

# 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 Revitalization - Revised

The Governor recommends revitalizing the state's disability, substance use disorder, housing, and older adult workforce by incorporating multiple strategies to retain and attract the workforce. This proposal establishes a workforce incentive fund to cover retention payments, post-secondary costs, transportation, and child care costs. Employers can apply for grants to deliver these incentives to employees who have been employed for six months or longer and who meet certain wage thresholds. The proposal also recommends ongoing provider rate increases for the Personal Care Assistance (PCA) and Community First Services and Supports (CFSS) programs. Lastly, this proposal includes funding to improve Direct Support Connect and to expand the Culture of Safety Initiative. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$19.984 million in FY 2022-23 and \$79.289 million in FY 2024-25.

General	Expenditures	\$135,208	\$79,289
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##### Workforce Revitalization: Behavioral Health Workforce and Support - New

The Governor recommends funding a combination of strategies to support the Behavioral Health Workforce. This proposal funds the cost of interns and clinical trainees' supervision, reimburses staff for master's degree tuition costs, and funds licensing and exam fees by adding funding to the Cultural & Ethnic Workforce Infrastructure Grants (CEMIG) and creating a new provider grant. This proposal also provides a grant program to fund training for mental health, recovery and family peers to expand the peer workforce. Drawing upon lived experience, peer services compliment clinical services through advocacy and promotion of personal responsibility, self-awareness, and hope. Lastly, this proposal creates a Workforce Incentive Fund grant specifically for mental health providers to fund workforce-related costs.

General	Expenditures	\$31,298	\$22,680
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##### Responding To COVID-19 In Minnesota Health Care Programs - New

The Governor recommends a series of investments to manage the state's return to normal eligibility procedures in the medical assistance and MinnesotaCare programs after the end of federal public health emergency. The current extension of the emergency ends in April 2022. These changes are designed to minimize disruptions in coverage Minnesotans experience. This recommendation would provide statutory authority to stagger medical assistance renewals over 12 months after the public health emergency ends, extend the suspension of periodic data matching from 6 to 12 months after the public health emergency ends, temporarily bar the collection of MA-EPD premiums, and provide a 95 day window for individuals to spenddown assets accrued during the pandemic. This proposal also provides additional funds for health care navigators, and funds a contract to manage communications between the state and lead agencies regarding the unwinding of the public health emergency.

General	Expenditures	\$7,454	\$2,719
Health Care Access	Expenditures	\$2,000	\$1,000

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### Human Services

#### Increasing Health Care Affordability for Minnesotans - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$208,000 in FY 2022-23 and \$1.368 million in FY 2024-25.

Health Care Access	Expenditures	\$48,033	\$99,311
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#### Coverage for Undocumented Children - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$1.787 million in FY 2024-25.

Health Care Access	Expenditures	\$1,591	\$13,963
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#### Provide Continuous MA Eligibility for Children Under 21 - Revised

The Governor recommends expanding 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.

This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$5.373 million in FY 2022-23 and \$33.752 million in FY 2024-25. This change reflects a revision to the assumption around the length of time needed to complete the needed IT systems work and federal approvals to implement this change. This recommendation would be implemented by January 2024.

General	Expenditures	\$1,124	\$40,935
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### Human Services

#### Stabilizing Working Minnesotans - Revised

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.

This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The general fund cost of the proposal decreased by \$304,000 in FY 2022-23 and \$15.494 million in FY 2024-25. The TANF fund cost of the proposal decreased by \$522,000 in FY2022-23, and \$18.487 million in FY2024-25. This change reflects a revision to the assumption around the length of time needed to complete the needed IT systems work. This recommendation would be implemented by March 2024.

General	Expenditures	\$663	\$18,638
Federal TANF	Expenditures	\$7	\$22,470

#### Addressing Deep Poverty - Repriced

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 approximately \$203 per month to \$355 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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$572,000 in FY 2024-25.

General	Expenditures	\$82	\$45,508
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#### Emergency Services Program Funding for Shelter Services - Revised

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. The proposal also would amend Minnesota Statute to make tribal nations eligible for ESP funds. Lastly, this proposal would create emergency funding for local and tribal governments and nonprofits to avoid losing current bed capacity funded by pandemic aid. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$20 million in FY 2022-23.

General	Expenditures	\$55,000	\$60,000
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# 2022 Governor's Supplemental Budget Recommendations

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### Human Services

#### 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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#### 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 - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$12,000 in FY 2024-25.

