



State of Minnesota  
Department of Finance

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658 Cedar Street  
St. Paul, Minnesota 55155  
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January 6, 2005

Representative Steve Sviggum, Speaker  
463 State Office Building  
100 Rev. Dr. Martin Luther King Jr., Blvd.  
St. Paul, MN 55155

Senator Dean Johnson  
208 State Capitol  
75 Rev. Dr. Martin Luther King Jr., Blvd.  
St. Paul, MN 55155

Representative Matt Entenza  
267 State Office Building  
100 Rev. Dr. Martin Luther King Jr., Blvd.  
St. Paul, MN 55155

Senator Dick Day  
147 State Office Building  
75 Rev. Dr. Martin Luther King Jr., Blvd.  
St. Paul, MN 55155

Dear Members:

As you are aware, jacketed versions of a fiscal year 2005 deficiency appropriations bill (Revisor File #05-948) have been delivered to House and Senate leadership, and I want to encourage you to take quick action on this limited set of important issues.

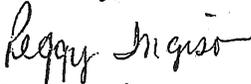
Most of the items in the bill were included last session in the Governor's supplemental budget recommendations, and both bodies appeared inclined to adopt additional resources for the respective agencies. Without action last session, however, these issues remain. In some instances, agencies will face serious problems without quick action on this bill. The Board of Public Defense, for example, will face an urgency by the end of January without its recommended appropriation increase.

We have worked with agencies to limit the number and scope of deficiency requests, and efforts have been made to restrain costs and utilize carryforward resources from FY 2004, when available. Attached is a summary of the specific provisions in the bill.

Many items in this bill will also have higher cost pressures in the next biennium, which will be addressed in the Governor's biennial budget recommendations later this month.

We strongly encourage the legislature to act within this first month to resolve this small number of items leftover from last year. Thank you for your assistance.

Sincerely,

  
Peggy Ingison  
Commissioner

Attachment

cc: Senator Richard Cohen  
Representative Jim Knoblach

## **FY 2005 Deficiency Bill**

***Total spending*** (net impact to general fund): \$24.9 million

Board of Public Defense: \$7.7 million to replace dedicated funding that was lost when a client co-payment enacted in 2003 was found to be unconstitutional.

Department of Corrections:

- \$2.85 million to accommodate a higher inmate population than was projected at the time of the original appropriations;
- \$1.0 million for additional health care contract costs; and
- \$520,000 to ensure timely civil commitment and revocation hearings.

Department of Public Safety:

- \$710,000 to match federal disaster assistance money (FEMA);
- \$276,000 to continue the operation of the Gang Strike Force.

Department of Human Services: \$11.9 million (\$13.4 million appropriation, with \$1.6 million of additional collections) to accommodate higher numbers of patients in DHS' forensics treatment programs.

Board on Judicial Standards: \$230,000 to pay for the costs of a contested case related to the removal of a judge from the bench.

Department of Veteran's Affairs: \$39,000 to fund the agency's rent obligations.

Department of Administration: \$4.7 million appropriation to fund the costs of relocating the Departments of Health and Agriculture to new laboratory and office space. This item has no net cost to the general fund. Costs are offset by the sale proceeds (\$4.8 million) of the existing Health Department lab building in Minneapolis.

***Offset to Additional Appropriations***:

Funded by partial rollback of the November Forecast allocation to the school payment shift (changes current year aid payment percentage from 81.9% to 81.5%).

Most items included in the bill were proposed in the Governor's supplemental budget in 2004.

Shift buyback in November would not have been as large if these items had been addressed in the 2004 session.

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A bill for an act

relating to state government; providing deficiency  
funding for certain state agencies; appropriating  
money.

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

DEFICIENCY APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal year indicated for each purpose, and are added to appropriations in Laws 2003, First Special Session chapters 1, 2, and 14. The figure "2005," where used in this act, means that the appropriation or appropriations listed under it are available for the year ending June 30, 2005.

SUMMARY BY FUND

	2005	TOTAL
General	\$ 31,405,000	\$ 31,405,000
TOTAL	\$ 31,405,000	\$ 31,405,000

APPROPRIATIONS  
Available for the Year  
Ending June 30  
2005

Sec. 2. BOARD ON JUDICIAL STANDARDS 230,000

This appropriation is added to appropriations in Laws 2003, First Special Session chapter 2, article 1,

1 section 7.

