

THE WALZ-FLANAGAN BUDGET



TO MOVE MINNESOTA FORWARD

FY 2022-23 Supplemental Budget Recommendations

Walz-Flanagan 2022 Budget Priorities

- Expanding Economic Opportunity
- Supporting Children and Families
- Protecting Minnesotan's Health and Safety
- Housing and Homelessness

DHS Supplemental Budget Package Summary

	FY22-23 Biennium	FY24-25 Biennium
General Fund (GF)	\$321.9 million	\$1.489 billion
Health Care Access Fund (HCAF)	\$63.8 million	\$110.1 million
Federal Funds (CCDF)	\$75.3 million	
Temporary Assistance for Needy Families (TANF) Fund	\$26.5 million	\$140 million
Opioid Epidemic Response Account	\$539 thousand	\$3 million
Total	\$484.6 million	\$1.742 billion

Budget overview

Child care

Homelessness/
Housing

Food support

Workforce

Health care

Behavioral
health

Child welfare

Economic
assistance

Licensing and
compliance



Workforce

Caring Professions Workforce Program

Investment
FY 2022-23:
\$115
million

Personal
care aides
highest
vacancies in
state

3 FTEs

- Revitalizes the state's behavioral health, direct support, and housing workforces by establishing a workforce incentive fund.
- Employers in these industries would be allowed to apply for grants to deliver incentives to employees who have been employed for six months or longer.



Behavioral health

Expanding Children's Inpatient Psychiatric and PRTF Beds

Investment
FY 2022-23:
\$10.4 million
FY 2024-25:
\$15.9 million

Supports
children
who need
acute high-
level care

3 FTEs

- Supports children, youth and families by retaining, creating, or expanding children's inpatient psychiatric and psychiatric residential treatment facility beds.

Substance use disorder (SUD) Direct Access Implementation



Investment
FY 2022-23:
\$543,000
FY 2024-25:
\$1.3 million

SUD
treatment
continues
to evolve

2 FTEs

- A complete transition of substance use disorder services to direct access ensures compliance with federal guidelines.

Expanding Intensive Treatment in Foster Care

Investment
FY 2022-23:
\$372,000
FY 2024-25:
\$12.7 million

Supports
family
preservation

1 FTEs

- Expand the Intensive Treatment in Foster Care Medical Assistance service to include services to children at risk of an out of home placement.
- Continue to provide services to families whose children are being returned home from a higher level of care.

Expanding First Episode Psychosis and Developing an Emerging Mood Disorders Program

Investment
FY 2022-23:
\$2 million
FY 2024-25:
\$4 million

Early
intervention
improves
outcomes

0 FTEs

- Creates an additional First Episode Psychosis provider site and an emerging mood disorder program.
- Provides evidence-informed interventions for youth and young adults who are at risk of developing or who are experiencing first episode psychosis or an emerging mood disorder.

Adult Day Treatment Rate Increase

Investment
FY 2022-23:
\$261,000
FY 2024-25:
\$1.35 million

Safety net
community
mental
health
service

0 FTEs

- Increases payment rates for Adult Day Treatment by 50%
- Relieves mental illness symptoms and provides skills training that helps people stay well and live more independently

Expanding Mobile Crisis Grants and Transition to Community Initiative

Investment
FY 2024-25:
\$20.4
million

Provides
person-
centered
supports

9 FTEs

- Extends mobile crisis grants and Transition to Community Initiative.
- Strengthens the state's mobile crisis infrastructure and improves access to crisis services by supporting counties and tribes to staff 24-hour mobile crisis lines.

Expanding Mobile Transition Units and Person-Centered Discharge

Investment
FY 2022-23:
\$540,000
FY 2024-25:
\$1.4 million

Ensures
successful
transitions

5 FTEs

- Expands mobile transition units and strengthens person-centered discharge planning activities.
- Creates mobile transition units focused on adults and children in emergency departments and inpatient hospital settings to transition them to a therapeutic level of care.

