

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Health and Human Services

Human Services

Workforce Incentive Fund for Caring Professions

The Governor recommends revitalizing the state's behavioral health, disability, housing, and older adult workforce by establishing a workforce incentive fund. This fund could be used to offer additional compensation, including but not limited to hiring bonuses, financial assistance for post-secondary education (loans and scholarships), and child care assistance. Employers in these industries would be allowed to apply for grants to deliver these incentives to employees who have been employed for six months or longer and who meet certain wage thresholds.

General	Expenditures	\$115,224	\$0
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Increasing Health Care Affordability for Minnesotans

The Governor recommends creating a MinnesotaCare buy-in. This allows individuals whose incomes are too high to be eligible for regular MinnesotaCare to purchase into the program. This recommendation also seeks to strengthen the state's existing public health care programs and improve the enrollee experience by making systems improvements that will be necessary to implement the buy-in and other recommended changes, establishing funding for community-driven health care improvements, and simplifying the MinnesotaCare premium scale to maintain the current American Rescue Plan Act (ARPA)-reduced premiums past the end of 2022.

Health Care Access	Expenditures	\$47,825	\$97,943
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Coverage for Undocumented Children

The Governor recommends expanding the MinnesotaCare program to provide coverage to undocumented children under the age of 19 beginning January 1, 2024. This state-only funded MinnesotaCare expansion is estimated to provide health care access for an average of 1,700 additional children.

Health Care Access	Expenditures	\$1,591	\$12,176
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Provide Continuous MA Eligibility for Children Under 21

The Governor recommends changing Medical Assistance (MA) eligibility for children under 21 to offer children 12 months of continuous coverage. Once determined eligible, children will retain coverage for 12 months until they turn 21, or no longer reside in the state, requests the state cancel their coverage, or pass away. At the end of the 12-month period, the child's eligibility will be redetermined following standard MA eligibility renewal policies, including closure if the child is no longer eligible. If eligibility is renewed, the child is again enrolled in Medical Assistance for a new 12-month period. This change is expected to result in an average of an additional 15,888 children a month retaining their MA coverage.

General	Expenditures	\$6,497	\$74,687
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Human Services

Stabilizing Working Minnesotans

The Governor recommends changes to how the state calculates benefits for the Minnesota Family Investment Program (MFIP) and General Assistance (GA) to provide more consistent financial support to lower income Minnesotans. This change will set MFIP benefits based upon six month reporting periods rather than monthly income reporting. This recommendation will also set benefits based upon income from the last 30 days rather than income from two months prior. These changes will align MFIP and GA rules with Supplemental Nutrition Assistance Program (SNAP) and Housing Support program rules.

General	Expenditures	\$967	\$34,132
Federal TANF	Expenditures	\$529	\$40,957

Addressing Deep Poverty

The Governor recommends advancing initiatives to ensure people living in deep poverty are offered supports to meet their basic needs. This proposal increases General Assistance for the first time since 1986 by indexing the benefits to an annual cost of living adjustment. This would raise the maximum GA benefit from \$203 per month to \$344 per month. This proposal also disregards pandemic periods from the Emergency General Assistance formula, making it more equitable for Tribes and Counties and streamlines the standard for lead agency overpayment errors.

General	Expenditures	\$82	\$46,080
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ESP Funding for Shelter Services

The Governor recommends additional funding for the Emergency Services Program (ESP) to support Minnesota adults, youth, and families experiencing homelessness. This investment will increase shelter capacity and services across the state, giving shelter providers that were under financial strain even before the COVID-19 pandemic the resources necessary to support increased operations costs, manage safe facilities, and deliver enhanced services to Minnesotans experiencing homelessness.

General	Expenditures	\$35,000	\$60,000
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Service Delivery Transformation Continuation

The Governor recommends funding to support continued efforts to transform the human service delivery system towards an integrated, person-centered experience for individuals and families accessing human services programs. Funding will be used to advance the strategy, recommendations and roadmap that were developed by external IT consultants in partnership with DHS, MNIT, counties and tribes. This recommendation will significantly change how the agency and its partners manage business transformation and system modernization activities and is centered on outcomes and people being served.