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

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

7 Sec. 4. PUBLIC SAFETY

8 Subdivision 1. Total  
9 Appropriation.

10 General Fund 986,000

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

18 Subd. 2. Emergency Management 710,000

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

25 Subd. 3. Law Enforcement and  
26 Community Grants 276,000

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

31 Sec. 5. CORRECTIONS

32 Subdivision 1. Total  
33 Appropriation

34 General Fund 4,370,000

35 This appropriation is added to  
36 appropriations in Laws 2003, First  
37 Special Session chapter 2, article 1,  
38 section 13. The amounts that may be  
39 spent from this appropriation for each  
40 program are specified in subdivisions 2  
41 and 3.

42 Subd. 2. Correctional Institutions 4,180,000

43 Subd. 3. Operations Support 190,000

44 Sec. 6. HUMAN SERVICES

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

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

- 1 specified in subdivision 2.
- 2 Subd. 2. State-Operated  
3 Services 13,394,000
- 4 This appropriation is for the forensic  
5 treatment programs operated by  
6 state-operated services.
- 7 Sec. 7. VETERANS AFFAIRS 39,000
- 8 This appropriation is added to  
9 appropriations in Laws 2003, First  
10 Special Session chapter 1, article 1,  
11 section 17.
- 12 Sec. 8. ADMINISTRATION 4,705,000
- 13 This appropriation is to the Department  
14 of Administration for relocation costs  
15 for the Departments of Health and  
16 Agriculture and is available until June  
17 30, 2006. Notwithstanding any law to  
18 the contrary, proceeds from the sale or  
19 disposition of the Department of Health  
20 land and building at 717 Delaware  
21 Street in Minneapolis, after paying all  
22 expenses incurred in selling or  
23 disposing of it, estimated to be  
24 approximately \$4,853,000, must be  
25 deposited in the general fund.
- 26 Sec. 9. [SUNSET OF UNCODIFIED LANGUAGE.]
- 27 All uncodified language in this act expires June 30, 2005,  
28 unless another date is specified.
- 29 Sec. 10. [FORECAST ALLOCATION.]
- 30 The commissioner of finance shall reduce the amount  
31 allocated on the basis of the November 2004 general fund  
32 forecast for the purpose of Minnesota Statutes, section 16A.152,  
33 subdivision 2, paragraph (a), clause (3), by \$25,100,000.
- 34 Sec. 11. [EFFECTIVE DATE.]
- 35 Sections 1 to 10 are effective the day following final  
36 enactment.



1 costs related to proceedings against a  
2 judge that occurred during the fiscal  
3 biennium ending June 30, 2005.

4       Sec. 3. [EFFECTIVE DATE.]

5       Section 2 is effective the day following final enactment.

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T H E M I N N E S O T A  
C O U N T Y A T T O R N E Y S  
A S S O C I A T I O N

---

January 10, 2005

Governor Tim Pawlenty  
130 State Capitol  
Saint Paul, Minnesota 55155

RE: Board of Public Defense 2006-2007 Budget Request

Dear Governor Pawlenty:

Again this year, you face many competing priorities including a project budget. One critical funding need is contained in the 2006-2007 Board of Public Defense 2006-2007 Budget Request. The Minnesota County Attorneys Board of Directors voted on January 7<sup>th</sup> to support their budget request. To the extent state budget dollars are available, the Minnesota County Attorneys Association respectfully encourages you to give careful consideration to their funding request.

Along with County Attorneys and the Judiciary, a viable Public Defender system is a critical element in our criminal justice system. It is true that justice delayed is justice denied. Our system of justice has already slowed due to fewer public defenders. It is not an efficient use of limited public resources when judges, court personnel, prosecutors and law enforcement are waiting in the hallway because a public defender is not available. Finally, delays also hurt victims, witnesses, and the public who expect that these cases will be resolved in a reasonable time.

It would not be fair to merely ask for more funding in this area if the partners in the criminal justice system had not already been hard at work to achieve efficiencies. County Attorneys have worked with public defenders and judges across the state to coordinate case scheduling, identify alternatives to protracted court proceedings, and to more smoothly transmit information electronically.

Several individual Public Defender budget requests also deserve careful consideration including Public Defender viability, adequate funding of their records management system, and the Children's Justice Initiative (C.H.I.P.S.). In recent years, your office and the legislature have made key investments in the judiciary. We risk undermining those investments strategies if our system of Public Defense is not allowed the resources they need to vigorously represent their clients in a timely manner.

