

MINNESOTA BIENNIAL BUDGET

FY 2014 – 2015



Governor's Budget Recommendation

*Presented by
Governor Mark Dayton
To the 88th Legislature
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**Volume 1
(A – H)**

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Mission:

Protect the public through the regulation of the practice of accounting by Certified Public Accountants, Registered Accounting Practitioners and others in Minnesota by providing reasonable assurance that licensees and certificate holders meet and maintain the qualifications, standards and professionalism required to competently and ethically practice accounting in Minnesota.

Statewide Outcome(s):

Accountancy, Board of supports the following statewide outcome(s).

People in Minnesota are safe.

Efficient and accountable government services.

Context:

Regulation of the accounting profession exists to protect the health, safety and welfare of the public. The Board protects the public by ensuring that licensed professionals meet the minimum standards for education, examination and experience prior to licensure. The Board enforces the laws, rules and standards governing the practice of accounting and takes disciplinary action against licensees and unlicensed individuals who violate laws, rules and standards governing the practice of accountancy. The primary customers of the Board are members of the public, applicants, licensees and certificate holders, the legislature and agencies of local, state and federal government. The Board is funded by fees collected and then appropriated from the state's general fund. Minnesota Statutes section 214.06, subd. 1 requires the Board to collect fees in an amount sufficient to cover anticipated expenses.

Strategies:

The Board provides protection of the public health, safety and welfare and contributes to the above statewide outcomes by:

- Ensuring that those entering the practice meet standards of competency by way of education, experience and examination.
- Establishing standards of practice for those certified or registered to practice.
- Requiring that anyone practicing or offering to practice accounting be certified or registered and continue to maintain their professional competence.
- Enforcing the laws, rules and standards governing the practice of accounting in Minnesota in a fair, expeditious and consistent manner.
- Exchanging data with state, national and federal agencies and information systems.
- Registration of accounting firms and monitoring each firm to ensure compliance with the statutes and rules of the Board including the creation and use of the firm name, licensure/registration of owners and employees, and quality review of the firm.
- Providing 24x7 access to the Board roster licensees that is updated daily so that anyone can easily find out whether or not a particular individual or firm has a valid, current license.
- Collaboration with the National Council and other state Boards on consistent standards for licensure, examination and enforcement across the United States.

Results:

The Board strives to ensure efficient and thorough review and processing of applications and complaints and is committed to improving its procedures to ensure efficient and accountable government services. To promote online renewals, decrease printing and mailing costs, and increase efficiency, the Board ceased sending paperwork to licensees but rather sends a reminder postcard directing licensees to the Board's webpage to renew. Licensees are still able to download the renewal form if they wish, but the Board has seen a significant increase in the percentage of licensees renewing online. For complaint resolution, the Board is seeing a rise in complex cases requiring additional time to investigate.

Performance Measures	Previous	Current	Trend
Percent of licenses renewed online	82.17%	83.09%	Stable
Average number of days to licensure (individuals)	23	20	Improving
Number of complaints opened	326	404	Improving
Number of days to complaint resolution	61	79	Worsening

Performance Measures Notes:

“Previous” is for FY 2011 and “Current” is for FY 2012

Accountancy, Board of
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$960			\$960
Current Law Expenditures (FY 2014-15)	\$960			\$960
Governor's Recommended Expenditures (FY2014-15)	\$960			\$960
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

**Accountancy, Board of
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$960			\$960
SOURCES OF FUNDS	\$960			\$960
EXPENDITURES	\$960			\$960
PAYROLL EXPENSE	\$596			\$596
OPERATING EXPENSES	\$364			\$364
USES OF FUNDS	\$960			\$960

**Accountancy, Board of
All Funds FTE by Program**

Program	Current	Forecast Base	Governor's Recommendation
	FY 2013	FY 2015	FY 2015
Program: Accountancy	6.3	6.3	6.3
Accountancy, Board of	6.3	6.3	6.3

Accountancy, Board of
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	1,758			1,758
	ALL OTHER	0			0
	Subtotal	1,758			1,758
	Total	1,758			1,758

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Mission:

The Department of Administration (Admin) provides a broad range of business and professional services so government agencies can succeed in achieving their core missions. Admin's mission is to *provide the best value in government administrative services*. That mission is achieved by focusing on three goals:

- **Customer Satisfaction**, serving our customers in a professional and ethical manner, producing valuable results;
- **Continuous Improvement**, reducing costs and cycle times, optimizing performance and delivering innovative business solutions at every opportunity; and
- **Employee Engagement**, enabling and encouraging all staff to help achieve our mission.

Statewide Outcome(s):

Administration supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

Admin is a core central service agency for the executive branch serving the Governor, legislature, state agencies, local governments, and the public. The department consists of 15 business units whose operating funds are derived primarily through its business functions. Six percent of the agency's operating budget is from general fund appropriations.

In response to changing business needs and economic conditions, the scope and funding of department services has changed dramatically in the last decade. Admin-directed enterprise services such as Information Technology, Management Analysis and Development, the Environmental Quality Board and MnGeo have been transitioned to other agencies. Other operations such as recycling and office supply are overseen by Admin but performed by outside vendors. Through a variety of cost reduction and other measures, the remaining divisions have reduced their reliance on general fund allocations by 29 percent since 2001.

Strategies:

Admin utilizes multiple strategies and service delivery models to support the statewide outcomes of efficient and accountable government services and ensure the best value in government administrative services. These include:

- Procurement services that use an enterprise approach to achieve the best value by:
 - (1) Developing contracts for use by multiple government units;
 - (2) Standardizing and consolidating purchases; and
 - (3) Aggressively negotiating contract terms and pricing.
 - *Admin purchases annually more than \$2.1 billion in goods and services.*
- Facilities management services, such as maintenance, engineering, and energy retrofits, that provide well maintained facilities necessary for the daily operations of the state's executive, legislative, and judicial branches.
 - *Admin has reduced energy consumption by 18.1 percent in the 22 buildings it operates and maintains.*
- Construction and space leasing services, such as serving as the State's leasing agent and owner's representative on construction projects, that provide efficient and effective oversight and management of capital construction projects, ensure facility solutions that cost-effectively meet state agencies' space needs, and facilitate effective management and use of state real property assets.
 - *Admin manages more than 400 construction projects and 700 property leases.*

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- Government-to-Government Services, such as advising on and providing business services, that provide small agency financial and human resource assistance, continuous improvement (Lean) training, workers compensation, archeological services, and vehicle fleet services.
 - *Admin oversees a fleet of more than 2,000 vehicles.*
 - Government management services that advise agencies on achieving energy reduction goals, complying with open government requirements, reducing workers' compensation costs, and reducing the state's reliance on gasoline.
 - *Admin trained more than 1,200 public officials and stakeholders last year on complying with and navigating open government laws.*
 - Citizen services that include assistive technology, demographic services, resources for citizens with developmental disabilities, and the promotion of the public's access by granting permits to stage public rallies or educating citizens on their rights to government data.
 - *Admin has provided direct training and informational resources to more than 3,000 individuals with developmental disabilities or family members in the last year.*

Measuring Success:

Admin ensures that its mission and goal areas are turned into action through the use of detailed business plans and performance objectives. Each of the agency's divisions has developed a series of SMART (Specific, Measurable, Achievable, Relevant and Time Based) objectives that are evaluated in a quarterly operations performance review. There are approximately 100 objectives for which divisions track progress through detailed measures, baselines, and timelines. Progress is monitored through measures that answer such questions as:

- How much are government agencies saving through aggressive procurement negotiations?
- Is a state agency leasing office space at the best available market rate?
- Are we meeting our goals of reducing the Capitol complex's carbon footprint?

These measures are the litmus test to whether the department is meeting its mission of providing the best value in government administrative services.

Administration**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$42,546	\$292,483	\$7,832	\$342,861
Current Law Expenditures (FY 2014-15)	\$41,488	\$298,183	\$2,923	\$342,593
Governor's Recommended Expenditures (FY2014-15)	\$44,728	\$298,183	\$2,923	\$345,833
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$3,240	\$0	\$0	\$3,240
% Change from FY 2014-15 Current Law to Governor's Rec	8%	0%	0%	1%

Administration
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$0	\$86,870		\$86,870
REVENUE	\$0	\$314,719	\$2,922	\$317,641
TRANSFERS IN	\$9,727	\$26,965		\$36,691
APPROPRIATION	\$44,757	\$0	\$0	\$44,757
SOURCES OF FUNDS	\$54,484	\$428,554	\$2,922	\$485,959
BALANCE FORWARD OUT		\$70,843		\$70,843
TRANSFERS OUT	\$30	\$59,528		\$59,558
CANCELLATIONS	\$9,725		\$0	\$9,725
EXPENDITURES	\$44,728	\$298,183	\$2,923	\$345,833
PAYROLL EXPENSE	\$14,158	\$52,977	\$1,017	\$68,153
OPERATING EXPENSES	\$24,804	\$179,225	\$804	\$204,833
OTHER FINANCIAL TRANSACTIONS	\$48	\$43,256	\$6	\$43,310
GRANTS, AIDS AND SUBSIDIES	\$3,858	\$0	\$1,095	\$4,953
CAPITAL OUTLAY-REAL PROPERTY	\$1,860	\$22,725	\$0	\$24,585
USES OF FUNDS	\$54,483	\$428,554	\$2,923	\$485,960

Administration

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Lean Expansion and Innovation

The Governor recommends increasing funding to the Continuous Improvement (Lean) program to support process improvement and innovation across government. Lean operates on an enterprise-wide basis by providing analysis and strategies to standardize and streamline work performed by governmental organizations from state agencies to universities and counties. This proposal provides funding for two additional staff to reduce costs and eliminate duplication by modernizing and improving public service delivery systems.

Performance Measures:

This proposal will yield strong return on investment (ROI) by reducing the cost of government operations and increasing revenues in departments statewide

General Fund	Expenditure	260	260	520	260	260	520
	Net Change	260	260	520	260	260	520

SmART Expansion

The Governor recommends increasing funding for the Small Agency Resource Team (SmART) which supports operational efficiencies in state government. SmART provides human resources and financial services and policy advice to small agencies, boards, and councils. This proposal provides funding for two additional staff to provide more small agencies, boards and councils with best practices in financial and human resource management.

Performance Measures:

This proposal will result in higher quality services and lower operating costs by sharing expert staff across multiple state agencies

General Fund	Expenditure	185	185	370	185	185	370
	Net Change	185	185	370	185	185	370

Internal Audit Function

The Governor recommends funding for an internal auditor to institute and provide agency guidance for a comprehensive financial risk assessment and audit plan. The position would oversee the internal control measures which are currently being performed at various levels throughout the department.

Performance Measures:

If approved, this initiative will help ensure confidence in the agency's financial information and integrity

General Fund	Expenditure	125	125	250	125	125	250
	Net Change	125	125	250	125	125	250

Administration

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Minnesota Public Radio (MPR) Infrastructure Support

The Governor recommends increasing funding for Minnesota Public Radio (MPR) equipment grants. As MPR provides Minnesota's only statewide signal, it is critical to support infrastructure needs such as those related to the Emergency Alert System (EAS) and for the AMBER (child abduction) Alert System. This proposal helps fund the infrastructure necessary for MPR to provide services, safety, mobility and education to over 950,000 listeners each week.

Performance Measures:

This proposal will improve MPR stations where repairs are needed and benefit the number of Minnesotans under station coverage: Appleton 90,638; St. Peter 13,813; Moorhead 246,085; Duluth 204,384; Worthington 131,773; St. Cloud 428,339; Rochester 386,947; Bemidji 68,698; and Brainerd 121,315.

General Fund	Expenditure	120	120	240	120	120	240
	Net Change	120	120	240	120	120	240

Capitol Preservation - Rent Loss and Relocation Funding

The Governor recommends providing coverage of rent loss and relocation expenses that will be incurred during the Capitol building restoration project. These non-bondable expenses include utilities, physical move costs, IT relocation, and others. This funding is required to ensure restoration of the Capitol building.

Performance Measures:

This proposal will preserve the Capitol Building for the citizens of Minnesota for the next 100 years.

General Fund	Expenditure	625	1,235	1,860	1,380	960	2,340
	Net Change	625	1,235	1,860	1,380	960	2,340

Capitol Preservation - Waive Historic Places Expense

The Governor recommends waiving the depreciation and bond interest expenses for state facilities that are on the National Register of Historic Places. In doing so, the administration intends to allow for the Capitol preservation work to proceed without disproportionately assigning the approximately \$12.7 million in annual debt service costs to Capitol building tenants. Though these estimated costs could have a general fund impact as early as FY 16, it is hard to know a precise fiscal impact until the project is bonded for.

Performance Measures:

This proposal will help to ensure that Capitol Building lease rates do not become exorbitant

General Fund	Expenditure	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0

Administration

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Transfer for Environmental Quality Board

The Governor proposes making permanent provisions contained within his Executive Order 11-32 transferring responsibilities of the Environmental Quality Board (EQB) from the Department of Administration to the Minnesota Pollution Control Agency. This proposal reduces the Department of Administration's appropriation by the amount associated with operating the EQB.

Performance Measures:

This proposal will ensure that state government resources are being prudently allocated and used

General Fund	Transfers Out	(151)	(151)	(302)	(151)	(151)	(302)
	Net Change	(151)	(151)	(302)	(151)	(151)	(302)
Net All Change Items	General Fund	1,164	1,774	2,938	1,919	1,499	3,418
	Net Change	1,164	1,774	2,938	1,919	1,499	3,418

Administration
All Funds FTE by Activity

	Current	Forecast Base	Governor's Recommendation
Activity	FY 2013	FY 2015	FY 2015
Budget Activity: Developmental Disability Council	2.5	2.5	2.5
Budget Activity: Environmental Quality Board	0.0	0.0	0.0
Budget Activity: Fleet And Surplus Services	14.0	11.0	11.0
Budget Activity: Information Policy Analysis	4.5	4.5	4.5
Budget Activity: Materials Management	70.7	76.4	76.4
Budget Activity: Mn Geospatial Info Office	0.0	0.0	0.0
Budget Activity: Continuous Improvement (Lean)	0.9	0.9	2.9
Budget Activity: Office Of Grants Management	2.4	1.3	1.3
Budget Activity: State Archaeologist	1.9	1.9	1.9
Budget Activity: Plant Management	254.9	254.9	254.9
Budget Activity: Real Estate & Construction Agent	23.1	22.4	22.4
Budget Activity: Risk Management	41.0	41.0	41.0
Budget Activity: Small Agency Resource Team	3.0	3.0	5.0
Budget Activity: State Assistive Tech (Star)	2.6	2.6	2.6
Budget Activity: State Demographer	4.0	4.0	4.0
Budget Activity: Exec Support Leadership/Partnerships	3.4	2.7	3.7
Budget Activity: Financial Mgmt And Reporting	7.6	7.6	7.6
Budget Activity: Human Resources-Administration	4.5	4.5	4.5
Budget Activity: Misc Grants/Studies/Others	0.7		
Administration	441.7	441.2	446.2

Administration
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	TAXES	0			0
	ALL OTHER	0	0		0
	Subtotal	0	0		0
Dedicated	FEDERAL GRANTS		0	2,922	2,922
	INVESTMENT INCOME		440		440
	ALL OTHER	0	314,279	0	314,279
	Subtotal	0	314,719	2,922	317,641
	Total	0	314,719	2,922	317,641

Administration

Developmental Disabilities Council

<http://www.mnddc.org>

Statewide Outcome(s):

The Developmental Disabilities Council supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

The Council seeks increased independence, productivity, self-determination, integration, and inclusion for people with developmental disabilities and their families. The Council achieves this mission by providing information, education, and training that help develop skills and change attitudes.

Strategies:

Admin is the designated state agency to administer the Council's federal funds along with the state general fund match. The Council must be in a neutral state agency that does not provide services to people with disabilities. The primary customers of the Council are individuals with developmental disabilities, family members, providers, and others who work with people with developmental disabilities.

The Council's mission to help those with developmental disabilities and their families are achieved through the following federally approved strategies:

- **Training** - Provide leadership training, free online training courses, and training conference sponsorships.
- **Education and awareness** - Educate citizens through the maintenance and updating of websites, cultural outreach efforts, and self-advocacy initiatives.

Results:

The Council tracks performance indicators and reports annually to the federal government.

Performance Measures	Previous	Current	Trend
1. Number of people who receive information, education, and training from the Council through direct training	3,280	3,088	Stable
2. Number of people who receive information, education, and training from the Council through website and downloads	944,570	802,881	Worsening
3. Outcomes of independence, productivity, self-determination, integration, and inclusion of people with developmental disabilities and families	3.0 – 4.8	4.1 – 4.6	Improving
4. Percentage of customers satisfied with the information, education, and training received from the Council	97	100	Stable

Performance Measures Notes:

1. Comparison data for measures are from Federal Fiscal Year (FFY) 2010 and FFY 2011. The Council's Business Results for FFY 2011 can be found at <http://www.mnddc.org/council/index.html>, and the FFY 2011 Annual Report for the Council can be found at <http://www.mnddc.org/council/documents/2011rept.html>.
2. The 2011 state government shutdown impacted current totals for online training and education.
3. Outcomes of independence, productivity, self-determination, integration, and inclusion are self-reported and measured via survey on a scale of one to five, with five being the highest.
4. Customer satisfaction with information, education, and training measures the percentage of individuals who responded "Strongly Agree" or "Agree" on relevant questions within a customer satisfaction survey.

Budget Activity: Developmental Disability Council
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$148		\$1,915	\$2,063
Current Law Expenditures (FY 2014-15)	\$148		\$1,976	\$2,124
Governor's Recommended Expenditures (FY2014-15)	\$148		\$1,976	\$2,124
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0		\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%		0%	0%

Budget Activity: Developmental Disability Council**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$1,976	\$1,976
APPROPRIATION	\$148		\$0	\$148
SOURCES OF FUNDS	\$148		\$1,976	\$2,124
EXPENDITURES	\$148		\$1,976	\$2,124
PAYROLL EXPENSE	\$0		\$466	\$466
OPERATING EXPENSES	\$116		\$409	\$525
OTHER FINANCIAL TRANSACTIONS			\$6	\$6
GRANTS, AIDS AND SUBSIDIES	\$32		\$1,095	\$1,127
USES OF FUNDS	\$148		\$1,976	\$2,124

Administration

Environmental Quality Board

www.admin.state.mn.us

Statewide Outcome(s):

Environmental Quality Board supports the following statewide outcome(s).

A clean, healthy environment with sustainable uses of natural resources.

Context:

In 1973, M.S. 116C.03 established the Environmental Quality Board (EQB) to further debate concerning population, economic and technological growth so that the consequences and causes of alternative decisions could be better known and understood by the public and its government.

With the goal of more efficiently supporting the work of the EQB, Executive Order 11-32 in 2011 transferred the EQB from the Department of Administration (Admin) to the Minnesota Pollution Control Agency (MPCA). This transfer assigns the EQB's support to an agency with the background and expertise in many of the issues facing the Board. Although the EQB's support currently is coming from the MPCA, the narrative information appears in the Admin section because the appropriation for the EQB is included in Admin's budget.

Strategies:

The EQB brings together, in a public forum, the Governor's Office, five citizens, and the heads of nine state agencies that are vital to Minnesota's environment and development efforts. While the agency supporting the EQB has changed, the Board continues to make separate decisions and provides the public forum for discussing state environment policies and decisions. The EQB's work serves local units of government, state agencies, and the citizens of Minnesota in its review of current issues and the studies, policies or rules needed to address those issues. The EQB uses the Environmental Quality Monitor, published every other week, to keep the public informed of projects and discussions of general interest. The Monitor can be found at: <http://www.eqb.state.mn.us/monitor.html>.

The EQB is undergoing a strategic review process to determine its role in the future. This review will develop revised strategies to ensure state agencies are functioning efficiently with regard to balancing Minnesota's environmental and development efforts, and providing a place for public discourse on environmental issues. Executive Order 11-32 requires the EQB to evaluate and make recommendations regarding:

- Improvement of the environmental review and permitting process;
- Improvement of environmental governance and coordination; and
- Preparation of an environmental and energy report card to measure Minnesota's performance and progress protecting Minnesota's air, water, and land resources.

Results:

The work of the EQB has changed in the past four decades. The results of this work have been improved permitting, consistency in the types of facilities evaluated for environmental impacts, and better coordination among state agencies and between state and local agencies. To track results, the EQB publishes specific reports, such as the "Biennial Water Priorities Report", which includes the priorities and progress on those priorities. The most recent report may be found at <http://www.eqb.state.mn.us/documents/2008-2009PrioritiesReportMay2007FINAL.pdf>.

More specific information about the EQB may be obtained at <http://www.eqb.state.mn.us/program.html?Id=18107>.

Performance Measures Notes:

Budget Activity: Environmental Quality Board
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$32			\$32
Current Law Expenditures (FY 2014-15)				
Governor's Recommended Expenditures (FY2014-15)				
\$ Change from FY 2014-15 Current Law to Governor's Rec				
% Change from FY 2014-15 Current Law to Governor's Rec				

Budget Activity: Environmental Quality Board**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$13		\$13
SOURCES OF FUNDS	\$0	\$13	\$0	\$13
BALANCE FORWARD OUT		\$13		\$13
PAYROLL EXPENSE				
USES OF FUNDS	\$0	\$13		\$13

Administration

Fleet and Surplus Services

<http://www.fss.state.mn.us>

Statewide Outcome(s):

Fleet and Surplus Services (FSS) supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

FSS seeks to ensure that state agencies have access to critical logistical services related to transportation and property. FSS supplies safe and cost effective transportation solutions through vehicle leasing services, and manages the redistribution system for state and federal surplus property. The primary customers of FSS are state agencies, local governments, nonprofit organizations and the public. Fleet Services is organized as an internal service fund and generates its revenue through the leasing program. Surplus Services is an enterprise fund and generates its revenue through the resale of goods

Strategies:

The work of FSS can be divided into two categories:

- **Fleet Services** – Collaborate on enterprise fleet management; provide a complete vehicle package including acquisition, insurance, maintenance and repair, fuel, and disposal. Also assist in achieving energy efficiency standards mandated in executive order and statute by promoting use of alternative fuel sources and fuel efficient vehicles in the state fleet.
- **Surplus Services** – Provide redistribution services to state agencies and the federal government to facilitate effective disposal of surplus state property. FSS accomplishes this by administering a redistribution center and auction program.

Results:

FSS enables more cost effective operations for government entities and non-profit organizations. The state fleet is operated more cost effectively as vehicle lifecycles are tailored to match actual vehicle usage. To accomplish this, FSS monitors vehicle utilization and fuel usage – volume and type. That data is used to advise agencies on vehicle lifecycle, vehicle replacement, or alternative transportation options. Additionally, FSS monitors the final disposition of state property to maximize and ensure the return on investment through redistribution or sale. FSS returns approximately 90 percent of proceeds on surplus property to the agencies.

Performance Measures	Previous	Current	Trend
Percent of fleet vehicles operating within target lifecycle	66	70	Improving
Percent reduction in gasoline usage	9.9	15.1	Improving
Percent of fleet vehicles capable of using alternative fuels	90	90	Stable
Percent increase of property sold through MinnBid system	24	33	Improving

Performance Measures Notes:

1. Target lifecycle is 80 percent utilization. Vehicle utilization reports are generated quarterly to identify vehicles that are operating outside of that range. Vehicles are reviewed and recommendations are made to adjust the life cycle or consider alternatives to ensure vehicles are operating within target rates. The data measures FY 2011 and FY 2012 data.
2. Quarterly fuel reports are prepared and shared with state agencies to illustrate compliance progress with M.S.16C.137 mandating reduced gasoline usage by state fleet vehicles. Measures related to gasoline usage and alternative fuel capability of state fleet compare FY 2011 and FY 2012. Reduction in gasoline usage is measured against 2005 baseline.

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3. Auction measures are based on FY 2011 and FY 2012 data. FSS provides several methods for distribution of surplus public property. The MinnBid online auction program is a recent addition that has proven cost effective and convenient for both the public and government agencies.

Budget Activity: Fleet And Surplus Services
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$24,031		\$24,031
Current Law Expenditures (FY 2014-15)		\$26,684		\$26,684
Governor's Recommended Expenditures (FY2014-15)		\$26,684		\$26,684
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Budget Activity: Fleet And Surplus Services**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$4,439		\$4,439
REVENUE		\$37,303		\$37,303
SOURCES OF FUNDS		\$41,742		\$41,742
BALANCE FORWARD OUT		\$3,016		\$3,016
TRANSFERS OUT		\$12,041		\$12,041
EXPENDITURES		\$26,684		\$26,684
PAYROLL EXPENSE		\$2,500		\$2,500
OPERATING EXPENSES		\$20,473		\$20,473
OTHER FINANCIAL TRANSACTIONS		\$12		\$12
CAPITAL OUTLAY-REAL PROPERTY		\$3,700		\$3,700
USES OF FUNDS		\$41,741		\$41,741

Administration Information Policy Analysis

<http://www.ipad.state.mn.us>

Statewide Outcome(s):

The Information Policy Analysis Division (IPAD) supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

IPAD seeks to promote compliance with Minnesota's data practices and open meeting laws by providing technical consultation and training resources to government entities, members of the public, the media, and the Legislature. This activity is primarily funded through General Fund appropriations.

Strategies:

IPAD's efforts to promote government accountability and efficiency can be divided into three categories:

- **Technical consultation** – Answer questions about data practices and open meeting laws.
- **Training** – Develop and present workshops and informational sessions on data practices and open meeting laws.
- **Statutory duties** – Provide staff resources to the Commissioner of Administration to fulfill statutory responsibilities for data practices and open meeting laws.

Results:

IPAD's goal is to provide the best information to customers in the most efficient manner. Whether customers participate in training or visit IPAD's website, useful information promotes more accountable and transparent government services and helps citizens better understand their rights related to privacy and government transparency.

IPAD's performance measures related to usefulness of workshops and rating of web resources identify effectiveness. One measure IPAD is working to improve is outreach to new customers. With limited resources, IPAD continues to focus on improving existing partnerships with government organizations, citizen groups, and media outlets to reach more citizens and key stakeholder groups.

Performance Measures	Previous	Current	Trend
Rating of usefulness of IPAD workshops	85	96	Improving
Total number of customers trained	1,079	1,281	Improving
Rating of IPAD's website information resources	N/A	4.2	N/A

Performance Measures Notes:

1. Workshop and training measures compare FY 2011 data (previous) with FY 2012 data (current). Usefulness rating is a percentage measure.
2. IPAD website resources rating is based on survey data from customer focus groups conducted in January 2012 (rating scale was one (low) to five (high)). This was the first time IPAD held focus groups to establish a baseline of customer needs and expectations

Budget Activity: Information Policy Analysis
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$926	\$20		\$947
Current Law Expenditures (FY 2014-15)	\$926	\$24		\$950
Governor's Recommended Expenditures (FY2014-15)	\$926	\$24		\$950
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Information Policy Analysis**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$5		\$5
REVENUE		\$24		\$24
APPROPRIATION	\$926	\$0		\$926
SOURCES OF FUNDS	\$926	\$29		\$955
BALANCE FORWARD OUT		\$5		\$5
EXPENDITURES	\$926	\$24		\$950
PAYROLL EXPENSE	\$818	\$22		\$840
OPERATING EXPENSES	\$106	\$2		\$108
OTHER FINANCIAL TRANSACTIONS	\$2			\$2
USES OF FUNDS	\$926	\$29		\$955

Administration

Materials Management Division

<http://www.mmd.admin.state.mn.us>

Statewide Outcome(s):

The Materials Management Division (MMD) supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

MMD strives to achieve the best value for taxpayers through strategic contracting and purchasing of goods and services. MMD facilitates and oversees state agency purchasing valued at approximately \$2 billion annually. Primary customers are state agencies, local units of government, public health care facilities, and vendors doing business with the state. Services to state agencies are funded by an appropriation from the general fund. Services to local units of government and health-related facilities are funded by vendor-paid contract administration fees.

Strategies:

MMD utilizes two key strategies to achieve best value in state procurement:

- **Statewide leadership** - Lead an enterprise approach, develop contracts for use by multiple government units, standardize and consolidate purchases, and aggressively negotiate contract terms and pricing.
- **Commitment to fairness and ethics** - Assure that processes support fair and open competition among qualified vendors and adherence to the highest ethical standards in procurement.

Results:

To measure its success, MMD monitors traditional cost and efficiency metrics but also tracks the number of entities who choose, but are not required, to use MMD contracts. Entities such as local governments and health care facilities utilizing MMD administered cooperative purchasing contracts indirectly measures customer satisfaction as they have multiple contract options available to them. They can reasonably be expected to use contracts that will save them money and effort.

Performance Measures	Previous	Current	Trend
Professional/technical contracts: average processing time	2.63	2.33	Stable
Savings and cost avoidance from negotiations	\$4.9M	\$12.1M	Improving
Number of governmental units in MN that have joined the cooperative purchasing program	821	895	Improving
Number of healthcare facilities (nationwide) that utilize the cooperative program for pharmaceuticals and other health care-related products and services	4,117	4,570	Improving

Performance Measures Notes:

1. The contract processing time is a measurement of days showing the average for FY 2010 and FY 2011 (previous) and the average for FY 2012 (current).
2. Savings and cost avoidance measures are totals from FY 2011 (previous) and FY 2012 (current). Negotiated savings and cost containment estimates are typically calculated as the difference between the top-ranked vendor's proposed cost and the actual cost agreed to by the state in the contract as awarded.
3. Governmental unit measures were taken on 6/30/2010 (previous) and 06/30/2012 (current).
4. Participating healthcare facility measures are for FY 2010 (previous) and FY 2012 (current).

Budget Activity: Materials Management
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$3,862	\$25,332		\$29,194
Current Law Expenditures (FY 2014-15)	\$3,862	\$27,376		\$31,238
Governor's Recommended Expenditures (FY2014-15)	\$3,862	\$27,376		\$31,238
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Materials Management**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$16,028		\$16,028
REVENUE		\$27,688		\$27,688
APPROPRIATION	\$3,862	\$0		\$3,862
SOURCES OF FUNDS	\$3,862	\$43,716		\$47,578
BALANCE FORWARD OUT		\$16,339		\$16,339
EXPENDITURES	\$3,862	\$27,376		\$31,238
PAYROLL EXPENSE	\$3,328	\$9,391		\$12,719
OPERATING EXPENSES	\$532	\$3,972		\$4,504
OTHER FINANCIAL TRANSACTIONS	\$2	\$14,014		\$14,016
USES OF FUNDS	\$3,862	\$43,715		\$47,577

Administration

Continuous Improvement (Lean)

<http://www.lean.state.mn.us>

Statewide Outcome(s):

The Enterprise Lean program supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

The Enterprise Lean program seeks to create greater efficiencies in state government by bringing an understanding of continuous improvement methodologies common in the private sector to state and local units of government. The process creates efficiencies within their business processes, increases the productivity of employees, and improves the quality of the services they provide. The program catalyzes the creation and development of a culture and environment where employees are trained and empowered to continuously improve how work gets done. Funding for the program comes from a general fund appropriation.

Strategies:

The work of the Enterprise Lean program can be divided into the following categories:

- **Lean training** - Train employees in Lean methodologies, equipping them with tools to redesign business process to increase efficiency and add value.
- **Agency support** - Help supervisors, managers, and senior leaders within state agencies understand their roles in creating an environment where leadership is committed to continuous improvement efforts and actively engages all employees in these efforts.
- **Process improvement events** - Work directly with specific state agency business units in major redesigns of business processes by planning and facilitating kaizen events that reduce cost and improve the quality and responsiveness of services.

Results:

Lean activities or events result in business process redesign and improvement. Common improvements are: reduction in time needed to provide a service (lead time), amount of work needed to produce a specific output (task time), and savings in direct costs for materials. Employees at all levels of government are engaged in applying Lean principles. The program institutionalizes reform by using a 'train-the-trainer' approach. Initial training is multiplied as employees spread the Lean message among their teams and apply it in their work. Success of this ground-up strategy has resulted in increased demand for training services.

Performance Measures	Previous	Current	Trend
Number of employees trained:			
Lean 101	622	1248	Improving
Kaizen Facilitator Certification	119	289	Improving
State agencies formally adopting continuous improvement approach and principles	6	12	Improving
Lean process improvement events	TBD	TBD	NA

Performance Measures Notes:

1. Measures compare FY 2011 data (previous) with FY 2012 data (current).
2. A formal adoption is classified as the creation of a specified Lean or continuous improvement staff position, division or committee, or the undertaking of some similar arrangement within an agency.

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3. This data element will track Lean continuous improvement events across Minnesota state government. For comparison purposes, related data tracking formal Kaizen process improvement events is available for prior years. There were 61 events in FY 2009, 69 events in FY 2010, 77 events in FY 2011, and 45 events in FY 2012. The decrease in events during FY 2012 is attributable to the government shutdown.

Budget Activity: Continuous Improvement (Lean)
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$270			\$270
Current Law Expenditures (FY 2014-15)	\$270			\$270
Governor's Recommended Expenditures (FY2014-15)	\$790			\$790
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$520			\$520
% Change from FY 2014-15 Current Law to Governor's Rec	193%			193%

Budget Activity: Continuous Improvement (Lean)**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$790			\$790
SOURCES OF FUNDS	\$790			\$790
EXPENDITURES	\$790			\$790
PAYROLL EXPENSE	\$682			\$682
OPERATING EXPENSES	\$108			\$108
USES OF FUNDS	\$790			\$790

Administration

Office of Grants Management

<http://www.admin.state.mn.us/ogm>

Statewide Outcome(s):

The Office of Grants Management (OGM) supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

OGM seeks to ensure standardized, streamlined, and improved grants management for the more than \$1.2 billion in grants issued annually. OGM is the subject matter expert on grant issues and the first stop for public inquiries about state grant opportunities. The primary customers for OGM are state agencies, nonprofit organizations, local units of government, foundations, and citizens. This activity is funded through the general fund.

Strategies:

The activities of OGM that foster more efficient and effective management of state resources are statutorily divided into three categories:

- **Policy development and state grants leadership** – Develop and revise state grants management policies to create greater oversight, consistency, and transparency for state grant expenditures. Provide leadership and direction to foster collaboration among state agencies and between state agencies and their grantees or other community partners.
- **Training, consulting, and communications** – Disseminate information about best practices in state grants management through training, presentations, and consulting engagements for the public, current or potential grantees, and state agencies. Maintain an information website for state grant-makers featuring legislation, policy, forms, templates, training, and federal grant resources.
- **Increase public access to state grant information** – Manage a public grants portal (<http://www.grants.state.mn.us>) to provide citizens with information about state grant opportunities and ensure the investigation of public complaints about fraud and waste in grants.

Results:

OGM's goal is to ensure the integrity of the state's grants process. As grant requirements evolve, OGM strives to ensure that grant recipients and administrators are able to effectively respond to the changes. OGM proactively communicates improvements and process changes. Additionally, the office monitors participation in training events and explores opportunities for automation of the process.

Performance Measures	Previous	Current	Trend
Attendees of grants management training events	450	642	Improving
Percent of state agencies participating in grants management committees, work groups, and process improvement events	N/A	72	N/A
Rating: Did you find what you were looking for on our website?		Rating: Did you find what you were looking for on our website?	

Performance Measures Notes:

1. Participation data compares FY 2009-2010 (previous) to FY 2011-2012 (current).
2. FY 2012 agency participation rates (current) are the baseline measure. OGM will track in FY 2013 and future fiscal years in order to show trends.

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3. OGM started collecting visitor feedback on its website in March 2012 and plans to begin tracking on the public grants portal in late 2012 (Scale of one to five).

Budget Activity: Office Of Grants Management
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$250	\$179		\$430
Current Law Expenditures (FY 2014-15)	\$250	\$0		\$250
Governor's Recommended Expenditures (FY2014-15)	\$250	\$0		\$250
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Office Of Grants Management**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$250	\$0		\$250
SOURCES OF FUNDS	\$250	\$0		\$250
EXPENDITURES	\$250	\$0		\$250
PAYROLL EXPENSE	\$168	\$0		\$168
OPERATING EXPENSES	\$80	\$0		\$80
OTHER FINANCIAL TRANSACTIONS	\$2			\$2
USES OF FUNDS	\$250	\$0		\$250

Administration

State Archaeologist

<http://www.osa.admin.state.mn.us>

Statewide Outcome(s):

The State Archaeologist supports the following statewide outcome(s).

A clean, healthy environment with sustainable uses of natural resources.

Context:

The State Archaeologist performs multiple duties that advance the integrity of archeological work, preservation and inventory of archeological sites and historical burials, and promotes archeological research and education. The primary customers are state and local government, landowners, developers, professional archaeologists, students of archaeology, and the general public. The office is funded by a general fund appropriation.

Strategies:

The State Archaeologist contributes to preserving archaeological sites as a critical part of Minnesota's culture and environment through:

- **Preservation of archaeological information** - Make archaeological information accessible to agencies, landowners, and professional archaeologists; digitize vital state archaeological data for posterity and easy online access.
- **Education and awareness** - Promote archeological education through website and Archaeology Week.

Results:

The State Archaeologist promotes proactive approaches to site preservation through close daily interaction with key state development agencies such as the Departments of Natural Resources and Transportation. The office provides these agencies with location information and technical expertise regarding archaeological sites. The State Archaeologist also works closely with Indian Affairs to assess and reduce impacts to historic burial grounds. The office reviews submitted development plans to limit harm to important archaeological sites, evaluates professional qualifications to license archaeological surveys on public land, adds new site information to databases, and provides primary direction for project development and management of the Statewide Survey of Historical and Archaeological Sites.

Performance Measures	Previous	Current	Trend
Assess status of unplatted burial sites	33	38	Improving
Provide development agencies with site information online	87	940	Improving
Unique visitors to State Archaeologist's website	6,407	8,110	Improving

Performance Measures Notes:

1. Unplatted Burial Sites: Previous is the FY 2006-2010 yearly average based on field visits to sites. Current is FY 2011.
2. Agency access: Previous is based on FY 2003 web access for Minnesota counties Current includes Minnesota cities as of FY 2012.
3. Website visitors measure compares FY 2011 (previous) and FY 2012 (current) totals.