General	Expenditures	\$77,516	\$0
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Human Services

Critical Resources for Licensing

The Governor recommends investing in additional licensing staff to respond to the growth in the number of foster care and home and community-based services (HCBS) licensed programs and related maltreatment and licensing complaints. The Licensing Division in the Office of Inspector General performs a critical role in ensuring the health and safety of the vulnerable adults and children receiving services through licensing reviews and maltreatment investigations. Licensed programs and investigations have increased significantly while staffing has failed to keep pace with this growth. This proposal will decrease the time it takes to conduct HCBS licensing visits from once every 4.5 years to every 3 years, increase timeliness of reviews of foster care license applications and licensing actions, and ensure that the department meets statutory timelines for maltreatment complaints.

General	Expenditures	\$2,923	\$6,260
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Forecasting Basic Sliding Fee Child Care Assistance Program

The Governor recommends forecasting 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. Through forecasting individuals will not have to wait until funds are available to access the program and would eliminate waiting lists for the program. When fully implemented it is estimated an additional 16,000 families would be served by this program.

General	Expenditures	\$81	\$467,618
Federal TANF	Expenditures	\$0	\$47,000

Increase CCAP Rates to 75th Percentile

The Governor recommends increasing 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. The Governor also recommends automatically updating rates to the 75th percentile of the most recent market starting January 1, 2025 and every three years thereafter.

General	Expenditures	\$64	\$275,267
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CCAP Family Definition

The Governor recommends altering the definition of family under the Child Care Assistance Program (CCAP) to include foster care families, relative custodians, successor custodians, and guardians. This proposal would allow these individuals to access the Child Care Assistance Basic Sliding Fee program to receive increased financial support for child care. It is anticipated an additional 2,000 families would be eligible for the basic sliding fee as a result of this proposal.

General	Expenditures	\$56	\$37,423
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Human Services

Building Child Care Capacity/Grants to Stabilize Child Care Providers

The Governor recommends additional funding for grants to support child care providers experiencing financial hardship. The ongoing COVID-19 pandemic continues to place financial burdens upon child care providers. This proposal would extend the availability of additional financial support for child care providers after federal funds made available from the American Rescue Plan (ARP) are exhausted to ensure the continued availability of child care slots. This proposal also extends funding for local child care support services originally developed using ARP funds, including technical assistance for child care providers, training and recruitment of qualified staff to work in the child care sector, child care shared services alliances, and support for provider business practices through technology access and supports.

General	Expenditures	\$31,703	\$71,379
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Interaction of Child Care program changes

This recommendation reflects the additional cost of implementing the following three proposals in conjunction with one another: forecasting the basic sliding fee child care assistance program, setting rates at the 75th percentile of the most recent market survey, and changing the family definition in CCAP.

General	Expenditures	\$0	\$175,619
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Investments in Child Welfare Prevention and Systemic Needs

The Governor recommends a series of investments to reduce the number of children entering the child welfare system. These investments will also better ensure that when children have entered the child welfare system that they are more likely to remain safely at home with their parents or, if removal is necessary, placed into care with relatives or kin. This recommendation expands several programs with the goal of supporting more families by expanding their and making prevention and family preservation a central focus. This includes an expansion of the Parent Support Outreach program to schools and community-based agencies, expansion of Family Group Decision Making, expansion of the Parent Mentors program's prevention activities, and increasing the state's contribution to Family Assessment Response, which all support children remaining safely in their homes and provides more funding to counties and tribal governments.

General	Expenditures	\$4,274	\$93,226
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Preserving American Indian Families

The Governor recommends funding to address the rate of American Indian children entering the state's child welfare system. This proposal would add staff to the agency's Indian Child Welfare Act (ICWA) compliance unit to expand and strengthen existing work. This proposal adds staff to expand prevention and early intervention work, resolve the backlog of ICWA non-compliance complaints, develop a human trafficking response specific to Indian children, young adults, and families, and manage updates to the Tribal State Agreement. It also adds an attorney specializing in ICWA and laws impacting Indian children in the Child Protection system.

General	Expenditures	\$846	\$1,926
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Human Services

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

The Governor recommends funding to the Mille Lacs Band of Ojibwe for support the tribal government's implementation of Minnesota's American Indian Child Welfare Initiative. Once fully implemented in fiscal year 2025, the tribal government will begin receiving child welfare cases from counties to offer culturally based services. This recommendation funds a two-phase approach to support tribal capacity to develop a federally reimbursable, tribally administered foster care and child welfare service. These 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.

General	Expenditures	\$1,336	\$2,837
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Family First Implementation Phase 3

The Governor recommends additional investments to support the implementation of the federal Family First Prevention Services Act (FFPSA). 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.