General	Expenditures	\$81	\$467,630
Federal TANF	Expenditures	\$0	\$47,000

#### Increase CCAP Rates to 75th Percentile - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$13,000 in FY 2022-23, and \$8.027 million in FY2024-25.

General	Expenditures	\$51	\$267,240
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# 2022 Governor's Supplemental Budget Recommendations

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### Human Services

#### CCAP Family Definition - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$37,000 in FY 2024-25.

General	Expenditures	\$56	\$37,460
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#### Building Child Care Capacity/Grants to Stabilize Child Care Providers - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The repricing does not change the aggregate cost of the proposal.

General	Expenditures	\$31,703	\$71,379
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#### Interaction of Child Care Program Changes - Revised

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. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$689,000 in FY 2022-23, and \$1.477 million in FY 2024-25. This proposal now includes an interaction with the Governor's recommendation to expand Pre-K and the Stabilizing Working Minnesotans proposal.

General	Expenditures	(\$689)	\$174,142
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# 2022 Governor's Supplemental Budget Recommendations

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### Human Services

#### Investments in Child Welfare Prevention and Systemic Needs - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$105,000 in FY 2022-23, and \$130,000 in FY 2024-2025.

General	Expenditures	\$4,169	\$93,096
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#### Preserving American Indian Families - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$31,000 in FY 2022-23, and \$84,000 in FY 2024-25.

General	Expenditures	\$877	\$2,010
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#### American Indian Child Welfare Initiative Planning - Mille Lacs Band of Ojibwe - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$3,000 in FY 2022-23, and \$6,000 in FY 2024-2025.

General	Expenditures	\$1,339	\$2,843
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### Human Services

#### Family First Implementation Phase 3 - Repriced

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. This recommendation reflects arepriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$21,000 in FY 2022-23 and increased by \$2,000 in FY 2024-25.

General	Expenditures	\$495	\$786
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#### Connecting Minnesotans to Services and Supports - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$354,000 in FY 2022-23 and \$333,000 in FY 2024-25.

General	Expenditures	\$5,253	\$5,274
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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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#### Coordination & Local Community Resource Hubs - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$2,000 in FY 2022-23 and \$28,000 in FY 2024-25.

General	Expenditures	\$3,575	\$37,974
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# 2022 Governor's Supplemental Budget Recommendations

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FY 2022-23 FY 2024-25

### Human Services

#### Tribal Food Sovereignty - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$6,000 in FY 2022-23, and \$16,000 in FY 2024-25.

General	Expenditures	\$7,006	\$5,016
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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 - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$2,000 in FY 2022-23.

General	Expenditures	\$15,002	\$0
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#### Expanding Children's Inpatient Psychiatric and PRTF Beds - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$157,000 in FY 2022-23 and \$304,000 in FY 2024-25.

General	Expenditures	\$10,333	\$15,644
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# 2022 Governor's Supplemental Budget Recommendations

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### Human Services

#### 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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#### 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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# 2022 Governor's Supplemental Budget Recommendations

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### Human Services

#### 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. Funding and eligibility for these programs were expanded during the 2021 legislature, and the expansion is set to 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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#### 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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### Human Services

#### 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 treatment services from a provider of their choice. 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 level of care definitions.

General	Expenditures	\$543	\$1,363
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#### OERAC Updates - Revised

The Governor recommends changes to the Opiate Epidemic Response Advisory Council (OERAC) composition and the Opiate Epidemic Response Fund distribution of funds. This proposal expands the membership of OERAC to include a representative from all 11 federally recognized American Indian tribes and two representatives to represent urban American Indian communities. The proposal requires that going forward, 50 percent of OERAC have lived experience with opioid addiction. This proposal requires 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 and overdose prevention grants in the base, starting in FY 2025, which are currently set to expire. Lastly, this proposal includes funds for grant administration and for establishing a reporting structure for counties and cities to monitor promising practices. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$12,000 in FY 2022-23 and \$124,000 in FY 2024-25.

Opiate Epidemic Response	Expenditures	\$551	\$3,202
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#### Opioid Grant Program - New

The Governor recommends funding a temporary grant program for grants to smaller non-profits with an emphasis on organizations utilizing culturally-specific practices. The funding in these grants would address opioid addiction and the subsequent socioeconomic challenges people may face, such as housing, employment, and treatment. The program would require a community review, which means the Department would work with community stakeholders to discuss what policies are working and what additional actions and resources are needed for more progress.