Budget Activity: State Archaeologist
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$412	\$3		\$414
Current Law Expenditures (FY 2014-15)	\$412	\$4		\$416
Governor's Recommended Expenditures (FY2014-15)	\$412	\$4		\$416
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: State Archaeologist**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$4		\$4
REVENUE		\$0		\$0
APPROPRIATION	\$412	\$0		\$412
SOURCES OF FUNDS	\$412	\$4		\$416
BALANCE FORWARD OUT				
EXPENDITURES	\$412	\$4		\$416
PAYROLL EXPENSE	\$356			\$356
OPERATING EXPENSES	\$54	\$4		\$58
OTHER FINANCIAL TRANSACTIONS	\$2			\$2
USES OF FUNDS	\$412	\$4		\$416

Administration Plant Management

<http://www.admin.state.mn.us/pmd>

Statewide Outcome(s):

Plant Management Division (PMD) supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

PMD strives to provide responsive and cost-effective services to ensure well-functioning buildings and keep lease rates as low as possible.

Strategies:

PMD provides facilities management services primarily to the State Capitol Complex, where it operates and maintains 22 buildings, 32 parking facilities and 40 acres of green space. Services are also provided to a limited number of buildings throughout the Twin Cities and Greater Minnesota. Other operations include federal and interoffice mail distribution services and the Minnesota Bookstore, which includes the State Register. Primary customers of PMD are state agencies, the Governor's Office, the Legislature, and visitors to the Capitol Complex. The Bookstore serves state and local governments, school districts, and higher education entities. PMD operates as an internal service fund whereby income is generated from building lease rates. Income also comes from central mail postage rates and bookstore sales. There is a general fund appropriation for mail services. PMD supports the outcome of efficient and accountable government services through:

- **Facility operations and services** - Provide clean, functional, efficient, safe, attractive, and environmentally-sound space for building occupants.
- **Parking and alternative transportation operations and services** - Provide safe and adequate parking.
- **Grounds operations and services** - Provide for safe movement within the Capitol Complex

Results:

PMD monitors multiple measures that act as indicators of PMD's performance. These measures are: customer satisfaction, building functionality, building disruptions, and sustainability.

Performance Measures	Previous	Current	Trend
Customer satisfaction with facilities and PMD services	97	97	Stable
Timely completion of on-demand work orders	82	69	Worsening
Number of service disruption incidents	N/A	50	Stable
Percent reduction in energy consumption	10	18.1	Improving

Performance Measures Notes:

1. Customer satisfaction data compares the results of FY 2011 and FY 2012 data. Occupants in PMD managed buildings are asked to complete a survey annually. The survey measures PMD occupants' opinion of several operating parameters including building working condition, cleanliness, resolution of facility problems, employee courtesy, building and grounds appearance, parking services, etc. The percentage identifies tenant satisfaction.
2. Work order completion statistics compare the FY 2011 and FY 2012 timeliness of work order completion. Work order completion times vary by category of work order (immediate, seven day, 14 day, 30 day, or 60-plus days). PMD tracks the aggregate success rate for all categories as a percentage. The reports are developed from Admin's work order management system known as ARCHIBUS.

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3. PMD has recently started to track the number of service disruptions (utility outages, false fire alarms, and building envelope failures that cause work disruptions for the customer). The current data represents the FY 2012 summary of outages. PMD will continue to track this information for FY 2013 to determine trend data.
 4. Energy reduction data compares FY 2011 and FY 2012 total energy consumption. PMD has been tracking monthly energy consumption for the buildings it manages since July 2007. Current reduction total in the table above has been normalized for weather.

Budget Activity: Plant Management
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$876	\$134,906		\$135,782
Current Law Expenditures (FY 2014-15)	\$876	\$148,694		\$149,570
Governor's Recommended Expenditures (FY2014-15)	\$876	\$148,694		\$149,570
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Plant Management**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$37,268		\$37,268
REVENUE		\$156,415		\$156,415
TRANSFERS IN	\$9,727	\$20,165		\$29,891
APPROPRIATION	\$876	\$0		\$876
SOURCES OF FUNDS	\$10,603	\$213,848		\$224,450
BALANCE FORWARD OUT		\$24,466		\$24,466
TRANSFERS OUT		\$40,687		\$40,687
CANCELLATIONS	\$9,725			\$9,725
EXPENDITURES	\$876	\$148,694		\$149,570
PAYROLL EXPENSE	\$623	\$33,340		\$33,963
OPERATING EXPENSES	\$253	\$69,399		\$69,652
OTHER FINANCIAL TRANSACTIONS	\$0	\$26,930		\$26,930
CAPITAL OUTLAY-REAL PROPERTY	\$0	\$19,025		\$19,025
USES OF FUNDS	\$10,601	\$213,848		\$224,449

Administration

Real Estate and Construction Services

<http://www.admin.state.mn.us/recs>

Statewide Outcome(s):

Real Estate and Construction Services (RECS) supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

RECS seeks to provide efficient and effective oversight and management of capital construction projects, ensure facility solutions that cost-effectively meet state agencies' space needs, and facilitate effective management and use of state real property assets.

Strategies:

The State of Minnesota owns 31 million square feet in more than 5,500 buildings. RECS leases 3.6 million useable square feet of non-state-owned space and other real property for more than 100 state agencies, boards, and councils. This activity is primarily funded through general fund and capital appropriations. The work of RECS can be divided into three broad categories:

- **Construction services** - Provide oversight and management of facility planning, design, and construction for new, repurposing, and asset preservation projects for a variety of state agencies with custodial control of state owned property.
- **Enterprise real property administration** - Provide oversight of development and administration of a web-based Total Infrastructure and Facility Management tool (TIFM), state-wide standards, and best practices for use by state agencies with custodial control of state-owned property.
- **Real Estate services** - Provide oversight and management of the state's leasing activities and other real estate transactions.

RECS strives to improve the efficient and effective management and use of real property in support of agency's missions and strategies through knowledgeable and experienced professional staff, contract relationships with industry partners, and implementation of best practices and state-wide standards.

Results:

While no single entity is responsible for managing the State's real estate portfolio, RECS manages a comprehensive database of all real property under the custody and control of state agencies. The tool provides essential accountability and data giving decision-makers the accurate, reliable information needed for management decisions. In addition to the standard industry performance measures agencies have to analyze how well their facilities are supporting agency goals and strategies, RECS evaluates performance based on market comparisons and industry benchmarks.

Performance Measures	Previous	Current	Trend
Percent of state-owned space with catalogued computer assisted design (CAD) drawings and facility condition assessments (FCA) tracked in a single database CAD/FCA	28%/43%	63%/76%	Improving
Percent of state-owned space utilizing TIFM system to track and manage preventive maintenance and on-demand work orders	36	52	Improving
Percent of lease renewals and new leases at or below market rents	99	100	Stable

Performance Measures Notes:

[Click here to enter text.](#)

Budget Activity: Real Estate & Construction Agent
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$6,309	\$2,456	\$4,977	\$13,743
Current Law Expenditures (FY 2014-15)	\$6,160	\$1,159	\$0	\$7,319
Governor's Recommended Expenditures (FY2014-15)	\$6,160	\$1,159	\$0	\$7,319
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Real Estate & Construction Agent**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$1,183		\$1,183
REVENUE		\$990	\$0	\$990
APPROPRIATION	\$6,160	\$0	\$0	\$6,160
SOURCES OF FUNDS	\$6,160	\$2,173	\$0	\$8,333
BALANCE FORWARD OUT		\$1,014		\$1,014
EXPENDITURES	\$6,160	\$1,159	\$0	\$7,319
PAYROLL EXPENSE	\$3,897	\$5		\$3,902
OPERATING EXPENSES	\$2,263	\$1,154	\$0	\$3,417
USES OF FUNDS	\$6,160	\$2,173	\$0	\$8,333

Administration Risk Management

<http://www.admin.state.mn.us/risk>

Statewide Outcome(s):

Risk Management Division (RMD) supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

RMD seeks to deliver highly valued risk services to customers at below market rates. RMD delivers comprehensive, cost-effective property, liability, and workers compensation services through proactive and innovative risk, loss-control, and claims management practices. The goal is to maintain financial stability and a safe, productive workforce. The primary customers for RMD are the Governor's Office, the Legislature, state agencies, the judicial branch and the Minnesota State Colleges and Universities system. Within RMD, workers' compensation operates as a special revenue fund and property and casualty operates as an internal service fund.

Strategies:

The work of RMD to help minimize losses associated with unintended events allowing for the prudent use of state resources can be divided into three broad categories:

- **Underwriting Property and Casualty (P&C) insurance** - Serve as the state's insurance company. Vehicles owned by the state are insured for auto liability and auto physical damage, and property and general liability coverage is provided for many state agencies.
- **Risk management and loss control services** - Provide workplace safety, industrial hygiene, building evaluation, infrared inspection, life safety, fleet safety, and loss data consulting services.
- **Claims management** - Provide cost efficient claims management for workers' compensation, auto physical damage, auto liability, property, general liability, and tort claims.

Results:

RMD uses private insurance industry measures to evaluate performance.

Performance Measures	Previous	Current	Trend
Workers' compensation claim incident rate	4.11	3.78	Improving
Workers' compensation cost per \$100 of payroll	1.13	1.09	Improving
Comparison of annual vehicle liability rates for light trucks:			
RMD	\$194	\$184	Improving
Private carrier	\$827	\$980	
Property & Casualty operating expense ratio	20.2	17.1	Improving

Performance Measures Notes:

- 1 Current workers' compensation claim incident rate is FY 2012 through third quarter; FY 2012 is not final until September due to the lag in claim payments. Previous is FY 2011. The claim incident rate for all Minnesota employers was 4.9 in CY 2010 per Department of Labor & Industry (DLI) Workers' Compensation System Report – 2010 (pub. May 2012).
- 2 Compares FY 2011 and 2012. The payroll cost per \$100 for all Minnesota employers was 1.25 (DLI, 2012).
- 3 Compares FY 2011 and 2012. Industry is CY 2011 and 2012.

-
- 4 Compares FY 2011 and 2012. The operating expense ratio is a measure of premium percentage dedicated to operations. The industry standard for CY 2010, published by the firm AM Best, is 33.7 percent

Budget Activity: Risk Management
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$4,347	\$87,596		\$91,943
Current Law Expenditures (FY 2014-15)	\$3,905	\$94,241		\$98,146
Governor's Recommended Expenditures (FY2014-15)	\$3,905	\$94,241		\$98,146
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Risk Management**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$27,919		\$27,919
REVENUE		\$92,300		\$92,300
TRANSFERS IN		\$6,800		\$6,800
APPROPRIATION	\$3,905	\$0		\$3,905
SOURCES OF FUNDS	\$3,905	\$127,019		\$130,924
BALANCE FORWARD OUT		\$25,979		\$25,979
TRANSFERS OUT		\$6,800		\$6,800
EXPENDITURES	\$3,905	\$94,241		\$98,146
PAYROLL EXPENSE		\$7,719		\$7,719
OPERATING EXPENSES	\$3,905	\$84,222		\$88,127
OTHER FINANCIAL TRANSACTIONS		\$2,300		\$2,300
USES OF FUNDS	\$3,905	\$127,020		\$130,925

Administration SmART Program

<http://www.admin.state.mn.us>

Statewide Outcome(s):

The Small Agency Resource Team (SmART) supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

SmART seeks to improve the efficiency and effectiveness of financial and human resources services for small agencies, boards, and councils. SmART enables administrative efficiency by sharing the specialized resources and expertise of a larger administrative organization. SmART currently serves 15 entities and the primary funding is a general fund appropriation. This activity also receives funding from agencies with collaborative agreements.

Strategies:

The work of SmART can be divided into the following categories:

- **Financial management and human resources** - Provide financial and human resource services centrally to avoid duplication of staff and to achieve greater efficiency and accuracy.
- **Strategic direction and guidance** - Understand the business needs of the entities served to enhance the direction and guidance provided; over time this guidance can influence the knowledge base of the small agencies, boards, and councils.
- **Technical expertise** - Provide a wide range of expertise that small agencies, boards, and councils could not replicate.

Results:

When small agencies, boards, and councils work with SmART for their financial management and human resource services, it results in higher quality services provided more efficiently and at lower costs. SmART measures customer satisfaction and performs direct cost comparison estimates to track the value of its services.

Performance Measures	Previous	Current	Trend
Customer rating of value of SmART services, products, advice, and expertise	4.8	TBD	Stable
Rate of savings achieved through SmART when compared to costs for each agency, board, or council to perform same duties independently	37%	40%	Stable

Performance Measures Notes:

1. On a scale of one to five, SmART customers identified an overall 4.8 satisfaction rating in FY 2010. Customers will evaluate services again in FY 2013.
2. In FY 2010 and FY 2012, SmART served ten customers with the general fund appropriation. This measure looks at the cost of each customer performing the technical financial and human resource duties independently. It assumes that without SmART services, each customer would have employed or detailed at least a 0.5 employee in a technical classification (accounting technician) to perform financial and human resources duties. Totals above are percent estimates of savings and reflect a benchmark of SmART services being at least 30 percent cheaper than the alternative.

Budget Activity: Small Agency Resource Team
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$463			\$463
Current Law Expenditures (FY 2014-15)	\$496			\$496
Governor's Recommended Expenditures (FY2014-15)	\$866			\$866
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$370			\$370
% Change from FY 2014-15 Current Law to Governor's Rec	75%			75%

Budget Activity: Small Agency Resource Team

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$866			\$866
SOURCES OF FUNDS	\$866			\$866
EXPENDITURES	\$866			\$866
PAYROLL EXPENSE	\$749			\$749
OPERATING EXPENSES	\$117			\$117
USES OF FUNDS	\$866			\$866

Administration

State Assistive Technology (Star)

<http://www.starprogram.state.mn.us>

Statewide Outcome(s):

The Minnesota STAR (A System of Technology to Achieve Results) program supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

STAR strives to ensure that Minnesotans with disabilities and older adults gain access to and acquire the assistive technology they need to achieve their personal, academic, and career goals. The primary customers of STAR are Minnesotans with disabilities (all ages) and older adults with functional needs. STAR is federally-funded.

Strategies:

The strategies utilized by STAR to enable Minnesotans with disabilities to achieve their goals are:

- **Demonstration and loan services** – Enable consumers to make informed decisions in purchasing devices by providing access to professional expertise and sample devices.
- **Reutilization** – Provide citizens with an affordable means to obtain assistive technology by funding services to facilitate the buying, borrowing, donating, or selling of used but functional devices.
- **Education and awareness** – Educate citizens about the technology and provide information and training for individuals to successfully use assistive technology to achieve their goals.

Results:

STAR's goal is to ensure that consumers of assistive technology have the knowledge needed to decide if a device will meet their needs. Customer surveys are collected after a device demonstration or device loan to determine if the consumer received enough information and access to devices to make a decision. Customer surveys completed in connection with reutilization services identify cost-savings gained from purchasing a previously-owned rather than a new device.

Performance Measures	Previous	Current	Trend
Number conducted:			
Device Demonstrations	586	883	Improving
Device Loans	761	987	Improving
Percent of consumers who made a decision based upon:			
Device Demonstration	46	75	Improving
Device Loan Experience	46	53	Improving

Performance Measures Notes:

1. Device demonstration or device loan should provide enough information for the consumer to decide if the device will meet the consumers' need. Each set of measures compares data from FY 2011 and FY 2012.
2. FY 2011 – Out of 761 loans, 624 were made resulting in 286 consumers making a decision. The remaining loans were for short-term accommodations or used as a loaner while a personal device was repaired.
3. FY 2012 – Out of 987 loans, 722 loans were made resulting in 380 consumers making a decision. The remaining loans were for short-term accommodations or used as a loan while a personal device was in for repair.

Budget Activity: State Assistive Tech (Star)
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)			\$939	\$939
Current Law Expenditures (FY 2014-15)			\$947	\$947
Governor's Recommended Expenditures (FY2014-15)			\$947	\$947
\$ Change from FY 2014-15 Current Law to Governor's Rec			\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec			0%	0%

Budget Activity: State Assistive Tech (Star)

Sources and Uses

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$946	\$946
SOURCES OF FUNDS			\$946	\$946
EXPENDITURES			\$947	\$947
PAYROLL EXPENSE			\$551	\$551
OPERATING EXPENSES			\$396	\$396
USES OF FUNDS			\$947	\$947

Administration

State Demographer

<http://www.demography.state.mn.us>

Statewide Outcome(s):

The State Demographer's Office supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

The State Demographer's Office seeks to assist state and local leaders in making informed programmatic and policy decisions by providing timely, reliable data and information. Data produced and distributed by the office allows leaders to leverage resources and align policies and programs to the state's changing needs, thereby increasing the effectiveness and efficiency of government. The Demographer is also the state's liaison for the federal Census. The office serves state agencies, legislators and other elected officials, local governments, businesses, nonprofit organizations, and residents of Minnesota. This activity is funded through a General Fund appropriation.

Strategies:

The work of the State Demographer's Office can be divided into three broad categories:

- **Data production** - Produce mandated annual population estimates for political subdivisions for use in state program and funding formulas. The office also produces mandated annual population forecasts that assist leaders in planning for the long-term effects of population changes on state budgets and programs.
- **Data analysis** - Analyze demographic, economic, and social data that highlight the implication of changing demographics to the state.
- **Public awareness** - Conduct citizen outreach with custom data and reports on critical issues. In addition, the State Demographer partners with the U.S. Census Bureau to ensure compliance and awareness of the federal census.

Results:

The State Demographer's Office distributes data and information through its website, presentations, and individual data requests. The office monitors its dissemination activities and surveys users quarterly about whether the appropriate information was available. In an effort to make distribution of information cost-effective, the office seeks to maximize the number of users who can locate the data and information on its website. Month to month changes in data requests, presentations, and web-site traffic is determined, in part, by seasonal data release patterns.

Performance Measures	Previous	Current	Trend
Percent of users that successfully located data or resources they were seeking on web site	N/A	50	N/A
Average number of constituents served by individual data requests and presentations each quarter	N/A	1,699	N/A
Average number of page views each month	N/A	120,619	N/A

Performance Measures Notes:

1. Measure for percentage of users that successfully located data or resources they were seeking on website is from feedback survey implemented in FY 2012.
2. Measure for average number of constituents served by individual data requests and presentations each quarter reports on activities is a new measure implemented in FY 2012.

3. Average monthly page views is a new measure implemented in FY 2012.

Budget Activity: State Demographer
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,046			\$1,046
Current Law Expenditures (FY 2014-15)	\$1,046			\$1,046
Governor's Recommended Expenditures (FY2014-15)	\$1,046			\$1,046
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: State Demographer**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$1,046			\$1,046
SOURCES OF FUNDS	\$1,046			\$1,046
EXPENDITURES	\$1,046			\$1,046
PAYROLL EXPENSE	\$834			\$834
OPERATING EXPENSES	\$212			\$212
USES OF FUNDS	\$1,046			\$1,046

Administration Strategic Management Service

<http://www.admin.state.mn.us>

Statewide Outcome(s):

Strategic Management Services supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

Strategic Management Services seeks to ensure the agency is meeting its mission of providing the best value in government services. This is done by setting the agency's strategic vision and establishing and monitoring performance standards. Regular communications are one resource that is used to engage employees in the agency mission to deliver quality services. In addition to agency employees, other critical stakeholders include the Governor's Office, state agencies, the Legislature, media, local government, and citizens. This program is funded by the General Fund.

Strategies:

The work of Strategic Management Services is divided into three budget activities.

- **Executive Leadership and Partnerships** – Provide agency and executive leadership, management, communications, and program support; develop strategic relationships with private sector, philanthropic and non-profit partners.
- **Financial Management and Reporting** – Ensure fiscal integrity by providing agency financial management, coordination of internal controls, and preparation of fiscal notes.
- **Human Resources** – Provide human resources services to ensure a productive, diverse, and highly competent workforce.

Each activity promotes efficient and accountable government services by ensuring the prudent use of state resources, optimization of partnerships, and retention of trained, competent employees.

Results:

Strategic Management Services works with the divisions to set high but achievable performance objectives, monitors and communicates results quarterly, and develops both internal and external partnerships to maximize available resources. These strategies help ensure a high-performance, transparent work environment that values and rewards an engaged workforce.

Performance Measures	Previous	Current	Trend
Rating of employee engagement in providing efficient services to other agencies, units of government, and the community	N/A	TBD	TBD
Percent of payroll verifications completed bi-weekly	71	100	Improving
Percent of fiscal notes completed within the time requested	75	90	Improving

Performance Measures Notes:

1. Agency employees have been involved in the rework of the agency's mission and goals and continue to provide feedback through various communications channels. During calendar year 2012, an employee engagement survey will be conducted to establish the baselines for this measure.
2. Agency implemented measure in FY 2010. Divisions report results quarterly and monitoring in FY 2013.
3. Previous results represent the 2011 Legislative session and current results the 2012 Legislative session. There are a variety of reasons that fiscal notes cannot be completed within the timeframe requested (e.g.,

ongoing discussion with legislator or fiscal staff, short turn-around time, complexity of proposed legislation).

Program: Strategic Mgmt Services

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$3,679			\$3,679
Current Law Expenditures (FY 2014-15)	\$3,235			\$3,235
Governor's Recommended Expenditures (FY2014-15)	\$3,485			\$3,485
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$250			\$250
% Change from FY 2014-15 Current Law to Governor's Rec	8%			8%

Program: Strategic Mgmt Services

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$3,514			\$3,514
SOURCES OF FUNDS	\$3,514			\$3,514
TRANSFERS OUT	\$30			\$30
EXPENDITURES	\$3,485			\$3,485
PAYROLL EXPENSE	\$2,703			\$2,703
OPERATING EXPENSES	\$742			\$742
OTHER FINANCIAL TRANSACTIONS	\$40			\$40
USES OF FUNDS	\$3,515			\$3,515

Administration Fiscal Agent

<http://www.admin.state.mn.us>

Statewide Outcome(s):

The fiscal agent supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

The fiscal agent ensures that the grants and other special funding programs Admin receives through specific appropriations from the Legislature are distributed to recipients and managed according to applicable laws, statutes, policies, and procedures.

Strategies:

- **Public Television and Radio Grants** - provide financial assistance for public television and public noncommercial radio stations serving Minnesota citizens (M.S. 129D.11-16).
- **Clean Water, Land and Legacy Amendment** - administer appropriated funding from the Arts and Cultural Heritage Fund to support public television, public radio, zoos, veterans' camps, museums, and film projects. Additional details about Arts and Cultural Heritage Fund grants managed by Admin are available at <http://www.admin.state.mn.us/achfgrants>.
- **Pass-through Accounts** - provide funding for approximately 372,000 square feet, 22 monuments and memorials, and 28.3 acres of ceremonial grounds that are not directly paid and include:
 - **Ceremonial areas** - Capitol Building ceremonial spaces, such as the rotunda; the governor's residence; and the ceremonial grounds and monuments/memorials in the Capitol area.
 - **Services for the Blind** - space occupied by blind vending operators in buildings under the agency's custodial control (M.S. 248.07, subd. 7).
 - **Rent waived** - space occupied in the Capitol, State Office Building, and Veterans Service Building by the House of Representatives, Senate, Revisor of Statutes, Legislative Reference Library, and Congressionally chartered veterans' organizations (M.S. 197.55 to 197.58).
- **Legislatively assigned** - administer other grants and funding appropriated by the Legislature, such as construction grants to political subdivisions.

Results:

The agency strives to foster more efficient and effective management of state resources through professional administration of legislatively mandated grants.

Performance Measures	Previous	Current	Trend
Percent of required reports from grantees received timely	87.3	91.7	Improving

Performance Measures Notes:

Data compares public broadcasting and Legacy Amendment grantee report submittals for FY 2011 (previous) to FY 2012 (current).

Program: Fiscal Agent

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$19,924	\$17,961		\$37,885
Current Law Expenditures (FY 2014-15)	\$19,902	\$0		\$19,902
Governor's Recommended Expenditures (FY2014-15)	\$22,002	\$0		\$22,002
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$2,100	\$0		\$2,100
% Change from FY 2014-15 Current Law to Governor's Rec	11%	0%		11%

Program: Fiscal Agent

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$11		\$11
APPROPRIATION	\$22,002	\$0		\$22,002
SOURCES OF FUNDS	\$22,002	\$11		\$22,013
BALANCE FORWARD OUT		\$11		\$11
EXPENDITURES	\$22,002	\$0		\$22,002
PAYROLL EXPENSE				
OPERATING EXPENSES	\$16,316			\$16,316
GRANTS, AIDS AND SUBSIDIES	\$3,826	\$0		\$3,826
CAPITAL OUTLAY-REAL PROPERTY	\$1,860			\$1,860
USES OF FUNDS	\$22,002	\$11		\$22,013

Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State		State-wide Outcome
							Match Yes / No	Required State MOE Yes /No	
Federal Fund - Agency Total			6,421	1,401	1,426	1,496			
Program Total			6,421	1,401	1,426	1,496			
Budget Activity Total			1,085	822	953	1,023			
Governor's Council on Developmental Disabilities (DD Council)	No	Basic support including information, education and training for knowledge building, skills development, and attitude changes that will result in increased independence, productivity, self-determination, integration, and inclusion of individuals with developmental disabilities and their families.	1,085	822	953	1,023	Yes	Yes	Education
Budget Activity Total			4,872	106	-	-			
RECS - ARRA Commerce Stimulus Funds	No	These funds are used to make improvements to state facilities to enhance energy efficiency by Administration in cooperation with Commerce. In accordance with M.S. 16B.322, this program identifies and implements energy-related improvements in state-owned buildings.	4,872	106	-	-	No	No	Government
Budget Activity Total			464	473	473	473			
State Grants for Assistive Technology (SGAT)	No	These funds are expended for activities related to device demonstrations, device loan, and reuse that increase independence and productivity of individuals with disabilities through the use of assistive technology.	464	473	473	473	No	No	Education

Narrative:

Admin received federal funding and American Recovery and Reinvestment Act (ARRA) funding. Developmental Disabilities Council receives a grant from the Administration on Developmental Disabilities, US Department of Health and Human Services, authorized by the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (DD Act), (P.L. 106-402). At least 70% of each year's basic grant allocation must be re-granted to programs and activities that will result in the increased independence, productivity, self-determination, integration and inclusion (IPSI) of people with developmental disabilities and their families in the community. The majority of the DD Council's match is met through in-kind contributions of grant recipients. The annual state appropriation of \$74,000 must be maintained according to the federal law. Federal funding is projected through state FY 2015; no significant changes are anticipated in the DD Act. The Minnesota System of Technology to Achieve Results (STAR) is federally funded by the Rehabilitation Services Administration in accordance with the Assistive Technology Act of 1998, as amended (P.L. 108-364). Funding is used to help all Minnesotans with disabilities gain access to and acquire the assistive technology (AT) needed to live, learn, work, and play. STAR assures that Minnesotans have access to AT for device demonstration and device loan to assist with decision-making prior to purchase. STAR also provides AT training, technical assistance, public awareness, and statewide information and referral services. There is no required maintenance level of support or matching funds related to the Assistive Technology Act of 1998, as amended (AT Act). Level funding is projected through FY 2015. STAR receives regular updates from its federally-funded technical assistance provider (RESNA) on federal activity (including sequestration) that has a direct impact on program funding through the Assistive Technology Act of 1998, as amended. The impact of sequestration is unknown at this time. In addition to the ongoing funding, Real Estate and Construction Services received ARRA funding for energy efficiency improvements at state facilities. The stimulus funds are available to Admin through interagency agreements with the Department of Commerce.

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Mission:

The Office of Administrative Hearings (OAH) strives to provide a fair, efficient, professional and high-quality set of hearing services in administrative proceedings.

Statewide Outcome(s):

Administrative Hearings, Office of supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

The OAH is an independent tribunal within the executive branch. The OAH conducts hearings when state or local law provides the right to challenge a government action through an administrative hearing. OAH services are an important part of the state's guarantee of "due process of law."

For example, the judges of the OAH conduct hearings in cases involving:

- discipline of professionals licensed by the state;
- rulemaking by state agencies;
- regulation of Minnesota utilities;
- claims of campaign practice violations;
- special education disputes; and,
- claims to workers' compensation benefits.

OAH offers a wide-range of dispute-resolution services, namely:

- providing persons that are adversely affected by certain government actions with a full and fair opportunity to challenge those actions;
- ensuring that agency rules and rulemaking proceedings conform to the law and allow the widest- possible public participation in the formulation of agency rules;
- acting on petitions for orders for creation or dissolution of municipalities or for alterations of municipal boundaries through consolidation, annexation, or detachment of real property;
- assisting parties to resolve their differences through settlement, arbitration, and mediation; and
- providing injured workers, their employers, and workers' compensation insurers with prompt and impartial resolutions of claims for workers' compensation benefits.

The **Administrative Law Division** meets the administrative hearing needs of most state agencies and a number of local governments. The subject matter of "contested case" proceedings varies widely among the 120 agencies that present disputes for resolution. Accordingly, the division deploys a highly-experienced team of generalist judges to locations across the state to conduct hearings and resolve disputes. The division is funded by a special revenue revolving fund, and does receive a biennial appropriation from the general fund to the general account of the state elections campaign fund.

The **Municipal Boundary Adjustment Unit** administers the uniform system of municipal boundary adjustments required by M.S. Chapter 414. An Assistant Chief Administrative Law Judge issues orders on petitions for creation or dissolution of municipalities or for alterations of municipal boundaries through consolidation, annexation, or detachment of real property. The unit is funded through an annual appropriation from the general fund.

The **Workers Compensation Division** conducts pre-trial and trial functions associated with petitions for workers' compensation benefits. Those functions include ruling on motions, conducting settlement and pre-trial conferences, conducting trials, and issuing awards and final decisions. The division is funded from the Special Compensation Fund through a biennial appropriation.

Strategies:

To clearly and correctly resolve disputes in the fewest number of days and to provide quality services to resolve cases within timelines set in statute; to increase the number of agencies and local units of governments that utilize the OAH's services; to improve in the quality and clarity of written decisions; and to improve access to information on municipal boundary adjustments.

Results:

Performance Measures	Previous	Current	Trend
Days for Administrative Law Judge to issue written opinion after closure of record (within 90 days)	27	22	Improving
Days for a Compensation Judge to issue order on a request to discontinue benefits (within 5 days)	6	2.5	Improving
Days for Compensation Judge to issue order on medical or rehabilitation requests (within 30 days)	19	12.5	Improving
Days for Compensation Judge to issue final decisions after record closes (within 60 days)	38	39	Stable

Performance Measures Notes:

1. The previous measures reflect performance in Fiscal Year 2011, and the current measures reflect performance in Fiscal Year 2012.
2. Other OAH performance goals include:
 - a. To increase the number of local units of governments using our services.
 - b. To reduce the amount of time that judge-reviewers spend on peer review tasks.
 - c. To expand the range of case-related data accessible to the public.
 - d. To expand the outreach to citizens of Minnesota as it relates to municipal boundary adjustments.

**Administrative Hearings, Office of
Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$638	\$18,486		\$19,124
Current Law Expenditures (FY 2014-15)	\$638	\$18,366		\$19,004
Governor's Recommended Expenditures (FY2014-15)	\$674	\$18,491		\$19,165
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$36	\$125		\$161
% Change from FY 2014-15 Current Law to Governor's Rec	6%	1%		1%

**Administrative Hearings, Office of
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$367		\$367
REVENUE		\$3,837		\$3,837
TRANSFERS IN		\$125		\$125
APPROPRIATION	\$674	\$14,500		\$15,174
SOURCES OF FUNDS	\$674	\$18,829		\$19,503
BALANCE FORWARD OUT		\$337		\$337
EXPENDITURES	\$674	\$18,491		\$19,165
PAYROLL EXPENSE	\$332	\$14,979		\$15,311
OPERATING EXPENSES	\$342	\$3,512		\$3,855
USES OF FUNDS	\$674	\$18,828		\$19,502

Administrative Hearings, Office of

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Change Request: Data Practices

The Governor recommends increased funding to the Office of Administrative Hearings (OAH) for FY 2013 costs related to hearing data practices cases because the filing fees for these cases were not sufficient to cover the costs of hearing the cases.

Performance Measures:

The OAH and key stakeholders continue to work on developing a long-term solution that addresses a sufficient funding source for the hearing costs related to data practices cases.

General Fund	Expenditure	36	0	36	0	0	0
	Net Change	36	0	36	0	0	0

Sanitary District Formation

The Governor recommends transferring from the Pollution Control Agency (MPCA) to the Office of Administrative Hearings (OAH) the authority and funding to establish sanitary districts

Performance Measures:

Transferring this authority to the Office of Administrative Hearings (OAH) will standardize and simplify the process for local governments as OAH is responsible for administering the state's uniform system for city boundary adjustments.

Other Funds	Expenditure	75	50	125	50	50	100
Other Funds	Transfers In	75	50	125	50	50	100
	Net Change	0	0	0	0	0	0

Net All Change Items	General Fund	36	0	36	0	0	0
	Other Funds	0	0	0	0	0	0
	Net Change	36	0	36	0	0	0

**Administrative Hearings, Office of
All Funds FTE by Program**

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Administrative Hearings	67.9	66.2	66.2
Administrative Hearings, Office of	67.9	66.2	66.2

Administrative Hearings, Office of
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	28			28
	Subtotal	28			28
Dedicated	DEPARTMENTAL EARNINGS		3,837		3,837
	Subtotal		3,837		3,837
Total		28	3,837		3,865

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Mission:

Our mission is to enhance Minnesotans' quality of life by ensuring the integrity of our food supply, the health of our environment, and the strength of our agricultural economy.

Statewide Outcome(s):

Agriculture supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context:

The Minnesota Department of Agriculture (MDA) provides a long list of services to Minnesota farmers and consumers. Among its many efforts, the department:

- Inspects the entire chain of food production in Minnesota,
- Ensures that state and federal regulations for food and health safety are followed,
- Educates producers, suppliers, and consumers on proper production and handling of food products,
- Educates Minnesotans about environmental hazards to keep our farms, homes, businesses and neighbors safe,
- Promotes the consumption of Minnesota-grown foods, and
- Supports the export of Minnesota Crops and Livestock.

Agriculture is a major contributor to the economic health of Minnesota, with farm-level production and agricultural processing having a total output impact greater than \$74 billion and a total employment impact of more than 342,000 jobs. Changes in consumer habits and tastes, a more urban population, new and increasingly competitive and global markets, transportation and communication innovations, and evolving environmental and energy policy, among other factors, offer challenges and opportunities.

The key trends affecting agriculture are consumer expectations for a safe food supply, increased focus on a healthy environment, growth opportunities in local and organic foods, the growth in international markets and the emergence of new biofuels. Together, these trends have created more diversity in farm business models used in the state. For example, while the vast majority of Minnesota's agricultural production and economic impact still comes from "traditional" crop and livestock farms, there is a steadily growing number of farms catering to consumers' increasing interest for local food and for greater interaction with those who provide their food.

The agency budget comes from three primary sources. First, the state's general fund provides roughly 40 percent of the agency budget. About one third of this general fund budget is passed through in Agriculture Growth, Research and Innovation (AGRI) and other assistance grant programs. Second, dedicated funds spent by the agency come from fee revenue which are dedicated to and used for the activities for which they were collected. The third funding source is federal funds, which provide roughly ten percent of the agency's budget. Recently, federal funding has diminished for some MDA programs. The largest budget increase in recent years has been from the addition of Clean Water "legacy" funds.

Strategies:

The agency uses a range of regulatory and voluntary strategies to support its mission. This includes the use of registration, labeling, licensing, permitting, inspection and enforcement efforts. Additionally, the agency coordinates and conducts outreach activities such as workshops, conferences, and field demonstration projects.

Agency staff conduct inspections and verify samples to ensure that producers, processors, wholesalers, salvers, haulers, grocery and convenience store and other industry personnel are producing and handling dairy, food, meat and feed products in a safe manner to prevent product adulteration and contamination.

The agency ensures that Minnesota plant commodities meet the specified import requirements of our trading partners, specific grades established in business contracts, viability and purity standards of seeds, general health standards for nursery stock, established standards of freedom from harmful plant pests.

The agency marketing and promotional initiatives offer producers technical and financial assistance for production and siting issues, dairy development, grazing, and business planning, on-farm demonstration and technical assistance for emerging water quality and conservation practices.

Agency staff facilitates access to markets through the Minnesota Grown Directory, International Trade market research and client support for trade missions and export assistance. In addition, the agency supports the organic industry through education, direct financial support, and skill development.

Measuring Success:

The agency will monitor the following data to determine progress or measures of success:

- Annual pounds of waste pesticide collected and properly disposed.
- Export Certificates issued in one to three business days
- Traps placed for Emerald Ash Borer
- National Laboratory Services accreditations achieved
- Inspection rate of high-risk food processing facilities
- Return on investment for trade and reverse trade missions

Agriculture**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$62,003	\$87,515	\$16,535	\$166,053
Current Law Expenditures (FY 2014-15)	\$61,990	\$88,353	\$15,735	\$166,079
Governor's Recommended Expenditures (FY2014-15)	\$62,660	\$101,015	\$15,735	\$179,411
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$670	\$12,662	\$0	\$13,332
% Change from FY 2014-15 Current Law to Governor's Rec	1%	14%	0%	8%

Agriculture**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$0	\$64,792	\$154	\$64,946
REVENUE	\$0	\$99,086	\$15,778	\$114,864
TRANSFERS IN		\$6,890		\$6,890
APPROPRIATION	\$63,270	\$19,376	\$0	\$82,646
SOURCES OF FUNDS	\$63,270	\$190,144	\$15,931	\$269,346
BALANCE FORWARD OUT		\$53,107	\$196	\$53,303
TRANSFERS OUT	\$610	\$36,020		\$36,630
EXPENDITURES	\$62,660	\$101,015	\$15,735	\$179,411
PAYROLL EXPENSE	\$21,499	\$43,027	\$7,836	\$72,362
OPERATING EXPENSES	\$18,189	\$34,711	\$5,281	\$58,180
OTHER FINANCIAL TRANSACTIONS	\$0	\$21,356	\$21	\$21,377
GRANTS, AIDS AND SUBSIDIES	\$22,946	\$1,920	\$2,553	\$27,419
CAPITAL OUTLAY-REAL PROPERTY	\$26	\$2	\$44	\$72
USES OF FUNDS	\$63,270	\$190,142	\$15,931	\$269,343

Agriculture

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Clean Water Legacy - Nitrates in Groundwater

The Governor recommends continuing funding to protect groundwater from nitrate contamination due to the use of fertilizers. Contamination from nitrates poses the greatest threat to Minnesota's groundwater. This proposal funds 3.2 FTEs to perform this work.