General	Expenditures	\$516	\$784
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Connecting Minnesotans to Services and Supports

The Governor recommends connecting Minnesota children and families to additional services and supports. The funding would create a temporary two-year expansion of existing community support services to serve an additional 5,000 households. This proposal includes funding for a multilingual statewide helpline that will help connect people to community services and supports during the pandemic and post-pandemic recovery period, and additional resources for programs currently administered by the Resettlement Programs Office at the department. Additionally, this proposal funds outreach and research aimed at addressing systemic economic barriers for children living in poverty by improving the take up rate of Minnesota families for the child tax credits.

General	Expenditures	\$5,607	\$5,607
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Building Assets for Minnesota Families

The Governor recommends an expansion of the Family Assets for Independence in Minnesota program. This program gives Minnesotans with low income matched savings accounts. This program expansion will increase the lifetime financial match limit from \$6,000 to \$9,000, allow tribal nations and 501(c)(3) organizations to administer to program, allow participants to contribute to 529 college savings plans, and allow participants to contribute to emergency savings account for unexpected expenses.

General	Expenditures	\$5,000	\$10,000
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Human Services

Coordination & Local Community Resource Hubs

The Governor recommends a series of investments into Community Action Agencies and Tribal Nations to create community resource hubs to better connect families to services and supports. This recommendation funds physical locations that will support relationship-based, culturally appropriate program and service navigation. These sites will be geographically disbursed across the state with each agency eligible for up to three funded site partners. Current community Resource Hubs will be included as site partners moving forward. When fully implemented it is anticipated there will be over 100 community resource sites.

General	Expenditures	\$3,573	\$37,946
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Tribal Food Sovereignty

The Governor recommends providing funding to Tribal Nations and American Indian organizations to improve access to food security programs within tribal and American Indian communities. This funding will assist in building capacity for these governments and organizations to provide access to culturally relevant food supports. This recommendation will provide resources for capital and infrastructure development, funding for food security, and support for culturally relevant training for building food access and sustainability.

General	Expenditures	\$7,000	\$5,000
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Food Support Grants

The Governor recommends providing additional funding to food shelves, food banks, and meal programs to purchase, store, transport, and process the distribution of food to individuals and families. These funds may also be used to purchase personal protective equipment, hygiene supplies, and other COVID-mitigation strategies including no or low-contact distribution methods. These 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.

General	Expenditures	\$5,000	\$3,000
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Capital For Emergency Food Distribution Facilities

The Governor recommends providing grant funds to improve and expand food shelf facilities throughout the state through capital improvements. These funds can be used to add freezer space and dry storage space, improve the safety and sanitation of existing food shelves, and address on-going wear-and-tear and deferred maintenance of existing food shelves. This recommendation includes administrative resources to manage these grants.

General	Expenditures	\$15,000	\$0
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Human Services

Expanding Children's Inpatient Psychiatric and PRTF Beds

The Governor recommends funding to retain, create, or expand children's inpatient psychiatric and psychiatric residential treatment facility beds. The funding would be issued through a competitive request for proposal process to hospitals or mental health providers to retain, build or expand existing facilities to add beds for children in need of acute psychiatric care.

General	Expenditures	\$10,490	\$15,948
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Expanding Support for Psychiatric Residential Treatment Facilities (PRTFs)

The Governor recommends additional funding for startup grants for new Psychiatric Residential Treatment Facilities. These facilities provide active treatment at an inpatient level of care under the direction of a physician, seven days per week, to youth under age 21 with complex mental health needs and their families, based on medical necessity. This recommendation also expands the allowable uses of start-up grants to include emergency workforce shortage uses, as determined by the Commissioner.

General	Expenditures	\$954	\$1,934
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Expanding Mobile Transition Units and Person Centered Discharge

The Governor recommends expanding mobile transition units and strengthening person-centered discharge planning activities. This recommendation expands mobile transition units to include both adults and children in emergency departments and inpatient hospital settings to transition them to an appropriate level of care. This recommendation also funds certified individuals to work with adults, children and their parents, to develop person-centered transition planning as part of discharge planning.

General	Expenditures	\$540	\$1,374
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Expanding Intensive Treatment in Foster Care

The Governor recommends expanding eligibility for the Intensive Treatment in Foster Care Medical Assistance service to include children at risk of an out-of-home placement. This expanded program will be called Children's Intensive Behavioral Health Services. This investment will allow for earlier interventions, reducing the need for children to be separated from their families and placed in foster care or residential treatment. It is anticipated this new service will expand the number of children and families served from 175 to 800 a year.