General	Expenditures	\$2,122	\$2,132
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# 2022 Governor's Supplemental Budget Recommendations

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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. This proposal expands eligibility 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 so that people with substance use disorder are categorically eligible. The program currently provides outreach and support services for individuals with serious mental illness or co-occurring disorders who are experiencing homelessness, particularly individuals who are living in encampments, under highways or bridges, and other areas that are not fit for habitation.

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 extending funding for transitional housing costs covered through the Community Living Infrastructure (CLI) Program. Transitional costs can pay for rent and security deposits, utility set-up, and furnishing costs. The Community Living Infrastructure program supports counties and tribes to integrate housing into their human services infrastructure through funding for outreach, housing resource specialists, transition costs, and administration of the Housing Support program. The current appropriation for transitional housing costs as a part of CLI 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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## 2022 Governor's Supplemental Budget Recommendations

### All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

#### Human Services

##### 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 achieve 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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##### Codify FY 2022 Appropriation for Emergency Shelter Improvements - New

The Governor recommends codifying a fiscal year 2022 appropriation for emergency shelter to make the funds available for longer than the current fiscal year to complete work related to making capital improvements to emergency shelters.

General	Expenditures	\$0	\$0
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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Human Services

#### 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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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Human Services

#### Background Studies Emergency Background Study Credit - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, release January 2022. The cost of the proposal decreased by \$330,00 in FY 2022-23.

General	Expenditures	\$3,300	\$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 - Repriced

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. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$42,000 in FY 2022-23.

General	Expenditures	\$270	\$0
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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Human Services

#### Supporting Tribal Providers and Payments - New

The Governor recommends additional administrative resources to develop a federally compliant enrollment and payment methodology for tribal providers delivering medical assistance services outside the tribe's primary facility. In 2016, the Centers for Medicare & Medicaid Services (CMS) issued guidance to states that established requirements for tribal providers for services that are provided outside of the four walls of the tribe's main tribal clinic or facility. This guidance is known as the "Four Walls" policy. Tribal providers that comply with the requirements may be eligible to receive the federally established daily all-inclusive rate (AIR) at 100% federal financial participation (FFP) for services rendered to tribal members. When services are delivered in line with this policy, MA services delivered to tribal members are entirely paid for using federal funds. To be eligible for this enhanced funding, providers must enroll as a federal qualified health center. This proposal also directs the department to create an alternative payment methodology in line with the new federal government policies. Enforcement of this federal policy has been suspended until nine months after the end of the public health emergency.

General	Expenditures	\$636	\$356
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#### Supporting Urban American Indians in Minnesota Health Care Programs - New

The Governor recommends providing a grant to the Indian Health Board (IHB) of Minneapolis to support continued access to health care coverage, improve the quality of care, and to increase COVID-19 vaccination among urban American Indians. The IHB provides medical and dental care and counseling services to approximately 5,000 people in the Twin Cities area. These funds can be used to provide medical assistance application assistance, increased care coordination, and outreach/navigation by community health workers to address health care needs and other social drivers of health.

General	Expenditures	\$2,518	\$5,030
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#### Opioid Treatment Program (OTP) Rate Integrity - New

The Governor recommends updating the payment methodology for opioid treatment programs (OTP) rates. The new rates will unbundle the current OTP per diem, while allowing for a weekly drug bundle, with non-medication treatment services reimbursed separately. The Office of the Legislative Auditor and the Centers for Medicare and Medicaid services have indicated that the department is not in compliance with federal and state laws under the current payment structure. This proposal includes the administrative resources to implement the updated payment methodology and analyze data to better understand outcomes.

General	Expenditures	\$472	\$251
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#### SEIU Healthcare Bargaining - New

The Governor recommends funding required to implement changes made to the collective bargaining agreement between SEIU Healthcare and the State of Minnesota. This proposal also includes ongoing administrative costs related to bargaining with SEIU and the one-time expense of an arbitration award resulting from an SEIU grievance.

General	Expenditures	\$8,270	\$486
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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Human Services

#### Medical Assistance Clinical Trials - New

The Governor recommends expanding medical assistance coverage to conform with updated federal regulations to cover routine patient costs related to participation in a clinical trial. Many of these services when furnished outside a clinical trial setting would normally be covered by MA. The Department does not have sufficient information to develop a full fiscal estimate at this time.

