

# Governor's FY24-25 Supplemental Budget Recommendations

Senate Health & Human Services  
April 9, 2024



# Our mission



The Minnesota Department of Human Services, working with many others, helps people meet their basic needs so they can live in dignity and achieve their highest potential.

# Impact of DHS Programs



620,000+ children  
48% of children in MN



930,000+ adults and parents  
27% of adults in MN



150,000+ older adults  
17% of older adults in MN



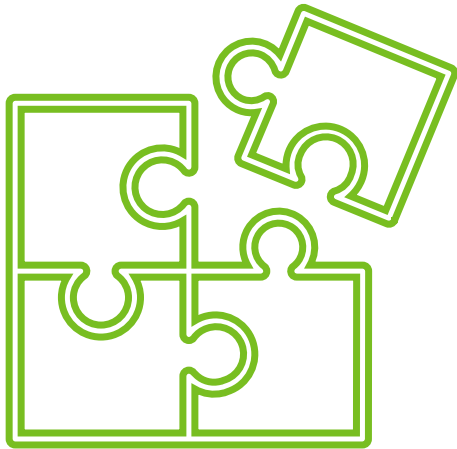
230,000+ people with disabilities  
37% of people with disabilities in MN



# Transformative Investments from 2023 Legislative Session

- Made substantial progress in 2023 to improve human services programs that serve more than 1.5 million Minnesota residents
- Took important steps to strengthen the childcare industry, support the well-being of all Minnesota children, stabilize working families, address the workforce crisis in home and community-based services, and address deep poverty and homelessness.
- Improved equitable access to behavioral health care services and health insurance coverage, particularly for children
- Authorized the Department of Children, Youth, and Families and the Department of Direct Care and Treatment to make it easier to access comprehensive services and bolster patient care

# Summary of Total DHS Supplemental Budget Package



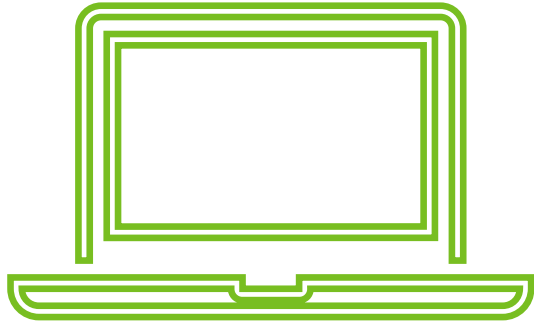
## Investments

FY 2024-25: \$47.4M

FY 2026-27: \$20.7M

- 18 proposals across Human Services, Children & Families, and Health & Human Services jurisdictions
- Focus on critical needs such as:
  - Increasing the state's capacity to serve people needing behavioral health care
  - Deploying strategies to assist people with complex needs to leave hospital care when they no longer need it
  - Reducing opioid overdoses through 1115 reentry waiver
  - Investing in vital infrastructure supporting the child welfare system
  - Developing an agile response to emergency needs
  - Operational needs as the agency reconfigures

# Supporting Child Welfare Infrastructure



FY 2024-25: \$15M

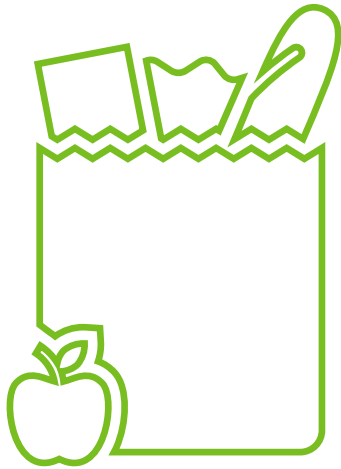
Page 24

Funding to transform our system to better support both positive end user experiences and the children and families in our child welfare system.

This investment:

- Provides an initial investment towards total system replacement of SSIS
- Unlocks additional federal matching dollars of about \$15 million
- Funds key first steps in implementing the recommendations of a vendor assessment, which will likely include:
  - Contracting with a software development company and contractors for system redesign
  - Hiring new MNIT maintenance and operations staff
  - Purchasing new application technology such as cloud space, security, and database management

# Summer Electronic Benefit Transfer Program Funding



FY 2024-25: \$13.6M

FY 2026-27: \$11.5M

Page 34

Provides administrative funding required to participate in the U.S. Department of Agriculture's new Summer EBT program

This proposal will:

- Provide \$120 per child in grocery benefits over the summer to an estimated 400,000 children in Minnesota, making a major impact on food security for families
- Unlock approximately \$50 million in funding annually, or almost \$100 million per biennium, with the federal government fully covering the benefit cost
- Launch in the summer of 2024 through a partnership between DCYF, MDE, and the federal government



# Addressing Food Security for Minnesotans



FY 2024-25: \$5M

Page 44

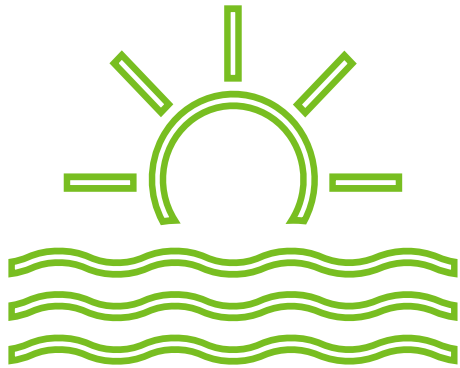
Minnesota communities are experiencing record demand for food resources in their communities. This proposal provides critical funding to support food security across the state. This includes:

- \$1 million for the American Indian Food Sovereignty Funding Program
- \$2 million for the Minnesota Food Shelf Program; and
- \$2 million for regional food banks

This proposal helps meet demand caused by high food prices and the end of pandemic programs like E-SNAP and builds on investments in the state's emergency food system from the 2023 legislative session.