Expanding Support for PRTFs

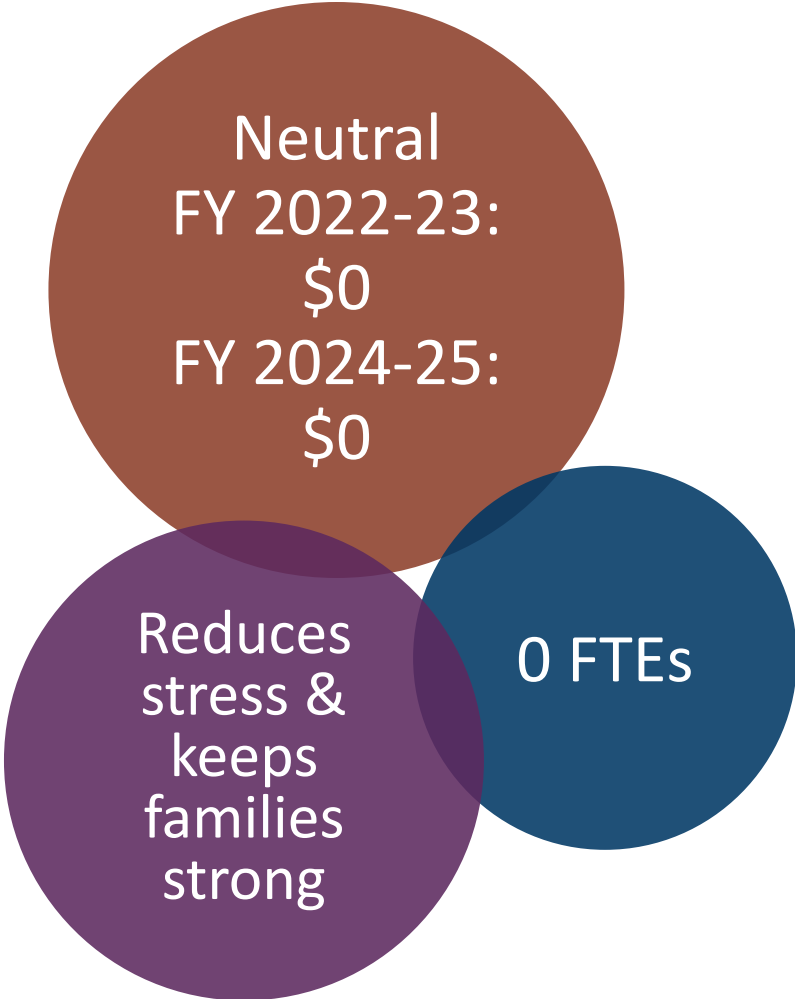
Investment
FY 2022-23:
\$954,000
FY 2024-25:
\$1.9 million

300 beds
anticipated
by 2023

2 FTE

- Funds startup grants for new Psychiatric Residential Treatment Facilities.
- Expands the allowable uses of start-up grants to include emergency workforce shortage uses.

Children's Mental Health Respite Grant Clarifications



- Redefine the scope of allowable expenses under the Children's Mental Health Respite Care grant program to include services that are family-centered and culturally affirming.