Performance Measures:

If approved, this initiative will reduce nitrate contamination of Minnesota groundwater.

Other Funds	Expenditure	1,500	1,500	3,000	0	0	0
	Net Change	1,500	1,500	3,000	0	0	0

Clean Water Legacy - Agricultural Non-point Source Research

The Governor recommends continuing funding to conduct research to quantify agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources while maintaining productivity. This proposal funds 0.4 FTEs to perform this work.

Performance Measures:

This proposal will help Minnesotans to understand the best management practices to protect and restore water resources

Other Funds	Expenditure	1,050	1,050	2,100	0	0	0
	Net Change	1,050	1,050	2,100	0	0	0

Clean Water: Impaired Waters Technical Assistance

The Governor proposes continuing funding to protect the water resources of Minnesota from agricultural-related contaminants. To accomplish this, the Department provides technical assistance on proper implementation of best management practices and supports pilot and demonstration projects. This proposal funds six FTEs to perform this work.

Performance Measures:

This proposal will help Minnesotans to understand the best management practices to protect and restore water resources

Other Funds	Expenditure	1,500	1,500	3,000	0	0	0
	Net Change	1,500	1,500	3,000	0	0	0

Agriculture

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Clean Water Legacy - Agriculture Best Management Practice (AgBMP) Loan Program

The Governor recommends continuing funding for the Agricultural Best Management Practices (AgBMP) Loan Program. The AgBMP program provides low interest loans for water quality projects to implement components of Comprehensive Local Water Plans and other environmental plans such as Minnesota 319 Nonpoint Source Management Plan, Total Maximum Daily Load (TMDL) Implementation Plans, Sole Source Aquifer Plans, and Wellhead Protection Plans. This proposal funds 0.5 FTEs to perform this work.

Performance Measures:

This proposal will lower the delinquency rate on AgBMP loans

Other Funds	Expenditure	58	60	118	0	0	0
Other Funds	Transfers Out	1,442	1,440	2,882	0	0	0
	Net Change	1,500	1,500	3,000	0	0	0

Clean Water Legacy - Pesticide Monitoring and Assessment

The Governor recommends continuing funding to provide capacity to increase of monitoring of pesticides in Minnesota's water resources. The results of this monitoring is used to assess, over time, changes in Minnesota's water resource quality. This proposal funds 1.9 FTEs to perform this work.

Performance Measures:

This proposal will result in an increase of pesticide analyses each year as well as the number of analytes detected

Other Funds	Expenditure	350	350	700	0	0	0
	Net Change	350	350	700	0	0	0

Clean Water Legacy - Irrigation Water Quality Protection

The Governor recommends funding for a regional irrigation water quality specialist position through the University of Minnesota Extension.

Performance Measures:

This proposal will result in greater education among agricultural producers related to irrigation management in Minnesota

Other Funds	Expenditure	110	110	220	0	0	0
	Net Change	110	110	220	0	0	0

Agriculture

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Clean Water Legacy - Manure Applicator Program Enhancement

The Governor recommends funding for enhancements that develop and implement a comprehensive and up-to-date instruction system for animal waste technicians who apply manure to the ground for hire, to ensure they are aware of and are following recommended best management practices to protect water resources during the application of manure

Performance Measures:

If approved, this initiative will result in greater education among commercial animal waste technicians, site managers and companies performing manure application in the state of Minnesota.

Other Funds	Expenditure	100	100	200	0	0	0
	Net Change	100	100	200	0	0	0

Clean Water Legacy - Research Inventory Database

The Governor recommends continuing funding to develop a database to provide ready access to research that supports clean water implementation activities for groundwater and surface water protection. This proposal funds 0.2 FTEs to perform this work.

Performance Measures:

This proposal will help individuals access to research that supports clean water implementation activities for groundwater and surface water protection

Other Funds	Expenditure	175	75	250	0	0	0
	Net Change	175	75	250	0	0	0

Net All Change Items	General Fund	335	335	670	335	335	670
	Other Funds	7,785	7,685	15,470	0	0	0
	Net Change	8,120	8,020	16,140	335	335	670

Agriculture
All Funds FTE by Activity

	Current	Forecast Base	Governor's Recommendation
Activity	FY 2013	FY 2015	FY 2015
Budget Activity: Pesticide and Fertilizer Mgmt	91.9	87.1	100.8
Budget Activity: Plant Protection	74.1	74.1	74.1
Budget Activity: Lab Services	46.1	46.1	46.1
Budget Activity: Dairy and Food Inspection	113.2	111.2	111.2
Budget Activity: Ag Marketing and Development	31.5	31.5	31.5
Budget Activity: Value-Added	0.1	0.1	0.1
Budget Activity: Grants and Assistance	1.8	0.9	0.9
Budget Activity: Agency Services - Agriculture	61.0	64.6	65.1
Agriculture	419.6	415.6	429.9

Agriculture
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	6,514	0		6,514
	Subtotal	6,514	0		6,514
Dedicated	FEDERAL GRANTS	0	0	15,688	15,688
	DEPARTMENTAL EARNINGS		43,319		43,319
	INVESTMENT INCOME		547		547
	ALL OTHER		55,220	90	55,310
	Subtotal	0	99,086	15,778	114,864
Total		6,514	99,086	15,778	121,378

Agriculture

Pesticide and Fertilizer Management Division

<http://www.mda.state.mn.us/chemicals>

Statewide Outcome(s):

The Pesticide and Fertilizer Management Division supports the following statewide outcome(s).

Minnesotans are healthy.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Context:

The Pesticide and Fertilizer Management Division (PFMD) regulates pesticides and fertilizers in urban and rural settings in Minnesota for the protection of human health and the environment and for the safety of communities. The division's programs help ensure the safe storage, transportation, application and disposal of home, garden and agricultural pesticide and fertilizer products. The PFMD also plays an important role in the monitoring of water resources in agricultural and urban areas to determine the presence and concentration of pesticides and nitrate. The PFMD is responsible for administering many of the MDA's Legacy Clean Water Fund (CWF) projects such as research, technical assistance to local units of government, on-farm demonstration projects, and water quality monitoring and data management.

About 65 percent of the division's funding is from pesticide and fertilizer registration fees, permitting and licensure user fees and surcharges that are deposited in dedicated accounts. Other funding sources include Legacy Clean Water Funds, Minnesota Environmental Response and Liability Act (state superfund program), state General Fund appropriations, and federal funds.

Strategies:

To fulfill its responsibilities, PFMD uses both regulatory and voluntary strategies. These include: the use of registration, labeling, licensing, permitting, inspection and enforcement efforts; the monitoring of water resources; the development and promotion of voluntary practices; the certification of individuals for fertilizer and pesticide application; and certification of soil and manure testing laboratories. PFMD also coordinates and conducts many outreach activities such as workshops, conferences, and field demonstration projects.

A firm and fair regulatory program provides for a "level playing field" and ensures public confidence in the storage and use of pesticides and fertilizers. In both regulatory and voluntary programs, it is scientific information above all that drives PFMD decisions, practices and policies. When possible, input is sought from diverse stakeholders in the development of rules, policies and practices.

PFMD relies on partnerships to accomplish its work. PFMD has strong partnerships with local units of government, agricultural and commodity organizations, agricultural chemical organizations, conservation and environmental organizations, the University of Minnesota and other institutions of higher education, the University of Minnesota Extension Service, and state and federal agencies.

Results:

Pesticide Inspections of Facilities and Anhydrous Ammonia Bulk Storage Inspections of Permitted Facilities. Inspections of pesticide facilities and anhydrous ammonia facilities are designed to assist in compliance and to correct non-compliant issues. PFMD recently developed and implemented a paperless inspection and documentation system, the Compliance Information System (CIS), that results in more comprehensive and consistent inspection protocols. Though these protocols take more time initially, overall efficiency increases due to the single entry, ease of document review and document transfer. <http://www.youtube.com/watch?v=Krvd5k4dU4Y>. The principal driver for the number of inspections is the number of staff and staff time. Increased resources have been provided by the legislature. New staff has been hired and are being trained.

Waste Pesticide Collections. The MDA has conducted Waste Pesticide Collections since the early 1990s. Since 2001, the majority of the waste pesticide has been generated in urban settings. Agricultural waste pesticides have decreased due to changes in technology, packaging and stewardship. In the last few years this trend has been more pronounced. Waste pesticides that are collected and properly disposed of are pesticides that are not available to contaminate soil, ground or surface water.

<http://www.mda.state.mn.us/news/government/~media/Files/news/govrelations/leg rpt-wastepest2011.ashx>

Annual Number of Ag Chem Sites Remediated. The MDA has responsibility for overseeing the remediation of agricultural chemical contamination sites. These are commonly located where pesticides and fertilizers are stored or handled. A surcharge on agricultural chemicals and licenses is dedicated to a reimbursement fund (ACRRA, the Agricultural Chemical Response and Reimbursement Account). Factors such as the agricultural economy and property transfers drive the number of sites remediated in any given year.

<http://www.mda.state.mn.us/en/grants/disaster/acrra.aspx>

Number of Counties Participating in Long-Term Nitrate Monitoring. Nitrate is one of the most common contaminants in Minnesota's groundwater and may exceed the drinking water standard in vulnerable aquifers. The most vulnerable areas of the state are the Central Sands and Karst regions. To better understand sources and preventative measures, PFMD partners with a number of counties to develop cooperative monitoring networks. Funding from Minnesota's Legacy Clean Water Fund is used for activities that help identify potential sources of nitrate contamination and evaluate and implement practices to reduce nitrate in groundwater.

<http://www.mda.state.mn.us/protecting/waterprotection/~media/5F3B00B7A52C4591AF43EB747FB91F2B.ashx>

Legacy Clean Water Fund Performance Measures. Minnesota state agencies work together to establish and report outcome-based performance measures that monitor the progress and impact of Clean Water Fund activities. These measures can be found in the [Clean Water Fund Performance Report](#). The report contains a set of quantifiable performance measures, of which the MDA is reporting on 13.

Performance Measures	Previous	Current	Trend
Pesticide Inspections of Various Pesticide Users and Distributors	252	259	Stable
Anhydrous Ammonia Inspections of Bulk Storage Facilities	55	64	Improving
Pounds of Waste Pesticide Collected and Properly Disposed	336,127	304,089	Stable
Annual Number of Ag Chem Contamination Sites Remediated	30	31	Improving
Number of Counties Participating in Long-Term Nitrate Monitoring	9	23	Improving

Performance Measures Notes:

Pesticide Inspections: "Previous" is Federal fiscal year 2011. "Current" is Federal fiscal year 2012. Staff resources are a key driver of the number of inspections, three newly hired inspectors are expected to increase total inspections by at least 13% over "previous" over the next three Federal fiscal years. Several types of inspections are grouped in this performance measure.

Anhydrous Ammonia: "Previous" is FY 2011. "Current" is FY 2012. New inspectors were hired and trained in FY 2012. It is anticipated that inspection number will increase in FY 2013 and as long as funding is maintained.

<http://www.mda.state.mn.us/chemicals/fertilizers/nh3.aspx>

Waste Pesticides: "Previous" is the average pounds collected statewide by MDA and county partners in calendar years 2009-2010. "Current" is the amount collected in 2011. Recent statutory changes should increase county participation in the program, and thus increase the amount of waste pesticide collected.

<http://www.mda.state.mn.us/chemicals/spills/wastepesticides.aspx>

Remediated Sites: "Previous" is the average of sites remediated in calendar years 2006 -2010. "Current" is calendar year 2011. The economic conditions of 2008-2010 resulted in fewer property transactions and fewer voluntary remediated sites. Increased staff and improving conditions will result in more property transactions, more sites reported and sites remediated.

<http://www.mda.state.mn.us/chemicals/pesticides.aspx>

Long-Term Nitrate Monitoring: "Previous" is 2008. "Current" is 2011. More counties will be added to the nitrate monitoring network using Legacy Clean Water Funds.

Budget Activity: Pesticide and Fertilizer Mgmt
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,585	\$34,386	\$1,300	\$37,272
Current Law Expenditures (FY 2014-15)	\$1,128	\$29,771	\$972	\$31,871
Governor's Recommended Expenditures (FY2014-15)	\$1,128	\$42,315	\$972	\$44,415
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$12,544	\$0	\$12,544
% Change from FY 2014-15 Current Law to Governor's Rec	0%	42%	0%	39%

Budget Activity: Pesticide and Fertilizer Mgmt**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$10,408		\$10,408
REVENUE		\$25,566	\$972	\$26,538
APPROPRIATION	\$1,128	\$16,366	\$0	\$17,494
SOURCES OF FUNDS	\$1,128	\$52,340	\$972	\$54,440
BALANCE FORWARD OUT		\$5,501		\$5,501
TRANSFERS OUT		\$4,524		\$4,524
EXPENDITURES	\$1,128	\$42,315	\$972	\$44,415
PAYROLL EXPENSE	\$825	\$18,121	\$679	\$19,625
OPERATING EXPENSES	\$277	\$23,847	\$293	\$24,417
OTHER FINANCIAL TRANSACTIONS	\$0	\$27		\$27
GRANTS, AIDS AND SUBSIDIES		\$320		\$320
CAPITAL OUTLAY-REAL PROPERTY	\$26	\$0		\$26
USES OF FUNDS	\$1,128	\$52,340	\$972	\$54,440

Agriculture

Plant Protection Division

<http://www.mda.state.mn.us/plants>

Statewide Outcome(s):

The Plant Protection Division supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

A clean, healthy environment with sustainable uses of natural resources.

Sustainable options to safely move people, goods, services and information.

PPD activities support three statewide outcomes. A thriving economy is supported and maintained by PPD program activities that ensure access to international and interstate markets, protect grain producers and produce dealers from loss, and ensure that purchasers of seed, seed potatoes, and nursery stock receive good quality and viable material. A clean, healthy environment is maintained by excluding or minimizing the impacts of serious forest pests such as gypsy moth and emerald ash borer. The efficient and safe movement of commodities is maintained by export certification activities, the grading of produce, and through seed and seed potato certification.

Context:

The Plant Protection Division (PPD) of MDA works to ensure that plants sold, planted, exported or stored in Minnesota meet purity, viability and health standards. This goal is achieved in two main ways:

- Inspecting and certifying plants and plant parts (such as seed, grain, fruit, logs, lumber), and
- Excluding, eradicating, or managing plant pests that threaten Minnesota's agriculture or environment.

The purpose of the PPD's inspection and certification programs is to help ensure that Minnesota's plant commodities meet standards necessary for business such the import requirements of our foreign trading partners, specific grades of quality established in business contracts, the viability and purity of seeds, the general health of nursery stock, and the absence of harmful plant pests. Direct beneficiaries of PPD's inspection and certification activities include commodity producers, exporters, and produce purchasers. In addition, consumers of food and feed benefit through access to high-quality foodstuffs.

The purpose of the PPD's plant pest programs is to keep Minnesota as free as possible from harmful plant pests, such as emerald ash borer, gypsy moth, potato cyst nematode, and noxious weeds. To achieve this goal, the division's efforts include: surveying both agricultural crops and urban plants for invasive plant pests; auditing inspections of imported nursery stock; issuing quarantines on the sale and/or transport of infested plants; and conducting treatment programs designed to combat each specific pest. Beneficiaries of these programs include farmers, the timber industry, the recreation industry, and the general public.

Fee-generated dedicated funds comprise over 45 percent of the division's funding, and are used to recover costs associated with seed inspections, nursery inspections, grain elevator audits, certification of seed potato stocks, and the processing of export certificates. Some 30 percent of the division's programs are funded through federal grants, which are used for terrestrial invasive pest programs. There is no guarantee that these federal funds will continue in the future. About 25 percent of the division's funds are from the state General Fund and are used to support regulatory programs and to conduct surveys.

Strategies:

Certification of plant commodities intended for export, sale, planting or storage is based on a combination of strategies: Actual visual inspection by highly trained staff, collection of samples, field surveys, laboratory analysis, food safety production audits, and review of records.

Plant pest activities are based on a system of prevention, early detection, rapid response and management. Prevention and early detection rely on trapping and surveying in conjunction with outreach to the general public

and/or affected industries. Rapid response and management relies on pest treatment (such as pheromone flake treatments for gypsy moth) while management typically involves longer-term strategies such as biological control for noxious weeds or emerald ash borer.

PPD’s key partners include: farmers, exporters, the nursery industry, the grain industry, seed producers and handlers, municipal and county governments, the Minnesota Department of Natural Resources, the Minnesota Department of Transportation, the United States Forest Service and the United States Department of Agriculture.

Results:

Key results of PPD activities are: Minnesota plant products are exported to international markets without delay or difficulties; produce for sale is quickly inspected; nursery stock, seeds and seed potatoes sold in Minnesota are viable and free of serious plant pests. In addition, export markets for a number of agricultural and forest products are maintained because MDA surveys are able to demonstrate the absence of plant pests such as Karnal bunt and potato cyst nematode. Finally, the adverse economic, social and recreational impacts of plant pests such as noxious weeds, gypsy moth and emerald ash borer are reduced or eliminated.

Performance Measures	Previous	Current	Trend
Export certificates issued within 1-3 business days	2,544	3,699	Improving
Hundredweight of produce inspected	2.75 million	2.95 million	Improving
Traps placed for emerald ash borer	250	6,500	Improving

Performance Measures Notes:

Export certificates issued in 1-3 business days: “Previous” is FY 2007. “Current” is FY 2011. All export certificates are issued within one to three business days. See www.mda.state.mn.us/licensing/licensetypes/phyto.aspx. For more on the expansion of Minnesota agricultural exports, see www.mda.state.mn.us/food/business/~media/Files/food/business/economics/agexportprofile.ashx.

Hundredweight of produce inspected: “Previous” is calendar year 2011. “Current” is calendar year 2012. Hundredweight of produce inspected is extracted from inspection reports submitted to USDA, AMS, Specialty Crop Branch, as reported in the MDA Plant Protection Annual Report. For further detail, see www.mda.state.mn.us/licensing/licensetypes/fruit-veg-insp/fruitandvegetable.aspx.

Emerald ash borer traps: “Previous” is FY08. “Current” is FY 2011. Trapping is highly dependent on federal funding, which is expected to drop dramatically in the next fiscal year. For more on emerald ash borer, see www.mda.state.mn.us/plants/pestmanagement/eab.aspx.

Nursery stock grower acreage inspected: “Previous” is FY 2010. “Current” is FY11. For further information, see: www.mda.state.mn.us/licensing/licensetypes/nurseryprogram.aspx.

Budget Activity: Plant Protection
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$3,736	\$7,514	\$3,295	\$14,544
Current Law Expenditures (FY 2014-15)	\$3,736	\$8,446	\$3,150	\$15,332
Governor's Recommended Expenditures (FY2014-15)	\$3,736	\$8,446	\$3,150	\$15,332
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Plant Protection**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$2,320		\$2,320
REVENUE	\$0	\$8,350	\$3,150	\$11,500
APPROPRIATION	\$3,736	\$0	\$0	\$3,736
SOURCES OF FUNDS	\$3,736	\$10,669	\$3,150	\$17,555
BALANCE FORWARD OUT		\$1,579		\$1,579
TRANSFERS OUT		\$644		\$644
EXPENDITURES	\$3,736	\$8,446	\$3,150	\$15,332
PAYROLL EXPENSE	\$2,651	\$5,828	\$1,752	\$10,230
OPERATING EXPENSES	\$1,085	\$2,618	\$1,398	\$5,101
USES OF FUNDS	\$3,736	\$10,669	\$3,150	\$17,555

Agriculture

Laboratory Services Division

<http://www.mda.state.mn.us/about/divisions/lab.aspx>

Statewide Outcome(s):

The Laboratory Services Division supports the following statewide outcome(s).

Minnesotans are healthy.

A clean, healthy environment with sustainable uses of natural resources.

A thriving economy that encourages business growth and employment opportunities

Context:

The Minnesota Department of Agriculture's Laboratory Services Division (LSD) is the regulatory laboratory for protection services divisions within the agency and for the Minnesota Department of Natural Resources. The laboratory also provides emergency response analytical capability for other customers.

- The laboratory is the primary food safety laboratory for the state of Minnesota. The laboratory provides data and analyses that are scientifically and legally defensible, and that inform food safety regulation activities. In addition, the laboratory responds to food-borne disease outbreaks from pathogens such as E. coli and Salmonella, and threats to food safety.
- The laboratory provides data on the environmental fate of agricultural chemicals, including data on pesticide residues and nitrates in water, and data on soil samples and other environmental samples. These data are the basis for regulatory decisions on best-management practices and also may influence regulatory actions.
- The activity of the Laboratory Services Division helps producers and agricultural businesses by ensuring the marketability and quality of Minnesota products for the global marketplace.
- For the Department of Natural Resources, the lab provides data and analyses to inform regulatory programs and regulatory decision-making.

Approximately 45 percent of Laboratory funding comes from the General Fund. Of this amount, 56 percent is allocated to rent for the lab facility; the balance primarily funds food safety initiatives. Fee-based dedicated funds make up roughly one-third of the laboratory budget. These dollars support programs that look specifically at agricultural inputs such as feed, food and targeted environmental testing. The remaining laboratory funding comes from federal sources. This work complements the department's programs for food safety and environmental protection.

Strategies:

The Laboratory Services Division helps ensure Minnesotans are healthy and enjoy a clean environment with sustainable uses of natural resources by providing scientifically and legally defensible data to the Dairy and Food Inspection and Pesticide and Fertilizer Management Divisions of the Department, along with the Minnesota Department of Natural Resources. These data and analyses are used in making regulatory and policy decisions.

The Laboratory Services Division maintains sufficient emergency capacity to respond quickly and effectively to foodborne outbreaks, disasters and chemical spill incidents.

The Laboratory Services Division helps foster a thriving economy because the data and analyses produced by the laboratory give agricultural concerns and food production companies the analytical verification of their products' authenticity, integrity and quality. This is a key underpinning necessary for all food sales and exports.

Results:

Performance in the laboratory setting is defined in terms of capability, capacity, timeliness of emergency response and quality of results. Therefore, the laboratory's performance is not based on a count of samples analyzed, but rather the satisfaction of customers with lab services. Customer satisfaction surveys are new at the Laboratory Services Division, so trends cannot be discerned. However, the laboratory has done very well in gaining accreditation from several national organizations and agencies.

Performance Measures	Previous	Current	Trend
Customer Survey: % satisfied with technical assistance provided by laboratory	No data	100%	NA
Customer Survey: % rating laboratory performance good or excellent.	No data	100%	NA
National accreditations achieved	100%	100%	Stable

Performance Measures Notes:

Customer Survey Results: Data presented is from a survey of Program Managers of MDA's Pesticide and Fertilizer Management Division. Additional surveys from other MDA divisions, the DNR and other/federal clients are in process or in development. Trends for survey-related performance measures, based on responses of all customers, will be available for the FY 2016-2017 biennium.

National Certifications pursued and achieved: The laboratory is accredited for 32 methods by the American Association of Laboratory Accreditation (A2LA) in the areas of Biological and chemical analyses. The laboratory pursued accreditation last year for 20 methods and received accreditation for all. This year we pursued accreditation for an additional 12 methods and received accreditation for all. In addition to accreditation, the laboratory is approved by the FDA under the Pasteurized Milk Ordinance (PMO), as is each laboratory analyst performing dairy testing at MDA. The US EPA approves the laboratory's Quality Assurance Project Plans for pesticide testing.

Budget Activity: Lab Services**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$7,972	\$5,712	\$4,101	\$17,785
Current Law Expenditures (FY 2014-15)	\$7,972	\$6,134	\$3,723	\$17,829
Governor's Recommended Expenditures (FY2014-15)	\$8,642	\$6,134	\$3,723	\$18,499
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$670	\$0	\$0	\$670
% Change from FY 2014-15 Current Law to Governor's Rec	8%	0%	0%	4%

Budget Activity: Lab Services**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$519		\$519
REVENUE	\$0	\$1,374	\$3,723	\$5,097
TRANSFERS IN		\$4,768		\$4,768
APPROPRIATION	\$8,642	\$0	\$0	\$8,642
SOURCES OF FUNDS	\$8,642	\$6,661	\$3,723	\$19,026
BALANCE FORWARD OUT		\$527		\$527
EXPENDITURES	\$8,642	\$6,134	\$3,723	\$18,499
PAYROLL EXPENSE	\$2,744	\$3,911	\$2,065	\$8,720
OPERATING EXPENSES	\$5,898	\$2,217	\$1,593	\$9,708
OTHER FINANCIAL TRANSACTIONS	\$0	\$4	\$21	\$25
CAPITAL OUTLAY-REAL PROPERTY		\$2	\$44	\$46
USES OF FUNDS	\$8,642	\$6,661	\$3,723	\$19,026

Agriculture

Dairy and Food Inspection Division

<http://www.mda.state.mn.us/about/divisions/dairyfood.aspx>

Statewide Outcome(s):

The Dairy and Food Division supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

People in Minnesota are safe.

Context:

The purpose of the Dairy and Food Inspection Division Program (DFID) is to ensure the integrity the food supply in Minnesota and to heighten awareness of proper biosecurity and food safety practices. The integrity of the food supply is intact when Minnesotans are confident the food and feed they buy is safe, regardless of where in Minnesota it is purchased. Integrity of the food supply also means that food and feed producers know that a fair, consistent system of regulatory enforcement is in place, and that this system provides them access to markets worldwide. The term “food supply” includes animal feed, dairy products, food products, meat, shell eggs, and poultry.

The primary beneficiaries of DFID’s work include the general public, the food processing industry, dairy producers and processors, rural meat processors, poultry processors, and dairy/food/feed companies wishing to export their products. On a day-to-day basis, DFID inspectors work with dairy farmers, rural meat processors, grocery store operators and food/feed facility operators to bring their operations into compliance with food safety laws and practices.

Within the DFID, the Rapid Response Team investigates food safety problems caused by foodborne illness outbreaks, as well as problems at food or feed processing facilities. This team is made up of technical experts in food manufacturing, food inspection, microbiology and epidemiology. Members of the Rapid Response Team work closely with the epidemiologists at the Minnesota Department of Health.

The division’s funding breakout is roughly 43 percent general fund appropriations, 46 percent fee-generated revenue, and 11 percent federal funds via contracts with the U.S. Food and Drug Administration and the U.S. Department of Agriculture.

Strategies:

DFID conducts inspections and verification sampling to ensure that producers, processors, wholesalers, salvers, haulers, grocery stores, convenience stores and other industry workers are 1) producing and handling dairy, food, meat and feed products safely, and 2) preventing adulteration and contamination of food and feed products.

Recently the DFID renewed its focus on a risk-based inspection system for food processing facilities, with the goal of focusing on facilities at the highest risk for food safety issues. The timing goal of this new system is to have high-, medium- and low-risk facilities inspected every 12, 18 and 24 months, respectively, with a goal of 100 percent, 90 percent, and 80 percent completion, respectively. Thus, facilities that are in compliance and therefore low-risk will be inspected less frequently than high-risk facilities. Under this new system, inspectors will be able to spend more time working with high-risk facilities. Overall, this risk-based model will better ensure food safety and food security, and thus support overall statewide health and safety outcomes.

DFID contributes to a thriving economy by giving Minnesota’s food industry the assurance of fairly enforced, scientifically sound food safety standards. This assurance provides strong “quality” branding to Minnesota companies’ food and feed products, which in turn allows these companies to access markets globally.

Key DFID partners include the Minnesota Department of Health, with whom DFID works closely during outbreak investigations, the U.S. Food and Drug Administration, the U.S. Department of Agriculture, and associations within the food, feed, dairy, and meat industries.

Results:

Results are measured differently for the division's four main program areas of dairy, food, feed and meat. The division's Dairy Program is routinely audited and inspected by outside entities (Interstate Milk Shipment program, the FDA and the USDA). Performance measures for staff are based on audit program results and routine inspection activity data. Results for DFID's Food Program are measured by the number of routine inspections completed per FTE per year, see detail below.

For DFID's Feed Program, national standards are in the process of development. These standards will cover feed facility inspection frequency and feed inspection workload/ FTE. Once these new national standards are developed, likely within a year, new performance measures for DFID will be created. DFID's Meat Program routinely assesses its performance to ensure program objectives are met. These assessments are regularly reported to USDA as a condition of ongoing federal funding.

Performance Measures	Previous	Current	Trend
Farm inspections passing Interstate Milk Survey audits	100%	100%	Stable
Food safety audits with a Notice of Intended Enforcement or Immediate Suspension	21%	7%	Improving
Inspection Rate of high-risk food processing facilities	55%	70%	Improving
Number of routine food inspections per active FTE	323	290	Improving

Performance Measures Notes:

Farm inspections passing Interstate Milk Survey audits: "Previous" is second half of FY 2011. "Current" is FY 2012. The Interstate Milk Survey is a federally-required audit of dairy producers whose milk is shipped across state lines. To learn more about MDA role on dairy farms, see <http://www.mda.state.mn.us/about/divisions/dairyfood.aspx>.

Food safety audits with notice or suspension: The goal is less than five percent of food safety audits with Notice of Intended Enforcement or Immediate Suspension. "Previous" is FY 2012. "Current" is FY 2013. For more detail on food safety efforts, see <http://www.mda.state.mn.us/food/safety.aspx>.

Inspection rate of high-risk food processing facilities: "Previous" is FY 2012. "Current" is FY 2013. Goal is 100 percent. One-time funding for two new inspectors was provided in the FY 2012- 2013 biennium. After an 18-month training period, these two new staff will begin inspecting facilities during the second half of FY 2013. For more information on the Minnesota Food Code, see <http://www.health.state.mn.us/divs/eh/food/code/index.html>.

Number of routine food inspections per FTE that exceed federal guideline: Goal and federal guideline is 210/FTE. "Previous" is FY 2012. "Current" is FY13. Federal guidelines seek to ensure that sufficient time is spent on the routine, core inspection activities, which do not include: re-inspections, complaint investigations, outbreak investigations, compliance follow-up inspections, risk assessment reviews, process reviews, variance process reviews, on-site training, or advisory inspections. Compliance with the FDA guideline of 210 routine food inspections per FTE per year will ensure that inspectors have sufficient time to complete the educational component of the inspection process.

Budget Activity: Dairy and Food Inspection
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$10,774	\$10,756	\$3,431	\$24,961
Current Law Expenditures (FY 2014-15)	\$10,284	\$12,159	\$4,196	\$26,640
Governor's Recommended Expenditures (FY2014-15)	\$10,284	\$12,159	\$4,196	\$26,640
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Dairy and Food Inspection**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$4,384	\$138	\$4,522
REVENUE	\$0	\$10,787	\$4,239	\$15,026
TRANSFERS IN		\$150		\$150
APPROPRIATION	\$10,284	\$0	\$0	\$10,284
SOURCES OF FUNDS	\$10,284	\$15,321	\$4,378	\$29,982
BALANCE FORWARD OUT		\$1,961	\$181	\$2,142
TRANSFERS OUT		\$1,200		\$1,200
EXPENDITURES	\$10,284	\$12,159	\$4,196	\$26,640
PAYROLL EXPENSE	\$7,907	\$8,619	\$2,977	\$19,503
OPERATING EXPENSES	\$2,377	\$3,540	\$1,220	\$7,137
USES OF FUNDS	\$10,284	\$15,321	\$4,378	\$29,982

Agriculture

Agricultural Marketing and Development

<http://www.mda.state.mn.us/about/divisions/amd.aspx>

Statewide Outcome(s):

Agricultural Marketing and Development supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

A clean, healthy environment with sustainable uses of natural resources.

Context:

The Agricultural Marketing and Development Program (AMD) of MDA promotes the production and marketing of Minnesota agricultural products as food, fiber, and fuel. Agriculture is a major contributor to the economic health of Minnesota, with farm-level production and agricultural processing impact of more than \$74 billion and some 342,000 jobs. Current challenges and opportunities for farmers and agricultural companies include: changes in consumer habits and tastes; a more urban population; new and increasingly competitive and global markets; transportation and communication innovations; and evolving environmental and energy policy.

The AMD assists farmers and consumers, local government, environmental and natural resource professionals, K-12 teachers and other educators, Minnesota agribusinesses including the biofuels industry, agricultural organizations and commodity groups. Activities are funded through general fund appropriations, federal grants, dedicated funds and fees, public/private partnerships, and gifts.

Funding for AMD breaks out roughly as 50 percent from state general fund appropriations, 30 percent from federal funds, and 20 percent from fee-generated funding.

Strategies:

All AMD activities focus on creating a climate conducive to profitable agricultural pursuits that protect our natural resources and meet diverse demands for food and fuel. To achieve the overall outcome of a thriving economy, for example, expansion of livestock operations through the Livestock Investment Grant Program adds value to locally grown feed stuffs, provides employment, and supports both rural and urban businesses. Another example of the economic impact of AMD is the expansion of markets for MN Grown products to families, schools, and restaurants. This supports a diverse agricultural economy, keeps food dollars in Minnesota, and improves agricultural literacy.

AMD helps support a clean, healthy environment because research and on-farm demonstrations of emerging ag drainage technology helps Minnesota farmers improve water quality and protect soil resources while maintaining profitable farm operations.

Education levels are enhanced by AMD's training and technical assistance programs. These programs serve to support beginning farmers, help existing farmers expand livestock operations, pursue new crops and new markets, and adopt new conservation practices. The Minnesota Agriculture in the Classroom (MAITC) ag literacy program provides resources for schools and workshops for teachers, so agricultural concepts can be incorporated into core subject education across the state.

AMD partners include: individual farmers, farm organizations and growers associations; institutions of higher education (primarily Minnesota State Colleges and Universities and the University of Minnesota); commodity promotion councils; USDA agencies; Minnesota Extension; ag businesses; other Minnesota state agencies; Soil and Water Conservation Districts and other local government; Minnesota Agriculture in the Classroom Foundation; biofuel companies and supporting industries/organizations; and nonprofit organization

Results:

AMD activities show results in many areas: agriculture's economic and environmental performance in Minnesota (including the biofuels industry); crop prices; federal farm and environmental policies; economic health of rural Minnesota; and foreign trade agreements. Performance has been assessed historically by measuring activity as a proxy for impact. Activities measured have included: demand for division products and services; participation in events, training programs, and financial assistance; number of school children receiving Ag In the Classroom materials; customer evaluation of products and activities; contacts with local government; and others.

We are in the process of adding performance measures and gathering data that better monitor impact of activities: number of farmers using certain practices, growing particular crops, or accessing markets; leveraging of private and federal funds; adoption of emerging conservation practices; percent of immigrant farmers securing long-term farmland; percent of counties with agricultural zoning districts; and livestock cash receipts.

Activities and performance measures related to livestock development (dairy profitability teams) and biofuels (NextGen Energy) are reported in budget activity Grants and Assistance.

Performance Measures	Previous	Current	Trend
Percent of elementary and middle schools using the Ag-in-the-Classroom's Ag Mag	34%	40%	Improving
Unique visitors to the MN Grown Directory website	223,000	240,000	Improving
Number of certified organic operations (farms & handlers)	802	939	Improving
Return on investment for trade missions/reverse missions	\$120:\$1	\$199:\$1	Improving

Performance Measures Notes:

Schools using Ag Mag: "Previous" is 2007. "Current" is 2012. Data collected by MDA based on teacher requests for the Ag Mag. Percentage is based on Department of Education lists of all public elementary and middle schools in Minnesota. This program operated from 1986-2011 with one FTE. An appropriation beginning in FY 2012 added a second FTE. For further info, see <http://www.mda.state.mn.us/maitc/>

MN Grown website visitors: "Previous" is 2010. "Current" is 2011. <http://www.minnesotagrown.com>

Organic Certified Operations: "Previous" is 2008. "Current" is 2011. Data from USDA and accredited certifying agencies. For a list of certified organic accreditors in Minnesota, please see <http://www.mda.state.mn.us/~media/Files/food/organicgrowing/usdaaccredited.ashx>

Return on Investment (ROI): "Previous" is an average of trade missions between 2008 and 2010. "Current" is 2011. ROI calculated by dividing total (actual) sales by total expenditures. Projected sales also obtained when possible. Since 2008, MDA's missions have maintained a positive ROI ranging from \$16:1 to \$1,163:\$1. Calculations based on MDA and partner contributions to missions, not including staff time. Calculations do not include federal or Food Export funds. For detail on MDA's international marketing program, see <https://www.mda.state.mn.us/food/business/internationaltrade.aspx>

Budget Activity: Ag Marketing and Development
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$5,752	\$2,070	\$3,164	\$10,987
Current Law Expenditures (FY 2014-15)	\$5,752	\$2,179	\$2,751	\$10,683
Governor's Recommended Expenditures (FY2014-15)	\$5,752	\$2,179	\$2,751	\$10,683
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Ag Marketing and Development**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$1,075		\$1,075
REVENUE		\$1,604	\$2,751	\$4,355
TRANSFERS IN		\$372		\$372
APPROPRIATION	\$6,124	\$0	\$0	\$6,124
SOURCES OF FUNDS	\$6,124	\$3,051	\$2,751	\$11,926
BALANCE FORWARD OUT		\$870		\$870
TRANSFERS OUT	\$372			\$372
EXPENDITURES	\$5,752	\$2,179	\$2,751	\$10,683
PAYROLL EXPENSE	\$4,273	\$724	\$364	\$5,360
OPERATING EXPENSES	\$1,479	\$1,077	\$594	\$3,151
OTHER FINANCIAL TRANSACTIONS	\$0	\$378		\$378
GRANTS, AIDS AND SUBSIDIES		\$0	\$1,793	\$1,793
USES OF FUNDS	\$6,124	\$3,050	\$2,751	\$11,925

Agriculture

Agricultural Growth, Research and Innovation Program

<http://www.mda.state.mn.us>

Statewide Outcome(s):

The Agricultural Growth, Research and Innovation Program (AGRI) supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

A clean, healthy environment with sustainable uses of natural resources.