You face many competing budgetary demands. Clearly our system of Public defense is facing a crisis that must be addressed. The mission of the County Attorneys Association is to improve the quality of justice in Minnesota. That is why our Board of Directors is supporting the request before you. We encourage you to give the request from the Board of Public Defense a high priority.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "John P. Kingrey". The signature is written in black ink and is positioned above the printed name and title.

John P. Kingrey  
Executive Director

cc: Commissioner of Finance

Overview: State Match Required for FEMA DR-1569

Our most recent estimate of the State match money that will be required for Presidential disaster declaration DR-1569 is as follows -

<b>Individual Assistance Program</b> (assistance for individual disaster victims, 25% match required) -	\$300,000.00
<b>Hazard Mitigation Program - Management Cost Program</b> (25% match required) -	35,000.00
<b>Public Assistance Program</b> (repair of damaged public property, 25% match required) -	<u>675,000.00<sup>1</sup></u>
<b>Total:</b>	\$1,010,000.00
Less match monies currently available and encumbered -	<u>300,000.00</u>
<b>Deficiency:</b>	<b>\$ 710,000.00</b>

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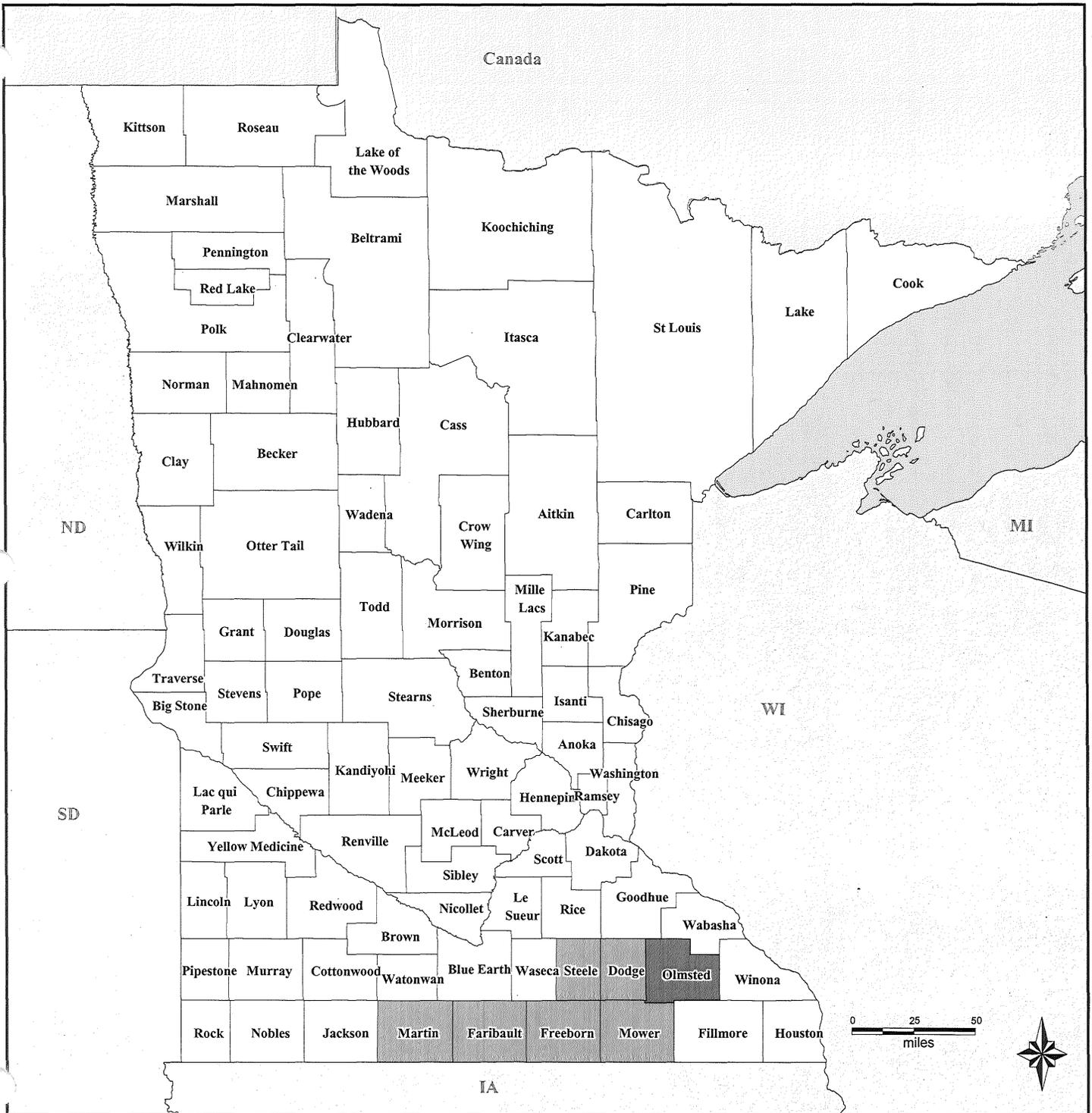
<sup>1</sup>Note: This total constitutes 15% of the 25% non-federal share of the eligible local government Public Assistance Program costs. The State of Minnesota normally assumes responsibility for 15% of those costs, and the affected local governments cover the remaining 10%.