Children's Mental Health Community of Practice

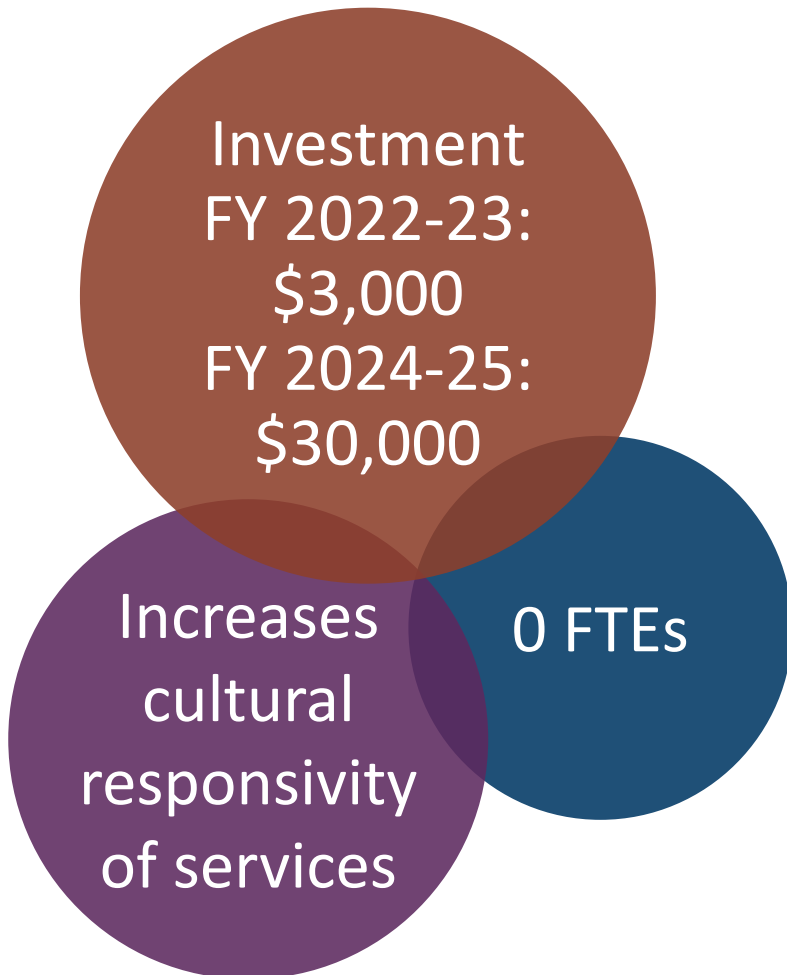
Investment
FY 2022-23:
\$245,000
FY 2024-25:
\$513,000

Shared
wisdom
advances
practice

1 FTEs

- Creates a Community of Practice focused exclusively on children's mental health issues.
- This collaborative group will identify gaps in children's behavioral health services, enhance collective knowledge, and inform changes to improve outcomes.

American Indian culturally responsive rate in EIDBI



- Changes eligibility for an enhanced reimbursement for Early Intensive Developmental Behavioral Intervention (EIDBI) services to promote culturally responsive care being offered to American Indians.



Homelessness/housing

Supporting transitions to stable housing

Investment
FY 2022-23:
\$2.4 million
FY 2024-25:
\$19.5 million

Expands
programs to
serve people
w/substance
use disorders

13 FTEs

- Housing transition services through Housing Stabilization Services
- Housing support for adults with serious mental illness program expansion
- PATH Program Expansion
- Community Living Infrastructure Program

Supporting transitions to stable housing *cont.*

Investment
FY 2022-23:
\$2.4 million
FY 2024-25:
\$19.5 million

Supports
100
AmeriCorps
members
each year

13 FTEs

- Homeless Management Information System
- Americorps Heading Home Corps Initiative
- Housing and Homelessness Community Engagement
- Housing Workforce Study

Addressing Homelessness for Minnesota Adults, Youth, and Families

Investment
FY 2022-23:
\$35 million
FY 2024-25:
\$74.2 million

Addresses
intersectional
disparities in
homelessness

4 FTEs

- Emergency Services Program (ESP) funding for shelter services
- Homeless Youth Act Expansion
- Increase transitional housing program

A close-up photograph of a person's hands at a desk. The left hand holds a silver pen, poised over a black calculator. The right hand rests on a stack of papers. The background is a soft-focus office setting.