# Opioid Allocation Modifications and Sunset Elimination



Budget Neutral

Page 28

Improves investments in child welfare from the Opioid Epidemic Response Account and ensures that resources are available ongoing to support Minnesota communities.

This proposal:

- Eliminates the sunset on fees collected by opioid manufacturers and distributors to ensure that there is ongoing funding to address the continued escalating detrimental impacts of the opioid crisis
- Updates the formula used to distribute child welfare investments to ensure consistency for local communities and to maintain the availability of funds when positive outcomes are seen
- Broadens allowable uses of child welfare funds to cover prevention efforts that help families before they become involved in the child welfare system
- Adds the director of the Office of Addiction and Recovery to the Opioid Epidemic Response Advisory Council as a non-voting advisory member

# Public Option Implementation Plan



FY 2024-25: \$587k

Page 40

Continues development of a public option for Minnesotans who are unable to access affordable health insurance. Building on initial planning efforts approved in the 2023 legislative session, this proposal funds:

- Community engagement activities to identify eligibility and enrollment processes and systems that will result in meaningful and equitable access to coverage;
- Development of informational technology solutions at DHS and MNsure to effectuate a public option program;
- Additional actuarial work and support for regulatory consultation needed to prepare for the submission of a 1332 waiver;
- Analysis to inform new pathways for populations that aren't currently served by Qualified Health Plans (QHPs); and
- Development of equitable marketing so that people in all communities across the state are aware and can access the program when it is implemented

# Implementation of Federally Funded Health Care for DACA Recipients



FY 2024-25: (\$1.9M)

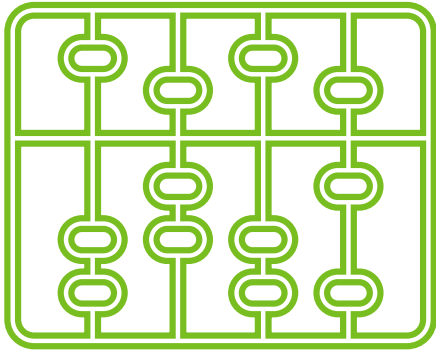
FY 2026-27: (\$4.5M)

Page 51

Brings Minnesota in line with proposed federal law changes that make federally funded Medical Assistance and MinnesotaCare available to Deferred Action for Childhood Arrival (DACA) recipients

- Currently in Minnesota, DACA recipients may be eligible for state-funded MinnesotaCare, CHIP-funded Medical Assistance for pregnant people, and Emergency Medical Assistance.
- This proposal makes conforming changes to align with proposed new federal changes that make MA and MinnesotaCare available to DACA recipients, resulting in more projected federal funding.
- This will ensure that DACA recipients can access Medical Assistance on an ongoing basis, which is crucial to improving health care outcomes and reducing access barriers.

# Weighted Risk System for Licensed Childcare



FY 2024-25: \$228k  
FY 2026-27: \$244k

Page 60

This proposal implements a new tiered weighted risk system to evaluate licensing compliance for childcare centers and family childcare providers. The new system:

- Replaces Minnesota's childcare fix-it tickets under 245.065
- Provides a tiered enforcement framework that is weighted to reflect the level of risk for each childcare licensing regulation
- Promotes consistency by standardizing the enforcement of licensing rules throughout the state
- Prioritizes resources for providers who need assistance and support most by tiering regulation violations by risk level
- Reflects work between the department and community partners to modernize childcare licensing

# Transition to the New Department of Children, Youth, and Families



FY 2024-25 - \$2M  
FY 2026-27 - \$12.1M

- Includes priority funding based on legislative recommendations and community feedback about the importance of engagement, partnership, and navigation at DCYF
- Invests in agency operations to support high-quality services for children, youth, and families
- Addresses critical gaps in central functions at the departments of Human Services and Education caused by transferring resources to the new agency
- Includes budget neutral provisions related to additional DHS and MDE programs already planned to transfer to DCYF and amendments to the recodification bill to ensure alignment with existing plans and current policy

# Other Key Proposals

## **SNAP, TANF, and Title IV-E Federal Compliance (page 54)**

- Ensures Minnesota meets new federal requirements resulting from changes to the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) passed in the 2023 federal debt ceiling agreement
- Ensures federal compliance with federal laws regarding labor trafficking of youth and missing children
- Costs \$508k in FY24/25 and \$939k in FY26/27

## **2023 Budget Bill Technical Cleanup (page 72)**

- Makes technical changes to ensure DHS can carry out policy changes approved by the 2023 legislature
- Fixes critical errors, carry forward amounts, effective dates, and other technical changes
- Budget neutral

## **Keeping Nurses at the Bedside Contingent Appropriation ([MMB Page 12](#))**

- Reduces a contingent appropriation from the 2023 legislative session pending the passage of the Keeping Nurses at the Bedside Act which did not pass
- Fiscal Impact: (\$6.1M) in FY24/25 and (\$15.1M) in FY26/27

- [DHS 2024 Supplemental Budget](#)
- [DHS 2024 Legislative Session Fact Sheets](#)
- [DHS Legislative Information](#)
- [Governor's Supplemental Budget \(MMB\)](#)



# Thank you!