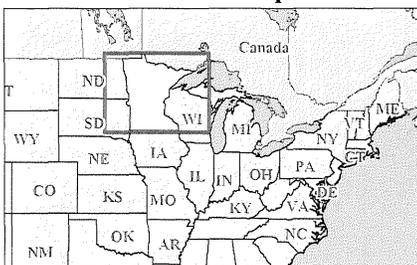


# FEMA-1569-DR, Minnesota

## Disaster Declaration as of 11/03/2004



Location Map



Legend

**Designated Counties**  
(All counties are eligible for Hazard Mitigation)

- Individual Assistance
- Individual & Public Assistance



**FEMA**

*ITS Mapping and Analysis Center*  
Washington, DC  
11/03/2004 -- 16:44:09 EDT



## **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 for health services due to inflation of contracted medical services.
- Increased costs due to inflation of operating supplies and equipment.
- Deficit also exacerbated by a much lower turnover rate than recognized in previous years.
- Inmate population is "sicker" than the general public.
- Methamphetamine users entering our system with a multitude of health and behavior concerns.

### **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.
- Restructure of civil commitment review process to ensure all appropriate sex offender are referred for consider of civil commitment.

Minnesota Department  
of Corrections

**Prison Population Projections**

**January 10, 2005**



**Minnesota Department of Corrections  
Adult Prison Population Projections  
Methodology Factors**

Completed annually with Sentencing Guidelines staff.  
Based on current laws, current trends, and current practices.

Additions:

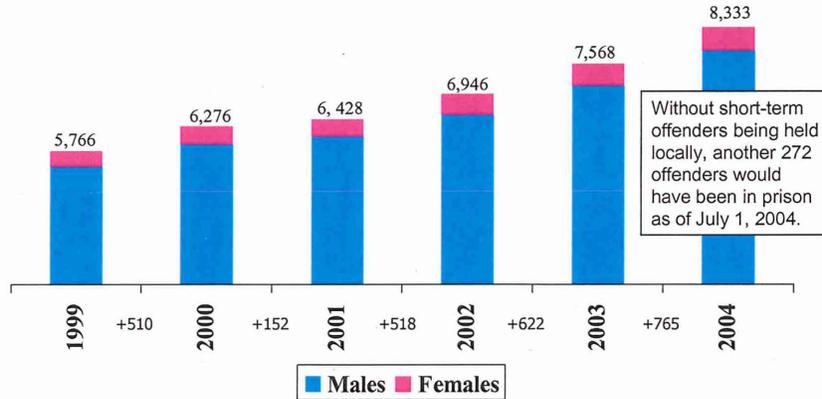
- + Base Population
- + Discipline Increases
- + Probation Violations
- + Projected Admissions
- + Pre-Sentence Investigation Holds
- + Supervised Release Violators

Decreases

- CIP Phase 2 Participants
- CIP Phase 3 Participants
- Program Absconders
- Work Release Participants
- Short-term Offenders