Economic assistance

Addressing Deep Poverty

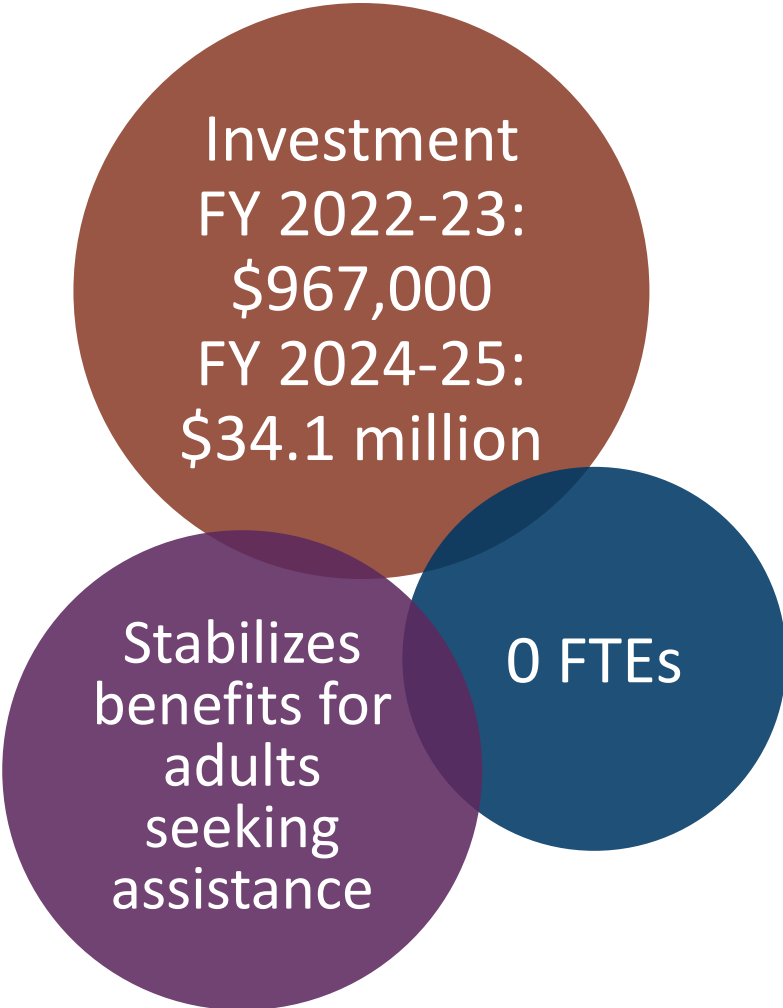
Investment
FY 2022-23:
\$82,000
FY 2024-25:
\$46 million

GA serves
about
24,000
people per
month

0 FTEs

- Raises the GA benefit from \$203 per month to \$344 per month and ties it to annual inflation measure.
- Disregards emergency periods in the Emergency General Assistance formula to ensure allocations meet local needs.
- Expands time period during which people on GA and Housing Support must apply for social security disability benefits from 30 to 90 days

Stabilizing Working Minnesotans



- A change in how the state calculates benefits for the Minnesota Family Investment Program (MFIP) and General Assistance (GA) can provide more consistent financial support to lower income Minnesotans.

Connecting Minnesotans to Services and Supports

Investment
FY 2022-23:
\$5.6 million
FY 2024-25:
\$5.6 million

Helps
5,000
households

3 FTEs

- This funding would create a temporary two-year expansion of existing community support services to serve an additional 5,000 households.
- Services include a multilingual statewide helpline that helps connect people to services and all services currently administered by the Resettlement Programs Office at the Department.

Building Assets for Minnesota Families

Investment
FY 2022-23:
\$5 million
FY 2024-25:
\$10 million

Increases
economic
security for
families

0 FTEs

- Expands the Family Assets for Independence in Minnesota program.
- This program gives Minnesotans with low income matched savings accounts and an expansion will increase the lifetime financial match limit from \$6,000 to \$9,000.

Coordination & Local Community Resource Hubs

Investment
FY 2022-23:
\$3.9 million
FY 2024-25:
\$37.9 million

Up to 102
hubs
statewide

6 FTEs

- Series of investments into Community Action Agencies and Tribal Nations to create community resource hubs to better connect individuals to services and supports.
- Funds physical locations that will support relationship-based, culturally appropriate program and service navigation.
- When fully implemented it is anticipated there will be over 100 community resource sites.