General	Expenditures	\$372	\$12,766
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American Indian Culturally Responsive Rate in EIDBI

The Governor recommends changing eligibility for an enhanced reimbursement for Early Intensive Developmental Behavioral Intervention (EIDBI) services to promote culturally responsive care offered to American Indian children. This recommendation adds that, in addition to non-English language fluency, a provider may receive the enhanced rate if they are certified by a tribal nation.

General	Expenditures	\$3	\$30
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Human Services

Expanding First Episode Psychosis (FEP) and Developing an Emerging Mood Disorders Program

The Governor recommends expansion of the First Episode Psychosis grant program and the creation of an emerging mood disorder program. First Episode Psychosis programs serve people 15 to 40 years old with early signs of psychosis. The Emerging Mood Disorder program would use evidence-informed interventions for youth and young adults who are at risk of developing a mood disorder or are experiencing an emerging mood disorder.

General	Expenditures	\$2,000	\$4,000
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Children's Mental Health Community of Practice

The Governor recommends creating a Community of Practice focused exclusively on children's mental health issues. This network of families, advocates, researchers, providers, and other professionals will be tasked with identifying shared solutions to behavioral health issues facing children. This collaboration will attempt to identify gaps in children's behavioral health services, enhance collective knowledge, and inform changes to improve outcomes.

General	Expenditures	\$245	\$512
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Expanding Mobile Crisis Grants and Transition to Community Initiative

The Governor recommends additional, ongoing funding of mobile crisis grants and the Transition to Community Initiative. Mobile crisis grants strengthen the state's mobile crisis infrastructure and help improve access to crisis services by supporting counties and tribes to staff 24-hour mobile crisis lines. The Transition to Community Initiative assists people exiting Anoka-Metro Regional Treatment Center, community mental health psychiatric units, and Community Behavioral Health Hospitals, as well as people who are on the Forensic Mental Health Program. These programs were expanded during the 2021 legislature, and those expansions currently end in fiscal year 2024. This recommendation makes those expansions permanent.

General	Expenditures	\$0	\$20,444
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Rate Increase for Adult Day Treatment Services

The Governor recommends a rate increase for adult day treatment services. Adult day treatment services stabilize an individual's mental health and improve independent living and socialization skills. A rate increase for this service will ensure that providers are able to continue serving individuals so they can live in the community. Payment rates would increase by 50 percent effective January 1, 2023.

General	Expenditures	\$261	\$1,350
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Human Services

Children's Mental Health Respite Grant Clarifications

The Governor recommends redefining the scope of allowable expenses under the Children's Mental Health Respite Care grant program to include forms of respite care services that are family-centered and culturally affirming. The proposal also increases access for children who are already in out-of-home placement, but who are at risk of a change in placement or a higher level of care due to their mental health conditions. Respite care grants provide temporary relief to families of children with emotional disturbances or severe emotional disturbances.

General	Expenditures	\$0	\$0
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Substance Use Disorder Direct Access Implementation and 1115 Compliance

The Governor recommends the complete transition to Substance Use Disorder direct access, allowing individuals to seek out their provider of their choice for substance use disorder treatment. This reform will increase access to critical treatment services and ensure compliance with federal guidelines. The proposal revises Minnesota Statutes related to Direct Access implementation, repurposes administrative funds for counties and tribal nations, and adds American Society of Addiction Medicine service definitions.

General	Expenditures	\$543	\$1,363
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OERAC Updates

The Governor recommends changes to the Opiate Epidemic Response Advisory Council (OERAC) composition and the Opiate Epidemic Response Fund distribution of funds.

This includes expanding the membership of OERAC to include a representative from all 11 federally recognized American Indian tribes. Currently, only two have membership with OERAC. Additionally, it would require that 40 percent of the OERAC grants are awarded to projects that have culturally-specific or culturally responsive components. The proposal would continue existing funding for traditional healing grants in the base, starting in FY 2025, which are currently set to expire. The proposal includes funds for grant administration and for establishing a reporting structure for counties and cities to monitor promising practices as the OERAC makes recommendations on statewide strategies to address the opiate epidemic.

Opiate Epidemic Response	Expenditures	\$539	\$3,078
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Human Services

Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for the Department of Human Services. A new Cannabis Management Office would be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation includes funding for the department to establish and administer the Substance Use Disorder Advisory Council whose purpose will be to develop and implement a comprehensive statewide approach to substance use disorder prevention and treatment. This recommendation establishes a substance use disorder treatment and prevention grant account and provides grant funding starting in FY 2024. This recommendation also includes administrative funding to provide for the expungement of non-violent offenses involving cannabis.