Context:

The Agricultural Growth, Research and Innovation Program (AGRI) was established to advance Minnesota's agricultural and renewable energy industries (MS 41A.12). This program focuses on areas of greatest opportunity and potential economic impact to generate agricultural jobs and profitable businesses in the areas of livestock investment, value-added business and market development, and renewable energy. Farmers, agricultural businesses and entrepreneurs with new business or market plans, diversification or expansion goals are targeted for AGRI program assistance. AGRI is funded entirely through general fund appropriations.

Strategies:

The AGRI Program may issue grants, loans and other forms of financial assistance to farmers, schools, businesses and agricultural entrepreneurs. Strategies include grants and cost-share assistance to: initiate or expand livestock production and processing; create feasibility, business and marketing plans for existing and new businesses; purchase equipment to initiate, upgrade, or modernize value-added businesses; increase the number of farms that are GAP certified and increase farmers' processing and aggregating capacity to enter farm-to-institution and other markets; purchase processing equipment in schools to increase purchase of locally produced food; produce market research studies to identify industry-wide areas of production and market opportunities; research and develop renewable energy technologies; and invest in technical assistance to support business development and farm production in new enterprises with economic potential.

The AGRI Program stimulates new agricultural and energy business activities and creates employment throughout Minnesota by providing financial and technical assistance for new opportunities for production, value-added processing, and marketing. Program activities open the doors for farmers to expand production and market their products in new ways and to new businesses. Agricultural businesses are launched or expanded to take advantage of increasing demand and new markets. Farmers and businesses develop planning skills and acquire market knowledge to increase their probability of success.

Partners in the AGRI program include regional initiative foundations, growers' associations and commodity promotion councils, the NextGen Energy Board, the Farm-to-School Leadership Team, Cooperative Development Services, the Agricultural Utilization Research Institute, and appropriate institutions of higher education.

Results:

The AGRI Program began in fiscal year 2013. As a new program, there are no exiting performance trends but the following performance measures and project evaluation measures are fully integrated into grant applications and reporting. For example, data on farm sales to institutions will be required in a grant application and sales at the end of the grant period will be reported. Follow-up surveys of grant recipients will collect data for several years after completion of the grant. These and other performance measures such as percent jobs created that still exist after two years, the ROI on domestic trade shows, the percent of Next Gen Energy grants meeting performance goals, will be included in the FY 2016- 2017 budget.

Performance Measures	Previous	Current	Trend
Livestock Investment Grant Program Leverage	\$1M state / \$39 M private	In progress	In progress
Number of Districts with Farm-to-School Programs	30	145	Improving
Local farm products purchased by schools	\$650,000	\$1.3 million	Improving

Performance Measures Notes:

Annual Investment in Livestock: “Previous” is 2008, which is the year the program began. Source of the data is MDA documentation of the 2008 \$1 million General Fund appropriation to the program. This indicator is “in progress” because \$1 million was made available for FY13 through a 2011 appropriation to AGRI. Farmer applications are being taken through January 14, 2013. “Current” leverage data should be available by March 1, 2013. For more detail, see <http://www.mda.state.mn.us/grants/grants/livestockinvestment.aspx>

School Districts with Farm-to-School: “Previous” is 2008. “Current” is 2011. There are 339 independent school districts statewide, according to the Minnesota Secretary of State. Data are from an annual survey by Institute for Agriculture and Trade Policy in cooperation with the Minnesota School Nutrition Association. For more detail, see <http://www.iatp.org/documents/farm-to-school-in-minnesota>

Local farm products purchased by schools: “Previous” is 2010. “Current” is 2011. Data are from an annual survey by Institute for Agriculture and Trade Policy in cooperation with the Minnesota School Nutrition Association. Further detail can be found at <http://www.iatp.org/documents/farm-to-school-in-minnesota>

Budget Activity: Value-Added
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$5,530			\$5,530
Current Law Expenditures (FY 2014-15)	\$20,470			\$20,470
Governor's Recommended Expenditures (FY2014-15)	\$20,470			\$20,470
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Value-Added**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$20,470			\$20,470
SOURCES OF FUNDS	\$20,470			\$20,470
EXPENDITURES	\$20,470			\$20,470
PAYROLL EXPENSE	\$501			\$501
OPERATING EXPENSES	\$1,143			\$1,143
GRANTS, AIDS AND SUBSIDIES	\$18,826			\$18,826
USES OF FUNDS	\$20,470			\$20,470

Agriculture

Grants and Assistance

<http://www.mda.state.mn.us/grants/grants.aspx>

Statewide Outcome(s):

The Grants and Assistance activity supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

Context:

The purpose of this activity is to target assistance to specific needs and opportunities by partnering with other organizations and programs. This assistance benefits farmers and other Minnesotans in a variety of ways, such as helping keep Minnesota dairy farms profitable, supporting groups that help train young farmers, supporting organizations that develop new products for farmers to raise and supporting farmers' markets and their customers by providing healthy locally grown food to people who might not otherwise get proper nutrition. State funds and Federal funds help fill gaps where other sources are not available.

Strategies:

MDA's grants and assistance activity builds on the expertise of several non-state entities. Some of these activities are highlighted below.

- The Dairy Development Profitability and Enhancement Program helps dairy farmers update and upgrade their operations. The program has two facets: Dairy Enhancement Team Grants and Dairy Business Planning Grants.

Teams: Local teams are composed of University of Minnesota Extension and Minnesota State Colleges and Universities' (MnSCU) employees as well as local veterinarians, feed nutritionists and financial lenders. Teams work with individual producers to help them achieve greater profitability, productivity, and efficiency. **Grants:** Dairy Business Planning Grants provide a 50 percent cost share, up to \$5,000 per producer for the cost of completing a business plan. Options explored by these producers include on-farm processing, expansion, transferring the farm to the next generation, and environmental upgrades.

- MDA partners with the U.S. Department of Agriculture's Food and Nutrition Service to promote farmers markets and improve the diets of low-income children, pregnant women and seniors. Checks are provided to individuals eligible for the Federal Women Infant and Children (WIC) program and in the Nutrition Assistance Program for Seniors (NAPS). These checks can only be redeemed at authorized farmers markets for locally-grown, fresh, unprocessed fruits and vegetables. MDA authorizes the markets and vendors and investigates for program compliance.
- The Second Harvest Heartland grant provides funding to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from food banks.
- The Farm Advocates program provides one-on-one assistance for Minnesota farmers who face crisis due to a natural disaster or financial problems. Advocates are trained and experienced to deal with agricultural lending practices, mediation, lender negotiation, farm programs, crisis counseling, and disaster programs, and to recognize the need for legal and social services. Key farm advocate services include: financial planning; lender negotiations; farm program advice; referrals for legal services; and referrals for social and human services. Related to this work, MDA partners with the farm business management programs at Central Lakes College and Ridgewater College to provide farm families and mental health counseling support to farm families and business operators is supported through.

- Assistance is provided to county fairs and agricultural associations, the Minnesota Livestock Breeders Association, the Minnesota Poultry Association and the Minnesota Agricultural Education Leadership Council, all of which support the education and development of tomorrow's farm leaders.
- The development of tomorrow's ag industries is furthered by assistance to the Minnesota Turf Seed Council, the Minnesota Horticultural Society and the Northern Crops Institute. These organizations research and promote northern-hardy products and activities.

Results:

For grants to organizations, grant contracts require performance reporting by each group. State dollars are targeted towards educational, research or direct assistance to individuals depending on the purpose of the appropriation. Reports provide MDA with information on each organization's achievements.

For programs more actively managed by MDA staff, like the Farmers' Market Nutrition Program which combines state and Federal dollars, performance measures are provided below.

Performance Measures	Previous	Current	Trend
Number of individual producers assisted by Dairy Teams	550	575	Stable
Percent county fair aid formula is funded	95%	96%	Stable
Farmers/ WIC families/ Seniors (respectively) benefitting from the Farmers Market Nutrition Program	300/ 35,000/ 6,000	300/ 35,000/ 6,000	Stable

Performance Measures Notes:

Producers assisted by Dairy Teams: "Previous" is FY 2010-2011 biennium. "Current" is FY 2012-2013 biennium. MDA staff provides consultation and guidance on a monthly basis to the dairy teams.

County fair aid: "Previous" is FY 2010-2011 biennium. "Current" is FY 2012-2013 biennium. The formula is in M.S. 38.02.

Farmers' market participation: "Previous" is FY 2010-2011 biennium. "Current" is FY 2012-2013 biennium.

Budget Activity: Grants and Assistance
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$5,702	\$4,816	\$931	\$11,449
Current Law Expenditures (FY 2014-15)	\$4,782	\$1,626	\$900	\$7,308
Governor's Recommended Expenditures (FY2014-15)	\$4,782	\$1,626	\$900	\$7,308
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Grants and Assistance**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$26		\$26
REVENUE			\$900	\$900
TRANSFERS IN		\$1,600		\$1,600
APPROPRIATION	\$4,970	\$0	\$0	\$4,970
SOURCES OF FUNDS	\$4,970	\$1,626	\$900	\$7,496
BALANCE FORWARD OUT		\$0		\$0
TRANSFERS OUT	\$188			\$188
EXPENDITURES	\$4,782	\$1,626	\$900	\$7,308
PAYROLL EXPENSE	\$216	\$0		\$216
OPERATING EXPENSES	\$446	\$26	\$140	\$611
GRANTS, AIDS AND SUBSIDIES	\$4,120	\$1,600	\$760	\$6,480
USES OF FUNDS	\$4,970	\$1,626	\$900	\$7,496

Agriculture Agency Services

<http://www.mda.state.mn.us>

Statewide Outcome(s):

Agency Services supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context:

Agency Services provides leadership and support services to the agency and its employees and performs agency-level services for the public, agricultural industries and other governmental entities. Operational funding comes mainly from the state General Fund and indirect charges on other funds. Funding for loans managed within this activity comes from state bonding activities, revolving funds, the Clean Water legacy fund and Federal clean water money provided through the state's Public Facilities Authority.

Minnesota's agriculture and food industries continue to face formidable challenges. Public expectations for food safety, natural resource protections and agricultural security are at the highest level in recent history, and the competition for domestic and international markets is more intense each year. Agency Services supports all of MDA as the agency strives to meet stakeholders' ongoing needs and provide timely responses to critical situations such as food safety concerns. MDA works in many ways to help Minnesota's agriculture and food industries position themselves for success in the global, fast-changing marketplace.

Strategies:

Agency Services includes the Commissioner's Office, Human Resources, Finance and Budget, Agricultural Statistics and also houses information technology staff under the authority of the state Office of Enterprise Technology (MnIT). Agricultural Statistics is a joint Federal/state office that collects, analyzes and disseminates statistical information useful not only to agricultural producers and processors but also to economists, the media, local government and the public at large. Housed within the Finance and Budget area are the Rural Finance Authority (RFA) and the Agricultural Best Management Practices (AgBMP) loan program. The RFA is a component unit of government overseen by a board made up of four state agency commissioners, the State Auditor and six private sector members, including farmers and ag lenders.

Results:

This activity provides support for the three basic goals of the agency: protecting the safety of the food supply from the farm to the consumer, promoting environmentally friendly agricultural practices and improving the marketability of Minnesota's agricultural products, including those seen below.

Performance Measures	Previous	Current	Trend
Progress towards achieving all Continuity of Operations (COOP) objectives	5	5	Stable
News release tracking – market value of media coverage	\$12,625	\$73,330	Improving
RFA loans over 30 days past due	<1%	<1%	Stable

Performance Measures Notes:

Progress towards achieving COOP objectives: “Previous” is January, 2012. “Current” is August, 2012. Goal is ten. A Continuity of Operations Plan (COOP) identifies potential business interruptions (building disaster, pandemic, etc.) and provides a framework (plans, procedures, resources, etc.) that enables the organization to recover and continue the essential services it provides for the state. The MDA continues to make COOP program improvements every quarter.

Scale: 0 = no progress / 1-3 =limited progress / 4-6 moderate progress / 7-9 substantial progress / 10 objective achieved. All state agencies are required to have a Continuity of Operations Plan per the MnIT Enterprise Continuity of Operations Standard (http://mn.gov/oet/images/SEC_S_Enterprise_COOP_Security.pdf).

News Release Tracking: “Previous” is July 2012. “Current” is August 2012. This is a new system begun in FY 2013 to quantify the communication value of news releases. Measurement is “Ad Equivalency Value,” which is the dollar amount of paid advertising needed to reach an equivalent number of viewers or readers as the number reached by the news stories generated by the news release. For July 2012, the viewer/reader number for all MDA news releases was 1.2 million readers/viewers, and for August 2012 it was 5.712 million. The goal is to increase the total monthly average ad equivalency value by ten percent from FY 2013 to FY 2014. See: <http://www.mda.state.mn.us/en/news/newsroom.aspx>

RFA Loans: Goal is less than two percent. “Previous” is June 30, 2011. “Current” is June 30, 2012. The RFA loan portfolio totaled 551 loan files at the end of FY 2012 with an outstanding loan balance of \$54.2 million. For more on the RFA, see <http://www.mda.state.mn.us/about/divisions/financebudget/agfinance/rfaboard.aspx>

Budget Activity: Agency Services - Agriculture
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$7,861	\$22,260	\$313	\$30,434
Current Law Expenditures (FY 2014-15)	\$7,866	\$28,038	\$43	\$35,947
Governor's Recommended Expenditures (FY2014-15)	\$7,866	\$28,156	\$43	\$36,065
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$118	\$0	\$118
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Agency Services - Agriculture**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$0	\$46,060	\$15	\$46,076
REVENUE		\$51,406	\$42	\$51,448
APPROPRIATION	\$7,916	\$3,010	\$0	\$10,926
SOURCES OF FUNDS	\$7,916	\$100,476	\$57	\$108,450
BALANCE FORWARD OUT		\$42,667	\$15	\$42,682
TRANSFERS OUT	\$50	\$29,652		\$29,702
EXPENDITURES	\$7,866	\$28,156	\$43	\$36,065
PAYROLL EXPENSE	\$2,383	\$5,824	\$0	\$8,206
OPERATING EXPENSES	\$5,483	\$1,385	\$43	\$6,911
OTHER FINANCIAL TRANSACTIONS	\$0	\$20,947	\$0	\$20,947
USES OF FUNDS	\$7,916	\$100,476	\$58	\$108,449

Federal Funds Summary

Federal Award Name CFDA# - MDA#	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	Required State		Required State MOE	State-wide Outcome
						Match Yes / No	Yes / No		
Nonpoint Source Implementation -Cottonwood River Native Vegetation Water Quality 66.460 - F36	No	Research study of native prairie site with no history of conventional row crop production agriculture to assess soil and water characteristics and compare to alternative management scenarios.	62	62	7	0	Yes	No	Environment
Natural Resources Conservation Service - Soil and Water Conservation 10.902 - F46	No	Provide conservation technical assistance to landowners and operators within Minnesota. Pilot agriculture water quality certification program in Minnesota.	49	88	63	50	Yes	No	Environment
Market Protection and Promotion - Pest Record Keeping 10.163 - F50	No	Education & inspection of private applicator records for compliance.	75	0	0	0	Yes	No	Environment
Environmental Protection Agency Federal Insecticide, Fungicide, and Rodenticide Act Grant 66.605 - F60	No	Ongoing grant for pesticide enforcement and groundwater protection and other core programs throughout Minnesota.	399	458	384	384	Yes	No	Safety
Surveys, Studies, Investigations-Educational Outreach and Special Projects Environmental Protection Agency 66.716 - F61	No	Bed Bug Prevention and Outreach in Minnesota. Develop pesticide applicator license aquatics exam and manual blueprint and manual outline for Minnesota applicators.	52	55	50	35	No	No	Safety
Total Pesticide & Fertilizer			638	663	503	469			
USDA Forest Service Gypsy Moth 10.664 - F57	No	Gypsy Moth, the most destructive forest pest in North America, is detected and populations defined that allow for eradication and management efforts in Minnesota.	346	289	350	400	Yes	No	Economy
USDA Forest Health Protection 10.680 - F57	No	Suppression of population growth and spread of Emerald Ash Borer infestation in Minnesota urban landscapes.	185	125	200	200	Yes	No	Environment
USDA Animal Plant Health Inspection Services 10.025 - F62	No	Plant pests are detected and eradicated or contained to prevent spread and further damage throughout the State of Minnesota. Access to international markets is maintained as absence of regulated plant pests are verified.	1,489	861	1,000	1,000	No	No	Economy
Total Plant Protection			2,020	1,274	1,550	1,600			
Inspection Grading and Standardization 10.162 - F02, F03	No	Provide shell egg grading services to shell egg producers. Ensures safe poultry production for Minnesota companies and citizens.	107	131	119	122	No	No	Health
Food and Drug Administration Research 93.103 - F08	No	Food Safety projects that enable faster response to foodborne disease outbreaks, innovative traceback and product recall processes and procedures	352	545	807	807	No	No	Health
Fishery Products Inspection and Certification 11.413 - F32	No	The National Oceanic and Atmospheric Administration (NOAA) Seafood Inspection Program offers a variety of professional inspection services on a fee-for-service basis which assure compliance with all applicable food regulations. The Program offers sanitation inspection as well as system and process auditing in facilities, on vessels, or other processing establishments in order to be designated as participating establishments.	25	34	34	33	No	No	Health
Equal to Meat and Poultry Inspection 10.475 - F83	No	Minnesota State is one of 28 States that have an "Equal To" inspection program. State inspected products may only be sold within Minnesota while Federally inspected products may be sold across State lines. The State Inspection Program is considered to be "Equal to" that of Federal Inspection and is routinely reviewed to ensure the State is meeting the Federal meat inspection requirements	1,138	1,089	1,136	1,139	Yes	No	Health
Improve Retail Food Safety 10.475 - F97	No	Educate existing and prospective meat processors on the regulatory requirements for meat inspection.	0	10	0	0	No	No	Health
Total Dairy & Food Inspection			1,622	1,809	2,096	2,100			
Food and Drug Administration Research 93.103 - F08	No	Lab analysis for the food hazards rapid response team and develop protocols for use as field diagnostics.	387	493	468	468	No	No	Health
Food Emergency Response 10.479 - F55	No	Food Emergency Response Network grant to analyze for microbiological threat agents, improve laboratory capacities for surveillance, and outbreak response. Maintain a FERN training center and participate on the risk assessment workgroup.	385	288	275	275	No	No	Health

Federal Award Name CFDA# - MDA#	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State		State-wide Outcome
							Match Yes / No	Required State MOE Yes /No	
Food Safety and Security Monitoring 93.448 - F58	No	Develop and improve local food safety and security testing programs.	394	400	400	400	No	No	Health
Environmental Protection Agency Insecticide, Fungicide, and Rodenticide Act Grant 66.605 - F60	No	Lab analysis for pesticide enforcement and groundwater protection throughout Minnesota.	246	197	242	242	Yes	No	Environment
Market Protection and Promotion 10.163 - F81, F96	NO	Cooperative agreement to collect pesticide data residues and collect comprehensive data on pathogen and indicator organisms in food and perform evaluation analysis.	528	494	335	335	No	No	Environment
Equal to Meat and Poultry Inspection 10.475 - F83	No	Lab analysis for the Equal to Meat and Poultry Inspection program that meet the federal regulatory requirements.	149	140	142	142	Yes	No	Economy
Total Laboratory Services			2,089	2,012	1,862	1,862			
Total Protections Services - Program 01			6,368	5,758	6,011	6,031			
Environmental Protection Agency NonPoint Source Improvement Program 66.460 - F14	No	Outreach to farmers and local decision makers to provide technical information, assess knowledge, and acquire feedback on integrated drainage management systems.	31	25	25	25	Yes	No	Environment
USDA Environment Quality Incentives Program 10.912 - F18	No	Determine management guidelines for denitrifying bioreactors to maximize reduction of nutrient discharge and minimize production of environmentally undesirable by-products.	0	43	58	58	Yes	No	Environment
USDA Federal State Marketing Improvement Program 10.156 - F20	No	Conduct consumer research related to farmers markets and direct marketers of apples, christmas trees and berries	29	29	60	60	Yes	No	Economy
USDA Organic Certification Cost Share Program 10.163 - F21	No	Provide cost share assistance to organic producers and handling receiving organic certification	393	475	400	400	No	No	Economy
USDA Risk Management Outreach 10.456 - F45	No	Improve specialty crop farm financial management skills by increasing the number of farmers utilizing farm business management courses	36	0	0	0	No	No	Economy
USDA Natural Resources Conservation Service - Soil and Water Conservation 10.902 - F46	NO	Provide grazing land technical assistance for resource conservation management	11	0	0	0	No	No	Environment
USDA Emerging Markets Program 10.603 - F48	No	US turkey market development in China	34	119	108	108	No	No	Economy
Small Business Administration State Trade Export Promotion Program 59.061 - F49	No	Export assistance to small and medium sized food/ag companies.	37	4	45	45	Yes	No	Economy
Consolidated Pesticide Enforcement Cooperative Agreements 66.700 - F61	No	Development of a "School IPM/Pesticide Management" plan based on school assessment findings and modeled on a recently developed UM IPM program for retail stores	12	0	0	0	No	No	Safety
USDA National Institute of Food and Agriculture via the University of Minnesota 10.307 - F64	No	Collect data on farm performance measures during transition to organic production and develop analysis tools and resource materials for transitional farmers. Subaward via University of Minnesota. USDA - NIFA	80	73	73	36	No	No	Economy
USDA Specialty Crop Block Grant Program 10.170 - F91	No	MDA receives and administers a block grant from USDA to increase competitiveness of the specialty crop industry.	918	815	625	625	No	No	Economy
Total Agriculture Marketing & Development			1,583	1,582	1,394	1,358			
Total Promotion and Marketing - Program 02			1,583	1,582	1,394	1,358			
WIC Farmers Market Nutrition program 10.572 - F17	No	Food coupon reimbursements for Farmers' Markets to WIC, Women, Infants, and Children, program recipients.	357	320	320	320	Yes	No	Health
Senior Farmers Market Nutrition Program 10.576 - F95	No	Reimbursement of food coupons for Senior Citizens at Farmers' Markets.	117	137	130	130	No	No	Health
Total Grants and Assistance			474	457	450	450			
Agricultural Statistics 10.950 - F01	No	Collect, analyze, and publish primary crop and livestock statistical data	14	16	16	16	No	No	Economy
Food and Drug Administration Research 93.103 - F08	No	Develop and deliver a food focused incident management team course to improve our State's food defense program.	0	90	10	0	No	No	Safety
Homeland Security Risk Assessment 97.067 - F52	No	Plan and provide training and certification for agriculture security.	184	9	0	0	No	No	Safety

Federal Award Name CFDA# - MDA#	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State		Required State MOE Yes /No	State-wide Outcome
							Match Yes / No			
Total Agency Services			198	115	26	16				
Total Admin & Financial Assistance- Program 06			672	572	476	466				
Total Agency Agriculture B04			8,623	7,912	7,881	7,854				

The Minnesota Department of Agriculture (MDA) receives funding from many federal sources including the U.S. Department of Agriculture, the Food and Drug Administration, the U.S. Environmental Protection Agency, and the U.S. Department of Commerce. Some funding comes directly from the federal agency and other federal funding is received from another state agency as part of a larger grant.

Funding received from the Environmental Protection Agency funds core activities such as pesticide enforcement, applicator certification and training, groundwater monitoring urban initiatives, and endangered species activities. MDA matching funds are provided through special revenue funds from the Pesticide Regulatory Account. Matching funds greatly exceed the federal requirement because the federal funds support only a small portion of the state's pesticide program and those activities are eligible as match. Although funding levels are expected to be slightly lower over the next biennium, there will be no immediate effect on the work performed.

The U. S. Department of Agriculture Forest Service and Animal Plant Health Inspection Service provides funding to support efforts to protect agriculture crops and commodities and the forests from a number of plant pests and pathogens. Funds are utilized to implement survey and detection programs for pests such as potato cyst nematode, plum pox disease, gypsy moth, emerald ash borer, and karnal bunt of wheat. Plant pest surveys serve as a basis for making decisions to eradicate, contain, or manage plant pest threats. These surveys also serve as a basis for MDA to certify that pests do not exist in Minnesota which ensures open access to a number of foreign markets for Minnesota commodities. The required matching funds for the gypsy moth program are provided through state General Fund appropriation. Federal funding for gypsy moth is expected to remain stable or decline slightly. Minnesota is at the leading edge of approaching gypsy moth and as such, the state is a high priority for management efforts by the U.S. Forest Service. Funding to support emerald ash borer detection and response efforts is expected to have a significant reduction due to the national level of emerald ash borer funding reduction from \$47 million down to \$3 million. No significant reductions are expected with funding received from the Animal Plant Health Inspection Service.

Federal funds received by the MDA Dairy and Food Inspection Division have been relatively stable with the exception of those funds related to food and feed inspections which have increased. These funds provided by the Food and Drug Administration are for food safety projects that enable faster response to foodborne disease outbreaks, innovative traceback and product recall processes and procedures. The purposes of these increased funds are project specific and are not intended to supplant state resources. Federal funding for the meat and poultry inspection program provided from the USDA Food Safety and Inspection Service (FSIS) is expected to remain stable for FY 2014 - 2015. The 100% required match is from the General Fund. FSIS does not allow fees to be charged for this activity.

The U.S. Department of Agriculture Food Safety and Inspection Service provides federal funding to the MDA Laboratory Services to analyze food matrices for microbiological and chemical threat agents and improve laboratory capacities for surveillance and outbreak response. In addition, funds are provided to participate on the Risk Assessment Working Group to enhance the ability to handle unknown biological contaminants and maintain one of three National Food Emergency Response Network Training Centers that will host and conduct training. Funding received from the Food and Drug Administration funds the laboratory's analytical capability and capacity for the analysis of food and food products in order to rapidly respond to any local or national food safety or security threat from the use of chemical contaminants, toxins, and poisons. The laboratory receives funding from U.S. Department of Agriculture Marketing Services for the microbiological data program to collect and analyze fresh produce items for the presence of foodborne pathogens and the pesticide data program to collect comprehensive data on pesticide residues in food and water as close to the consumer as possible. Federal funding from the U.S. Department of Agriculture has decreased significantly from a high of over one million dollars to just \$275,000. The microbiological data program is expected to end December 31, 2012, and the pesticide data program is expected to end in fiscal year 2015 or 2016. Funding from the Food and Drug Administration is stable and perhaps slightly higher.

USDA Ag Marketing Services provides funding to enhance the competitiveness of specialty crops and provide support for socially disadvantaged and beginning farmers of these crops. Funding is expected to decrease to the same funding levels of prior to FY 2012-2013. Funding provided to defray the costs of organic certification is expected to remain stable. Currently, there are no required matching funds. The Farmers Market Nutrition Program provides funding to educate low income, nutritionally-at-risk families about the value of fresh, locally grown produce and to increase direct sales for farmers through farmers' markets. Although funding has decreased by approximately 12% the last biennium, future funding is expected to remain stable. Matching funds are provided by the General Fund.

Current federal appropriation levels and continuing resolutions as well as guidance provided from our federal agencies were taken into consideration to determine Minnesota Department of Agriculture's federal funding level for the biennial budget years 2014 and 2015. Based on informed communication with our federal agencies, no significant change in future federal funding is expected. The effect of sequestration is unknown at this time. Potential impact of sequestration includes reducing education outreach and technical assistance for the environmental quality incentive program, decreased efforts to protect agriculture crops, commodities, and forests, decreased analysis of food and food products resulting in less safe food supply for the general public, and loss of financial support to the organic and specialty crop industries.

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Mission:

The Agricultural Utilization Research Institute (AURI) was created by the Minnesota legislature (M.S. 116V.01) to foster long-term economic benefit by increasing business and employment opportunities to rural Minnesota.

Statewide Outcome(s):

Agricultural Utilization Research Institute supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Context:

Agriculture is an integral part of the Minnesota economy, accounting for 20 percent of state GDP and serving as the state's second largest employer with some 367,000 jobs in production and processing. Ensuring continued strength and growth in agriculture is integral to the future of the state's economy.

AURI contributes to the strength of the agriculture industry through innovation and research in value-added agriculture, helping small- and medium-sized businesses in Minnesota develop new uses for agriculture commodities and improvements in agricultural processing. AURI focuses its work in four core areas: renewable energy, biobased products, food and coproducts. (Coproducts are products left over during processing. For example, glycerin is a coproduct of biodiesel production.)

AURI is funded in part through the state of Minnesota, and then works to leverage those funds through cost-share contributions from client businesses and collaborations with commodity groups, as well as grants with the federal government, foundations and more. Through its work, AURI is creating jobs and improving profitability in the agriculture sector of Minnesota.

Strategies:

AURI helps spur innovation and grow Minnesota's economy in the area of value-added agriculture by providing clients with seamless service to bring innovative products and processes to market. Specifically, AURI employs the following strategies to meet its goals.

- **Applied research and development** identifies opportunities to add value to agriculture products through new or improved products or processes. AURI partners with commodity organizations, higher education institutions, federal agencies, research organizations and countless others to identify, fund, manage and disseminate research in value-added agriculture. This combination of research and dissemination are key to ensuring findings are implemented by industry and that research resources are properly aligned with the greatest needs and opportunities.
- **Innovation networks** bring together the right people at the right time in order to evaluate the feasibility of new products or processes and further the connections and relationships that are necessary for a business to take an idea to commercialization. Project management staff has extensive knowledge of Minnesota's agricultural industry, available state resources for business development, techniques for managing innovation and supporting entrepreneurship, and the dynamics and challenges of rural communities.
- **Hands-on scientific assistance** gives small- and medium-sized businesses access to laboratories and scientists, important aspects of product and process development that can be challenging for smaller businesses. Unique assets of AURI's scientific assistance include:
 - USDA-Inspected Meats Lab, Marshall
 - Analytical Chemistry Lab, Marshall
 - Fats & Oils Lab, Marshall
 - Food Product Development Lab, Crookston
 - Fermentation Lab, Crookston
 - Coproduct Utilization Pilot Lab, Waseca
 - Scientific experts in chemistry, microbiology, food development, meat processing, renewable energy, and coproduct utilization.

More information about AURI's services, research and labs is available at <http://www.auri.org>.

Results:

AURI measures the success of its strategies in several ways. The nature of the innovation process makes it a challenge to measure success, since many of the long-term results will not be fully realized until 18-24 months or longer beyond project completion. To overcome these challenges, AURI completed a major multi-year survey of clients that provides important information on its success in achieving its mission. Clients from the last eight years have reported the following impacts as a result of AURI's assistance:

- 281,320 tons of commodities used in new products or processes
- \$414,055,000 of capital investment in new plants or equipment
- \$218,016,000 in non-AURI dollars towards new projects
- Created more than 275 new jobs
- Retained 217 jobs
- These numbers are on a 16 percent response rate of AURI's client base. It is likely these results would have been improved with higher response rates.
- AURI also does an annual client satisfaction survey as a means to measure success in serving its clients. These numbers do provide important trend information that fits well into the chart below.

Performance Measures	Previous	Current	Trend
Percent of clients who reported that "AURI's programs and services have been vital to growing my business."	61%	70%	Improving
Percent of clients who reported that "AURI significantly helped in addressing business concerns".	67%	95%	Improving
Percent of clients who reported that "AURI has improved your product/process significantly."	50%	77%	Improving
Percent of clients who reported that "Because of your work with AURI, your business is more successful."	52%	87%	Improving

Performance Measures Notes:

The client satisfaction data compares a 2010 survey with a 2012 survey, conducted by the Southwest Marketing Advisory Center of Southwest Minnesota State University. The eight-year client outcomes survey (10/1/2003 – 9/30/2011) mentioned under the results section was also conducted by the Southwest Marketing Advisory Center of Southwest Minnesota State University. Complete survey results are available by contacting AURI at 800-279-5010.

Agriculture Utilization Research Institute
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$5,286			\$5,286
Current Law Expenditures (FY 2014-15)	\$5,286			\$5,286
Governor's Recommended Expenditures (FY2014-15)	\$5,286			\$5,286
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Agriculture Utilization Research Institute**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$5,286			\$5,286
SOURCES OF FUNDS	\$5,286			\$5,286
EXPENDITURES	\$5,286			\$5,286
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$5,286			\$5,286
USES OF FUNDS	\$5,286			\$5,286

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Mission:

The Minnesota Amateur Sports Commission (MASC) was created in Minnesota statutes to promote the economic and social benefits of sport for Minnesota citizens and organizations. The MASC contributes to the statewide system of amateur sports by generating economic benefits through sport events, providing increased amateur sport opportunities, and improving infrastructure through developing new sport facilities.

Statewide Outcome(s):

MN Amateur Sports Commission supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

Context:

The Minnesota Amateur Sports Commission's (MASC) primary focus is on 1) generating economic impact, with a focus on out-of-state economic impact, through amateur sports, and 2) providing sports opportunities for Minnesota residents. Notably, these goals are not mutually exclusive, and the same strategies will work to accomplish both.

There are some current issues that affect the MASC that make our mission even more pertinent than ever:

- First, the increasing obesity problem with our entire population, but especially with young people.
- Second, the increasingly competitive market to create and/or bid for amateur sport events. Many other states and cities are active in this market, and if Minnesota doesn't stay aggressive in sports marketing, we will lose market share rapidly.
- Third, the continued strong performance of amateur sports events and programs during the widespread economic recession proves that while amateur sports may not be recession-proof, they are recession-resistant.

The MASC's primary goal is to promote and develop the economic and social impacts of amateur sports. Another key statewide goal for the MASC is to identify and develop a system of statewide amateur sports centers throughout the state, to ensure that all regions of the state benefit from amateur sports. They include the state's headquarters in Blaine, Northwest Region in Moorhead, Southwest Region in Marshall, Northeast Region in Biwabik, Southeast Region in Rochester, and the Central Region in St. Cloud.

A newer priority for the MASC is to research and initiate programs to use our existing facilities and programs to increase the activity level of previously sedentary Minnesota residents, with a focus on youth. All solutions to the obesity crisis identify fitness and activity level as a key part of any long-term solution. It's logical that amateur sports have a role to play in positively addressing this issue.

The MASC has a diverse mix of customers and clientele:

- Existing sports participants, including athletes, coaches, team managers and parents. These are the potential participants in MASC programs and events.
- New athletes and participants. The MASC works with existing sports organizations to help them grow and expand their programs.
- Owners and managers of existing MASC-funded sports facilities around the state.
- State and national sports governing bodies. These organizations own events that can be potentially hosted in Minnesota. They also recruit and train athletes and teams that are potential participants in Minnesota sport events.

The MASC's operating budget is funded through the state and is appropriated from the general fund. The commission has a total of three full-time staff.

Strategies:

The MASC uses these strategies to address the agency's key issues:

- The MASC directly operates hundreds of existing and successful sports events and programs at its flagship facility, the National Sports Center in Blaine. The MASC also works to develop new events, especially programs that will tap into a new market or sport activity.
- The MASC works aggressively to market Minnesota sports events to an out-of-state audience, with the goal being to attract out-of-state teams and athletes and the economic impact they bring with them.
- The MASC works to bid for events and programs that will generate sports opportunities for Minnesota residents and generate positive economic impact on the state.

The key partners that the MASC works with include:

- Owners and managers of existing MASC-funded sports facilities around the state.
- State and national sports governing bodies. These organizations own events that can be potentially hosted in Minnesota. They also recruit and train athletes and teams that are potential participants in Minnesota sports events.
- Convention and visitors bureaus and sports commissions around the state. These organizations are actively bidding for events and sometimes creating programs of their own.
- Government organizations (city administration, parks and recreation departments, economic development directors, etc.) that operate sports facilities or have a social and economic interest in promoting the growth of sports participation in their community.
- Minnesota's professional sports teams.

Results:

The MASC closely tracks the success of its major priorities:

- The performance of the National Sports Center in Blaine, which is the flagship amateur sports facility in Minnesota, and the one facility in the state directly overseen by the MASC. The NSC has shown strong financial performance, is operationally self-sufficient as envisioned, and shows stable attendance numbers and economic-impact numbers.
- The MASC has developed a model to compute economic impact for its major sports events. In addition to using this model on its own events, the MASC shares the model with other sports organizations, parks and recreation departments and anyone hosting sports events in the state. This model was specifically designed to be used by non-economists, but it has been verified as accurate and conservative in its estimates by professionals in the field.

Performance Measures	Previous	Current	Trend
National Sports Center out-of-state economic impact	\$30.2 million	\$50.1 million	Improving
Attendance at National Sports Center	2.5 million	4.0 million	Improving

Performance Measures Notes:

Previous measures reflect information from 2000, and current measures reflect information from 2011.

Amateur Sports Commission**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$497	\$88		\$585
Current Law Expenditures (FY 2014-15)	\$496	\$98		\$594
Governor's Recommended Expenditures (FY2014-15)	\$496	\$98		\$594
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Amateur Sports Commission**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$0	\$23		\$23
REVENUE		\$98		\$98
APPROPRIATION	\$496	\$0		\$496
SOURCES OF FUNDS	\$496	\$121		\$617
BALANCE FORWARD OUT	\$0	\$23		\$23
EXPENDITURES	\$496	\$98		\$594
PAYROLL EXPENSE	\$462	\$98		\$560
OPERATING EXPENSES	\$34			\$34
USES OF FUNDS	\$496	\$121		\$617

Amateur Sports Commission
All Funds FTE by Program

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Amateur Sports Commission	2.8	2.8	2.8
Amateur Sports Commission	2.8	2.8	2.8

Amateur Sports Commission

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	ALL OTHER		98		98
	<u>Subtotal</u>		98		98
	Total		98		98

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Mission:

The mission of the Board of Animal Health (Board) is to protect the health of the state's domestic animals. In carrying out its mission, the Board is part of the team that protects public health, assures an abundant and wholesome food supply to Minnesota consumers, and enables orderly commerce in animal agriculture.