General	Expenditures	\$0	\$0
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#### DHS Costs From MNsure IT Proposal - New

The Governor recommends additional staffing at the Department of Human Services to manage the IT transition related to the MNsure technology modernization recommendation. This recommendation provides additional health care staffing. These staff will be responsible for working on IT projects to decommission MNsure programs and help ensure METS preserves what is needed to support DHS programs. This investment is targeted at ensuring the MNsure modernization project does not impact eligibility assessments and does not impact medical assistance and MinnesotaCare users.

General	Expenditures	\$301	\$692
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#### Technical Changes to HCBS FMAP Projects - New

The Governor recommends technical changes to 2021 session law related to the implementation of Section 9817 of the American Rescue Plan Act (ARPA), which provides the state with a temporary enhanced federal medical assistance percentage (FMAP) on Medicaid expenditures for home and community based services (HCBS). The Department submitted a HCBS FMAP Plan for approval in the summer of 2021, and has received partial approval from the Centers for Medicare & Medicaid Services (CMS).

This proposal would (1) enable the Department to carryforward grant dollars in Fiscal Year 2022 to Fiscal Year 2023 and (2) specify that substance use disorder (SUD) rate increases passed by the 2021 Legislature are not contingent upon the CMS approval of the HCBS spending plan.

General	Expenditures	\$0	\$0
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#### Clarifying MHCP Enrollee Error Overpayments - New

The Governor recommends clarifying procedural aspects of assessing and recovering Medical Assistance and MinnesotaCare overpayments resulting from enrollee error so that standards for these overpayments are applied consistently statewide. This standard would prohibit recovery in cases where the overpayment is less than \$350, excludes children from being assessed an overpayment, allows a 90 day window for individuals to voluntarily the overpayment before revenue recapture or a court judgement is begun, and allows DHS or the counties to write off uncollected overpayments after five years.

General	Revenues	\$0	\$0
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## 2022 Governor's Supplemental Budget Recommendations

### All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

#### Human Services

##### TANF Maximization - Revised

The Governor's revised budget recommendations remove this proposal. Removing this recommendation decreases general fund revenue in the Governor's recommendations by \$26 million in FY 2022-23 and \$52 million in FY 2024-25, including changes due to February forecast change. The TANF cost of the proposal decreases by \$26 million in FY 2022-23 and \$52 million in FY 2024-25.

General	Revenues	\$0	\$0
Federal TANF	Expenditures	\$0	\$0

##### 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

##### Newborn Screening Fee - New

The Governor recommends a statutory change to allow Medical Assistance to reimburse providers for the newborn screening fee at the Department of Health rate when the test is billed in an outpatient setting. This recommendation gives the Department the ability to reimburse outpatient claims the same as inpatient claims on the rare occasions when a child is born outside of a hospital or birthcenter or when it is medically inappropriate to take the blood sample during the newborn hospital stay. This recommendation fixes a technical error in the newborn screening proposal enacted during the 2021 session. This is expected to impact fewer than 50 screenings a year.

General	Expenditures	\$3	\$8
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#### Health

##### Long COVID

The Governor recommends an investment to understand the impact of long COVID in Minnesota and partner with long COVID survivors and communities disproportionately impacted by it. The department will raise awareness of long COVID; develop statewide consensus guidance for long COVID diagnosis, treatment, and care coordination; co-design tools and resources to support long COVID survivors, their families, primary care providers, public health practitioners, schools, employers, and local communities; and provide grants to communities, long COVID survivor organizations, media and communications, long COVID survey contractors, and the Minnesota Electronic Health Record Consortium.

General	Expenditures	\$2,669	\$7,412
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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Health

#### Drug Overdose and Substance Abuse Prevention

The Governor recommends funding to address the drug overdose epidemic by implementing three strategies: the establishment of regional multidisciplinary overdose prevention teams to implement overdose prevention in local communities and local public health; the enhancement of supportive services for the homeless who are at-risk of overdose by providing emergency and short-term housing subsidies through the Homeless Overdose Prevention Hub; and the enhancement of employer resources to promote health and well-being of employees through the Recovery Friendly Work Place initiative.

