter 2, article 1,
12 section 9. The amounts that may be
13 spent from this appropriation for each
14 program are specified in subdivisions 2
15 and 3.

16 Subd. 2. Emergency Management 710,000

17 [FEMA MATCHING FUNDS.] This
18 appropriation is to provide matching
19 funds for FEMA funds received for
20 natural disaster assistance payments.
21 This appropriation is available until
22 June 30, 2007.

23 Subd. 3. Law Enforcement and
24 Community Grants 276,000

25 [GANG STRIKE FORCE.] This appropriation
26 is for grants to the Criminal Gang
27 Strike Force under Minnesota Statutes,
28 chapter 299A.

29 Sec. 5. CORRECTIONS

30 Subdivision 1. Total
31 Appropriation

32 General Fund 3,870,000

33 This appropriation is added to
34 appropriations in Laws 2003, First
35 Special Session chapter 2, article 1,
36 section 13. The amounts that may be
37 spent from this appropriation for each
38 program are specified in subdivisions 2
39 to 4.

40 Subd. 2. Correctional Institutions 3,350,000

41 Subd. 3. Operations Support 190,000

42 Subd. 4. Community Services 330,000

43 Sec. 6. HUMAN SERVICES

44 Subdivision 1. Total
45 Appropriation 13,394,000

46 This appropriation is added to
47 appropriations in Laws 2003, First
48 Special Session chapter 14, article
49 13C, section 2, subdivision 8. The
50 amounts that may be spent from this
51 appropriation for each program is
52 specified in subdivision 2.

1 Subd. 2. State-Operated
2 Services 13,394,000

3 This appropriation is for the forensic
4 treatment programs operated by
5 state-operated services.

6 Sec. 7. VETERANS AFFAIRS 39,000

7 This appropriation is added to
8 appropriations in Laws 2003, First
9 Special Session chapter 1, article 1,
10 section 17.

11 Sec. 8. ADMINISTRATION 4,705,000

12 This appropriation is to the Department
13 of Administration for relocation costs
14 for the Departments of Health and
15 Agriculture and is available until June
16 30, 2006. Notwithstanding any law to
17 the contrary, proceeds from the sale or
18 disposition of the Department of Health
19 land and building at 717 Delaware
20 Street in Minneapolis, after paying all
21 expenses incurred in selling or
22 disposing of it, estimated to be
23 approximately \$4,853,000, must be
24 deposited in the general fund.

25 Sec. 9. [EFFECTIVE DATE.]

26 Sections 1 to 8 are effective the day following final
27 enactment.