General	Expenditures	\$1,354	\$10,704
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Housing Support for Adults with Serious Mental Illness Program Expansion

The Governor recommends expanding the Housing Support for Adults with Serious Mental Illness (HSASMI) program. The program provides support services to individuals with substance use disorders who are also homeless, long-term homeless, or at-risk for homelessness. These services help individuals to transition to and sustain permanent supporting housing.

General	Expenditures	\$3,073	\$6,168
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PATH Program Expansion

The Governor recommends expanding the Projects for Assistance in Transition from Homelessness (PATH) program. The program provides outreach and support services for individuals with serious mental illness who are experiencing homelessness, particularly individuals who are living in encampments, under highways or bridges, and other areas that are not fit for human living.

General	Expenditures	\$5,000	\$10,000
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Homeless Youth Act Expansion

The Governor recommends expanding services under the Homeless Youth Act (HYA). This is the primary program to assist homeless youth around the state. This additional investment in the HYA would enhance the supports provided to youth and young adults in need of assistance and increase the number of housing units for youth experiencing homelessness. This proposal also places an emphasis on young parents who are homeless and LGBTQ+ youth, who are disproportionately homeless compared to other young people.

General	Expenditures	\$0	\$11,238
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Human Services

Housing Transition Services through Housing Stabilization Services

The Governor recommends ongoing funding to assist people using Housing Stabilization Services Medical Assistance benefit as they move to stable housing in the community. The proposal would provide up to \$3,000 per individual in moving assistance to cover rent or security deposits, utility set-up, and home furnishing. The current appropriation is temporary and is set to expire on March 31, 2024.

General	Expenditures	\$0	\$2,298
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Housing Stabilization Services Eligibility Staff

The Governor recommends establishing permanent funding for additional staffing that assess eligibility for individuals applying for Housing Stabilization Services financial assistance. The current appropriation is temporary and is set to expire on March 31, 2024.

General	Expenditures	\$0	\$763
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Community Living Infrastructure Program

The Governor recommends permanent funding for the Community Living Infrastructure Program. This grant program offers financial assistance to individuals with disabilities struggling with housing stability so they can move out of group homes or other congregate settings and return to permanent housing in the community. The program can cover rent and security deposits, utility set-up, and furnishing costs. The current appropriation is temporary and is set to expire on March 31, 2024.

General	Expenditures	\$0	\$11,000
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Increase Transitional Housing Program

The Governor proposes expanding the existing transitional housing program. This program is the primary state program that funds temporary housing and wrap-around support services for individuals and families experiencing homelessness as they prepare to transition to long-term housing stability. The funds would be used to expand existing services, particularly in preventative programming.

General	Expenditures	\$0	\$3,000
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Joint Homelessness Prevention Initiative

The Governor recommends an extension of current funding for the Joint Homelessness Prevention Initiative sponsored by the Department of Corrections (DOC) and the Department of Human Services (DHS). This proposal would maintain two temporary staff positions funded under DHS. The 2017 initiative was established to work with individuals identified as being at high risk of recidivism and to assist them in applying for public assistance benefits.

General	Expenditures	\$0	\$209
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AmeriCorps Heading Home Corps Initiative

The Governor recommends investing in a state match to help fund 100 positions for non-profits participating in the AmeriCorps Heading Home Corp Initiative. The initiative is a federal grant program that has provided 100 volunteers across 40 different shelter sites across Minnesota. Staff help individuals experiencing homelessness with navigating and accessing resources to permanent housing. This funding would provide the state-match requirement to ensure the positions continue to serve beyond 2022.

General	Expenditures	\$1,100	\$2,200
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Staff Position in the Housing Division for Stakeholder Engagement

The Governor recommends funding for additional staffing to assist in the administration of housing assistance programs. The position would assist with current and new programming, with a focus on community outreach and equity.

General	Expenditures	\$71	\$162
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Housing Workforce Study

The Governor recommends funding for the Department of Employment and Economic Development (DEED) and Department of Human Services (DHS) to work with Minnesota Housing and the Minnesota Interagency Council on Homelessness to survey and study the housing/shelter industry. This would include employees who work at shelters, transitional housing settings, street outreach, and site-based housing for the long-term homelessness.

General	Expenditures	\$188	\$194
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Homeless Management Information System

The Governor recommends funding to assist with the ongoing maintenance and improvement of the Homeless Management Information System (HMIS). The database supports programs across multiple agencies to serving individuals experiencing homelessness and allows the state to partner with other stakeholders to track progress and determine the best ways to target resources to meet the needs of this population.