Child care

Increase CCAP rates to 75th percentile

Investment
FY 2022-23:
\$64,000
FY 2024-25:
\$275 million

68% of
children
served by
CCAP are
children of
color

0.5 FTE

- Increases the Child Care Assistance Program (CCAP) Rates to the 75th percentile of the 2021 market survey effective October 3, 2022.
- CCAP serves approximately 15,000 families and 30,000 children each month.
- Increases access to affordable, quality child care for families receiving CCAP.

Forecasting Basic Sliding Fee CCAP

Investment
FY 2022-23:
\$81,000
FY 2024-25:
\$467.6
million

CCAP helps
ensure
children are
prepared to
enter school

4.5 FTEs

- Forecasts the Child Care Assistance Basic Sliding Fee program to allow all individuals who meet the income and other eligibility criteria to access the program starting in fiscal year 2024.
- An estimated additional 16,000 families would be served by this program when fully implemented.
- Ensures families and children can access CCAP without being put on a waitlist.

Changing the CCAP Definition of Family

Investment
FY 2022-23:
\$56,000
FY 2024-25:
\$37.423
million

May reduce
racial
disparities
in out-of-
home care

0 FTEs

- This proposal would allow foster care families, relative custodians, successor custodians, and guardians to access the Child Care Assistance Basic Sliding Fee program to receive increased financial support for child care.
- Achieves more equitable outcomes for children and families of color and American Indian children and families by increasing access to the CCAP for relative caregivers.

Building Child Care Capacity/Financial Hardship Child Care Stabilization Grants



Investment
FY 2022-23:
\$31.7 million
FY 2024-25:
\$71.3 million

Informed
by the
Family
Child Care
Task Force

5.5 FTEs

- Additional funding for the financial hardship child care stabilization grants extends the availability after federal funds made available from the American Rescue Plan are exhausted to ensure the continued availability of child care slots.
- Part of a broader effort to increase the number of Minnesota families with adequate access to child care.



Food support

Tribal Food Sovereignty

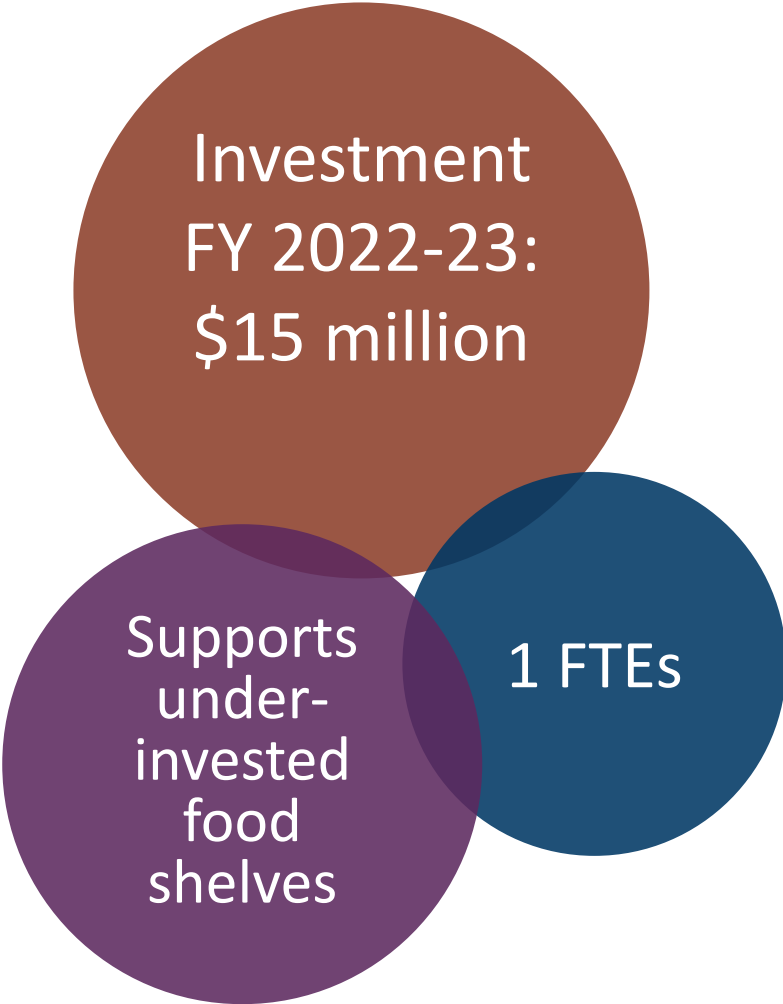
Investment
FY 2022-23:
\$7 million
FY 2024-25:
\$5 million