General	Expenditures	\$5,042	\$10,084
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#### Disability as a Health Equity Issue

The Governor recommends funding to reduce health disparities among people with disabilities. These funds will support a multi-faceted, cross-agency, cross-sector approach to reduce disability related health disparities; create a health surveillance plan and implementation of community needs assessment; and provide community grants that support the establishment of inclusive, evidence-based chronic disease prevention and management services to address identified gaps and disparities.

General	Expenditures	\$1,575	\$3,170
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#### 988 National Suicide Prevention Lifeline

The Governor recommends funding to transition Minnesota's current National Suicide Prevention Lifeline Centers (NSPL) phone number into the federally mandated 988 number. The 988 service will include phone, text, and chat capacity. The Governor recommends the imposition of a 12 cent 988-telecom surcharge on all wired, wireless, prepaid wireless, and voice over internet protocol (VOIP) lines. Of the total revenue collected from the monthly statewide 988 telecom surcharge, a portion will be provided in grants across Minnesota to fund local call center staff and keep the 988 lines in operation. The surcharge revenue will be deposited into a dedicated account for this purpose.

General	Expenditures	\$0	(\$2,642)
Restrict Misc Special Revenue	Revenues	\$10,014	\$20,028
Restrict Misc Special Revenue	Expenditures	\$8,671	\$20,028

#### Lead Remediation in Schools and Childcare Settings

The Governor recommends a grant program for projects targeting the reduction of lead in drinking water in public and private schools and childcare facilities. These grants will fund the remediation of plumbing and fixtures that are known to contain lead. Reductions in exposure to lead in water will improve the health and safety of Minnesota's children through enhanced brain development and increased lifetime productivity.

General	Expenditures	\$2,054	\$3,081
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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Health

#### Community Health Workers

The Governor recommends expanding, strengthening, equipping, and evaluating the community health worker workforce in Minnesota to support the health and well-being of Minnesotans by partnering with the Community Health Worker Alliance to promote the profession and scope of practice, conduct program evaluation, and provide technical assistance. Specific activities include an awareness campaign, partnerships with employers, research and evaluation of Community Health Worker models, and a statewide infrastructure plan.

General	Expenditures	\$1,462	\$2,195
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#### Community Solutions

The Governor recommends the continued support of the Community Solutions for Healthy Child Development grant program. This recommendation expands and extends community solutions grants to improve outcomes related to the well-being of children of disadvantaged communities and their families, reduce racial disparities in children's health and development, and promote racial and geographic equity. The grant funds would be available to community-based organizations and tribal governments. Under current law, these activities will end on June 30, 2023.

General	Expenditures	\$10,000	\$20,000
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#### School Health

The Governor recommends a competitive grant process to expand and establish new Minnesota school-based health centers. These clinics are located within schools and provide quality health care to all students, including physical, dental, mental, and behavioral health care. Funds will be used to establish partnerships between schools and community health organizations, such as community health centers, hospitals, or local health departments to deliver health care services and dental care and education within a school-based clinic. School-based health centers are on the forefront of addressing the COVID-19 pandemic and its negative health and well-being impacts on young people. This recommendation builds upon the Centers for Disease Control and Prevention's COVID Workforce Grant for School Health that ends in June 2023 and is in collaboration with the Minnesota Department of Education's Full-Service Community Schools and wrap around services.

General	Expenditures	\$837	\$6,749
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#### Safety Improvements for Long-Term Care Facilities

The Governor recommends the establishment of a new competitive grant program that would provide support to state-licensed long-term care facilities for projects to reduce the transmission risk of COVID and other contagious respiratory conditions. The funding would be used for physical improvements, investments in communications technology to address social isolation, and other modifications to increase safety and well-being of residents and staff resulting from a contagious situation in the licensed entity.

General	Expenditures	\$5,500	\$8,200
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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Health

#### Lead Service Line Inventory

The Governor recommends grant funding to community water systems to locate, verify, and inventory the materials used for water service lines and include that inventory in a broader asset management plan. These grants will help the community water systems meet the draft requirements for a lead service line inventory that is part of the U.S. Environmental Protection Agency's proposed Lead and Copper Rule revision as well as provide the public with information about the location of lead service lines.

General	Expenditures	\$4,029	\$4,169
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#### Community Healing

The Governor recommends the establishment of a grant program that will fund community-based organizations and local health departments to develop and implement community solutions for mental health resources and post-COVID recovery and healing for communities of focus who have been disproportionately impacted by COVID.