General	Expenditures	\$1,600	\$4,000
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Enhancing MHCP COVID-19 Vaccination Rates

The Governor recommends funding for community outreach grants to support trusted messenger programs and culturally informed community-based providers to encourage vaccination against COVID-19 and other communicable diseases among Medical Assistance and MinnesotaCare enrollees. Department data shows that Minnesotans who get their health care coverage through the state's public health care programs had far lower COVID-19 vaccination rates than Minnesotans as a whole.. Allowable activities will include a variety of outreach methods to encourage vaccination, answer questions, and address misinformation. This proposal assumes that 50% of the costs of this program will be reimbursed by the federal government under recent guidance from CMS.

General	Expenditures	\$1,116	\$0
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Medical Assistance for Former Foster Care Youth

The Governor recommends expanding Medical Assistance (MA) eligibility to include former foster care youth who were enrolled in Medicaid in another state to comply with federal law. The federal Substance-Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act requires Minnesota to cover former foster care youth, ages 18-26 who were in foster care and enrolled in Medicaid on their 18th birthday in another state. Minnesota has already adopted this expansion for former foster care youth who lived in Minnesota on their 18th birthday and were enrolled in MA when they left foster care as part of the requirements of the Affordable Care Act.

General	Expenditures	\$792	\$316
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Remove Doula Supervision Requirement

The Governor recommends removing the requirement that doulas be supervised by a licensed provider to be eligible for payment under the medical assistance program. Removing this requirement seeks to expand access to doula care which is linked to better maternal and postpartum outcomes. As a result of this change, doulas will now directly enroll as providers and receive direct payment from the state.

General	Expenditures	\$20	\$70
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Continuous Improvement and Compliance Expansion

The Governor recommends funding to hire additional staff in the department's continuous improvement, contracts and legal compliance, and internal audit divisions. This investment will allow the department to meet the increasing internal demand for continuous improvement expertise and to staff critical internal control functions. Increasing staff capacity in these business areas will allow the department to increase efficiency, reduce waste, and address gaps in centralized business functions that are contributing to audit findings.

General	Expenditures	\$1,543	\$3,326
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Background Studies Emergency Background Study Credit

The Governor recommends funding to credit DHS-regulated providers for costs incurred from emergency background studies conducted during the peacetime emergency following resubmission of studies for full federal and state compliance. During the peacetime emergency, the department temporarily waived and modified statutes governing the submission of background studies for regulated programs. While these statutory modifications ensured regulated providers were able to continue to provide critical services during the peacetime emergency, the modifications were only temporary and require every employee working under a cleared emergency background study to submit a new statutorily compliant study by July 2, 2022 to continue working in these programs.

General	Expenditures	\$3,630	\$0
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Direct Care and Treatment Electronic Health Record

The Governor recommends funding to continue the development of an electronic health record system for the department's Direct Care and Treatment programs. Currently, Direct Care and Treatment is not compliant with a Department of Health mandate to have an electronic health record system. This recommendation funds a two phased approach to create a functioning electronic system and then integrating the electronic records across the entire health care system to provide more integrated care. This project is expected to be complete by the end of fiscal year 2025.

General	Expenditures	\$8,919	\$7,685
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Supporting Drug Pricing Litigation Costs

The Governor recommends one-time funding to reimburse the department for drug pricing litigation costs. The department was subpoenaed as a part of a pharmaceutical drug price litigation case brought by the Minnesota Attorney General's Office. The department was required to hire a third-party vendor to assist in collecting the documentation, as the timeline to produce the documents was not feasible for current staff on-top of other administrative duties. This request would reimburse the department for its contracting costs to comply with the subpoena.

General	Expenditures	\$228	\$0
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Adjust HCAF Appropriation for Medical Assistance

The Governor recommends increasing the Health Care Access Fund appropriation for Medical Assistance (MA). A corresponding decrease in MA spending occurs in the general fund to fund other health care priorities.

General	Expenditures	(\$14,353)	\$0
Health Care Access	Expenditures	\$14,353	\$0

TANF Maximization

The Governor recommends using TANF funds to pay for current law general fund spending that are TANF eligible. This recommendation makes general funds available to support other priorities in the Governor's recommendation related to children and families.

General	Revenues	\$26,000	\$52,000
Federal TANF	Expenditures	\$26,000	\$52,000