Statewide Outcome(s):

Animal Health, Board of supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

Context:

The Board primarily serves livestock and poultry producers, veterinarians and pet owners. The Board works with its customers, the federal government, other state and local agencies to control animal diseases. Priority is given to animal diseases that cause illness in people, negatively affect livestock productivity or impact trade. Activities at the Board are funded by the general fund, the federal government and fees.

Strategies:

The Board of Animal Health:

- Sets standards for entry of domestic animals into Minnesota to protect the health of the domestic animal population.
- Monitors the movement of livestock and poultry into, out of and within the boundaries of Minnesota, so animals can be traced during a disease outbreak.
- Has regular, on-site presence at farms, livestock markets and kennels to be sure requirements are being met.
- Detects, controls and eradicates domestic animal diseases to maintain a healthy domestic animal population.
- Investigates reports of emerging and foreign animal diseases.
- Develops and exercises plans to respond to diseases that could devastate the livestock population and have a negative impact on our economy.
- Seeks the support of stakeholders when determining effective, common-sense approaches to preventing, controlling and eradicating animal diseases.
- Maintains disease free status for herds and the state so that Minnesota businesses are able to export animals and animal products

Results:

The Board measures success by:

- The number of disease-free statuses the Board maintains.
- Being prepared to quickly trace cattle during a disease investigation. This requires that the Board take steps to improve and multiply animal identification records.
- Maintaining a good working relationship with the major livestock and agriculture groups in Minnesota while managing disease control programs and enforcing state laws.

Performance Measures	Previous	Current	Trend
Statewide Cattle Tuberculosis Status 1	MAA Status	TB-Free	Improving
Animal Identification Information in Database	182,263 records	538,244 records	Improving
Cattle Import Permits	0 permits	2,338 permits	Improving

Performance Measures Notes:

In all cases previous applies to the last biennium (FY 2010 and 2011). Current applies to the current biennium (FY 2012 and 2013).

1. The U.S. Department of Agriculture has a five-tier system for assigning each state a bovine Tuberculosis status. TB-Free is the best status to have as it saves cattle farmers time and money when exporting animals. Modified Accredited Advanced (MAA) is one step below TB-Free and often requires testing of animals prior to exporting to other states. Minnesota regained TB-Free status in October 2011 after being at lower status for four years.
2. During disease investigations, tracing of animals is greatly expedited when the Board has the involved animals' identification numbers in our database. In the last few years, the Board has significantly increased the number of individual animal ID numbers recorded in the database.
3. In August 2011, the Board began requiring import permits for breeding cattle coming into Minnesota. This allows the Board advanced information on breeding cattle being imported into Minnesota and knowledge of their destinations within Minnesota.

**Animal Health, Board of
Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$9,680	\$585	\$1,398	\$11,663
Current Law Expenditures (FY 2014-15)	\$9,678	\$333	\$1,178	\$11,189
Governor's Recommended Expenditures (FY2014-15)	\$9,678	\$333	\$1,178	\$11,189
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

**Animal Health, Board of
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$43	\$301		\$344
REVENUE		\$69	\$1,178	\$1,247
APPROPRIATION	\$9,674	\$0	\$0	\$9,674
SOURCES OF FUNDS	\$9,717	\$370	\$1,178	\$11,265
BALANCE FORWARD OUT	\$39	\$37		\$76
EXPENDITURES	\$9,678	\$333	\$1,178	\$11,189
PAYROLL EXPENSE	\$6,322	\$331	\$543	\$7,196
OPERATING EXPENSES	\$3,324	\$2	\$635	\$3,961
OTHER FINANCIAL TRANSACTIONS	\$32			\$32
USES OF FUNDS	\$9,717	\$370	\$1,178	\$11,265

**Animal Health, Board of
All Funds FTE by Program**

Program	Current	Forecast Base	Governor's Recommendation
	FY 2013	FY 2015	FY 2015
Program: Livestock And Poultry Health	43.3	42.3	42.3
Animal Health, Board of	43.3	42.3	42.3

**Animal Health, Board of
Revenue Summary**
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	13			13
	<u>Subtotal</u>	13			13
Dedicated	FEDERAL GRANTS			1,178	1,178
	DEPARTMENTAL EARNINGS		67		67
	ALL OTHER		2		2
	<u>Subtotal</u>		69	1,178	1,247
Total		13	69	1,178	1,260

Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State	Required State	State-wide Outcome
							Match Yes / No	MOE Yes /No	
Managing Equine, Cervids, and Small Ruminants	no	Funds used primarily to offset expenses for sheep and goat scrapie eradication program.	46	39	39	39	No	no	Economic
Managing Cattle Health	no	Funds to assist with expenses for cattle health programs including: (a) foreign animal disease planning and preparedness and (b) surveillance for bovine tuberculosis.	5	46	46	46	No	no	Economic
Managing Swine	no	Funds to assist with expenses for swine health programs including: a) foreign animal disease planning and preparedness and (b) inspection of premises where food waste is fed to swine and enforcement of requirements to cook food waste prior to feeding.	14	54	54	54	No	no	Economic
Managing Avian Health	no	Funds used for avian health programs including testing for avian influenza.	297	300	300	300	No	no	Economic
Animal Disease Traceability Program	no	Funds used to offset expenses to develop, implement, and administer a livestock traceability system in the state so that, in the event of a disease event, animals can be readily traced so that risk mitigation strategies can be quickly implemented.	93	135	150	150	No	no	Economic
Managing Foreign Animal Disease Surveillance	no	Funds to assist with planning and preparedness for foreign animal disease.	40	-	-	-	No	no	Economic
Garbage Feeding-Swine Health Agreement	no	Funds to assist with expenses for inspection of premises where food waste is fed to swine and enforcement of requirements to cook food waste prior to feeding..	33	-	-	-	No	no	Economic
Farmed Cervidae	no	Funds used to offset the expenses of inspecting farmed deer and elk operations in Minnesota and enforcing the requirements for chronic wasting disease testing.	14	-	-	-	No	no	Economic
Budget Activity Total B140101			543	574	589	589			
Bovine Tuberculosis	no	Funds to assist with the expenses for bovine tuberculosis eradication.	255	-	-	-	No	no	Economic
Budget Activity Total B140100			255	-	-	-			
Federal Fund - Agency Total			798	574	589	589			
Program Total			798	574	589	589			

Narrative

The Board of Animal Health receives funding from the United States Department of Agriculture-Animal Plant Health Inspection Services-Veterinary Services to assist with various disease control programs in Minnesota. Over the past few years this funding has been decreased. Estimates for the next few years are based on past funding and current trends in addition to information from Veterinary Services staff regarding the future of the organization and their goals. In FY12 federal funding made up 13% of the Board's total budget. The effect of sequestration is unknown at this time, but if federal funds were unavailable, the Board would have to reduce program activities and possibly staffing levels.

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Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design, Board of

<http://www.aelslagid.state.mn.us>

Small Agency Profile

Mission:

The Board serves to protect the public health, safety, and welfare by providing reasonable assurance that persons practicing architecture, professional engineering, land surveying, landscape architecture, geoscience, or interior design meet and maintain the qualifications, standards, and professionalism required to competently and ethically practice their profession in Minnesota.

Statewide Outcome(s):

Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design, Board of supports the following statewide outcome(s).

People in Minnesota are safe.

Efficient and accountable government services.

Context:

Regulation of architects, engineers, land surveyors, landscape architects, geologists, soil scientists and certified interior designers exists to protect the health, safety and welfare of the public. The Board protects the public by ensuring that licensed professionals meet the minimum standards for education, examination and experience prior to licensure. The Board enforces laws, rules and standards governing the practice of the professions and takes disciplinary action against licensees, certificate holders and unlicensed individuals who violate laws, rules and standards governing the practice of the professions. The primary customers of the Board are members of the public, applicants, licensees and certificate holders of the professions, the legislature and agencies of local, state and federal government. The Board is funded by fees collected and then appropriated from the state's general fund. Minnesota Statutes section 214.06, subd. 1 requires the Board to collect fees in an amount sufficient to cover anticipated expenses.

Strategies:

The Board provides protection of the public health, safety and welfare and contributes to the above statewide outcomes by:

- Ensuring that those entering the professional practice of architecture, engineering, land surveying, landscape architecture, geology, soil science, or those using the title of certified interior designer, meet standards of competency by means of education, examination and experience.
- Establishing standards of practice for those licensed to practice.
- Requiring anyone practicing or offering to practice architecture, engineering, land surveying, landscape architecture, geology or soil science be licensed and continue to maintain professional competence.
- Requiring anyone using the title of certified interior designer be certified and continue to maintain professional competence.
- Enforcing the laws, rules and standards in a fair, expeditious and consistent manner.
- Exchanging data with state, national and federal agencies and information systems.
- Providing 24x7 access to the Board roster licensees that is updated daily so that building officials and the public can easily find out whether or not a particular individual has a valid, current license.
- Collaborating with National Councils for the professions under the Board on consistent standards for licensure, examination and enforcement across the United States.

Results:

The Board strives to ensure efficient and thorough review and processing of applications and complaints and is committed to improving its procedures to ensure efficient and accountable government services. For enforcement, the Board relies on licensees, code officials and the public to file complaints against individuals who are practicing without a license or who are violating other statutes, rules and the code of conduct. The Board has seen a decline

in the number of complaints filed and is stepping up its outreach program in order to inform the proper groups about the Board's complaint filing process.

The Board is working toward allowing applications to be submitted online and toward a secure method of online application review so that Board members can review files remotely.

Performance Measures	Previous	Current	Trend
Licenses renewed online ¹	86.38%	91.06%	Improving
Average days to approval/denial of applications for professional exam ²	20	25.5	Worsening
Average days to approval/denial of applications for fundamentals exam ²	8	5	Improving
Average time to resolve complaint ²	188	111	Improving

Performance Measures Notes:

1. Licenses are renewed every two years. The "Previous" column is for licenses renewed for July 1, 2010 to June 30, 2012. The "Current" column is for licenses renewed for July 1, 2012 to June 30, 2014.
2. "Previous" is for FY 2011 and "Current" is for FY 2012.

Architecture, Engineering, Land Surveying, La
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,548			\$1,548
Current Law Expenditures (FY 2014-15)	\$1,548			\$1,548
Governor's Recommended Expenditures (FY2014-15)	\$1,548			\$1,548
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

**Architecture, Engineering, Land Surveying, La
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$1,548			\$1,548
SOURCES OF FUNDS	\$1,548			\$1,548
EXPENDITURES	\$1,548			\$1,548
PAYROLL EXPENSE	\$864			\$864
OPERATING EXPENSES	\$684			\$684
USES OF FUNDS	\$1,548			\$1,548

**Architecture, Engineering, Land Surveying, La
All Funds FTE by Program**

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: AELSLA	5.8	5.8	5.8
Architecture, Engineering, Land Surveying, La	5.8	5.8	5.8

Architecture, Engineering, Land Surveying, La

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	2,525			2,525
	ALL OTHER	50			50
	Subtotal	2,575			2,575
	Total	2,575			2,575

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Mission:

The Minnesota State Arts Board is a state agency that stimulates and encourages the creation, performance, and appreciation of the arts in the state.

Statewide Outcome(s):

The Minnesota State Arts Board supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

The Arts Board's activities are aligned to ensure that all Minnesotans have the opportunity to participate in and benefit from the arts. Arts have been shown to improve academic achievement and teach skills that will be necessary in the 21st century workforce. Arts contribute to the vitality of communities, provide positive leisure activities for young people and families and contribute to cultural understanding. The structure and responsibilities of the board are outlined in Minnesota Statutes 129D (<https://www.revisor.mn.gov/statutes/?id=129D>).

Minnesota residents are the board's primary clientele—the agency exists to make the arts available and accessible to all.

The Board receives appropriations from the state's general fund and from the state's arts and cultural heritage fund (ACHF) which was created by an act of the voters in 2008. The ACHF may be spent only for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

Strategies:

The Arts Board provides financial support and other services to strengthen the arts and make them more available throughout the state. Its principal priorities are to advise and serve as a resource relating to the arts; distribute grants, loans, and other forms of assistance for artistic activities; and serve as fiscal agent to disburse appropriations for eleven regional arts council.

The Arts Board has established the following long-term goals (•) and related key strategies (–)

- The arts are interwoven into every facet of community life
 - Develop strategic relationships and partnerships
- Minnesotans believe the arts are vital to who we are
 - Enhance public understanding of the value of the arts
- People of all ages, ethnicities, and abilities participate in the arts
 - Fully engage with nontraditional and underrepresented participants
 - Transform everyone's life by experiencing the arts
- People trust Minnesota's stewardship of public arts funding
 - Provide an accountable arts support system
 - Be responsible stewards of public funds
- The arts thrive in Minnesota
 - Foster visionary, skilled arts leaders and organizations statewide
 - Ensure sufficient resources to sustain the arts and artists

The board accomplishes its work by coordinating and providing financial support and services to Minnesota's regional arts councils, arts organizations, artists, educational institutions, local and state units of government, and other nonprofits.

Results:

The strategies listed above are intended to guide the board's activities for the coming decades. The Arts Board is developing baseline data that it will use to measure progress. The board and each regional council collects data on the impact of every grant they make; that data is used to determine whether strategies are successful and outcomes are being achieved.

The Arts Board and the state's eleven regional arts councils play a significant role in the overall strength of Minnesota's arts sector, however other significant factors affect it as well, key among them: the health of the overall economy and the strength of private philanthropy.

Performance Measures	Previous	Current	Trend
# of individuals who benefit from funded activities ¹	20,558,418	24,876,097	improving
% of Minnesotans who attend arts activities ²	67%	75%	improving

Performance Measures Notes:

¹ Total participants in Arts Board and regional arts council funded activities from 2008-09 biennium to 2010-11 biennium.

² 2001 Minnesota State Survey to 2011 Minnesota State Survey, Minnesota Center for Survey Research, University of Minnesota

Arts Board**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$15,012	\$45,569	\$1,773	\$62,355
Current Law Expenditures (FY 2014-15)	\$15,012	\$82	\$1,530	\$16,623
Governor's Recommended Expenditures (FY2014-15)	\$15,012	\$82	\$1,530	\$16,623
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Arts Board**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$203		\$203
REVENUE	\$0	\$87	\$1,530	\$1,617
APPROPRIATION	\$15,012	\$0	\$0	\$15,012
SOURCES OF FUNDS	\$15,012	\$290	\$1,530	\$16,832
BALANCE FORWARD OUT		\$207		\$207
EXPENDITURES	\$15,012	\$82	\$1,530	\$16,623
PAYROLL EXPENSE	\$422	\$0	\$56	\$478
OPERATING EXPENSES	\$712	\$2	\$252	\$965
GRANTS, AIDS AND SUBSIDIES	\$13,878	\$80	\$1,222	\$15,180
USES OF FUNDS	\$15,012	\$289	\$1,530	\$16,830

Arts Board
All Funds FTE by Program

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Arts Board	15.3	3.5	3.5
Arts Board	15.3	3.5	3.5

Arts Board**Revenue Summary**

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	FEDERAL GRANTS		0	1,530	1,530
	INVESTMENT INCOME		4		4
	ALL OTHER	0	83		83
	Subtotal	0	87	1,530	1,617
	Total	0	87	1,530	1,617

Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
Federal Fund - Agency Total		To stimulate and encourage the creation, performance, and appreciation of the arts in the state.	660	1,112	765	765	Yes	No	Economy
Program Total									
Budget Activity Total									

Narrative:

The Minnesota State Arts Board receives federal support in the form of an annual State Partnership grant from the National Endowment for the Arts (NEA). NEA dollars are restricted to the following four purposes:

- Arts in education – the Arts Board must use these funds to support arts activities in schools and/or developmental programs to make arts in education programs more accessible or more successful. Minnesota school children, teachers, school districts, parents, and communities benefit directly from these grants. Teaching artists also benefit from developmental programs that enhance their skills and expand their professional capacity.
- Underserved – the Arts Board must use these funds to support arts experiences for individuals/groups/areas that traditionally have fewer opportunities to participate in the arts. In Minnesota, this includes individuals/communities in greater Minnesota, artists/arts organizations based in communities of color, and arts activities that involve persons with disabilities and/or older adults.
- Folk and traditional arts – the Arts Board must use these funds to support the artistic traditions and customs practiced within community and/or cultural groups by identifying, documenting, preserving, presenting, and honoring Minnesota's folk arts and traditions. The practice of folk or traditional are generally stems from birthright, community membership, or direct participation in the life of a community.
- State basic grant – the Arts Board is free to use these funds as it sees fit to help achieve its vision – that all Minnesotans should have the opportunity to participate in the arts.

The National Endowment for the Arts requires a one-to-one cash match. The Arts Board must receive state funding in order to qualify for NEA funding.

The potential impact of sequestration would be to reduce the number of grants to individual artists, and reduce its costs to promote grant programs and services. As a result, fewer Minnesota individuals and organizations will know, and be able to take advantage of, programs from which they and their communities might benefit.

As long as Congress continues to fund the National Endowment for the Arts, support from the NEA to the Arts Board will be forthcoming each year. The NEA is required to pass at least 40 percent of its annual support from Congress on to states in the form of State Partnership (block) grants. The block grants are determined by a formula, predominantly based on population.

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Mission:

To advise the legislature and the governor on issues of importance to Asian Pacific Minnesotans; advocate on behalf of those issues, and serve as bridge for and between Asian Pacific Minnesotans and non-Asian Pacific Minnesotans.

Statewide Outcome(s):

Asian-Pacific Minnesotans, Council on (CAPM) supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

People in Minnesota are safe.

Context:

CAPM is an advisory board that seeks to ensure the inclusion of Asian Pacific Minnesotans in all state programs, activities, and services by providing relevant, objective, and credible advice and information on the status and needs of Asian Pacific Minnesotans. The primary customers are the Governor, legislatures, state agencies, Asian Pacific Minnesotans, and citizens. CAPM is funded primarily through general fund appropriation and grant opportunities.

Priorities include:

- Advise: Policy briefs, comments and testimony on issues; publish and release original research/reports to the Governor, state agencies, legislators, and citizens.
- Advocacy: direct engagement with citizens to influence public policy and resource allocation decisions
- Brokerage: facilitates opportunities for engagement and inclusion with others for and recognition of Asian Pacific Minnesotans.

Strategies:

CAPM utilizes several strategies to deliver its mission and support statewide outcomes:

- Research and information analysis – developing and publishing reports for use by decision makers and citizens
- Citizen outreach – developing forums, conferences, retreats and advocacy trainings to inform public policy
- Facilitation and coordination – developing engagement, inclusion, and recognition activities

These strategies help to meet statewide outcomes. Key partners are governor, legislature, Asian Pacific Minnesotans/organizations and citizens.

Results:

CAPM measures its success in objective ways that are both qualitative and quantitative. Qualitative measures include 1) its effectiveness in and level of impact on the legislative process, state programs, and services and 2) the level of engagement Asian Pacific Minnesotans have in public policy and other related activities. Quantitative measures are available and exist via CAPM research and collected data; institutions of higher education, state and federal agencies, non-profits, foundations, and or research institutions, i.e., Mind the Gap, Wilder Research or Brookings Institution. These measures are important to CAPM. They help it to understand the issues as well as to identify the issues and solutions thereof. CAPM also utilizes these measures to mark its progress and impact on public policy.

CAPM has found that by tracking data, it can definitely see that its work and efforts are helping the state to meet statewide outcomes.

Performance Measures	Previous	Current	Trend
Minnesotans have the education and skills needed to achieve their goals.			
Educational Attainment, less than high school for Hmong population (Hmong is the largest Asian ethnic group in Minnesota at 27% of all Asians)	55%	44%	Improving to MN average of 8.5%
Drop Out Rate, Asian/Pacific Islander	9%	5.9%	Improving to MN average of 5.7%
Graduation Rate, Asian/Pacific Islander	64%	67%	Improving to MN average of 74%
A thriving economy that encourages business growth and employment opportunities			
Percentage of Minnesota small businesses that are Asian Owned	1.7%	2.4%	Improving
Sales & Receipts of Asian owned businesses, in billions	\$1.8	\$2.4	Improving
Purchasing Power of Asian Americans, in billions	\$5.4	\$5.9	Improving
Minnesotans are healthy. Identify and address health disparities that affect Asian Pacific Minnesotans			
Mental Health – Post Traumatic Stress Disorder Percentage for Refugee population	14%	n/a	Improving to US rate of 4%
Uninsured rate of Asian/Pacific among all Minnesotans	8%	6%	Improving
People in Minnesota are Safe. Focus on juvenile crime prevention and intervention.			
Asian Juveniles, Part 1 Crimes (violent crimes) percentage	6.4%	4%	Improving
Asian Juveniles, Part 2 Crimes percentage	2.8%	2.6%	Improving

Performance Measures Notes:

Performance measures are measured against the Minnesota average or the total for Asian Pacific Minnesotans, when the Minnesota average could not be found. Looking at Performance Measures in this light allows CAPM to contextualize its work within its mission.

Source: Education data from Minnesota Department of Education, Graduation Rate for State, Four Year Percent and US Census; economic data from SBA Office of Advocacy & Immigration Policy Center; health data from Minnesota Department of Health; crime data from Minnesota Department of Public Safety, Bureau of Criminal Apprehension, Uniform Crime Reports. Data for all items is from 2000 for previous and 2010 for current, except for Drop-Out Rate, Asian/Pacific Islander where previous data is from 2005.

The Uniform Crime Reports do not desegregate crime data into ethnicities. From CAPM's research and discussions with the Asian community, law enforcement personnel, and probation officers, CAPM has ascertained that this issue disproportionately affects Southeast Asian youth (Hmong, Lao, Cambodian, and/or Vietnamese) that have refugee experience.

Please visit CAPM's website for more information and analysis.

Asian-Pacific Minnesotans, Council on
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$508	\$37		\$545
Current Law Expenditures (FY 2014-15)	\$507	\$24		\$531
Governor's Recommended Expenditures (FY2014-15)	\$507	\$24		\$531
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

**Asian-Pacific Minnesotans, Council on
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$7		\$7
REVENUE		\$24		\$24
APPROPRIATION	\$508	\$0		\$508
SOURCES OF FUNDS	\$508	\$31		\$539
BALANCE FORWARD OUT		\$7		\$7
EXPENDITURES	\$507	\$24		\$531
PAYROLL EXPENSE	\$384	\$0		\$384
OPERATING EXPENSES	\$119	\$20		\$139
OTHER FINANCIAL TRANSACTIONS	\$4	\$4		\$8
USES OF FUNDS	\$507	\$31		\$538

**Asian-Pacific Minnesotans, Council on
All Funds FTE by Program**

Program	Current	Forecast Base	Governor's Recommendation
	FY 2013	FY 2015	FY 2015
Program: Asian Pacific Council	3.2	3.3	3.3
Asian-Pacific Minnesotans, Council on	3.2	3.3	3.3

Asian-Pacific Minnesotans, Council on

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	ALL OTHER		24		24
	<u>Subtotal</u>		24		24
	Total		24		24

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Mission:

The Minnesota Attorney General is the chief legal officer for the State of Minnesota, and the authority and responsibilities of the Office arise from the Constitution, State statutes, and common law. The Minnesota Attorney General's Office provides high quality and efficient legal representation to every board, commission, and agency of the State of Minnesota. The Attorney General appears for the State in state and federal courts. The Attorney General also acts in a parens patriae capacity on behalf of the citizens of Minnesota.

Statewide Outcome(s):

Attorney General supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Sustainable options to safely move people, goods, services and information.

Efficient and accountable government services.

Context:

The Minnesota Attorney General's Office:

- Provides high-quality and efficient legal representation to state agencies, boards and officials.
- Protects and saves taxpayers' dollars by defending claims for monetary judgments against state agencies and employees.
- Defends the constitutionality of laws passed by the Minnesota legislature.
- Facilitates the enforcement of laws passed by the Minnesota legislature.
- Assists client agencies to recover fines, penalties and restitution.
- Assists county attorneys in certain public safety matters.

Primary customers are the executive, legislative, and judicial branches of state government, state agencies and boards and the citizens of the state. The Office is funded through general fund appropriations and partner agreements with certain state agencies.

Strategies:

- Represent state agencies and boards in various civil and administrative proceedings.
- Provide proactive legal advice to avoid lawsuits.
- Defend state agencies from claims for monetary judgments.
- Represent state agencies and boards in various monetary recovery proceedings.
- Defend constitutionality of laws passed by the Minnesota legislature.
- Take action to ensure compliance with laws passed by the Minnesota Legislature.
- Provide legal assistance to Minnesota county attorneys and law enforcement.

Key partners are state agencies, boards and officials, the courts, local governments, administrative law judges, and Minnesota citizens.

Measuring Success:

- Citizens of state are well served.
- Effective and efficient legal advice is delivered to state agencies, boards and officials.
- Public interest is advanced.
- Taxpayer dollars are protected by defending against legal claims made against the state and by recovering funds for the state.
- The constitution is upheld and the laws of the state are enforced.

Attorney General**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$42,034	\$23,795	\$2,244	\$68,074
Current Law Expenditures (FY 2014-15)	\$42,142	\$24,124	\$2,468	\$68,733
Governor's Recommended Expenditures (FY2014-15)	\$42,142	\$24,124	\$2,468	\$68,733
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

**Attorney General
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$3	\$51,681		\$51,684
REVENUE		\$14,762	\$2,468	\$17,230
TRANSFERS IN	\$5,160	\$4,928		\$10,088
APPROPRIATION	\$42,142	\$4,434	\$0	\$46,576
SOURCES OF FUNDS	\$47,305	\$75,805	\$2,468	\$125,577
BALANCE FORWARD OUT	\$3	\$51,681		\$51,684
TRANSFERS OUT	\$5,160			\$5,160
EXPENDITURES	\$42,142	\$24,124	\$2,468	\$68,733
PAYROLL EXPENSE	\$31,616	\$23,084	\$1,732	\$56,432
OPERATING EXPENSES	\$10,438	\$1,036	\$736	\$12,210
OTHER FINANCIAL TRANSACTIONS	\$86	\$4		\$90
GRANTS, AIDS AND SUBSIDIES	\$2			\$2
USES OF FUNDS	\$47,305	\$75,805	\$2,468	\$125,577

Attorney General
All Funds FTE by Activity

	Current	Forecast Base	Governor's Recommendation
Activity	FY 2013	FY 2015	FY 2015
Budget Activity: Agency Services-AG	65.4	65.4	65.4
Budget Activity: Legal Services-AG	98.3	98.3	98.3
Budget Activity: Government Services	59.2	59.2	59.2
Budget Activity: Civil Law	40.6	40.6	40.6
Budget Activity: Solicitor General	18.9	18.9	18.9
Budget Activity: Legal Operations	27.2	27.2	27.2
Attorney General	309.5	309.5	309.5

Attorney General
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	1,200			1,200
	ALL OTHER	2,402			2,402
	Subtotal	3,602			3,602
Dedicated	FEDERAL GRANTS			2,468	2,468
	ALL OTHER		14,762		14,762
	Subtotal		14,762	2,468	17,230
	Total	3,602	14,762	2,468	20,832

Attorney General Agency Services

<http://www.ag.state.mn.us>

Statewide Outcome(s):

Agency Services supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Sustainable options to safely move people, goods, services and information.

Efficient and accountable government services.

Context:

The Agency Services activity:

- Provides a wide range of high-quality and efficient legal representation to an array of state agencies, boards, and officials, such as Minnesota Management and Budget, the Minnesota Department of Corrections, the Minnesota Department of Transportation, and others.
- Protects and saves taxpayer dollars by defending claims for monetary judgments against state agencies and employees.
- Provides legal representation to state agencies in disciplinary and enforcement proceedings, thereby contributing to the health, safety, and well-being of Minnesota and its citizens and upholding and implementing the laws passed by the Minnesota legislature.
- Provides legal advice to state agencies in transactional matters, including real estate transactions, contracts, and financial transactions, thereby enhancing the efficiency and accountability of State agencies.

Primary customers are state agencies and the citizens of Minnesota. The program is funded through general fund appropriations and partner agreements with certain state agencies.

Strategies:

- Defend state agencies from claims for monetary judgments.
- Represent state agencies and boards in various enforcement and disciplinary proceedings.
- Provide proactive legal advice to avoid lawsuits.

Key partners are state agencies, administrative law judges, the courts, and Minnesota citizens.

Results:

- Minimize the state's legal and financial exposure in lawsuits against the state for monetary judgments, including but not limited to eminent domain actions and appeals.
- Save taxpayer dollars by defending against legal claims for money judgments against the state and by recovering funds for the state.
- High quality, efficient legal representation is delivered to state agencies, boards, and officials.
- Legal advice and representation in transactional, contract, and financial matters contributes to the efficient and accountable delivery of government services.

-
- Legal services help facilitate state agencies in implementing and administering the laws passed by the Minnesota legislature.

Performance Measures	Previous	Current	Trend
High quality legal representation is provided to the State and its citizens.			

Performance Measures Notes:

The Office of the Attorney General did not provide performance data for this measure.

Budget Activity: Agency Services-AG
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$8,580	\$5,684		\$14,264
Current Law Expenditures (FY 2014-15)	\$8,092	\$5,774		\$13,866
Governor's Recommended Expenditures (FY2014-15)	\$8,092	\$5,774		\$13,866
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Agency Services-AG**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$846		\$846
TRANSFERS IN	\$2,080	\$4,928		\$7,008
APPROPRIATION	\$6,012	\$0		\$6,012
SOURCES OF FUNDS	\$8,092	\$5,774		\$13,866
EXPENDITURES	\$8,092	\$5,774		\$13,866
PAYROLL EXPENSE	\$7,682	\$5,774		\$13,456
OPERATING EXPENSES	\$390			\$390
OTHER FINANCIAL TRANSACTIONS	\$20			\$20
USES OF FUNDS	\$8,092	\$5,774		\$13,866

Attorney General Legal Services

<http://www.ag.state.mn.us>

Statewide Outcome(s):

Legal Services supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

Strong and stable families and communities.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context:

The Legal Services activity:

- Provides high-quality and efficient legal representation to state agencies and boards.
- Protects and saves taxpayer dollars by defending claims for monetary judgments against state agencies and employees.
- Commences disciplinary and enforcement proceedings on behalf of the Minnesota public, thereby contributing to the health, safety, and well-being of Minnesota and its citizens and upholding and implementing the laws passed by the Minnesota legislature.
- Represents the interests of small businesses and residential customers before the Public Utilities Commission and the courts.

Primary customers are state agencies and boards, including the health licensing boards and the Minnesota Pollution Control Agency, and Minnesota citizens. The program is funded through both general fund appropriations and partner agreements.

Strategies:

- Defend state agencies from claims for monetary judgments.
- Represent state agencies, boards and citizens in various enforcement and disciplinary proceedings.
- Provide proactive legal advice to avoid lawsuits.
- Take actions to ensure compliance with laws passed by the Minnesota legislature.

Key partners are state agencies and boards, including the Minnesota Board of Medical Practice, the Minnesota Chiropractic Board, the Minnesota Board of Nursing, the Minnesota Board of Dentistry, the Minnesota Pollution Control Agency, administrative law judges, the judiciary, the Minnesota Public Utilities Commission, and Minnesota citizens.

Results:

- Legal work helps to facilitate the implementation and enforcement of laws passed by the Minnesota legislature.
- High quality, efficient legal representation has been delivered.
- Protect taxpayer dollars by defending against legal claims for monetary judgments made against the State and by recovering funds for the state.
- Public interest is advanced in civil litigation.
- The rights of citizens are protected.
- Unfit health care professionals are disciplined.

Performance Measures	Previous	Current	Trend
High quality legal representation is provided to the State and its citizens.			

Performance Measures Notes:

The Office of the Attorney General did not provide performance data for this measure.

Budget Activity: Legal Services-AG**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$7,578	\$9,987		\$17,565
Current Law Expenditures (FY 2014-15)	\$7,340	\$10,366		\$17,706
Governor's Recommended Expenditures (FY2014-15)	\$7,340	\$10,366		\$17,706
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Legal Services-AG**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN	\$3	\$48,738		\$48,741
REVENUE		\$5,974		\$5,974
APPROPRIATION	\$10,172	\$4,392		\$14,564
SOURCES OF FUNDS	\$10,175	\$59,104		\$69,278
BALANCE FORWARD OUT	\$3	\$48,738		\$48,741
TRANSFERS OUT	\$2,832			\$2,832
EXPENDITURES	\$7,340	\$10,366		\$17,706
PAYROLL EXPENSE	\$6,380	\$9,384		\$15,764
OPERATING EXPENSES	\$930	\$978		\$1,908
OTHER FINANCIAL TRANSACTIONS	\$30	\$4		\$34
USES OF FUNDS	\$10,175	\$59,104		\$69,278

Attorney General Government Services

<http://www.ag.state.mn.us>

Statewide Outcome(s):

Government Services supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

People in Minnesota are safe.

Sustainable options to safely move people, goods, services and information.

Efficient and accountable government services.

Context:

The Government Services activity:

- Represents the Minnesota Department of Public Safety in approximately 5,000 implied consent cases (drunk driver license revocations) annually.
- Provides expert and efficient legal advice and assistance to the Minnesota Bureau of Criminal Apprehension.
- Prosecutes healthcare providers in cases referred by the Minnesota Department of Human Services or other agencies involving fraud in the delivery of Medicaid Assistance program or abuse, neglect, and financial exploitation of vulnerable adults.
- Provides expert legal assistance to county attorneys in prosecuting serious crime, defending felony convictions on appeal, and in civilly committing sex offenders under psychopathic personality and sexually dangerous person statutes.

Primary customers are the Minnesota Department of Public Safety, the Minnesota Bureau of Criminal Apprehension, Minnesota county attorneys and law enforcement, and Minnesota citizens. The program is funded primarily through general fund appropriations.

Strategies:

- Provide legal representation to the Minnesota Department of Public Safety and Bureau of Criminal Apprehension.
- Represent state in implied consent cases and defend the state against challenges to DWI statutes.
- Provide legal assistance to Minnesota county attorneys and law enforcement and pursue prosecutions in health care fraud referrals made by the Minnesota Department of Human Services or other agencies.

Key partners are the Minnesota Department of Public Safety, the Minnesota Bureau of Criminal Apprehension, the Minnesota Department of Human Services, the U.S. Department of Justice, the Centers for Medicare and Medicaid Services, Minnesota county attorneys and law enforcement, Minnesota courts, and Minnesota citizens.

Results:

- Handle on behalf of the Minnesota Department of Public Safety nearly 5,000 district court implied consent proceedings that challenge revocations of driving privileges in drunken driving cases.
- Defend against challenges to DWI laws, thereby giving effect to laws passed by the Minnesota Legislature.
- The Department of Public Safety and the Minnesota Bureau of Criminal Justice receive effective and efficient legal representation.
- High quality legal assistance is provided to Minnesota county attorneys and law enforcement personnel.
- High quality prosecution assistance is provided when Medical Assistance and vulnerable adult fraud cases are referred by the Minnesota Department of Human Services or other agencies.

Performance Measures	Previous	Current	Trend
High quality legal representation is provided to the State and its citizens.			

Performance Measures Notes:

The Office of the Attorney General did not provide performance data for this measure.

Budget Activity: Government Services
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$6,510	\$3,569	\$2,244	\$12,323
Current Law Expenditures (FY 2014-15)	\$6,210	\$3,382	\$2,468	\$12,060
Governor's Recommended Expenditures (FY2014-15)	\$6,210	\$3,382	\$2,468	\$12,060
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Government Services**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$2,398		\$2,398
REVENUE		\$3,340	\$2,468	\$5,808
TRANSFERS IN	\$278			\$278
APPROPRIATION	\$5,932	\$42	\$0	\$5,974
SOURCES OF FUNDS	\$6,210	\$5,780	\$2,468	\$14,458
BALANCE FORWARD OUT		\$2,398		\$2,398
EXPENDITURES	\$6,210	\$3,382	\$2,468	\$12,060
PAYROLL EXPENSE	\$5,660	\$3,382	\$1,732	\$10,774
OPERATING EXPENSES	\$542		\$736	\$1,278
OTHER FINANCIAL TRANSACTIONS	\$8			\$8
USES OF FUNDS	\$6,210	\$5,780	\$2,468	\$14,458

Attorney General Civil Law

<http://www.ag.state.mn.us>

Statewide Outcome(s):

Civil Law supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Sustainable options to safely move people, goods, services and information.

Efficient and accountable government services.

Context:

The Civil Law activity:

- Provides legal representation to the Minnesota Department of Human Services.
- Enforces state charities, non-profit, and other civil laws passed by the Minnesota legislature.

Strategies:

- Provide expert and efficient legal representation to the Minnesota Department of Human Services.
- Defend constitutionality of laws passed by the legislature.
- Enforce laws passed by the Minnesota legislature to deter fraud and abuse in the charities, non-profit and business sectors.

Key partners are the Minnesota Department of Human Services, administrative law judges, the judiciary, and Minnesota citizens. The program is funded through a combination of partner agency and general fund appropriations.

Results:

- Provide high quality legal representation to the Minnesota Department of Human Services and its employees, saving millions of dollars each year, minimizing the state's fiscal exposure, collecting money owed the state, and implementing laws passed by the Minnesota legislature.
- Laws passed by the Minnesota legislature are implemented and enforced.

Performance Measures	Previous	Current	Trend
High quality legal representation is provided to the State and its citizens.			

Performance Measures Notes:

The Office of the Attorney General did not provide performance data for this measure.