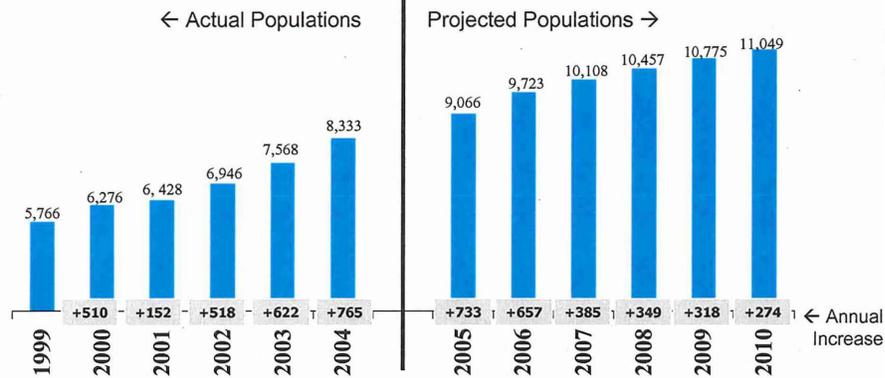
## Minnesota Department of Corrections Actual Prison Populations\* (July 1 of each year)

**45 Percent Overall Increase from 1999 to 2004**



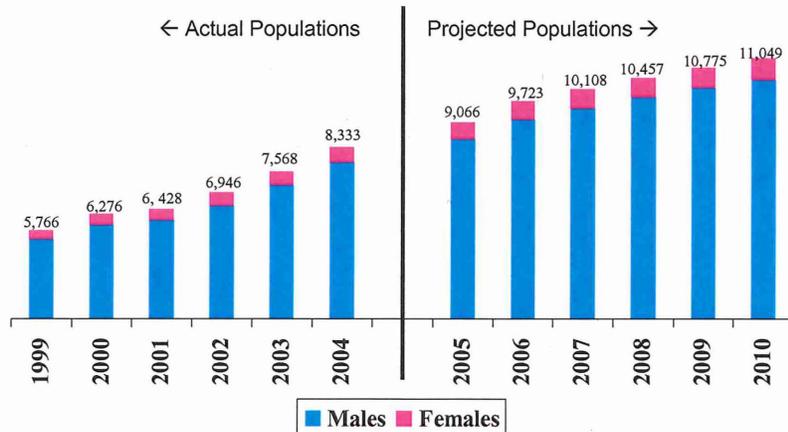
\* Actual prison population include those housed in a DOC facility or contracted to be housed in a local jail/private facility.

## Minnesota Department of Corrections Adult Prison Populations\* (July 1 of each year)



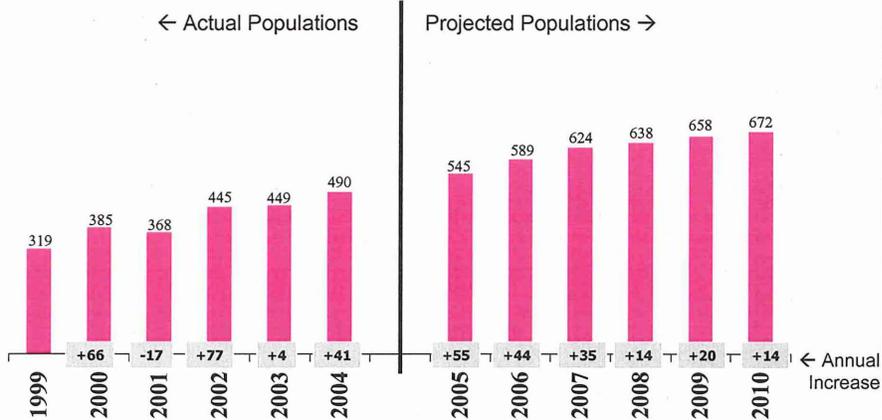
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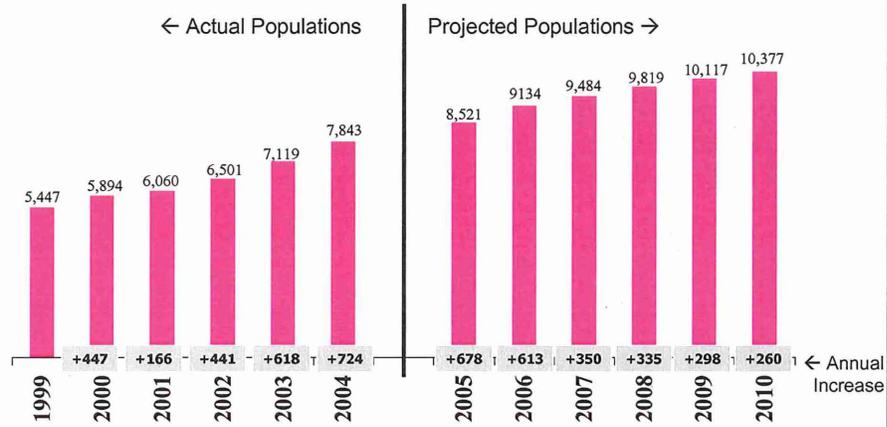
\* Actual prison population include those housed in a DOC facility or contracted to be housed in a local jail/private facility.