Recognizes
and
promotes
sustainabili
ty

2 FTEs

- Improves access to food security programs within tribal and American Indian communities.
- Builds capacity for these governments and organizations to provide access to culturally relevant food supports.

Capital for Food Distribution Facilities



Investment
FY 2022-23:
\$15 million

Supports
under-
invested
food
shelves

1 FTEs

- Provides grant funds to improve and expand food shelf facilities throughout the state through capital improvements.

Food Support Grants

Investment
FY 2022-23:
\$5 million
FY 2024-25:
\$3 million

Application
assistance
referrals
are up 40%

0 FTEs

- Provides additional funding to food shelves, food banks, and meal programs to purchase, store, transport, and process the distribution of food to individuals and families.
- Funds may also be used to provide outreach and application assistance to ensure eligible Minnesotans who are not enrolled in SNAP can receive SNAP benefits.



Child welfare

Investments in Child Welfare Prevention and Systemic Needs

Investment
FY 2022-23:
\$4.2 million
FY 2024-25:
\$93.2 million

Promotes
family and
child well-
being

21 FTEs

- Reduces the number of children entering the child welfare system.
- Expands several programs with the goal of expanding the reach of these programs and making child welfare prevention a greater focus.

Preserving American Indian Families

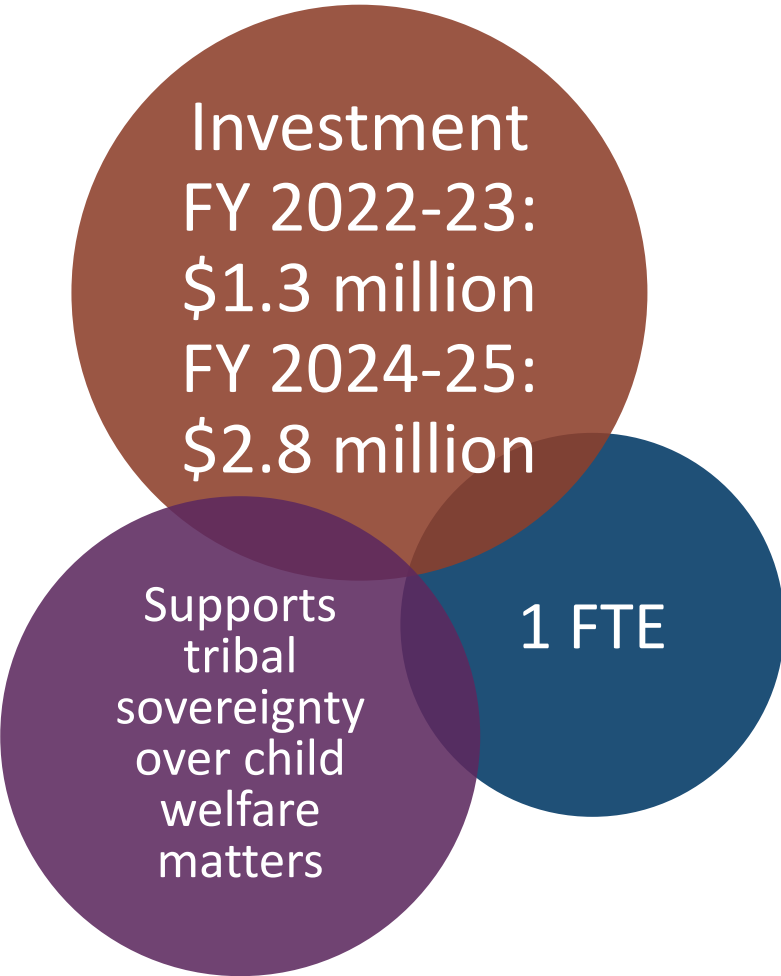
Investment
FY 2022-23:
\$846,000
FY 2024-25:
\$1.9 million