Budget Activity: Civil Law**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$4,803	\$2,840		\$7,643
Current Law Expenditures (FY 2014-15)	\$4,696	\$2,928		\$7,624
Governor's Recommended Expenditures (FY2014-15)	\$4,696	\$2,928		\$7,624
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Civil Law**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$2,928		\$2,928
TRANSFERS IN	\$1,532			\$1,532
APPROPRIATION	\$3,164	\$0		\$3,164
SOURCES OF FUNDS	\$4,696	\$2,928		\$7,624
EXPENDITURES	\$4,696	\$2,928		\$7,624
PAYROLL EXPENSE	\$4,396	\$2,928		\$7,324
OPERATING EXPENSES	\$290			\$290
OTHER FINANCIAL TRANSACTIONS	\$10			\$10
USES OF FUNDS	\$4,696	\$2,928		\$7,624

Statewide Outcome(s):

Solicitor General supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

Strong and stable families and communities.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context:

The Solicitor General activity:

- Defends the constitutionality of laws passed by the Minnesota legislature.
- Protects and saves taxpayer dollars by defending claims for monetary judgments against state agencies and employees, including tort, employment, and other high-dollar civil legal claims.
- Provides a wide range of high-quality and efficient legal representation to state agencies, boards, and officials.

Primary customers are the executive, legislative, and judicial branches of state government and the citizens of Minnesota. The program is funded primarily through general fund appropriations.

Strategies:

- Provide expert legal representation in civil lawsuits against the state and its agencies, officials, and employees.
- Defend state agencies from high-dollar claims for monetary judgments.
- Represent state agencies and boards in various monetary recovery proceedings.
- Provide effective and proactive legal advice to state agencies to avoid lawsuits.

Key partners are the executive, legislative, and judicial branches of state government, the risk managers for the state agencies, the Minnesota Public Utilities Commission, and Minnesota citizens.

Results:

- Defend the constitutionality of state laws to help give effect to the policy determinations of the Minnesota legislature.
- Protect taxpayer dollars by defending against legal claims for money judgments made against the state and by recovering funds for the state.
- Ensure that claims against people and entities who owe the state money are pursued.
- High quality, efficient legal representation is delivered to state agencies, boards, and officials.

Performance Measures	Previous	Current	Trend
High quality legal representation is provided to the State and its citizens.			

Performance Measures Notes:

The Office of the Attorney General did not provide performance data for this measure.

Budget Activity: Solicitor General
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$2,764	\$1,454		\$4,218
Current Law Expenditures (FY 2014-15)	\$2,784	\$1,366		\$4,150
Governor's Recommended Expenditures (FY2014-15)	\$2,784	\$1,366		\$4,150
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Solicitor General**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$1,366		\$1,366
APPROPRIATION	\$5,112	\$0		\$5,112
SOURCES OF FUNDS	\$5,112	\$1,366		\$6,478
TRANSFERS OUT	\$2,328			\$2,328
EXPENDITURES	\$2,784	\$1,366		\$4,150
PAYROLL EXPENSE	\$2,474	\$1,366		\$3,840
OPERATING EXPENSES	\$306			\$306
OTHER FINANCIAL TRANSACTIONS	\$4			\$4
USES OF FUNDS	\$5,112	\$1,366		\$6,478

Attorney General Legal Operations

<http://www.ag.state.mn.us>

Statewide Outcome(s):

Legal Operations supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

The Legal Operations activity:

- Provides a wide range of administrative, systems, library, human resources and accounting services to the Attorney General's Office.
- Interacts with other state agencies and boards on personnel, administrative and accounting issues.
- Ensures that budget and accounting practices are in accordance with state law and procedures.
- Purchases goods and services pursuant to state guidelines and requirements.
- Protects and saves taxpayer dollars by ensuring efficient use of resources and staff.

Primary customers are the Attorney General's Office and the citizens of the state.

Strategies:

- Supply human resource, library, systems, administrative and accounting services.
- Protect taxpayer dollars by ensuring accounting services are accurate and in accordance with the law.
- Maintain budget and accounting systems to ensure that they are in compliance with state law and practice.
- Facilitate purchasing to ensure that it is in accordance with all applicable laws and regulations.
- Provide the Attorney General's Office with adequate support to provide high quality and efficient legal representation.
- Maintain and support computer and other technical systems to ensure the Attorney General's Office is able to provide continuity of service in an efficient and timely manner.
- Implement administrative policies and procedures in accordance with state law and requirements.

Results:

- Administrative support is provided to carry out the delivery of high quality and efficient legal services.
- Access to accurate legal resources is provided to ensure accurate and timely representation is provided.
- Fiscal matters are handled to ensure that efficient and accountable government services are provided and that the systems are in accordance with the laws of the state.
- Computer systems are operated effectively and efficiently to ensure that legal representation is provided in a consistent and timely manner.

Performance Measures	Previous	Current	Trend
Efficient, accountable support is provided to allow the Office to deliver high quality legal services.			

Performance Measures Notes:

The Office of the Attorney General did not provide performance data for this measure.

Budget Activity: Legal Operations**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$11,800	\$261		\$12,061
Current Law Expenditures (FY 2014-15)	\$13,020	\$308		\$13,328
Governor's Recommended Expenditures (FY2014-15)	\$13,020	\$308		\$13,328
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Legal Operations**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$545		\$545
REVENUE		\$308		\$308
TRANSFERS IN	\$1,270			\$1,270
APPROPRIATION	\$11,750	\$0		\$11,750
SOURCES OF FUNDS	\$13,020	\$853		\$13,873
BALANCE FORWARD OUT		\$545		\$545
EXPENDITURES	\$13,020	\$308		\$13,328
PAYROLL EXPENSE	\$5,024	\$250		\$5,274
OPERATING EXPENSES	\$7,980	\$58		\$8,038
OTHER FINANCIAL TRANSACTIONS	\$14			\$14
GRANTS, AIDS AND SUBSIDIES	\$2			\$2
USES OF FUNDS	\$13,020	\$853		\$13,873

Federal Grants Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match	Required State Match	State-Wide Outcome
							Yes / No	Yes / No	
Medicaid Fraud Control Grant	No	Medicaid Fraud investigation and prosecution.	1,005	1,240	1,234	1,234	Yes	Yes	
Federal Fund - Agency Total			1,005	1,240	1,234	1,234			
Program Total			1,005	1,240	1,234	1,234			
Budget Activity Total			1,005	1,240	1,234	1,234			

Narrative:

The AGO uses federal grant money for 75% of the funding of its Medicaid Fraud Control Unit (MFCU). The MFCU investigates and criminally prosecutes health care providers committing fraud against the Medicaid program in cases referred by the Minnesota Department of Human Services or other agencies. The MFCU provides investigative support to and jointly prosecutes providers with the U.S. Attorney's Office for the District of Minnesota. The Maintenance of Effort level for the MFCU is a 25% funding match by the State of Minnesota. The Minnesota legislature appropriates this match bi-annually as part of the state budget process. The potential impact of sequestration of the federal grant money would be to severely restrict the investigative abilities of the MFCU.

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Mission:

The mission of the Board is to promote public health and safety by assuring that barbers are appropriately trained and demonstrate the skills necessary to conduct barber services in a safe manner and sanitary environment through the regulation and licensing of barbers and barber shops.

Statewide Outcome(s):

Barber Examiners, Board of supports the following statewide outcome(s).

People in Minnesota are safe.

Context:

The Board of Barber Examiners is an independent board responsible for safeguarding the public through the licensing and regulation of individuals, establishments, and schools related to barbering. The Board's licensing and inspection processes assure that barbers and barber shops meet or exceed the legislative and Board established criteria designed to protect public health and safety. The statutory authority of the Board resides in M.S. Chapter 154.

The Board's priorities are to protect the public and ensure Minnesotans are healthy and safe by ensuring that all barbers and barber shops have met the criteria to be licensed and to ensure compliance by regularly inspecting all barber shops and to respond to complaints regarding the barbering practice.

The Board deposits licensing fees and civil penalties into the general fund and the Board receives a direct appropriation back from the general fund to cover operational expenses.

Strategies:

The Board accomplishes the mission of promoting public health and safety in relation to the barbering profession and barbering services provided to the public by:

- Setting standards of practice and conduct;
- Reviewing applications in a thorough manner to ensure compliance with statutes and rules;
- Setting educational requirements and examination standards;
- Conducting barber examinations to assure professional standards of service are met;
- Inspecting barber shops and schools to ensure compliance with statutes and rules;
- Responding to inquiries, complaints, and reports regarding licensure and conduct of licensed barbers and unlicensed practitioners;
- Providing information and education to the public; and
- Providing clear and concise inspection reports of barber shops.

Results:

The Barber's Board has a wide and vast responsibility of safeguarding the health and safety of the public by licensing individuals, establishments and schools, performing inspections of barbering establishments and investigating complaints. The Barber's Board measures performance to ensure the agency's activities are efficient and accurate and work to protect the safety of the public and those who work in the industry.

Performance Measures	Previous	Current	Trend
% of new applicants licensed (upon completed application and credential verification) with 48 hours	75%	89%	Improving
% of licensed Barber shops inspected and subsequent inspections will occur at an interval of not more than 24 months. *	20%	93%	Improving
# of licensees renewed on time: Barber Shops (845) Barber Schools (5) Registered Barbers (2,068) Apprentice Barbers (149)	NA	89% 100% 96% 82%	NA

Performance Measures Notes:

*100 percent of all licensed shops attempted an inspection during the last 24 month period. All shops were not inspected due to external factors such as shops were not open and Board was unable to get in to do an inspection.

All performance measures: previous 2010, current 2012

Barber Examiners, Board of
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$514			\$514
Current Law Expenditures (FY 2014-15)	\$514			\$514
Governor's Recommended Expenditures (FY2014-15)	\$514			\$514
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

**Barber Examiners, Board of
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$514			\$514
SOURCES OF FUNDS	\$514			\$514
EXPENDITURES	\$514			\$514
PAYROLL EXPENSE	\$380			\$380
OPERATING EXPENSES	\$134			\$134
USES OF FUNDS	\$514			\$514

**Barber Examiners, Board of
All Funds FTE by Program**

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Barbers	3.0	3.0	3.0
Barber Examiners, Board of	3.0	3.0	3.0

Barber Examiners, Board of
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	624			624
	ALL OTHER	0			0
	Subtotal	624			624
	Total	624			624

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Mission:

The mission of the Board of Behavioral Health and Therapy is to protect the public through effective licensure and enforcement of the statutes and rules governing the practices of professional counseling and alcohol and drug counseling in the State of Minnesota to ensure a standard of competent and ethical practice.

Statewide Outcome(s):

Behavioral Health and Therapy, Board of supports the following statewide outcome(s).

People in Minnesota are safe.

Context:

Regulation of the practices of professional counseling and alcohol and drug counseling in the State of Minnesota exist to protect the health, safety and welfare of the public in their receipt of mental health and chemical health counseling services. The Board holds practitioners accountable for conduct based on legal, ethical and professional standards and achieves its mandate of public protection by outlining these standards and issuing a license to practice professional counseling or alcohol and drug counseling only to qualified individuals. Once a license is issued, the Board's duties continue by monitoring licensees' compliance with state laws and rules and taking action against the licenses of those practitioners who present a risk of harm to the public when they engage in incompetent or unprofessional counseling practices. Primary customers are members of the public, consumers of counseling services, applicants, licensees, counselor education programs, providers of examinations required for licensure, counselor professional associations, and agencies of local, state, and federal government. The Board is funded by fees and receives no general fund dollars. Minnesota Statutes section 214.06, subd. 1 requires the Board to collect fees in an amount sufficient to cover expenditures.

Strategies:

The Board of Behavioral Health and Therapy promotes and protects the health and safety of the citizens of Minnesota, accomplishes its public protection mission, and contributes to statewide outcomes by:

- Setting and administering educational, supervision, and examination requirements for initial licensure as a licensed professional counselor (LPC), licensed professional clinical counselor (LPCC), or licensed alcohol and drug counselor (LADC);
- Setting and administering requirements for renewal of licensure;
- Setting standards of ethical practice;
- Responding to inquiries, complaints and reports regarding applicants and licensees;
- Investigating complaints of alleged violations of statutes and rules, holding educational and disciplinary conferences with licensees, taking disciplinary or corrective action when appropriate against practitioners who fail to meet minimum standards of practice, and reporting public actions to national databanks;
- Approving continuing education activities; and
- Providing information about licensure requirements and standards of practice to applicants, licensees, and other interested parties.

Results:

The Board continues to focus on three key areas: issuing and renewing licenses in a timely and efficient manner, processing complaints and taking corrective or disciplinary action as quickly as possible against practitioners who violate the professional counseling and alcohol and drug counseling practice acts, and working within the Board's budget to maintain an adequate staffing level of skilled personnel to provide high quality services to applicants, licensees, and the public. Detailed information about Board activities may be found in a report prepared for the Sunset Advisory Commission in December 2011.

(http://www.commissions.leg.state.mn.us/sunset/reports/BoardofBehavioralHealth_2011.pdf). Information about Board disciplinary actions is available on the Board's website (<http://www.bbht.state.mn.us/ComplaintsDiscipline/tabid/103/Default.aspx>). The Board recently invested in a licensure and regulatory database that offers online services to maximize efficiency. The database will now allow the Board to develop reports to monitor timelines related to issuing licenses and resolving complaints.

NOTE: The nature of regulation does not easily lend itself to specific measurements. For example, the Board has no control over the number of initial license applications received or the number of complaints received. Timeliness of processing applications and complaints is dependent on a number of factors. Statistics are affected when applicants do not submit required documents in a timely manner, extending the amount of time to issue a license. Complaint resolution statistics are influenced by cases that are extended through lengthy settlement negotiations or contested cases.

Performance Measures	Previous	Current	Trend
Online verifications and online renewal display to public in real time	N/A	100%	Improving
Use of online renewal services	N/A	55%	Improving
Average time to resolve complaint (closed complaint data used)	249 days	151 days	Improving

Performance Measures Notes:

The Board is using data from FY 2011 and FY 2012 for previous and current data calculations. The Board's regulatory database is the source of this information, and will generate the data to evaluate performance measures going forward.

**Behavioral Health and Therapy, Board of
Current, Base and Governor's Recommended Expenditures**
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$842		\$842
Current Law Expenditures (FY 2014-15)		\$830		\$830
Governor's Recommended Expenditures (FY2014-15)		\$830		\$830
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

**Behavioral Health and Therapy, Board of
Sources and Uses**

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION		\$830		\$830
SOURCES OF FUNDS		\$830		\$830
EXPENDITURES		\$830		\$830
PAYROLL EXPENSE		\$601		\$601
OPERATING EXPENSES		\$229		\$229
USES OF FUNDS		\$830		\$830

**Behavioral Health and Therapy, Board of
All Funds FTE by Program**

Program	Current	Forecast Base	Governor's Recommendation
	FY 2013	FY 2015	FY 2015
Program: Behavioral Health & Therapy	4.0	4.0	4.0
Behavioral Health and Therapy, Board of	4.0	4.0	4.0

Behavioral Health and Therapy, Board of

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS		1,589		1,589
	ALL OTHER		0		0
	Subtotal		1,589		1,589
	Total		1,589		1,589

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Mission:

The Council on Black Minnesotans addresses the need for people of African heritage to fully and effectively participate in and equitably benefit from the political, social and economic resources, policies and procedures of the state of Minnesota.

Statewide Outcome(s):

Black Minnesotans, Council on supports the following statewide outcome(s).

Strong and stable families and communities.

Context:

The Council on Black Minnesotans (Council) was created by the Minnesota legislature in July 1980 to advise the governor and legislature on the nature and intensity of the issues confronting the state's Black population. The Council operates as a liaison between state agencies, individuals, and organizations seeking access to state government. The Council participates in policy-making processes that lead to the development of recommendations for new laws, changes in existing laws; increases the awareness and importance of Black culture, publicizes the accomplishments of Black Minnesotans and works to increase the practice of inclusion of Black Minnesotans in the political, social and economic resources of the State. The Council is funded primarily through general fund appropriation and grant opportunities.

Strategies:

The Council is a catalyst in the reduction of the level of racial disparities and disproportionalities experienced by Minnesotans of African descent through education, collaboration and advocacy. Strategies include:

- Build and enhance strategic partnerships with government and community organizations to be a connector to persons of African descent and their organizations/institutions.
- Increase the knowledge of policy makers at all levels through an advisory capacity about critical issues impacting populations of color and the impoverished of Minnesota, with a particular focus on researching and addressing the extent to which public policy and individual and institutional racism have caused and continue to perpetuate racial disparities and disproportionalities.
- Increase civic engagement among African and African Americans through collaboration. This includes voter registration, educational activities, and conducting research that promotes involvement with decision making entities impacting the existence of populations of color.
- Increase community engagement with state government and advocacy through several key council committees.
- Increase dialog and awareness between the African and African-American communities with the goal of building a stronger and more united Black community in Minnesota.

Results:

As a result of the strategies listed above, the following key results support the Council's efforts to support the statewide goal of strong and stable families and communities:

- The number of youth enrolled in high quality early childhood programs increases, and the state's high school and college graduation rate for Black Minnesota students increases.
- The overall physical and mental health of Black Minnesota improves with the lowering of incidents of chronic diseases and the use of primary care and mental health services increases.
- The disproportionality of young Black Minnesotans in the juvenile correction system is lowered.
- The overall number of Black Minnesotans employed in livable wage jobs increases and the access and securing of state funding for Black owned businesses increases.
- Strong and effective collaborations are created and maintained to raise the level of awareness and participation by communities and organizations in the legislative process to ensure all Black Minnesotans families and communities are stable.

Performance Measures	Previous	Current	Trend
High school graduation for young Black Minnesotans	2010 46.6%	2011 49.1%	Improving
Black Minnesotans Median Income	1999	2007-2009	Worsening
U.S. Born	\$37,338	\$27,004	
Foreign Born	\$34,763	\$31,763	
Black Minnesotans that are Uninsured	2008	2010	Worsening
U.S. Born	14.9%	17.8%	
Foreign Born	16.5%	29.1%	

Performance Measures Notes:

The performance measures above are examples and are not an exhaustive list. Performance measure are recommended and produced on an annual basis as approved by the Council.

The above information was gathered from Minnesota Compass, <http://www.mncompass.org>.

**Black Minnesotans, Council on
Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$584	\$267		\$851
Current Law Expenditures (FY 2014-15)	\$584	\$65		\$649
Governor's Recommended Expenditures (FY2014-15)	\$584	\$65		\$649
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

**Black Minnesotans, Council on
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$1		\$1
REVENUE		\$65		\$65
APPROPRIATION	\$584	\$0		\$584
SOURCES OF FUNDS	\$584	\$66		\$650
BALANCE FORWARD OUT		\$1		\$1
EXPENDITURES	\$584	\$65		\$649
PAYROLL EXPENSE	\$489			\$489
OPERATING EXPENSES	\$94	\$65		\$159
OTHER FINANCIAL TRANSACTIONS	\$2			\$2
USES OF FUNDS	\$584	\$66		\$650

Black Minnesotans, Council on
All Funds FTE by Program

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Black Minnesotans, Council on	3.7	3.7	3.7
Black Minnesotans, Council on	3.7	3.7	3.7

Black Minnesotans, Council on
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	DEPARTMENTAL EARNINGS		28		28
	ALL OTHER		37		37
	Subtotal		65		65
	Total		65		65

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Mission:

To promote public confidence in state government decision-making through development, administration, and enforcement of public financing programs and disclosure requirements that will ensure public access to and understanding of information filed with the Board.

Statewide Outcome(s):

The Campaign Finance and Public Disclosure Board supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

Accountable candidates, lobbyists, and governmental officials result in a government in which citizens have confidence. The Campaign Finance Board ensures accountability by the people who make government run. The Board makes Minnesota a better place to live by providing the oversight and disclosure necessary to ensure citizens that the people who govern them are free from undue influence.

- The Board regulates and provides insight into money in Minnesota politics. The Board regulates money used to influence elections and money spent on lobbying to influence officials once they are elected. The Board ensures that citizens have access to data about sources and uses of money so that citizens can make informed decisions about their candidates and officials.
- The Board's clients are the citizens of the state and the regulated individuals and associations.
- The Board is funded solely through biennial general fund appropriations. Funding based in part on registration fees for regulated individuals and associations has not been made available to the Board.

Strategies:

The Board attempts to achieve its dual goals of disclosure and compliance through multiple strategies designed to obtain the maximum benefit from limited resources. Because of available resources, the Board typically relies on short-term strategies rather than implement long-term strategies that could be more effective in the long term.

- The Board achieves disclosure and compliance primarily through its educational efforts rather than through the use of resource-intensive investigations. Limitations of the education strategy include being unable to develop the amount and quality of online educational materials that it believes is needed and not being able to bring live education to all parts of the state.
- The Board achieves disclosure to the public largely through its website. Designed more than a decade ago and incrementally improved over the years, the site contains a wealth of data, but has grown to the extent that it is no longer user friendly. Additionally, the data is not fully audited and, thus, may include inaccurate information.

Results:

It is not possible to directly measure the effect of the Board's work on citizen confidence in Minnesota government. Thus, the Board is required to measure its success in terms of outputs.

Performance Measures	Previous	Current	Trend
1. Number of investigations undertaken	50	43 to date	Increasing
2. Percent of House/Senate general election candidates using electronic filing.	60%	87%	Increasing
3. Total amount subject to regulation and disclosure.	\$76,558,965	\$91,355,980	Increasing

Performance Measures Notes:

1. The Previous measure represents calendar year 2010. The Current number represents 2012 to date. Through August 2012, the Board has undertaken 43 investigations. It is important to note that all offices were on the ballot in 2010, and only legislative offices are on the ballot in 2012.
2. The previous measure represents calendar year 2010, and the current measure reflects calendar year 2012.
3. The previous measure reflects the amount for the 2006 election, and the current measure reflects the amount for the 2010 election. The 2006 and 2010 elections represent the most recent elections in which all offices were on the ballot.

Campaign Finance and Public Disclosure Board
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,471	\$2,359		\$3,830
Current Law Expenditures (FY 2014-15)	\$1,378	\$2,422		\$3,800
Governor's Recommended Expenditures (FY2014-15)	\$1,300	\$3,122		\$4,422
\$ Change from FY 2014-15 Current Law to Governor's Rec	(78)	\$700		\$622
% Change from FY 2014-15 Current Law to Governor's Rec	(6%)	29%		16%

Campaign Finance and Public Disclosure Board
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$740		\$740
REVENUE		\$700		\$700
TRANSFERS IN		\$3,154		\$3,154
APPROPRIATION	\$4,454	\$0		\$4,454
SOURCES OF FUNDS	\$4,454	\$4,594		\$9,048
BALANCE FORWARD OUT		\$1,472		\$1,472
TRANSFERS OUT	\$3,154			\$3,154
EXPENDITURES	\$1,300	\$3,122		\$4,422
PAYROLL EXPENSE	\$1,165	\$428		\$1,593
OPERATING EXPENSES	\$135	\$272		\$407
GRANTS, AIDS AND SUBSIDIES		\$2,422		\$2,422
USES OF FUNDS	\$4,454	\$4,593		\$9,047

Campaign Finance and Public Disclosure Board

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Establishment of Campaign Finance Registration Fees

The Governor recommends establishing a system of fees to replace a 5% reduction in funding from the general fund and to provide an investment supporting client services, investigations, implementation of a redesigned website, conversion to electronic records, and implementation of a document management system.

Performance Measures:

The impact of this investment will be measured by monitoring the number, scope, and time to complete audits and investigations and through customer surveys. When technology improvements are implemented, the impact will be measured by conducting client surveys, staff surveys, and internal studies of savings resulting from the new systems.

General Fund	Expenditure	(39)	(39)	(78)	(39)	(39)	(78)
General Fund	Revenue	0	0	0	0	0	0
Other Funds	Expenditure	350	354	704	350	350	700
Other Funds	Revenue	350	354	704	350	350	700
	Net Change	(39)	(39)	(78)	(39)	(39)	(78)
Net All Change Items	General Fund	(39)	(39)	(78)	(39)	(39)	(78)
	Other Funds	0	0	0	0	0	0
	Net Change	(39)	(39)	(78)	(39)	(39)	(78)

Campaign Finance and Public Disclosure Board
All Funds FTE by Program

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Campaign Finance & Publ Disc	7.8	7.0	8.0
Campaign Finance and Public Disclosure Board	7.8	7.0	8.0

Campaign Finance and Public Disclosure Board

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	ALL OTHER	4			4
	Subtotal	4			4
Dedicated	DEPARTMENTAL EARNINGS		700		700
	Subtotal		700		700
	Total	4	700		704

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Mission:

According to Minnesota Statutes (M.S.) 15B.01 (<https://www.revisor.mn.gov/statutes/?id=15B.01>), the Capitol Area Architectural and Planning Board (CAAPB)'s mission is to: 1) preserve and enhance the dignity, beauty and architectural integrity of the capitol, the buildings immediately adjacent to it, the capitol grounds, and the capitol area; 2) protect, enhance, and increase the open spaces within the capitol area when deemed necessary and desirable for the improvement of the public enjoyment thereof; 3) develop proper approaches to the capitol area for pedestrian movement, the highway system, and mass transit system so that the area achieves its maximum importance and accessibility; and 4) establish a flexible framework for growth of the capitol complex buildings which will be in keeping with the spirit of the original Cass Gilbert design.

Statewide Outcome(s):

Capitol Area Architectural Planning Board supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

The CAAPB was established by the 1967 legislature. The Board is an independent planning and regulatory agency responsible for design review and long-range planning for the Capitol area. The CAAPB has exclusive zoning jurisdiction and design review over both the state government complex and the surrounding commercial and residential neighborhoods; a total of 60 blocks. The agency has three FTEs.

The Board's framework for operations is a comprehensive plan and codified zoning and design rules, developed with input from stakeholders and maintained by staff. The Board coordinates its responsibilities with other state agencies, the city of Saint Paul, neighborhood planning bodies, and private sector professionals. A Saint Paul building permit is only issued after the Board has reviewed and approved zoning requests and issued a permit for projects within the Board's jurisdiction.

The non-partisan Board is comprised of 12 members, chaired by the Lt. Governor, with public members appointed by the governor and the mayor of Saint Paul as well as four legislators. An advisory committee of three design professionals serve the Board. Responsible to the legislature, the Board can provide or review capital budget requests, and by statute is charged with final approval of the Central Corridor Light Rail Transit (LRT) project through the Capitol Area. The CAAPB's operations are funded through a general fund appropriation.

Strategies:

The CAAPB has the following major service strategies to fulfilling its mission:

- Provide policy for capitol area development, consistent design standards, and CAAPB procedures.
- Provide planning tools, design guidelines, timely reviews, and zoning rules enforcement.
- Conduct fair competitions and successful memorial or building construction projects.
- Initiate funding requests for the capitol building's preservation and maintenance of the area.
- Review capital budget requests in capitol area for compatibility with the comprehensive plan.
- Maintain CAAPB web site including Board policies, current project information, and links to other state capitols.

The CAAPB has no specific programs or activities beyond those specifically granted to it by statute. As required of all state agencies, the CAAPB participates in COOP and SWIFT. All agency strategies are executed and measured in keeping with the Board's mission and comprehensive plan.

Results:

The very structure and size of the CAAPB helps to make its operations efficient and cost effective, as well as transparent, accessible, and sensitive to input of the general public, the city of Saint Paul, and other state agencies.

The agency's performance takes pride in the following measurable outcomes and successes of the CAAPB's strategies:

- Successful construction of four new Board-approved buildings and nine memorials in last 20 years.
- The CAAPB amended its 1998 Comprehensive Plan in 2009, as part of land-use planning act.
- Zoning Rules received award from MN American Planning Association after its rewrite in 2009.
- New policy for commemorative works adopted by the Board in 2012.
- Board approved LRT alignment and three stations designs with CAAPB monitoring through 2014.

Performance Measures	Previous	Current	Trend
Comprehensive Plan	1998	Adopted 2009	Stable
2000 Zoning and Design Rules	2000	Adopted 2009	Stable
Enforcing zoning regulations: Action within 60 days	100% 29 requests	100% 17 requests to-date	Stable
Policy for Commemorative Works in Capitol Area (New)	NA	2012 Adopted	NA

Performance Measures Notes:

1. Comprehensive Plan: Land use planning act requires amendment every ten years. Adopted 2009.
2. Zoning and Design Rules: Rewritten in 2009 under the Administrative Procedures Act.
3. Enforcing Zoning Regulations: Board expected to act on requests within 60 days. Previous is information from the FY 2010-11 biennium, Current is information from the FY 2012-13 biennium.

Capitol Area Architectural and Planning Board
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$650	\$0		\$650
Current Law Expenditures (FY 2014-15)	\$650	\$17		\$667
Governor's Recommended Expenditures (FY2014-15)	\$650	\$17		\$667
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Capitol Area Architectural and Planning Board**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$13	\$117		\$130
APPROPRIATION	\$650	\$0		\$650
SOURCES OF FUNDS	\$663	\$117		\$780
BALANCE FORWARD OUT	\$13	\$100		\$113
EXPENDITURES	\$650	\$17		\$667
PAYROLL EXPENSE	\$515	\$17		\$532
OPERATING EXPENSES	\$133	\$0		\$133
OTHER FINANCIAL TRANSACTIONS	\$2			\$2
USES OF FUNDS	\$663	\$117		\$780

**Capitol Area Architectural and Planning Board
All Funds FTE by Program**

Program	Current	Forecast Base	Governor's Recommendation
	FY 2013	FY 2015	FY 2015
Program: Capitol Area Arch Planning Bd	3.0	3.0	3.0
Capitol Area Architectural and Planning Board	3.0	3.0	3.0

Capitol Area Architectural and Planning Board

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	ALL OTHER	1			1
	<u>Subtotal</u>	1			1
	Total	1			1

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Mission:

To advise the legislature and the governor on issues of importance to the Latino community; advocate on behalf of those issues, and serve as bridge for and between the state government and the Latino community. The Chicano/Latino Affairs Council (Council) was created to improve the economic and social condition of Latinos in Minnesota.

Statewide Outcome(s):

Chicano/Latino Affairs Council supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Efficient and accountable government services.

Context:

The Council is a state agency serving the Governor, the Legislature, various agencies and sectors, the Latino community and all Minnesotans. The Council's priority for this fiscal year is education but will also address Latino interests in employment, health, housing, immigration, human rights and corrections. CLAC is funded by the state and, occasionally, by grants for specific projects.

The priorities of the Council include:

- Submitting recommendations for new bills, which are conducive to improving condition of Latinos, to be introduced at the Legislature;
- Advising Minnesota's governor and state legislators to create awareness, through meetings and reports, of the culture, contributions and matter of interest to Latinos, including challenges encountered by immigrants;
- Serve as a conduit between the Latino community/organizations and state government's agencies, programs and services;
- Being a liaison for Latinos to local/federal government and the private/nonprofit sectors;
- Performing or contracting/overseeing studies on Latino-related matters on which CLAC can take a position; implementing programs when authorized by order or statute.

Strategies:

The Council facilitates efficient, constructive communication and collaboration between the Latino and majority communities by: identifying common goals; recommending legislation; recommending best practices and programs; disseminating and/or producing through research current and factual information; providing advice; and convening meetings on strategy, planning and implementation. The Council's key partners are state leaders in various sectors/organizations and the Latino community.

Results:

The Council will measure success through: a) written testimony by its partners on the contributions that the Council's actions, advice and information have had on the attainment of their measurable goals and objectives; b) results of surveys carried out among individuals, agencies and organizations to whom the Council has provided advice, information and other services; c) reports produced by studies done or contracted and overseen and d) numbers of significant collaboratives and events. If partners and beneficiaries perceive the Council's actions as productive in terms of their goals and objectives, the Council will be able to validate the effectiveness of its strategies; if their perception is that the strategies are not working, the Council will modify strategies in collaboration with said partners and beneficiaries. The Council's primary function of advising and informing is difficult to measure; the above approach should compensate for that limitation.

Performance Measures	Previous	Current	Trend
Community engagement forums	6	7	Improving
Voter registration and civic participation training	1	3	Improving
Latino Education Improvement	4	8	Improving
Latino Economic Development	3	8	Improving
Latino Legislative Day at the Capitol # participants	43	200	Improving

Performance Measures Notes:

1. Community engagement forums compares data from FY 2011 (previous) to FY 2012 (current).
2. Voter registration and civic participation compares projects, collaborations and outreach in FY 2011 (previous) and 2012 (current) to improve MN Latino socioeconomic conditions.
3. Latino Education Improvement compares number of education reports, collaborative projects with other agencies, documentaries and videos disseminated in FY 2011 (previous) and 2012 (current).
4. Economic Development involvement compares projects, events and collaborations in FY 2011 (previous) to 2012 (current).
5. Latino Legislative Day at the Capitol compares number of attendees in FY 2011 (previous) and 2012 (current).

Chicano/Latino Affairs Council
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$550	\$42		\$592
Current Law Expenditures (FY 2014-15)	\$550	\$0		\$550
Governor's Recommended Expenditures (FY2014-15)	\$550	\$0		\$550
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Chicano/Latino Affairs Council**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$10		\$10
REVENUE		\$0		\$0
APPROPRIATION	\$550	\$0		\$550
SOURCES OF FUNDS	\$550	\$10		\$560
BALANCE FORWARD OUT		\$10		\$10
EXPENDITURES	\$550	\$0		\$550
PAYROLL EXPENSE	\$470	\$0		\$470
OPERATING EXPENSES	\$78	\$0		\$78
OTHER FINANCIAL TRANSACTIONS	\$2			\$2
USES OF FUNDS	\$550	\$10		\$560

Chicano/Latino Affairs Council
All Funds FTE by Program

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Chicano Latino Affairs Council	4.3	3.0	3.0
Chicano/Latino Affairs Council	4.3	3.0	3.0

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Mission:

The mission of the Minnesota Board of Chiropractic Examiners (MBCE) is to protect the public through effective licensure and enforcement of the statutes and rules governing the practice of chiropractic to ensure a standard of competent and ethical practice in the profession. (See: <http://www.mn-chiroboard.state.mn.us/mission.htm>)

Statewide Outcome(s):

Chiropractic Examiners, Board of supports the following statewide outcome(s).

People in Minnesota are safe.

Context:

The Board of Chiropractic Examiners exists to protect the safety of the public by ensuring that those who practice Chiropractic in Minnesota are competent professionals who understand and abide by the Chiropractic Practice Act. The MBCE holds licensees to a standard of practice that is ethical, legal and professional. The primary customers of this agency are doctors of chiropractic and members of the public who utilize chiropractic care. The agency is a fee supported agency, deriving its revenue solely from license fees of those regulated. This agency receives no income from the general fund.

Strategies:

The Board protects the public and ensures the competency of doctors of chiropractic by:

- Reviewing the education and credentials of applicants for licensure
- Allowing externships under a licensed doctor of chiropractic for recent graduates
- Collaborating with other states to assess legal, educational and professional trends
- Approving continuing education programs and auditing licensees for these requirements
- Receiving, reviewing and if necessary investigating complaints from the public
- Initiating educational meetings or disciplinary action with licensees where necessary
- Maintaining a website with relevant information for licensees and members of the public
- Promulgating rules where additional direction may be required
- Monitoring budget data to ensure efficient utilization of fiscal resources

The Board partners with the 1) National Board of Chiropractic Examiners, which provides the necessary professional testing for licensure in Minnesota (See <http://www.nbce.org/>); 2) the Minnesota Attorney General's office as the attorney for the Board; and 3) the Federation of Chiropractic Licensing Boards, an information repository for chiropractic regulation across the United States, as well as internationally. This organization also provides a national database of disciplinary actions, assisting the Board in licensing/regulatory decisions. (See: <http://www.fclb.org/>)

Results:

A review of the performance measures (below) indicates a trend of consistent improvement. The outcomes regarding complaints against new licensees derive from two strategies employed by the Board: 1) a modification to the structure of the jurisprudence exam transforming it into a teaching tool; and 2) an annual seminar given by the Board to address current practice trends resulting in legal/regulatory pitfalls. This seminar is primarily directed toward newer licensees, although all are invited.

Performance Measures	Previous	Current	Trend
Time from completed application to licensure	2 to 6 months	3 to 28 days	Improving
Number of complaints against new licensees within the first 65 months of practice	272 complaints	145 complaints	Improving
Number of violations by new licenses within the first 65 months of practice	92 violations	55 violations	Improving
Continuing Education Audit Failures through 2 ½ audit cycles:		(partial data)	Improving
Failures	5.3% to 8.2%	5.0%	
License Terminations	0.27%to 0.3%	0.0%	

Performance Measures Notes:

The time frames for the above measures are as follows:

- Application processing: “previous” is through the year 1998 and “current” is 1998-2012
- Number of complaints and number of violations of new licensees: “previous” refers to 2/2001 through 7/2006 and “current” refers to 7/2006 through 12/2011
- Continuing Education Audits: “previous” refers to the audits of 2003-2006 and “current” refers to the audits of 2007-2010, which are currently being processed and thus this information is “partial data”

The source for this information is the MBCE’s Licensing Database and Staff Audit Reports.

**Chiropractor Examiners, Board of
Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$962		\$962
Current Law Expenditures (FY 2014-15)		\$958		\$958
Governor's Recommended Expenditures (FY2014-15)		\$958		\$958
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

**Chiropractor Examiners, Board of
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION		\$957		\$957
SOURCES OF FUNDS		\$957		\$957
EXPENDITURES		\$958		\$958
PAYROLL EXPENSE		\$682		\$682
OPERATING EXPENSES		\$276		\$276
USES OF FUNDS		\$958		\$958

**Chiropractor Examiners, Board of
All Funds FTE by Program**

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Chiropractors, Board Of	4.9	4.9	4.9
Chiropractor Examiners, Board of	4.9	4.9	4.9

Chiropractor Examiners, Board of

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS		1,723		1,723
	ALL OTHER		0		0
	Subtotal		1,723		1,723
	Total		1,723		1,723

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Mission:

Protecting the public interest through effective, consistent regulation, proactive consumer outreach, and supporting a vibrant and competitive marketplace.

Statewide Outcome(s):

Commerce supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

Sustainable options to safely move people, goods, services and information.

Context:

The Minnesota Department of Commerce serves the public interest, consumers, and businesses by ensuring secure, stable and reliable markets in over twenty industries. Commerce seeks to strike a balance by protecting consumer rights while ensuring a competitive marketplace for business in Minnesota. As such, Commerce works with regulated entities, the public, the Legislature, other state agencies and the Governor. Commerce's budget consists of approximately 63 percent federal funds, 27 percent special revenue funds and 10 percent general fund. Financial Institutions, Insurance, Telecommunications and TAM, and Energy Resources assess and recover their operating costs from regulated entities.