## Minnesota Department of Corrections Female Adult Prison Populations\* (July 1 of each year)



\* Actual prison population include those housed in a DOC facility or contracted to be housed in a local jail/private facility.

## Minnesota Department of Corrections Male Adult Prison Populations\* (July 1 of each year)



\* Actual prison population include those housed in a DOC facility or contracted to be housed in a local jail/private facility.

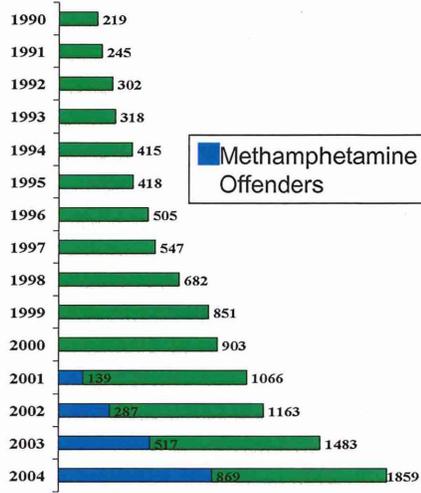
## Minnesota Department of Corrections Reasons for Dramatic Changes

- Steady increase in new commitments
- Longer sentences
- Dramatic increase in release returns

# Yearly Prison Populations

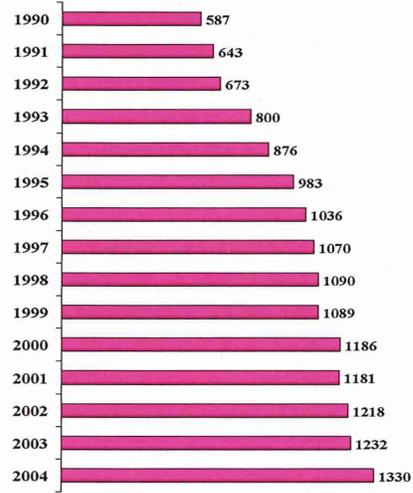
(as of January 1 of each year)

## Drug Offenders



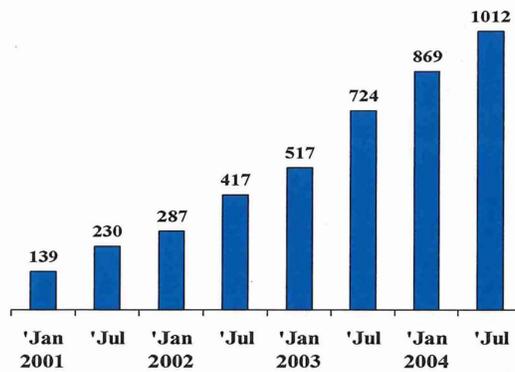
(749 percent increase)

## Sex Offenders



(126 percent increase)

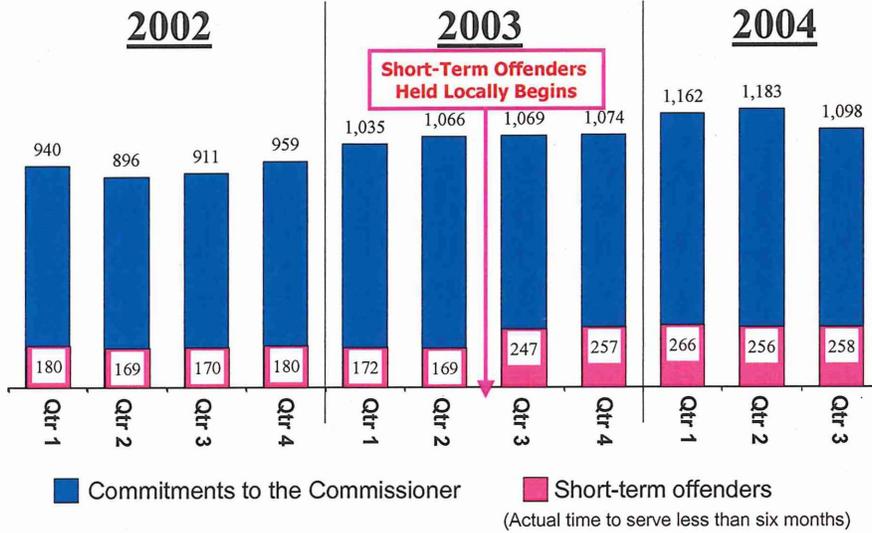
# Prison Populations Methamphetamine Offenders