General	Expenditures	\$2,019	\$3,028
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#### Climate Resiliency

The Governor recommends an investment to increase the resiliency of Minnesota and its communities to extreme climate events, such as increasingly heavy precipitation, flooding, extreme heat, wildfire smoke, and invasive pests. Activities include a combination of financial and technical assistance and data analysis to implement, strengthen, evaluate, and track public health resiliency efforts in the face of climate change across the state, with a focus on private and public water systems. Grants would be available to local communities to facilitate planning and response actions, technical assistance, data analysis, and evaluation.

General	Expenditures	\$1,977	\$1,977
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#### Family Planning Special Projects

The Governor recommends an investment to increase access to voluntary family planning services throughout Minnesota through the existing Family Planning Special Projects grant program. These funds are essential to support continued statewide access to culturally appropriate, evidence-based family planning counseling and education, contraception services, preconception care, healthy pregnancies, and sexually transmitted infection screening and treatment. This increase in funding would allow grantees to lengthen clinic hours, reduce patient wait times, expand personalized family planning counseling services, increase testing and treatment of sexually transmitted infections, and meet the needs of many clients' delayed services due to the COVID-19 pandemic.

General	Expenditures	\$3,467	\$6,934
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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Health

#### Mercury in Skin Lightening Products

The Governor recommends the reinstating of the Mercury in Skin Lightening Products grants program that was authorized with a one-time appropriation in 2019. The appropriation will be used to manage the grant program, track mercury testing results, and prepare public health education materials. Materials will focus on the potential exposure to mercury from skin lightening products; the dangers of exposure to mercury through dermal absorption, inhalation, hand-to-mouth contact, and through contact with individuals who have used these skin lightening products; the signs and symptoms of mercury poisoning; the health effects of mercury poisoning, including the permanent effects on the central nervous system and kidneys; the dangers of using these products or being exposed to these products during pregnancy and breastfeeding to the mother and to the infant; knowing how to identify products that contain mercury; and proper disposal of the product if the product contains mercury.

General	Expenditures	\$300	\$600
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#### Trauma System Fee Adjustment

The Governor recommends an increase to hospital license fees to adequately fund the designation of trauma hospitals and ensure an effective statewide trauma system. This recommendation ensures sufficient staff and technical resources are available to maintain trauma designations according to industry standards. It continues the state's ability to designate trauma hospitals at the required frequency and provides a coordinated health care infrastructure that is able to support Minnesota's communities by providing 24/7 emergency trauma/disaster care locally, regionally, and statewide.

General	Revenues	(\$354)	(\$708)
General	Expenditures	\$61	\$122
State Government Special Rev	Revenues	\$430	\$860
State Government Special Rev	Expenditures	\$430	\$860

#### Medical Education and Research Cost Fund Administration

The Governor recommends a redirection of \$150,000 in the general fund base appropriation for Medical Education and Research Costs (MERC) formula distribution, to support management of the program. The MERC fund was established in 1999 (Minnesota Statutes, section 62J.692) and is administered by the Minnesota Department of Health. The purpose of the MERC grant program is to support a robust health care workforce in Minnesota by providing funding to clinical training sites that train specific health care professions. This recommendation will help the department better use and target resources to promote preceptorship and improved clinical training, especially in the areas of primary care among rural and underserved populations.

General	Expenditures	\$0	\$0
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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Health

#### Sentinel Event Reviews for Police-Involved Deadly Force Encounters

The Governor recommends the establishment of the infrastructure necessary to create a law enforcement-involved deadly force encounter sentinel event review committee in collaboration with nonprofit organizations and the Departments of Public Safety, Human Rights, and Human Services. The committee will be charged with identifying and analyzing the root causes of all law enforcement-involved deaths. This multidisciplinary committee will identify opportunities for prevention and make actionable recommendations to state policymakers.

General	Expenditures	\$494	\$988
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#### Public Health System Transformation - New

The Governor recommends an ongoing investment in the state, local, and tribal governmental public health system to fulfill foundational public health responsibilities. This recommendation would substantially enhance the public health system's ability to prevent and control infectious diseases, address environmental health threats, improve the health of communities, and improve access to health care services. This recommendation includes funding for local health departments, tribal health departments, an Office of American Indian Health, a Public Health AmeriCorps program, and agency staff.