Strategies:

The Minnesota Department of Commerce uses the following strategies to achieve success:

- Investigating and resolving consumer complaints
- Safeguarding consumers' rights and investments
- Regulating and licensing business activity to ensure compliance, responsible business conduct, and a fair and consistent regulatory environment
- Advocating for the public interest before public bodies
- Expanding economic opportunity while working to improve our quality of life and environment

The specific business units employ the following strategies to achieve success:

Financial Institutions Division:

- Licenses, examines and regulates credit unions, state chartered banks, mortgage companies, finance companies and other financial institutions to ensure that they remain safe and financially solvent.

Insurance Division:

- Licenses, examines and regulates insurance companies and other financial institutions to ensure that they remain safe and financially solvent.

Administration:

- Manages day-to-day operations, manages financial and human resources operations.
- Provides unclaimed property services to the people of Minnesota.
- Provides information management services and technical support to the department.
- Licenses businesses and individuals according to Minnesota statutes.

Enforcement Division:

- Enforces compliance and responsible business conduct across a broad range of licensed occupations, including insurance agents, stock and investment brokers, and realtors.
- Registers securities sold in Minnesota.
- Investigates insurance fraud in Minnesota

Division of Energy Resources:

- Advocates on behalf of consumers and ratepayers in proceedings relating to regulated electric and gas utilities.
- Promotes energy-efficient building, conservation, alternative transportation fuels, and modern energy technologies.
- Oversees conservation improvement programs operated by public, municipal and cooperative utilities.
- Administers the Low Income Home Energy Assistance Program and the Weatherization Assistance Program.

Telecommunications Division:

- Advocates on behalf of consumers and ratepayers in proceedings relating to regulated telecommunications and utilities.
- Promotes competition among telecommunications companies in Minnesota.

Weights and Measures Division:

- Ensures accuracy in all commercial transactions based on weight or measure.
- Ensures consistent quality of petroleum products.
- Provides precision mass, temperature, density and volume measurement services to businesses.

Petrofund:

- Reimburses petroleum storage tank owners and operators for the cost of investigating and cleaning up petroleum tank releases.
- Contracts to remove abandoned underground petroleum storage tanks across Minnesota.

Measuring Success:

Commerce continues to work through the economic recovery to ensure stable financial institutions, opportunities for economic growth, and protection for consumers. Commerce will make every effort to provide a state regulatory environment to aide in the economic recovery and provide the foundation for strong growth in the future.

Commerce**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$43,830	\$82,162	\$194,850	\$320,841
Current Law Expenditures (FY 2014-15)	\$43,327	\$82,195	\$325,071	\$450,593
Governor's Recommended Expenditures (FY2014-15)	\$46,377	\$82,997	\$325,071	\$454,445
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$3,050	\$802	\$0	\$3,852
% Change from FY 2014-15 Current Law to Governor's Rec	7%	1%	0%	1%

Commerce**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$25,798		\$25,798
REVENUE	\$1	\$56,579	\$325,070	\$381,650
TRANSFERS IN	\$4,190	\$8,210		\$12,400
APPROPRIATION	\$46,456	\$36,295	\$0	\$82,751
SOURCES OF FUNDS	\$50,647	\$126,882	\$325,070	\$502,599
BALANCE FORWARD OUT		\$21,695		\$21,695
TRANSFERS OUT	\$80	\$22,190		\$22,270
CANCELLATIONS	\$4,190			\$4,190
EXPENDITURES	\$46,377	\$82,997	\$325,071	\$454,445
PAYROLL EXPENSE	\$37,799	\$17,966	\$7,250	\$63,015
OPERATING EXPENSES	\$8,544	\$52,503	\$7,278	\$68,325
OTHER FINANCIAL TRANSACTIONS	\$24	\$10	\$2,930	\$2,964
GRANTS, AIDS AND SUBSIDIES	\$0	\$12,268	\$307,612	\$319,880
CAPITAL OUTLAY-REAL PROPERTY	\$10	\$250		\$260
USES OF FUNDS	\$50,647	\$126,882	\$325,071	\$502,600

Commerce

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Agency Investment with Revenue Offset

The Governor recommends increasing appointment fees paid by insurance companies from \$10 to \$30. This fee is charged when insurers register an agent with the Department of Commerce; it is only paid once per appointment. Additional revenue generated by the fee increase will be used to increase oversight of financial institutions, securities, consumer protection, and insurance.

Performance Measures:

1) Increased accreditation scores from the National Association of Insurance Commissioners (NAIC); 2) Greater rate at which exams and analysis are completed; 3) Reduced response time and increased customer satisfaction with consumer protection activities; and 4) Successful implementation of the Securities Investment Advisor registration system.

General Fund	Expenditure	1,275	1,275	2,550	1,275	1,275	2,550
General Fund	Revenue	4,950	4,950	9,900	4,950	4,950	9,900
	Net Change	(3,675)	(3,675)	(7,350)	(3,675)	(3,675)	(7,350)

UCP Compliance

The Governor recommends continuing the unclaimed property compliance program, enhancing the department's ability to enforce compliance with the Uniform Unclaimed Property Act. This program reunites property with the rightful owner. Four temporary FTEs are currently working in this area and have produced successful results; their temporary appointments expire in FY 2015. Additional compliance work has netted additional revenue to the state through education and compliance techniques.

Performance Measures:

This initiative will result in additional revenue based on compliance techniques. It will be measured by comparison of annual remittance numbers from year to year. Additionally, the number of entities remitting funds will be compared from year to year.

General Fund	Expenditure	0	0	0	375	375	750
General Fund	Revenue	0	0	0	1,875	1,875	3,750
	Net Change	0	0	0	(1,500)	(1,500)	(3,000)

Commerce

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
Net All Change Items	General Fund	(3,479)	(3,479)	(6,958)	(4,979)	(4,979)	(9,958)
	Other Funds	0	0	0	0	0	0
	Net Change	(3,479)	(3,479)	(6,958)	(4,979)	(4,979)	(9,958)

Commerce
All Funds FTE by Program

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Financial Institutions	61.2	52.0	53.0
Program: Petroleum Tank Cleanup Fund	6.1	6.5	6.5
Program: Administrative Services -Commerce	46.3	66.7	70.7
Program: Enforcement	78.3	55.2	61.2
Program: Telecommunications	8.3	9.8	11.8
Program: Energy Resources	73.1	77.9	78.9
Program: Weights & Measures	26.8	31.5	31.5
Program: Insurance	3.2	36.8	39.8
Commerce	303.4	336.4	353.4

Commerce**Revenue Summary**

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	208,246			208,246
	INVESTMENT INCOME		280		280
	ALL OTHER	14	40		54
	Subtotal	208,260	320		208,580
Dedicated	FEDERAL GRANTS			325,070	325,070
	DEPARTMENTAL EARNINGS		53,235		53,235
	INVESTMENT INCOME		284		284
	ALL OTHER	1	3,060		3,061
	Subtotal	1	56,579	325,070	381,650
Total		208,261	56,899	325,070	590,230

Commerce

Financial Institutions

<http://mn.gov/commerce/banking-and-finance/>

Statewide Outcome(s):

The Department of Commerce, Financial Institutions Division of the Department of Commerce supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Context:

The Financial Institutions Division licenses and regulates financial institutions and other entities that provide financial products and services. The Financial Institution licenses and regulates state-chartered banks, trust companies, credit unions, certificate investment companies, thrift companies, consumer credit companies, and debt management and debt settlement companies through licensure and on-site examinations. On-site examinations focus on various financial factors including loan portfolios and overall asset quality.

Oversight also includes ongoing monitoring of quarterly financial reports. The Division also licenses and examines mortgage companies that operate in Minnesota. The Division serves all Minnesota consumers and businesses that rely on regulated business for financial products and services. The objectives include assuring a competitive market for a broad range of financial services, mitigating and resolving institution failures with minimal financial losses to citizens.

Strategies:

The Financial Institutions Division employs the following strategies to achieve success:

- Licenses and conducts on-site examination at all state-chartered banks, trust companies, credit unions and certificate investment companies on a 12 to 18 month cycle.
- Licenses and examines consumer credit companies with a focus on consumer compliance issues.
- Participates in the National Mortgage Licensing System (NMLS), which screens and licenses natural persons who engage in mortgage origination. Additionally, Financial Institutions conducts on-site mortgage company examinations.
- Conducts examinations jointly and shares findings with the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank, and the National Credit Union Administration (NCUA).
- Licenses currency exchanges, payday lenders, money transmitters and debt management service providers.

Results:

Results are monitored by the following measures:

- Monitor the financial health of Minnesota's state banks, credit unions, trust companies, mortgage companies, and the nation's only certificate investment company.
- Initiate timely corrective actions where appropriate.
- Stay current with the statutory schedule for examinations of banks, credit unions, finance and mortgage companies.
- Act on various licensing and activities applications for the supervised enterprises in a timely manner and according to statutory requirements.
- Maintain the accreditation (peer review quality control) with the Conference of State Bank Supervisors;
- Assist the legislature to update statutes and regulations as needed.
- Minimize the impact upon Minnesotans by adequate and timely intervention in the case of financial institution failures.

Performance Measures	Previous	Current	Trend
Complete financial examinations for state-chartered banks and credit unions within the 12-18 month time frame ¹	100%	100%	Stable
The division has implemented written corrective programs for all identified problem banks ²	111	90	Improving
Complete financial examinations for other licensees within a 24 month time frame ³	30%	40%	Stable
Complete company licensing applications and corporate amendment applications on a timely basis	60 days	60 days	Stable
Troubled company market disruptions ⁴	15	3	Improving
Problem bank monitoring ⁵	111	90	Improving

Performance Measures Notes:

1. Monitored quarterly.
2. Monitored quarterly
3. Monitored quarterly. The mortgage company examination program was implemented in 2008 and the division has not completed a full examination cycle. Examinations for other licensees are current with the statutory cycle.
4. The state experienced 20 bank failures in the period 2008 through year-to-date 6/30/2012 (14 state-chartered). In 2012 the number of financial institution failures declined to 3 (one state-chartered). Seventeen of the failures were resolved by merger, with no financial loss to depositors and minimal inconvenience. A thrift institution failure in 2012 was resolved via payout of insured deposits. No apparent losses to Minnesota consumers.
5. The severe economic downturn beginning in 2007 resulted in 20 financial institution failures in Minnesota. The year-end watch list for troubled banks in Minnesota was at 51 for 2008, 91 for 2009, 111 for 2010, 104 for 2011 and 90 year to date 6/30/2012. Seventy-one Minnesota banks reported negative net income at year end 2010 and the number dropped to 46 at year end 2011. Recent reports indicate generally better financial performance in 2012.

Budget Activity: Financial Institutions
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$14,218			\$14,218
Current Law Expenditures (FY 2014-15)	\$9,570			\$9,570
Governor's Recommended Expenditures (FY2014-15)	\$9,750			\$9,750
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$180			\$180
% Change from FY 2014-15 Current Law to Governor's Rec	2%			2%

Budget Activity: Financial Institutions**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
TRANSFERS IN	\$1,500			\$1,500
APPROPRIATION	\$9,770			\$9,770
SOURCES OF FUNDS	\$11,270			\$11,270
TRANSFERS OUT	\$20			\$20
CANCELLATIONS	\$1,500			\$1,500
EXPENDITURES	\$9,750			\$9,750
PAYROLL EXPENSE	\$8,606			\$8,606
OPERATING EXPENSES	\$1,144			\$1,144
USES OF FUNDS	\$11,270			\$11,270

Commerce

Petroleum Tank Release Cleanup Fund (Petrofund)

<http://www.mn.gov/commerce/topics/Petrofund/>

Statewide Outcome(s):

The Department of Commerce, Petrofund supports the following statewide outcome(s).

A clean, healthy environment with sustainable uses of natural resources.

Context:

The Petrofund provides financial assistance to owners and operators of petroleum storage tanks', owners of properties where a release has occurred from a petroleum storage tank that once existed on the property; and anyone else who has been requested or ordered by the Minnesota Pollution Control Agency (MPCA) to investigate and clean up contamination from leaking petroleum storage tanks. In this capacity, the program serves as the federally-mandated financial assurance mechanism for tank owners in the state to cover these types of costs, as well as certain third-party liability claims.

The Petrofund program is completely funded by an appropriation from the Petrofund, which derives its revenue from a fee on petroleum products paid by the first licensed distributors receiving the products in Minnesota. The fee is imposed at a rate of \$20 per 1,000 gallons of product, rounded to the nearest 1,000 gallons, but is typically referred to as a \$.02 per gallon fee. The fee is collected only when the unencumbered balance of the Petrofund falls below \$4 million and only after imposition of the fee has been authorized by the Petrofund Board. After four months, the fee automatically turns off. Revenue is also received from investment earnings on the fund balance. Fees collected in FY 2012 totaled \$27.6 million.

Strategies:

The Petrofund performs the following activities:

- Reimburses eligible applicants for a significant portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks in the most cost-effective manner possible.
- Utilizes private Minnesota contractors to remove abandoned underground petroleum storage tanks.
- Passes through funds to the MPCA for administration of the Petroleum Remediation, the Underground Storage Tank, and the Emergency Response Programs, and to pay for state-financed investigation and cleanup projects where no viable responsible person exists.
- Approves the use of funds by DEED for the administration of the Contamination Cleanup and Investigation Grant Program.

By providing funding to help pay for what are often expensive investigation and cleanup projects, and by removing old, abandoned petroleum storage tanks, the Petrofund protects the health and safety of the citizens of Minnesota from the harmful effects of petroleum contamination in the state's soil and water.

Results:

The key goal of the Petrofund program is to provide timely financial assistance to those who are cleaning up contaminated soil and water from leaking petroleum storage tanks, with the ultimate goal of protecting the public health and welfare and the environment. The principal measure of whether or not this goal is being met is found in Minnesota Statute §115C.09, which provides that initial applications be reviewed within 60 days of receipt and supplemental applications be reviewed within 120 days of receipt. The status of the application is assessed weekly by the Petrofund Director and reported to the Petrofund Board at their bi-monthly meetings. The Petrofund staff is currently reviewing applications within the 60-day and 120-day deadlines, as noted in the table below.

Another measure of the Petrofund's efforts to protect the health of safety of Minnesotans is the number of abandoned underground petroleum storage tanks that have been removed by the program, thereby eliminating potential and existing sources of contamination that would otherwise go unaddressed. The Petrofund tracks a wide array of tank removal data including the number of tanks removed, the amount of petroleum product/sludge/contaminated water removed from the tanks, the number of petroleum releases reported to the

MPCA, and project cost information. Although the number of tanks removed in Fiscal Year 2012 was slightly lower than in Fiscal Year 2011, the program removed all eligible tanks identified in the past fiscal year.

Performance Measures	Previous	Current	Trend
Review of reimbursement applications within 60- and 120-day statutory deadlines ¹	Initial: 75 days Supplemental: 143 days	Initial: 25 days Supplemental: 21 days	Improving
Removal of abandoned underground petroleum storage tanks ²	58 tanks 43 sites	42 tanks 28 sites	Stable
Applications for Reimbursement Received ³	807	442	Declining
Claims for which reimbursement was approved ⁴	1090 claims/ \$11 million	581 claims/ \$8 million	Stable

Performance Measures Notes:

1. The application review data compares the 'application backlog' as of August 28, 2011 (previous) and August 26, 2012 (current). The 'application backlog' is mainly driven by the number of reimbursement applications received.
2. The abandoned tank removal data compares the number of tanks removed in Fiscal Year 2011 to the number removed in Fiscal Year 2012. The number of tanks removed is contingent on the number of applications received and the staff resources available to manage the tank removal projects.
3. The number of applications received by the Petrofund is generally influenced by two factors: the number of new releases reported each year; and the number of older, historical cleanup projects under way at any given time. Over the past five years, the number of new releases reported to the MPCA, as well as the number of applications tied to those new releases, has remained relatively constant. As older, historical releases have been dealt with, however, the Petrofund has begun to receive fewer and fewer applications related to those projects.
4. This represents a range of claims approved in 2008 versus claims approved in 2012.

Program: Petroleum Tank Cleanup Fund
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$21,552		\$21,552
Current Law Expenditures (FY 2014-15)		\$20,793		\$20,793
Governor's Recommended Expenditures (FY2014-15)		\$20,793		\$20,793
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Program: Petroleum Tank Cleanup Fund

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION		\$34,793		\$34,793
SOURCES OF FUNDS		\$34,793		\$34,793
TRANSFERS OUT		\$14,000		\$14,000
EXPENDITURES		\$20,793		\$20,793
PAYROLL EXPENSE		\$1,286		\$1,286
OPERATING EXPENSES		\$19,507		\$19,507
USES OF FUNDS		\$34,793		\$34,793

Commerce

Administrative Services

<http://mn.gov/commerce/>

Statewide Outcome(s):

Administrative Services supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

A clean, healthy environment with sustainable uses of natural resources.

Context:

Administrative Services seeks to provide a licensing and complaint resolution process that is citizen-focused and easy to navigate. The Unclaimed Property unit strives to reunite citizens with their abandoned property. Lastly, the division provides consistent support services across all department work units.

Administrative Services has a large customer base inside and outside of Commerce. The licensing, consumer protection, and central management functions interface with a large number of citizens on a daily basis. Many of the Administrative Services functions are focused on programs in other work units within Commerce.

These activities are funded through general fund appropriations and special revenue funds.

Strategies:

Administrative Services' performs the following activities:

- Coordinates the issuance and renewal of licenses of professionals primarily in insurance, real estate, and collection agencies.
- Responds to consumer complaints to resolve problems with regulated businesses or individuals or to determine whether such businesses or individuals have violated laws.
- Serves owners of abandoned property collected by the state from financial institutions, former employers, retailers, and other businesses.
- This function coordinates support activities to facilitate the operations of the department's main programs. These functions include day-to-day financial management, data processing, budget development and implementation, payroll, human resources, and facilities management.

Licensing, Consumer Protection & Education, and Unclaimed Property work with a large number of licensed professionals and regulated entities together with other department units and other state agencies. Program staff work to incorporate these perspectives into a robust regulatory scheme that protects citizens but also promotes economic growth.

Results:

There is a wide variety of duties that occur in Administrative Services and in many cases processing information and providing the results to the right people at the right time is the key to success. Many of the functions in Administrative Services are support services for other areas of Commerce. If the other business units are able to meet their goals, this is a good indication of success for Administrative Services.

Performance Measures	Previous	Current	Trend
Process invoices within 30 days ¹	98.12%	80.17%	Worsening
Wait times for phone assistance in the Licensing Unit ²	20 min	10 min	Improving
Missed calls for Licensing Unit ²	15 per day	5 per day	Improving
Unclaimed Property claims paid ²	6,377	7,197	Stable
Unanswered calls in the Unclaimed Property Unit ²	5.4%	6.1%	Worsening

Performance Measures	Previous	Current	Trend
Unclaimed Property fund collected ²	\$56.9M	\$61.5M	Improving

Performance Measures Notes:

1. The previous column indicates FY2011 in MAPS and the current column indicates FY2012 in SWIFT. The last three months of FY2012 indicate a trend of almost 95% paid within 30 days.
2. Information is FY2011 vs. FY2012.

Program: Administrative Services -Commerce
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$8,487	\$2,836		\$11,323
Current Law Expenditures (FY 2014-15)	\$12,301	\$3,063		\$15,364
Governor's Recommended Expenditures (FY2014-15)	\$12,981	\$3,063		\$16,044
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$680	\$0		\$680
% Change from FY 2014-15 Current Law to Governor's Rec	6%	0%		4%

Program: Administrative Services -Commerce

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$1,824		\$1,824
REVENUE	\$1	\$2,140		\$2,141
APPROPRIATION	\$12,980	\$0		\$12,980
SOURCES OF FUNDS	\$12,981	\$3,964		\$16,945
BALANCE FORWARD OUT		\$901		\$901
EXPENDITURES	\$12,981	\$3,063		\$16,044
PAYROLL EXPENSE	\$8,379	\$2,800		\$11,179
OPERATING EXPENSES	\$4,602	\$263		\$4,865
USES OF FUNDS	\$12,981	\$3,964		\$16,945

Commerce Enforcement

<http://mn.gov/commerce/consumer-protection>

Statewide Outcome(s):

Enforcement supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

People in Minnesota are safe.

Context:

Enforcement serves the Commissioner, the Governor, the Legislature and the public. Enforcement's regulates over 200,000 natural persons and business entities including insurance companies, insurance producers, , third party administrators, adjusters, loan originators, loan servicers, notaries, real estate sales representatives, real estate brokers, appraisers, payday lenders, securities broker-dealers, sales representatives, investment advisors, debt collection agencies, debt collectors, currency exchanges, money transmitters, subdivided land sales (time shares), franchisors and others subject to the laws under Commerce's jurisdiction. The Insurance Fraud unit actively investigates criminal insurance fraud matters.

The priorities of Enforcement are:

- Conduct investigations and examinations to determine whether any law under the Department's jurisdiction has been violated, while providing due process during the resolution of any violations.
- Work to eliminate financial fraud, other criminal abuse and illegal conduct on the part of regulated entities.
- Promote and encourage a fair and competitive marketplace, fair business practices and accountability.

Strategies:

The Enforcement Division employs the following strategies, among others, to achieve success:

- Actively investigate complaints of unlawful activity perpetrated against persons or entities subject to the Department's jurisdiction.
- Evaluate market data and other relevant information to anticipate regulatory issues and establish enforcement goals.
- Research and evaluate regulated businesses, and investigate activities as appropriate.
- Review referrals of suspected insurance fraud submitted by insurers
- Register and examine investment advisors
- Consumer and industry education and outreach

Results:

The Enforcement Division measures success by ensuring a consistent and fair regulatory environment in Minnesota for consumers and businesses. This includes conducting and executing investigations and, when appropriate, levying a civil penalty. Additionally, success is also measured by education and outreach efforts for both consumers and regulated entities.

Performance Measures	Previous	Current	Trend
Enforcement			
Civil Actions	311	280	Stable
Civil Penalties ¹	\$ 3,800,000	\$ 6,300,00	Stable
Insurance Fraud			
Reports of Suspected Insurance Fraud	1,356	1,350	Stable

Performance Measures	Previous	Current	Trend
Cases Submitted for Prosecution	102	100	Stable
Securities			
Registrations of Broker Dealers, Agents, Investment Advisors, and Franchises and Timeshares	18,096	1,8016	Stable
Examinations	0	20	Improving
Investor Education/Outreach Activities	2	6	Improving
Complaint Investigation, Referral or File Closing	17	55	Improving

Performance Measures Notes:

1. Civil penalties are within multiple year averages and are dependent upon the timing of when any large case is resolved. FY 2012 involved the focus on certain larger civil and criminal cases.

Program: Enforcement

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$12,308	\$14,283		\$26,591
Current Law Expenditures (FY 2014-15)	\$6,970	\$14,624		\$21,594
Governor's Recommended Expenditures (FY2014-15)	\$7,940	\$14,624		\$22,564
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$970	\$0		\$970
% Change from FY 2014-15 Current Law to Governor's Rec	14%	0%		4%

Program: Enforcement**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$5,949		\$5,949
REVENUE		\$15,536		\$15,536
APPROPRIATION	\$7,960	\$396		\$8,356
SOURCES OF FUNDS	\$7,960	\$21,881		\$29,841
BALANCE FORWARD OUT		\$4,657		\$4,657
TRANSFERS OUT	\$20	\$2,600		\$2,620
EXPENDITURES	\$7,940	\$14,624		\$22,564
PAYROLL EXPENSE	\$7,108	\$2,970		\$10,078
OPERATING EXPENSES	\$832	\$7,704		\$8,536
GRANTS, AIDS AND SUBSIDIES		\$3,822		\$3,822
CAPITAL OUTLAY-REAL PROPERTY	\$0	\$128		\$128
USES OF FUNDS	\$7,960	\$21,881		\$29,841

Commerce Telecommunications

<http://mn.gov/commerce/topics/telecom/>

Statewide Outcome(s):

The Department of Commerce, Telecommunications Division supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

The Telecommunications Division serves the public as a state regulator of the telecommunications industry. The Division conducts thorough and detailed review of filings made with the PUC by telecommunications companies in compliance with state statutes, PUC orders and state and federal regulations and makes recommendations for PUC action. Telecommunications provides staff and administrative support for the Governor's Broadband Task Force and for the TAM, Minnesota Relay and TED programs. It Investigates complaints from the public, local governments and telecommunications companies about illegal, unfair or anti-competitive practices and takes action to enforce state and federal statutes and regulations.

Most functions of the Division are fully assessed to and paid by the telecommunications providers who make use of the Division's services. Telecommunications carriers are assessed all direct and indirect costs based on their gross Minnesota jurisdictional revenues. TAM programs are funded by a surcharge on all wired and wireless telephone access lines in Minnesota that are paid into an interest-bearing, dedicated special revenue account.

Strategies:

The Telecommunications Division employs the following strategies to achieve success:

- Promotes the development and maintenance of a state-wide telecommunications network that is affordable and of high-quality. This includes reviewing and evaluating matters that come before the PUC and making recommendations for PUC action.
- Enforces Minnesota statutes and rules and orders of the PUC and the Federal Communications Commission (FCC).
- Investigates complaints about service quality, prices, anti-competitive behavior and other matters affecting the public's ability to obtain efficient and reliable telecommunications services.
- Administers the Telecommunications Access Minnesota (TAM) Fund, the Minnesota Relay and Telephone Equipment Distribution (TED) Program to ensure equal access to telecommunications services for persons with a hearing, speech or physical disability.
- Houses the Broadband Development Office and staffs the Governor's Task Force on Broadband.

Results:

The Division measures success by the extent to which all Minnesota citizens have access to high-quality affordable telecommunications services, including high-speed broadband services, and by the ability of the Division to carry out its statutory duties to the PUC and the legislature. The impact of the Division's activities is reflected in the fact that 99.9% of all residents in the state have telecommunications services available, including reliable and vital 911 services. This includes those Minnesotans with hearing, speech and physical disabilities. The Division has implemented and enforced state and federal statutes and rules in a consistent and thorough manner and has done so in a way that is efficient and fair to all parties.

Performance Measures	Previous	Current	Trend
Telecommunications penetration for Minnesota citizens	99.9%	99.9%	Stable
Internet penetration for Minnesota citizens	99.2%	99.9%	Improving
Broadband Availability at State speed goals ¹	57%	60%	Improving
Number of PUC cases opened ²	894	925 (est. for 2012)	Stable

Performance Measures Notes:

1. State broadband speed goals are 10 to 20 megabits per second upload and 5 to 10 download. M.S. § 237.012.
2. Number of cases opened in 2010 was 914.

Program: Telecommunications

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$2,019	\$8,857		\$10,875
Current Law Expenditures (FY 2014-15)	\$2,018	\$9,649		\$11,667
Governor's Recommended Expenditures (FY2014-15)	\$2,518	\$9,649		\$12,167
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$500	\$0		\$500
% Change from FY 2014-15 Current Law to Governor's Rec	25%	0%		4%

Program: Telecommunications

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$1,687		\$1,687
REVENUE		\$9,571		\$9,571
TRANSFERS IN		\$800		\$800
APPROPRIATION	\$2,518	\$0		\$2,518
SOURCES OF FUNDS	\$2,518	\$12,058		\$14,576
BALANCE FORWARD OUT		\$1,009		\$1,009
TRANSFERS OUT		\$1,400		\$1,400
EXPENDITURES	\$2,518	\$9,649		\$12,167
PAYROLL EXPENSE	\$2,108	\$191		\$2,299
OPERATING EXPENSES	\$410	\$9,458		\$9,868
USES OF FUNDS	\$2,518	\$12,058		\$14,576

Commerce

Energy Resources

<http://www.mn.gov/commerce/energy>

Statewide Outcome(s):

The Department of Commerce, Division of Energy Resources (DER) supports the following statewide outcome(s).

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

Context:

DER provides energy-related services to the citizens of the State by advocating on behalf of the public interest in regulated utility matters, administering Minnesota's Low-Income Heating Assistance (LIHEAP) and Weatherization Assistance Programs (WAP), assisting viable new energy technologies to enter the commercial market, overseeing utilities' Conservation Improvement Programs, assisting the Public Utilities Commission with siting and permitting large energy facilities, and distributing information to individual energy users on actions they can take to reduce energy usage.

DER's activities are funded through federal block and formula grants, and General Fund dollars that are then assessed back to Minnesota utilities.

Strategies:

DER's strategies to accomplish its goals include the following:

- Ensure energy service is reliable and wholesale power is reasonably priced through continued collaboration with utilities, the Public Utilities Commission, and federal and regional transmission participants while updating means to increase deployment of new energy platforms.
- Pursue public-private partnerships with capital markets participants to deploy new clean energy technologies and bring new venture capital opportunities for Minnesota's businesses.
- Continue to work with utilities to meet Conservation Improvement Program (CIP) goals while expanding work in making all public buildings more energy efficient.
- Develop additional programs to encourage increased biofuel use, solar installations and supporting the extension of the wind production tax incentive while ensuring that utilities continue to meet Renewable Energy Standard (RES) goals.
- Work with Minnesota's Congressional delegation to ensure continued federal support of all low-income energy programs.
- Administer LIHEAP and the WAP programs effectively and efficiently.

Results:

DER's work encompasses many facets of energy, but there are performance measures that can be tracked for each of the strategies that will reflect the success of a strategy.

Performance Measures	Previous	Current	Trend
Increase number of customers employing net metering	670	979	Improving
Increase the number of clean energy businesses assisted	5	12	Improving
Continue to meet or surpass energy savings goals in CIP (Natural Gas/Electric percentages)	0.6%/1.1%	0.9%/1.5%	Improving
Continue to meet or surpass RES goals	1% goal met	7%/15% met	Stable
Number of households served by low-income programs	175,352	166,235	Stable

Performance Measures Notes:

1. Net metering information from annual Qualifying Facilities Report, E999/PR-11-09. 2010 numbers were increased some by improved reporting but mostly due to acceleration in the solar market.
2. Energy savings through CIP are reported annually by utilities to DER. The percentages given are for Natural Gas/Electric.
3. Minn. Stat. § 216B.1691 requires utilities subject to the RES to generate or procure renewable energy sufficient to meet certain percentages of the electric utility's annual sales to Minnesota customers. Confirmation of the utilities' compliance with the 2010 standard (current) can be found in Docket No. E999/PR-11-189.
4. The low-income programs performance measure combines households served by either Low-Income Heating Assistance Program (LIHEAP) and Energy Assistance Program Weatherization (EAPWX) and Department of Energy (DOE)-funded weatherization programs. Service level is highly dependent on federal appropriations which can vary a great deal from year to year. It should be noted that federal standards allow up to 10% of an allocation for administrative costs. 8% of that is provided to local service providers for their administrative services. Up to 2% of the 10% is allowed for the state's administrative costs. Minnesota's administrative costs have typically been 1%-1.5%.
5. Weatherization assistance was supplemented by federal ARRA stimulus dollars. From 2009 to date, an additional 19,592 households received weatherization assistance with ARRA funding.

Program: Energy Resources**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$6,798	\$17,867	\$193,207	\$217,871
Current Law Expenditures (FY 2014-15)	\$6,304	\$18,740	\$322,813	\$347,857
Governor's Recommended Expenditures (FY2014-15)	\$6,484	\$18,990	\$322,813	\$348,287
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$180	\$250	\$0	\$430
% Change from FY 2014-15 Current Law to Governor's Rec	3%	1%	0%	0%

Program: Energy Resources
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$15,879		\$15,879
REVENUE		\$19,670	\$322,812	\$342,482
TRANSFERS IN	\$2,690	\$1,100		\$3,790
APPROPRIATION	\$6,504	\$0	\$0	\$6,504
SOURCES OF FUNDS	\$9,194	\$36,649	\$322,812	\$368,655
BALANCE FORWARD OUT		\$14,969		\$14,969
TRANSFERS OUT	\$20	\$2,690		\$2,710
CANCELLATIONS	\$2,690			\$2,690
EXPENDITURES	\$6,484	\$18,990	\$322,813	\$348,287
PAYROLL EXPENSE	\$5,238	\$5,033	\$6,369	\$16,640
OPERATING EXPENSES	\$1,246	\$5,501	\$5,902	\$12,649
OTHER FINANCIAL TRANSACTIONS	\$0	\$10	\$2,930	\$2,940
GRANTS, AIDS AND SUBSIDIES		\$8,446	\$307,612	\$316,058
USES OF FUNDS	\$9,194	\$36,649	\$322,813	\$368,656

Commerce

Weights & Measures Division

<http://mn.gov/commerce/weights-and-measures>

Statewide Outcome(s):

The Minnesota Department of Commerce Weights & Measures Division supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Context:

The Weights and Measures Division's mission is to protect Minnesota's free enterprise markets by promoting and ensuring equity, accuracy, and quality, and by providing precision physical measurement services. Weights and Measures serves businesses and individuals in need of International Organization for Standardization (ISO) accredited calibration services to enable them to provide materials or services to other businesses in the United States, and throughout the world, and to enable them to compete in European Union nations. Additionally, Weights and Measures serves Minnesota citizens and businesses that buy or sell goods or services based on a measured quantity, like gasoline or food. Lastly, Weights and Measures ensures the integrity and quality of fuel that Minnesota citizens and businesses use.

Weights and Measures' performs the following activities:

- Ensures the accuracy of commercial weighing and measuring devices in use in Minnesota
- Protects the integrity of standards of mass, length, volume, temperature, and density used in both commercial transactions and manufacturing.
- Ensures the accuracy of commercial weighing and measuring devices in use in Minnesota
- Safeguards the quality of gasoline, diesel fuel, heating fuel, and other fuel products for sale in the state including the enforcement of biofuel mandates.
- Ensures the competence and performance of service persons registered to install and repair weighing and measuring equipment, and of licensed private LPG inspectors.

The Department of Revenue collects \$0.81 petroleum inspection fee for every 1,000 gallons of petroleum products received in Minnesota and transfers it to the Weights & Measures Division to fund program operations. Cost to the taxpayers is reduced by returning fees from scale inspections, package checking, metrology and petroleum lab services to the General Fund. (\$1,104,781 in FY 2012).

Strategies:

The Weights & Measures Division provides four distinct services:

- Enforce Minnesota's weights and measures statutes to ensure the accuracy of gas pumps, meters used at the terminals, refineries and airports, grocery scales, prepackaged commodities, livestock scales, railway track scales, grain and fertilizer scales, precious metals scales, and a broad range of other commercial weighing and measuring devices.
- Promote accuracy in basic physical measurement by maintaining the state standards for mass, length, volume, temperature, and density; and by offering precision calibration services to Minnesota businesses and individuals.
- Ensure fuel quality through routine sampling, complaint investigation, and testing for licensed distributors, and enforce statutory biofuel mandates.
- Test the competency and performance of registered service technicians and private LPG inspectors who install and repair commercial weighing and measuring devices in Minnesota.

The Weights & Measures Division encourages business growth and employment opportunities by:

- Providing ISO accredited calibration services to Minnesota manufacturers and other businesses which require those services to participate in international trade or to meet precision manufacturing standards;

- Promoting an equitable marketplace where both consumers and venders can be assured of getting a full measure in their commercial transactions;
- Ensuring quality fuel to keep Minnesotans' homes and businesses powered and heated and their vehicles on the road while helping the state to meet its petroleum replacement and energy independence goals;
- Facilitating the registration and certification of competent service agents to install, and repair weighing and measuring devices throughout the state.
- The Division partners with other state agencies such as the Pollution Control Agency Tank Enforcement Division, the Department of Revenue Petroleum Division, and the Department of Agriculture (in a consulting role on the Biodiesel Task Force, and the advisory group to the NextGen Energy Board). In addition the Division participates in national and international standard setting organizations such as the National Conference on Weights & Measures (NCWM), ASTM International (fuel subcommittees), and the National Conference of Standards Laboratories International (NCSLI).

Results:

Effectiveness can be judged by impact on the market place.

Performance Measures	Previous	Current	Trend
Number of devices, lab tests, audits, and package lots checked	78,545	73,330	Decreasing
Percent of devices, fuels, tanks, and package lots approved as found	88.8%	88.2%	Stable
Percent of devices, fuels, tanks, and package lots rejected and removed from marketplace	3.4%	3.9%	Stable
Percent of devices, fuels, tanks, and package lots corrected because of W&M Inspections	7.8%	7.9%	Improving

Performance Measures Notes:

Previous indicates 'FY 2011' and 'Current' indicates 'FY 2012.'

Program: Weights & Measures

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$6,172		\$6,172
Current Law Expenditures (FY 2014-15)		\$6,610		\$6,610
Governor's Recommended Expenditures (FY2014-15)		\$7,162		\$7,162
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$552		\$552
% Change from FY 2014-15 Current Law to Governor's Rec		8%		8%

Program: Weights & Measures

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$434		\$434
REVENUE		\$552		\$552
TRANSFERS IN		\$6,310		\$6,310
SOURCES OF FUNDS		\$7,296		\$7,296
BALANCE FORWARD OUT		\$134		\$134
EXPENDITURES		\$7,162		\$7,162
PAYROLL EXPENSE		\$4,582		\$4,582
OPERATING EXPENSES		\$2,458		\$2,458
CAPITAL OUTLAY-REAL PROPERTY		\$122		\$122
USES OF FUNDS		\$7,296		\$7,296

Commerce Insurance Division

<http://mn.gov/commerce/insurance/>

Statewide Outcome(s):

The Insurance Division of the Department of Commerce supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Context:

The Department of Commerce, Insurance Division evaluates insurance policies and rates to ensure fairness in rates and compliance with Minnesota statutes, and, licenses, examines and regulates insurance companies to ensure they are safe and financially solvent now and in the future. The primary customers for the Insurance Division are all the Minnesota businesses and citizens that rely on insurance companies for financial products and services, the Minnesota Insurance Industry, other state insurance regulators, the legislature, and other state agencies.

The Insurance Division is partially funded through the general fund and partially through the insurance examination revolving fund. Revenues generated from the activity consist of examination fees, desk analysis fees, registration and filing fees, and transaction fees.