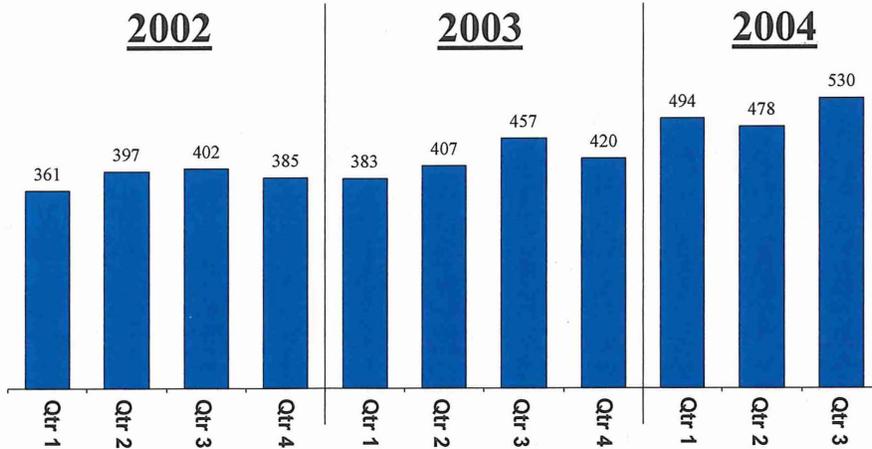
As of July 1, 2004

- 10 percent female
- 72 percent non-metro county commitments
- 52 percent no prior felony convictions
- 72 percent first prison commitment

## New Commitments to the Commissioner

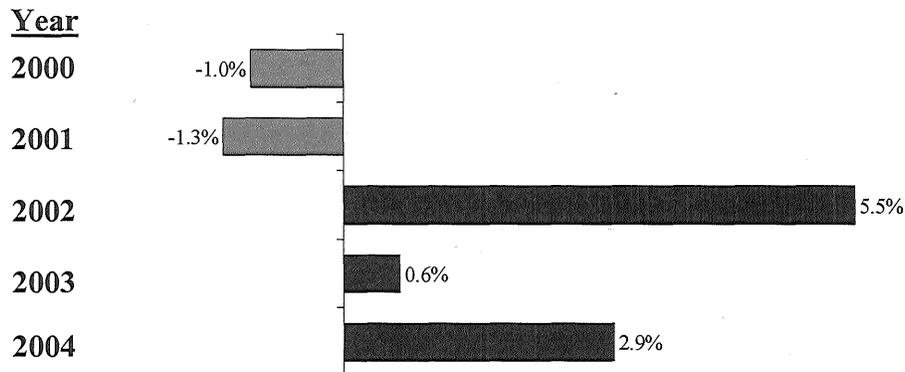


## Release Returns Admissions



## Prison Population Projections Model Accuracy

Percent Difference (Dec 1 each year)



## DOC Facilities are Full

- With current physical design the facilities are at capacity
- Renting nearly 100 beds at local jails/workhouses
- Renting 150 beds Prairie Correctional Facility
- If the current annual trend of increasing 700+ inmates continues, Prairie Correctional Facility will be full within two years and a new prison will be needed every 2 years thereafter.

**Minnesota Department of Corrections**  
**Adult Male Bed Space Options**  
 Adult Males

	<u>Local/PCF</u>	<u>FRB</u>	<u>STW</u>
January 2005	250	---	---
July 2005	700	---	---
July 2007	1,700	---	---
Dec 2010	1,700	1,060	150

With current laws and the Sentencing Guidelines proposal; all phases of Faribault, Stillwater expansion, and renting beds will accommodate growth through 2010.

**Minnesota Department of Corrections**  
**Future Bed Space Options**  
 Adult Males and Females

Intermediate Options:

- Privatization – Prairie Correctional Facility
- Renting from local jails/workhouses
- Faribault (phase 1 and phase 2)

Long-term Options:

- Shakopee facility expansion
- St. Cloud facility expansion (outside perimeter – across road)
- Rush City facility expansion
- Moose Lake facility expansion
- New public facility
- New private facility