General	Expenditures	\$23,531	\$47,062
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#### Assisted Living and Home Care

The Governor recommends increasing the administrative resources necessary to enforce health and safety requirements in assisted living facilities and home care licensure. Funding will be used to increase staffing levels to ensure the completion of required oversight and onsite inspections consistent with the timelines established in statute. This work ensures assisted living facilities and home care agencies in the state meet quality and safety requirements and therefore protects the health and safety of Minnesotans residing in these facilities or receiving home care services.

State Government Special Rev	Expenditures	\$4,167	\$8,334
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#### No Surprises Act Enforcement

The Governor recommends the implementation of a state-based enforcement of the newly enacted, federal No Surprises Act. This request expands the authority of the Department of Health to enforce federal No Surprises Act provisions on the health plans the department regulates as well as providers, facilities, and enrollees of those plans. Enforcement includes auditing health plans for compliance with federal reporting requirements for receiving and resolving complaints and enforcement of health plan/provider contract requirements in the law. The law provides sweeping reforms that protect enrollees in group and individual health insurance coverage from surprise medical bills.

General	Expenditures	\$964	\$1,520
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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Health

#### Drinking Water and Wastewater Advisory Council

The Governor recommends reinstating the Water Supply Systems and Wastewater Treatment Facilities Advisory Council that expired on June 30, 2019. The council provided external review from the perspective of key stakeholders to the water supply and wastewater treatment programs at the Minnesota Department of Health and the Minnesota Pollution Control Agency. The external review serves to provide feedback on the regulatory activities by those who are regulated for rule changes related to water treatment certification.

State Government Special Rev	Expenditures	\$0	\$0
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#### Engineering Plan Review Fees

The Governor recommends increasing engineering plan review fees by 50% for nursing homes, hospitals, and other health care facility types to align with current costs and workload complexity. Fees increases range from a low of \$15 for construction costs between \$0 to \$10,000 to a high of \$2,400 for construction costs over \$1.5 million. The complexity and number of plan review requests are increasing with the expansion and modernization of nursing homes and hospitals. Plan review fees vary based on the expected cost of the construction project; plan review fees in the lowest tiers do not even cover the staff time required to read the technical documents submitted as part of an emailed request and prepare the documents for review.

State Government Special Rev	Revenues	\$170	\$340
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#### Home Visiting

The Governor recommends an increase in prevention-focused family home visiting services to families with children under age five. This investment will expand family home visiting services to pregnant women, families, mothers, fathers, and other caregivers of young children so that more families have service access. Currently, Minnesota is only serving approximately 10 percent of eligible families who would benefit from home visiting services. The proposal seeks to serve 38,275 families in Year 1, 66,670 families in Year 2, and 103,414 families in Year 3 through universal short-term home visiting services to all children born in Minnesota, focusing on home visiting to priority populations (homelessness, incarcerated families, and children and youth with special health needs) and expansion of long-term home visiting to families. Over 90 percent of the funds will be distributed to community health boards, tribal nations, and non-profits via grants for the delivery of home visiting services by qualified home visiting professionals.

General	Expenditures	\$126,700	\$524,100
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#### Revitalize Health Care Workforce

The Governor recommends a comprehensive workforce package to address the critical challenges in growing and revitalizing Minnesota's health care workforce to adequately serve our rural and urban underserved families and children. The COVID-19 pandemic has greatly exacerbated deficiencies within the health care workforce, leading to persistent shortages of health care workers. This package includes rural clinical training opportunities, immigrant international medical graduate training opportunities, site-based clinical training, increased capacity for mental health supervision, and research on the status and causes of workforce shortages.

Health Care Access	Expenditures	\$22,000	\$44,000
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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Health

#### Address Growing Health Care Costs

The Governor recommends the implementation of a comprehensive approach to address rising health care costs. This recommendation includes four separate initiatives to improve health care affordability: the establishment of a health care spending target program; expansion of the prescription price transparency initiative; creation of an evidence base for the development of policy initiatives to constrain growth in spending; and assessing readiness of rural communities to participate in value-based payment arrangements.