Increases
county
compliance
with child
welfare
requirements

12 FTEs

- Additional staff in the agency's Indian Child Welfare Act (ICWA) compliance unit are needed to expand and strengthen existing work of addressing the rate of American Indian children entering the state's child welfare system.

American Indian Child Welfare Initiative Planning – Mille Lacs Band of Ojibwe



- Supports the Mille Lacs Band of Ojibwe’s implementation of Minnesota’s American Indian Child Welfare Initiative.
- Funds will provide resources for the Mille Lacs Band of Ojibwe Family Services to hire staff to manage the growth in administrative and direct care programs.

Families First Implementation Phase 3

Investment
FY 2022-23:
\$516,000
FY 2024-25:
\$784,000

Supports
children and
families and
prevents
foster care
placements

3 FTEs

- This recommendation provides additional state staff to implement new or expanded Title IV-E eligible prevention services, provides funding to operationalize the IT requirements of FFPSA, and creates a new grant program to pay for individuals to retain their Child and Adolescent Needs and Strengths (CANS) tool certification.



Licensing and compliance

Critical Resources for Licensing

Investment
FY 2022-23:
\$2.9 million
FY 2024-25:
\$6.2 million

Ensures
health and
safety of
vulnerable
adults and
children

43 FTEs

- Additional licensing staff are needed in order to respond to the growth in the number of foster care and home and community based licensed services (HCBS).
- Providing additional staff will decrease the time it takes to conduct HCBS licensing visits, increase the timeliness of foster care reviews, and support the agency meeting statutory timelines for maltreatment complaints.

Emergency Background Study Credit



Investment
FY 2022-23:
\$3.6 million

Addresses
165,000
emergency
studies

0 FTEs

- One-time funding to credit providers for costs incurred from emergency background studies conducted during the peacetime emergency following resubmission of studies for federal and state compliance.

Continuous Improvement and Compliance Expansion



Investment
FY 2022-23:
\$1.5 million
FY 2024-25:
\$3.3 million

Improves
business
processes

19 FTEs

- Additional resources for financial audits and contracting divisions will be used to hire additional auditors and contract staff to ensure compliance, auditing, and reports are carried out agency wide, leading to increased efficiency and reduced waste.

Service Delivery Transformation Continuation

Investment
FY 2022-23:
\$77.5 million

Agency-
wide
transition
to a more
agile IT

68 FTEs

- Funding to support IT systems work to transform human service delivery to create an integrated, person-centered experience.
- This includes IT work on the MNbenefits application for expansion to additional programs, and investments to strengthen the state's existing IT infrastructure and new vendor supported systems.

Direct Care and Treatment Electronic Health Record



Investment
FY 2022-23:
\$8.9 million
FY 2024-25:
\$7.6 million

DCT serves
12,000
patients/
clients per
year

25 FTEs

- Continue the development of an electronic health record system for Direct Care and Treatment (DCT).
- This moves DCT towards compliance with a Department of Health mandate to have an electronic health record system.



EQUAL JUSTICE UNDER LAW

Other proposals

Other proposals

- Legalizing Adult Use Cannabis
- TANF Maximization

Thank You!