General	Expenditures	\$3,375	\$8,350
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#### Health Care Provider Directory

The Governor recommends the development, management, and maintenance of a statewide shared health provider directory. This directory will be available to multiple state agencies (e.g., Department of Health, Department of Human Services, State Employee Group Insurance Plan, and MNsure), as well as health plans and health systems serving Minnesotans. This will build upon the provider directory under development at the Department of Human Services, will comply with federal and state rules and laws, and will create a single "source of truth" for health plans, providers, and consumers to identify health providers available to them based on their insurance coverage. This directory will also provide state agencies a tool to manage compliance with the new federal No Surprises Act, monitor network adequacy and provider coverage across state-run programs for regulatory purposes, and monitor trends in provider contracting, type, network configurations and access over time.

General	Expenditures	\$1,000	\$9,000
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#### Opioid Overdose Prevention and HIV Prevention for People Experiencing Homelessness

The Governor recommends an investment to expand access to harm reduction services and improve linkages to care to prevent drug overdoses, HIV/AIDS, hepatitis, and other infectious diseases for high-risk populations, including those experiencing homelessness or housing instability. This investment includes funds for maintaining existing and establishing new syringe service programs. Funds would be used to cover startup costs, coordination with homeless outreach and housing providers, coordination with existing infectious disease care providers, and traditional syringe service programs.

General	Expenditures	\$1,129	\$2,258
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#### Healthy Beginnings/Healthy Families

The Governor recommends an investment to address the significant disparities in early childhood outcomes. This recommendation would increase the number of children who are school ready through: establishing the Minnesota Collaborative to Prevent Infant Mortality; sustaining Help Me Connect; improving and increasing the reach of development and social-emotional screening and subsequent connection to services; and sustaining and expanding the Jail Model Practices Learning Community in Minnesota jails.

General	Expenditures	\$11,700	\$23,581
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## 2022 Governor's Supplemental Budget Recommendations

### All Funds by Agency

(Dollars in Thousands)

FY 2022-23    FY 2024-25

#### Health

##### **Medical Cannabis Patient Fees Reduction - New**

The Governor recommends reducing annual patient fees from \$200 (non-Medical Assistance enrollees) or \$50 (Medical Assistance enrollees) per year to \$40 per year for all patients beginning in fiscal year 2023. This recommendation aligns the fee with other states' fees. Although the requested fee revenue will reduce overall revenue collections, the program will still be in balance as current revenue projections are expected to be greater than expenditures.

State Government Special Rev	Revenues	(\$5,610)	(\$15,885)
State Government Special Rev	Expenditures	\$4	\$0

##### **Legalizing Adult-Use Cannabis - Revised**

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 Health. 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. Recommended funding at the Department of Health is for youth cannabis use prevention, education for pregnant and breastfeeding women about the health effects of cannabis use, data collection on cannabis use rates in Minnesota, and new standards for contaminants found in cannabis and related products. The recommendation includes funding at the new agency for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$4.212 million in FY 2022-23 and \$10.186 million in FY 2024-25 due to the interaction with the new *Medical Cannabis Patient Fees Reduction* item and to account for the fees being deposited in the special revenue fund at the new Cannabis Management Office instead of in the state government special revenue fund at the Department of Health.

General	Expenditures	\$9,951	\$16,748
State Government Special Rev	Revenues	(\$2,872)	(\$10,186)
State Government Special Rev	Transfers Out	\$3,139	\$0
State Government Special Rev	Expenditures	\$0	(\$6,848)

#### MNsurre

##### **MNsurre Technology Modernization**

The Governor recommends a series of investments to upgrade and replace the IT technology that supports the state health care exchange. These investments will transform the health care application and eligibility determination system for Minnesotans enrolling through MNsure, add self-service functionality for consumers, introduce a fully-integrated portal for navigators and brokers, and upgrade the systems caseworkers use to access, maintain, and update consumer accounts. The investments will streamline and simplify the application and enrollment process and create a better user experience.

General	Expenditures	\$7,775	\$10,997
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# 2022 Governor's Supplemental Budget Recommendations

## All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

### Dietetics and Nutrition Practice, Board of

#### Family Health Insurance Impact

The Governor recommends funding an increase in staffing and health insurance costs due to a marginal increase in the number of employees. An increase in demand for dietitian and nutritionist licensing in long term care facilities, hospitals, and food service programs drives the need for this increase in staffing.

Health Related Boards	Expenditures	\$25	\$50
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### Disability Council

#### MN Council on Disability Capacity Building

The Governor recommends additional operations funding, including to augment staffing to carry out the mission of the Council, which is to provide representation and address inequalities that Minnesotans with Disabilities face.

General	Expenditures	\$375	\$750
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