Strategies:

The work of the Insurance Division can be divided into the following broad categories:

- Calculate and verify the adequacy of insurance company reserves, manage insurance programs within Minnesota, oversee public companies, and ensure compliance with state statutes
- Evaluate information and develop a financial profile of both domestic and foreign insurance companies doing business in Minnesota based on statutorily required financial reports submitted by the companies and authorize requests for reportable transactions by domestic insurers
- Conduct on-site examinations of Minnesota domiciled insurers once every five years during which examiners review insurance company books and records at the company headquarters, conduct a risk focused examination, make recommendations, and draft and file examination reports
- Review insurance company applications for insurers wishing to be admitted to the state and/or wishing to write additional lines of business and approves or denies those applications
- Review insurance form and rate submissions to ensure compliance with Minnesota statutes, and that rates are fair, non-discriminatory, equitable, and adequate.
- Review the financial condition of companies that self-insure.

Each of these functions contributes to a thriving economy that encourages business growth and employment opportunities by ensuring Minnesota businesses and citizens that rely on insurance products and services find a strong, fair and competitive insurance marketplace available to them that protects consumers and experiences minimal failures, interruptions and inconveniences.

Results:

Results are monitored by the following measures:

- Quarterly monitoring of domestic insurers with appropriate action taken on a timely basis;
- Each financial examination includes a Supervisory Plan that is carefully monitored between examinations for improvement and compliance;
- Speed to Market of insurer filings are tracked to ensure efficient product innovation times;
- New and revised applications for admittance into the Minnesota insurance marketplace are tracked;
- Continual training and staff development to ensure staff remains knowledgeable regarding market changes, developing issues and trends;
- Availability for the legislature to update statutes and regulations as needed;
- Minimize the impact for Minnesotans by adequate and timely intervention in the case of insolvencies.

Performance Measures	Previous	Current	Trend
Complete financial analysis as required by NAIC on timely basis ¹	100%	100%	Stable
Complete all financial examinations within 18 month timeframe ²	100%	100%	Stable
Review company applications and corporate amendments on a timely basis ³	60 days	60 days	Stable
Troubled company market disruptions ⁴	1	2	Stable
Speed to Market			
Property and Casualty Product Filings ⁵	33 days	39 days	Worsening
Life and Health Product Filings ⁵	62 days	67 days	Worsening

Performance Measures Notes:

1. Based on comparison of data between last two NAIC Accreditation Reviews regarding financial analysis function.
2. Based on comparison between last two NAIC Accreditation Reviews regarding financial examination function.
3. Based on data monitored within the licensing division.
4. Based on comparison of number of troubled companies at year-end 2011 versus current number.
5. Based on NAIC Speed to Market Report generated with SERFF (timing turnaround goal nationally of 40 or less days).

Program: Insurance

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$10,594	\$1,643	\$12,237
Current Law Expenditures (FY 2014-15)	\$6,164	\$8,716	\$2,258	\$17,138
Governor's Recommended Expenditures (FY2014-15)	\$6,704	\$8,716	\$2,258	\$17,678
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$540	\$0	\$0	\$540
% Change from FY 2014-15 Current Law to Governor's Rec	9%	0%	0%	3%

Program: Insurance**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$25		\$25
REVENUE		\$9,110	\$2,258	\$11,368
APPROPRIATION	\$6,724	\$1,106	\$0	\$7,830
SOURCES OF FUNDS	\$6,724	\$10,241	\$2,258	\$19,223
BALANCE FORWARD OUT		\$25		\$25
TRANSFERS OUT	\$20	\$1,500		\$1,520
EXPENDITURES	\$6,704	\$8,716	\$2,258	\$17,678
PAYROLL EXPENSE	\$6,360	\$1,104	\$881	\$8,345
OPERATING EXPENSES	\$310	\$7,612	\$1,377	\$9,299
OTHER FINANCIAL TRANSACTIONS	\$24			\$24
CAPITAL OUTLAY-REAL PROPERTY	\$10			\$10
USES OF FUNDS	\$6,724	\$10,241	\$2,258	\$19,223

Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes/No	State-wide Outcome
Federal Fund - Agency Total			147,601	180,782	164,314	160,756			
Energy Resources Total			147,576	179,164	162,461	160,351			
Insurance Total			25	1,618	1,853	405			
Low Income Home Energy Assistance Program		The Energy Assistance Program (EAP) helps pay home heating costs. Households with the lowest incomes and highest energy costs receive the greatest benefit.	108,953	165,000	150,000	147,890	No	No	Communities
Weatherization Assistance for Low Income Persons		The Weatherization Assistance Program (WAP) uses energy conservation techniques to reduce the cost of home energy for eligible low-income households.	7,441	7,850	9,890	9,903	No	No	Communities
State Energy Program (SEP) and SEP Special Projects		The State Energy Program (SEP) provides technical assistance, financial assistance, education and training, as well as data for energy efficiency and renewable energy.	552	1,886	1,098	1,085	Yes	No	Environment
Energy Assurance Planning		enhance the development of greater capacity within Energy Resources and other agencies to strengthen and expand State and local government energy assurance planning and resiliency efforts and build in-house State and local government energy assurance expertise.	77	582	582	582	No	No	Environment
Weatherization Assistance for Low Income Persons - ARRA		The Weatherization Assistance Program (WAP) uses energy conservation techniques to reduce the cost of home energy for eligible low-income households.	14,907	2,955	-	-	No	No	Communities
Energy Efficiency and Conservation Block Grant - ARRA		Funds support energy efficiency grants with local units of government.	2,329	133	133	133	No	No	Environment
State Energy Program - ARRA		Funds support public buildings retrofits, residential energy financing, renewable energy programs, energy education, training, and workforce development, data collection, and emerging technologies.	13,317	758	758	758	No	No	Environment
Rate Review Grant		enhancements to the medical insurance rate review, approval, publication, and tracking practices, to improve Minnesota's rate review practices and create transparency of the rate review process and outcome.	25	1,618	1,853	405	No	Yes	Economy

Narrative:

- The Division of Energy Resources (DER) receives federal grants for three programs: Low Income Heating Assistance Program (EAP), Weatherization Assistance Program (WAP), and the State Energy Program (SEP).
- EAP provides energy assistance to low-income households.
 - WAP enables income-qualified households to permanently reduce their energy bill by helping to make their homes more energy efficient while protecting the health and safety of family members.
 - SEP promotes energy conservation, energy efficiency and renewable energy to all Minnesotans.

Historically, the federal funding in DER has accounted for 70-80% of the overall Department of Commerce budget with EAP being the single largest program. Funding for EAP has declined over the last few years from a high of \$164M a few years ago. WAP received a large amount of ARRA funding and those funds have largely been expended. The program is currently funded by a continuing resolution at the federal level and current funding is much lower than the pre-ARRA funding level of \$8-12M annually. Funding levels for SEP have remained relatively stable at the federal level however the program can be impacted by the US Department of Energy decisions on how much is allocated via formula and how much is set aside for competitive grants.

Federal sequestration could impact all three of the DER programs to varying degrees. EAP could see a reduction of up to \$10M, WAP 6-8% of the final allocation and SEP up to \$55K. Any funding reductions would result in less program dollars delivered to households.

Additional funds are received in the Insurance Division for the Rate Review grant under the federal Affordable Care Act and are used to improve the process of approving or disapproving the rates for all medical insurance. The funds are used to make information available to the public, check rate filing reviews for accuracy, investigate best practices in other states, and introduce efficiencies into the process. The state is required to comply with maintenance of effort for its previous rate review activities. The funds are available through September, 2014.

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Mission:

Reduce recidivism by promoting offender change through proven strategies during safe and secure incarceration and effective community supervision.

Statewide Outcome(s):

Corrections supports the following statewide outcome(s).

People in Minnesota are safe.

Context:

Created in 1959 by Minnesota Statute (M.S.) 241.01, the Department of Corrections (DOC) is a service and regulatory agency primarily responsible for the incarceration, care and community supervision of adult and juvenile offenders committed to its jurisdiction. Its activities are influenced largely by actions of the courts and sentencing laws. General fund appropriations comprise more than 95 percent of the agency's total budget. The priorities of the DOC include:

- Providing effective correctional services.
- Holding offenders accountable.
- Changing offender behavior.
- Providing restorative services for victims.
- Engaging staff and promoting safety in the workplace.

Minnesota is committed to serving offenders at the local level whenever possible and reserving state prison beds for the most serious, chronic offenders. The populations of Minnesota's correctional facilities total more than 9,400 adult offenders and approximately 150 juvenile offenders; and DOC agents supervise more than 20,000 offenders on probation, supervised release and parole. Partial funding for community corrections act counties and subsidies for counties participating in the county probation office program passes through the DOC.

Strategies:

The DOC incorporates several strategies across three program areas to deliver its mission and to support the statewide outcome of ensuring people in Minnesota are safe. The strategies include:

- Delivery of a safe, secure and humane environment for staff and offenders.
- Use of effective internal controls and proper risk management activities.
- Enforcement of court-ordered or statutory offender sentencing and financial obligations.
- Use of research-based programming (i.e. education, treatment, behavioral health care, mentoring) and disciplinary sanctions to promote positive changes in offender behavior.
- Preparing offenders for successful reentry to Minnesota communities.
- Collaboration with counties, courts and law enforcement.
- Provision of victim assistance, victim notification and other restorative services to individuals and communities.
- Educate and engage all employees to foster awareness of a safe workplace, and ensure compliance with safety, environmental and occupational health standards.

Measuring Success:

The DOC measures success by how well its programming (i.e. education, chemical dependency and sex offender treatment, work, transition), security operations, offender supervision in the community, collaboration with the courts and law enforcement agencies (Statewide Supervision System, CrIMNet, etc.) and other responsibilities contribute to the safety of people in Minnesota. At the macro level the impact of DOC activities is reflected by an annually calculated recidivism rate that determines the percentage of offenders who remain law-abiding and out of prison post-release; and by maintaining a pattern of zero escapes from secure facilities.

Corrections**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$912,943	\$172,957	\$10,541	\$1,096,441
Current Law Expenditures (FY 2014-15)	\$927,827	\$171,161	\$5,355	\$1,104,343
Governor's Recommended Expenditures (FY2014-15)	\$965,827	\$171,161	\$5,355	\$1,142,343
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$38,000	\$0	\$0	\$38,000
% Change from FY 2014-15 Current Law to Governor's Rec	4%	0%	0%	3%

**Corrections
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$1	\$27,724	\$5,789	\$33,514
REVENUE	\$0	\$175,721	\$4,683	\$180,404
TRANSFERS IN	\$32,088			\$32,088
APPROPRIATION	\$965,898	\$0	\$0	\$965,898
SOURCES OF FUNDS	\$997,987	\$203,445	\$10,472	\$1,211,903
BALANCE FORWARD OUT	\$1	\$31,571	\$5,117	\$36,689
TRANSFERS OUT	\$32,158	\$706		\$32,864
EXPENDITURES	\$965,827	\$171,161	\$5,355	\$1,142,343
PAYROLL EXPENSE	\$602,958	\$44,004	\$2,349	\$649,312
OPERATING EXPENSES	\$215,478	\$61,554	\$2,256	\$279,287
OTHER FINANCIAL TRANSACTIONS	\$2,930	\$724	\$300	\$3,954
GRANTS, AIDS AND SUBSIDIES	\$143,889	\$63,039		\$206,928
CAPITAL OUTLAY-REAL PROPERTY	\$572	\$1,840	\$450	\$2,862
USES OF FUNDS	\$997,986	\$203,438	\$10,472	\$1,211,896

Corrections

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Provide Funding for Identified Cost Increases in Employee Compensation

The Governor recommends funding to maintain staffing levels for the Department of Corrections that ensure a base level of offender, staff and public safety. The funding equates to approximately 273 FTEs that would be retained by the end of the FY 2014-15 biennium, and is essential to avoid significant layoffs and to properly manage the agency's core activities including operation of the state's correctional facilities and supervision of offenders in the community.

Performance Measures:

This proposal will maintain basic agency operations including offender incarceration and community supervision. The retention of staff will also help avoid reductions to offender programming areas that are proven to reduce recidivism such as chemical dependency and sex offender treatment, education, work, reentry and mental health services.

General Fund	Expenditure	16,400	21,600	38,000	21,600	21,600	43,200
	Net Change	16,400	21,600	38,000	21,600	21,600	43,200
Net All Change Items	General Fund	16,400	21,600	38,000	21,600	21,600	43,200
	Net Change	16,400	21,600	38,000	21,600	21,600	43,200

Corrections
All Funds FTE by Program

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Correctional Institutions	3,471.0	3,240.3	3,473.9
Program: Community Services	439.7	406.6	434.3
Program: DOC Operations Support	229.4	158.9	171.1
Corrections	4,140.1	3,805.9	4,079.4

Corrections**Revenue Summary**

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	TAXES	0			0
	DEPARTMENTAL EARNINGS	17,880			17,880
	ALL OTHER	71			71
	<u>Subtotal</u>	<u>17,951</u>			<u>17,951</u>
Dedicated	FEDERAL GRANTS		0	2,023	2,023
	DEPARTMENTAL EARNINGS		19,213		19,213
	INVESTMENT INCOME		950		950
	ALL OTHER	0	155,557	2,660	158,217
	<u>Subtotal</u>	<u>0</u>	<u>175,721</u>	<u>4,683</u>	<u>180,404</u>
	Total	17,951	175,721	4,683	198,354

Corrections Correctional Institutions

<http://www.doc.state.mn.us/org/facilityserv/>

Statewide Outcome(s):

Correctional Institutions supports the following statewide outcome(s).

People in Minnesota are safe.

Context:

The correctional institutions program protects the public through safe and humane incarceration of adult and juvenile offenders. It provides programming to maximize the probability offenders will return to Minnesota communities as contributing, law abiding citizens. The program is responsible for the effective, efficient and safe management of ten state correctional facilities and provision of services to meet offenders' basic needs. It also focuses on changing offender behavior and preparing them for success upon release by providing research-based treatment, educational and work programming. Critical support functions include health care, offender population management, transfer and classification; criminal investigations, intelligence gathering and fugitive apprehension; workplace safety, physical plant maintenance and asset preservation.

Customers include more than 9,400 adult offenders and approximately 150 juvenile offenders committed to the commissioner of corrections. Program activities also serve and protect the general public. The program is funded primarily through general fund appropriations. The agency's prison industry program (MINNCOR) is self-sufficient.

Strategies:

The correctional facilities program incorporates strategies to meet the agency's mission and to support the statewide outcome of ensuring people in Minnesota are safe. The strategies include:

- Delivery of a safe, secure and humane environment for staff and offenders through policy development, review and enforcement; security rounds and inspections; facility preventative maintenance plans; safety inspections; use of technology systems and equipment that enhance safety and security; and provision of food, clothing, secure housing and adequate living conditions, and constitutionally-required behavioral health services and medical care.
- Providing research-based programming (i.e. education, chemical dependency and sex offender treatment, behavioral health care, release-preparation, mentoring) to promote positive changes in offender behavior.
- Preparing offenders for successful reentry to Minnesota communities by providing research-based transitional services and utilizing medical, behavioral health and sex offender professionals to develop specific release plans for offenders with high needs or classified as high risk.
- Administering an objective classification system to ensure appropriate offender placement in facilities.
- Holding offenders accountable through disciplinary sanctions for inappropriate institutional behavior, investigation of offender criminal behavior, intelligence gathering and assisting law enforcement agencies with criminal investigations.

Results:

- The recidivism rate is one overall measure of the impact of the correctional institutions program. Other measures that indicate effectiveness are also included:

Performance Measures	Previous	Current	Trend
Percentage of offenders convicted of a new felony (recidivism)	37%	37%	Stable
Percentage of escapes from secure facilities	0%	0%	Stable
Percent change in functioning level for offenders participating in educational programs	37%	42%	Improving
Release planning participation	2,982	3,921	Improving

Performance Measures	Previous	Current	Trend
Fugitive level 3 sex offenders apprehended within 72 hours	89%	97%	Improving

Performance Measures Notes:

1. Recidivism is defined as the percentage of Minnesota-sentenced offenders released from adult correctional facilities who are convicted of a new felony within three years following release. Measurements compare FY 2008 data (previous) to FY 2009 data (current).
2. All other measurements compare FY 2009 data (previous) to FY 2010 data (current).
3. The agency's most recent performance report is located at:
<http://www.doc.state.mn.us/publications/legislative-reports/documents/FY10PerformanceReport.pdf>
4. Measurements will be updated in the agency's 2012 Performance Report.

Program: Correctional Institutions
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$648,303	\$159,968	\$8,647	\$816,919
Current Law Expenditures (FY 2014-15)	\$662,249	\$158,912	\$4,997	\$826,158
Governor's Recommended Expenditures (FY2014-15)	\$694,709	\$158,912	\$4,997	\$858,618
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$32,460	\$0	\$0	\$32,460
% Change from FY 2014-15 Current Law to Governor's Rec	5%	0%	0%	4%

Program: Correctional Institutions**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$1	\$23,346	\$5,789	\$29,136
REVENUE	\$0	\$163,155	\$4,325	\$167,480
TRANSFERS IN	\$16,114			\$16,114
APPROPRIATION	\$700,652	\$0	\$0	\$700,652
SOURCES OF FUNDS	\$716,767	\$186,501	\$10,114	\$913,382
BALANCE FORWARD OUT	\$1	\$26,877	\$5,117	\$31,995
TRANSFERS OUT	\$22,056	\$706		\$22,762
EXPENDITURES	\$694,709	\$158,912	\$4,997	\$858,618
PAYROLL EXPENSE	\$513,685	\$37,210	\$2,250	\$553,146
OPERATING EXPENSES	\$168,973	\$59,169	\$1,997	\$230,138
OTHER FINANCIAL TRANSACTIONS	\$2,814	\$724	\$300	\$3,838
GRANTS, AIDS AND SUBSIDIES	\$8,865	\$59,970		\$68,835
CAPITAL OUTLAY-REAL PROPERTY	\$372	\$1,840	\$450	\$2,662
USES OF FUNDS	\$716,766	\$186,495	\$10,114	\$913,375

Corrections Community Services

<http://www.doc.state.mn.us/org/communityserv/>

Statewide Outcome(s):

Community Services supports the following statewide outcome(s).

People in Minnesota are safe.

Context:

The community services program provides a broad range of community correctional services to protect the public through offender management and supervision. The program is responsible for supervision (probation, parole, supervised or intensive supervised release) of offenders throughout the State of Minnesota. It provides for risk assessment and community notification of predatory offenders, inspection and enforcement activities of local facilities, administration of grants and subsidies to local corrections agencies, reentry services for offenders released from prison and administration of interstate compacts.

Customers include more than 120,000 adult and juvenile offenders on community supervision statewide, victims, the courts and local law enforcement agencies. Program activities also serve and protect the general public. The department of corrections provides direct supervision to over 20,000 offenders in 55 counties. The rest are supervised by local agencies whose activities are partially supported by program funds that are statutorily passed through to community corrections act counties and counties participating in the county probation office program. The program is funded primarily through general fund appropriation with approximately 60 percent of the budget designated as pass-through.

Strategies:

The community services program incorporates several strategies to meet the agency's mission and to support the statewide outcome of ensuring people in Minnesota are safe. The strategies include:

- Use of comprehensive assessments to determine the proper risk level and needs of offenders.
- Delivery of cognitive-based programming and use of motivational interviewing by trained staff to promote positive change in offender behavior.
- Identify offenders who may be appropriate for civil commitment and refer the cases to county attorneys.
- Inform law enforcement agencies of address and employment changes in all community notification cases and educate the public at level 3 predatory offender community notification meetings.
- Provision and support of community-based programs such as Sentencing to Service (STS), work release, Institution Community Work Crews (ICWC) and the Challenge Incarceration Program (CIP) to manage lower-risk offenders. Offender work crews respond to natural disasters and complete community work projects under contracts with local units of government and non-profit agencies.
- Collaboration with local corrections agencies and other stakeholders to provide for mental health services, domestic violence prevention, chemical dependency treatment, housing and employment for offenders.
- Inspection and licensing of local corrections facilities and certification of sex offender treatment programs that ensures compliance with Minnesota Rules for security, construction, health and life safety codes.
- Provision of offender pre-release classes and assistance with housing, employment and establishing connections to supportive services in the community for medical, mental health and other services via contracts and grants with local services providers.

Results:

The recidivism rate is one overall measure of the impact of the community services program. Other measures that indicate effectiveness are also included.

Performance Measures	Previous	Current	Trend
Percentage of offenders convicted of a new felony (recidivism)	37%	37%	Stable
Percentage of restitution paid by discharge (average/offender)	87%	82%	Worsening
Value of labor performed by STS work crews	\$5.38 million	\$5.34 million	Stable

Performance Measures Notes:

1. Recidivism is defined as the percentage of Minnesota-sentenced offenders released from adult correctional facilities who are convicted of a new felony within three years following release. Measurements compare FY 2008 data (previous) to FY 2009 data (current).
2. All other measurements compare FY2009 data (previous) to FY2010 data (current).
3. A primary driver in the downward trend for restitution paid is the poor economy. In addition to higher unemployment rates and lower paying jobs, offenders are being charged more fees, result in less discretionary income. The agency plans to implement new processes to collect a larger amount of restitution from offender wages.
4. The value of labor performed by STS crews is based on a rate of \$6 per hour of labor (STS offender workers are not paid.)
5. The agency's most recent performance report is located at:
<http://www.doc.state.mn.us/publications/legislative-reports/documents/FY10PerformanceReport.pdf>
6. Measurements will be updated in the agency's 2012 Performance Report.

Program: Community Services

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$221,523	\$10,196	\$1,351	\$233,069
Current Law Expenditures (FY 2014-15)	\$222,588	\$10,352	\$358	\$233,298
Governor's Recommended Expenditures (FY2014-15)	\$226,432	\$10,352	\$358	\$237,142
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$3,844	\$0	\$0	\$3,844
% Change from FY 2014-15 Current Law to Governor's Rec	2%	0%	0%	2%

Program: Community Services**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$2,909		\$2,909
REVENUE		\$10,669	\$358	\$11,027
TRANSFERS IN	\$6,464			\$6,464
APPROPRIATION	\$221,455	\$0	\$0	\$221,455
SOURCES OF FUNDS	\$227,919	\$13,578	\$358	\$241,855
BALANCE FORWARD OUT		\$3,225		\$3,225
TRANSFERS OUT	\$1,486			\$1,486
EXPENDITURES	\$226,432	\$10,352	\$358	\$237,142
PAYROLL EXPENSE	\$62,142	\$5,674	\$99	\$67,915
OPERATING EXPENSES	\$29,072	\$1,611	\$259	\$30,942
OTHER FINANCIAL TRANSACTIONS	\$4			\$4
GRANTS, AIDS AND SUBSIDIES	\$135,024	\$3,067		\$138,091
CAPITAL OUTLAY-REAL PROPERTY	\$190			\$190
USES OF FUNDS	\$227,918	\$13,577	\$358	\$241,853

Corrections Operations Support

<http://www.doc.state.mn.us/org/supportserv/>

Statewide Outcome(s):

Operations Support supports the following statewide outcome(s).

People in Minnesota are safe.

Context:

The operations support program provides leadership and core services to ensure consistent and efficient operations and to enable all programs to achieve the agency's mission. The program establishes the mission and major policies for the agency. It is responsible for management of agency planning and performance, internal controls, legal services, communications, business continuity, financial services, human resources, employee development, diversity, offender records, victim assistance and restorative justice. Information technology services are also coordinated with MN.IT Services in this program.

Customers include more than 4,200 agency employees, offenders, victims, state and local agencies, the legislature and citizens. Limited services are provided to the Minnesota Sentencing Guidelines Commission. The program is funded primarily through general fund appropriations.

Strategies:

The operations support program incorporates strategies to meet the agency's mission and to support the statewide outcome of ensuring people in Minnesota are safe. The strategies include:

- Provide statutorily required activities for the agency, individual employees and offenders in the areas of finance, human resources, legal services, offender records management, and employee development.
- Provide core activities to support the information technology, planning and performance, and diversity units to ensure utilization of best practices and public safety.
- Develop, implement and assess internal controls to safeguard the state's assets and ensure compliance with federal and state regulations and agency policies.
- Partner with the courts and local law enforcement agencies to manage offender information through shared systems (i.e. Statewide Supervision System, CrimNet, MNCHOICE).
- Provide services that ensure the rights and needs of victims are met including victim notification, information and referral services, community training, victim impact awareness, victim-offender dialogue coordination and apology letter assistance. As required by statute, staff also serve on the agency's End-of-Confinement Review Committee responsible for assigning risk levels to predatory offenders upon release from prison.

Results:

The operations support program provides services throughout the agency, and the recidivism rate is one overall measure of the program's impact. Other measures that indicate effectiveness are also included:

Performance Measures	Previous	Current	Trend
Percentage of offenders convicted of a new felony (recidivism)	37%	37%	Stable
Increase victim awareness of victim/offender restorative options	-	-	TBD
Percentage of invoices paid on time (prompt payment)	99.31%	99.19%	Stable

Performance Measures Notes:

1. Recidivism is defined as the percentage of Minnesota-sentenced offenders released from adult correctional facilities who are convicted of a new felony within three years following release. Measurements compare FY 2008 data (previous) to FY 2009 data (current).

-
2. The agency recently implemented MNCHOICE, a web-based notification system that expands service options for victims. A baseline is being established.
 3. Prompt payment measurements compare FY 2010 data (previous) to FY 2011 data (current). Percentages are calculated and reported by Minnesota Management and Budget using data from the statewide accounting system.
 4. The agency's most recent performance report is located at:
<http://www.doc.state.mn.us/publications/legislativereports/documents/FY10PerformanceReport.pdf>
 5. Measurements will be updated in the agency's 2012 Performance Report.

Program: DOC Operations Support
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$43,117	\$2,793	\$543	\$46,453
Current Law Expenditures (FY 2014-15)	\$42,990	\$1,896	\$0	\$44,887
Governor's Recommended Expenditures (FY2014-15)	\$44,686	\$1,896	\$0	\$46,583
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$1,696	\$0	\$0	\$1,696
% Change from FY 2014-15 Current Law to Governor's Rec	4%	0%	0%	4%

Program: DOC Operations Support**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$1,469		\$1,469
REVENUE		\$1,896	\$0	\$1,896
TRANSFERS IN	\$9,510			\$9,510
APPROPRIATION	\$43,791	\$0	\$0	\$43,791
SOURCES OF FUNDS	\$53,301	\$3,365	\$0	\$56,666
BALANCE FORWARD OUT		\$1,469		\$1,469
TRANSFERS OUT	\$8,616			\$8,616
EXPENDITURES	\$44,686	\$1,896	\$0	\$46,583
PAYROLL EXPENSE	\$27,131	\$1,120		\$28,251
OPERATING EXPENSES	\$17,433	\$774	\$0	\$18,207
OTHER FINANCIAL TRANSACTIONS	\$112			\$112
GRANTS, AIDS AND SUBSIDIES		\$2		\$2
CAPITAL OUTLAY-REAL PROPERTY	\$10			\$10
USES OF FUNDS	\$53,302	\$3,365	\$0	\$56,668

Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
National School Breakfast/Lunch	No	Salaries, supplies and equipment in kitchen areas at DOC institutions housing juveniles	174	180	180	180	No	No	Safety
21st Century Learning Centers	No	Provide juvenile offenders with an out-of-school time project including accelerated reading/math, fine arts programming, community service, and drivers' education.	47	102	102	102	No	No	Safety
Vocational Education (Perkins)	No	Increase public safety through offender accountability and reduction in re-offense and recidivism.	18	25	25	25	No	No	Safety
Special Education	No	Provide services and instruction to students who have an individual education plan.	22	74	55	55	No	No	Safety
Chapter 1 Education (Neglected and Delinquent)	No	Provide remedial instruction to students who have reading levels at least two grades below their peers.	300	300	300	300	No	No	Safety
Adult Basic Education	No	Supplemental funds to serve the most difficult to reach literacy students.	567	499	499	499	No	No	Safety
Vocational Education (Specter)	No	Fund lower division college courses for offenders between the ages of 18 and 25 who will be released within five years.	143	5	-	-	No	No	Safety
Next Step Workforce Partnership	No	Provide work readiness skills to prepare offenders for transition into the community upon release.	12	30	30	30	No	No	Safety
Residential Substance Abuse Treatment	No	Treatment programs and activities for offenders with substance abuse issues.	145	205	-	-	Yes	No	Safety
Second Chance Act - Co-Occurring Disorders	No	Treatment program for offenders with co-occurring mental health and substance abuse disorders.	152	330	82	-	No	No	Safety
Traumatic Brain Injury	No	Screen offenders for brain injury and develop release planning processes for qualifying offenders.	214	420	240	-	Yes		Safety
Residential Substance Abuse Treatment (Chemical Dependency Treatment Expansion)	No	Expand chemical dependency treatment services to offenders at the Minnesota Correctional Facility in Faribault.	750	-	-	-	No	No	Safety
Bulletproof Vest Partnership	No	Help protect the lives of corrections and law enforcement officers by reimbursing part of the cost of armored vests.	23	36	5	5	Yes	No	Safety
State Criminal Alien Assistance Program	No	Reimburse facilities for costs associated with housing criminal aliens.	867	1,289	1,136	1,136	No	No	Safety
Project Safe Neighborhood	No	Monitor offender and gang activities in the Native American community.	90	69	-	-	No	No	Safety

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required		State-wide Outcome
							State Match / No	Yes / No	
Homeland Security (MN Joint Analysis Center)	No	Identify and provide corrections data relevant to Homeland Security issues	54	53	11	-	No	No	Safety
Justice and Mental Health Collaboration	No	Decrease the recidivism and adjudication rates for youth with mental health issues by improving the screening rate and provide post-screening response; and to improve community-based crisis response services to the target population.	89	120	29	-	Yes	No	Safety
Edward Byrne Justice Assistance Grant (Justice & Mental Health Evaluation)	No	Provide an evaluation of the Justice and Mental Health Collaboration grant.	5	-	-	-	No	No	Safety
Child Support Enforcement (Reentry - Mind the Gap)	No	Improve child support identification/enforcement, and automated family demographic information sharing between agencies.	81	110	27	-	No	No	Safety
Second Chance Act - Reentry Demonstration	No	Reducing recidivism for release violators.	481	268	-	-	Yes	No	Safety
Edward Byrne Justice Assistance Grant (COMS Renovation)	No	Improve offender management and data integrity through an update of the Correctional Operations Management System (COMS) software.	472	71	-	-	No	No	Safety
Second Chance Act - Smart Probation	No	Apply evidence based supervision principles to reduce prison population and create safer communities.	-	197	245	57	No	No	Safety
Total			4,706	4,383	2,966	2,389			

Narrative:

Federal funds received by the Department of Corrections (DOC) represent a very small portion of the agency budget (less than 1%), but it allows the agency to focus on areas of interest that would not normally fit within the constraints of a very tight budget. Some examples include screening for offenders with traumatic brain injuries, working to reduce recidivism for release violators and collaborating with other agencies and counties to address mental health and chemical dependency issues. Approximately 25% of federal grants received by the DOC require a match. In some instances a cash match is required, however the majority is in-kind match provided by either DOC personnel, contractors or collaborating agencies. None of the grants require maintenance of effort. Approximately 75% of the grants received by the DOC pass through other state agencies including the Departments of Education, Public Safety and Human Services. The balance of the grant awards are received directly from federal agencies. Revenue estimates are based on budgets associated with specific competitive grant awards and anticipated revenue for ongoing grants, such as those received through the Department of Education. If reductions in federal funding were to occur, the DOC would be limited in its ability to pursue evidence based practices in collaboration with other agencies and stakeholders. There would also be a negative impact on the resources available to deal with offenders with various aforementioned complex issues. The potential impact of sequestration could be significant, as projections from the National Criminal Justice Association indicate that, under current law, it would cut 8.2% from nearly every federal program beginning January 2, 2013 with similar cuts every year through 2021.

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Mission:

The Board's mission is to constantly strive to serve and care for our licensees, applicants, and the public by being committed to public protection, superior service, excellence, and continuous improvement.

The Board of Cosmetologist Examiners (BCE) is responsible for licensing and inspecting all cosmetology related individuals, salons, and schools. In addition, the BCE investigates complaints and issues enforcement actions when violation of law or rule has occurred.

Statewide Outcome(s):

Cosmetologist Examiners, Board of supports the following statewide outcome(s).

People in Minnesota are Safe

Context:

Cosmetologist regulation exists to safeguard and promote public health, safety and welfare. BCE provides consistent standards to applicants for cosmetology related licenses (individuals, salons, and schools), current licensees, and the public.

To safeguard and promote public health, safety and welfare the BCE's primary functions are licensing and renewing applicants for licensure, inspecting cosmetology salons and schools, and investigating complaints. Improper sanitation/disinfecting practices and working on an expired or no license are the major issues the Board faces.

BCE deposits licensing fees and civil penalties into the general fund and receives a direct appropriation back from the general fund to cover operational expenses.

Strategies:

The BCE has four specialized work divisions (Administration, Compliance, Inspections, and Licensing) to deliver its mission and vision and to support its statewide outcomes. The work completed by these divisions includes:

- Inspect salons, practitioners, and schools to ensure compliance with sanitation and licensing protocols and issue 'Orders to Comply' to salons or schools when critical violations are found during inspections.
- Educate salons, cosmetologists, estheticians, and manicurists through BCE website, newsletters, position statements and information sharing (e.g. self-inspection for salons and pedicure disinfection procedures).
- Reach voluntary resolution of violations of statute and/or rule established by the Board's Complaint Committee, and when necessary, bring unresolved matters to the Office of Administrative Hearings.
- Carefully and timely review application documents and analyze those in conjunction with state specific laws and rules
- Work with applicants, other cities, counties, and state offices to ensure compliance with all local and general codes and requirements. inspections making the processes more accessible, easier, and efficient for our licensees and allowing for 24x7 operations.

Results:

The BCE has a wide and vast responsibility of safeguarding the health and safety of the public by ensuring those performing BCE regulated services are licensed and perform proper sanitation and disinfecting practices as well as educating consumers about our role in public protection. The BCE has focused our public protection results to the operational elements within our control, this includes; licensing, inspecting, enforcement, technology improvements, and educating. BCE monitors various measures and uses the data to analyze performance and identify improvements to the specialized work divisions.

Performance Measures	Previous	Current	Trend
Completed Inspections	1,966	2,520	Increasing
Average Application Processing Time in Business Days	14.1 Days	13.6 Days	Decreasing
% of Applications Processed within 15 Business Days*	91%	96%	Increasing
Board Filed Cases Resulting In Signed Consent Order**	96%	73%	Decreasing
Recidivism Rate (Re-Offend Rate) of Signed Consent Orders	0%	0%	Stable
Online Renewals Process Rate	96%	96%	Stable

Performance Measures Notes:

*The 15 business day window may not be met when external factors are present such as the MN Attorney General's Office, applicant's legal counsel, discipline on applicant record from another state, or applicant requires a Board waiver. Applicants are well informed of their application status and we seek agreement to continue the application process, rather than denying the application.

**The Board makes every effort not to file complaints without merit. On occasion a complaint may get filed with incorrect information that is discovered throughout the complaint investigations. Complaints that do not have merit, have disputed information, or informal disposition are closed.

All performance measures: previous is 2011, current is 2012.

Cosmetologist Examiners, Board of
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$2,092			\$2,092
Current Law Expenditures (FY 2014-15)	\$2,092			\$2,092
Governor's Recommended Expenditures (FY2014-15)	\$2,092			\$2,092
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

**Cosmetologist Examiners, Board of
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$2,092			\$2,092
SOURCES OF FUNDS	\$2,092			\$2,092
EXPENDITURES	\$2,092			\$2,092
PAYROLL EXPENSE	\$1,493			\$1,493
OPERATING EXPENSES	\$599			\$599
USES OF FUNDS	\$2,092			\$2,092

**Cosmetologist Examiners, Board of
All Funds FTE by Program**

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Cosmetology	13.9	13.9	13.9
Cosmetologist Examiners, Board of	13.9	13.9	13.9

Cosmetologist Examiners, Board of

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	2,878			2,878
	ALL OTHER	0			0
	Subtotal	2,878			2,878
	Total	2,878			2,878

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Mission:

The mission of the judicial branch is to provide justice through a system that assures equal access for the fair, competent, and timely resolution of cases and controversies.

Statewide Outcome(s):

Court of Appeals supports the following statewide outcome(s).

Strong and stable families and communities.

People in Minnesota are safe.

Efficient and accountable government services.

Context:

The Court of Appeals has jurisdiction over all final decisions of the district courts, except first-degree murder convictions, which are appealed directly to the Supreme Court. The Court of Appeals also has jurisdiction to review certain decisions of administrative agencies and local governments. The Court of Appeals has 19 judges and considers more than 2,200 appeals each year. By law, the Court must issue a decision within 90 days after oral arguments. The Court expedites decisions on child protection cases, child custody cases, mental health commitments and other requested matters.

The Court of Appeals issues a published opinion, unpublished opinion, or order opinion on each case it considers on the merits. The judges also share responsibility for hundreds of motions and petitions. The Court monitors the progress of every appeal to ensure that there are no unnecessary delays in processing.

The adjudicative functions of the Court of Appeals have an impact on all Minnesota citizens.

For FY 2012-2013, General Fund appropriations are the only funding source for the Court of Appeals.

Strategies:

The Court of Appeals conducts its adjudicative and administrative functions in support of three strategic goals to deliver the judicial branch mission and to support the statewide outcomes:

Access to Justice – Ensuring the justice system is open, affordable, effective, and accountable to the people it serves.

Administering Justice for Effective Results – Working across branches of government and with other stakeholders to improve outcomes for and the delivery of services for children, families, and alcohol and other drug (AOD) addicted offenders who come into the courts.

Public Trust, Accountability and Impartiality – Through education, outreach to diverse communities and a commitment to system-wide customer service and accountability, improving citizens' understanding of and confidence in the Third Branch of government.

To further these three strategic goals, the branch's strategic plan outlines future priorities. Each of the specific priorities addresses challenges facing the court system by targeting judicial branch resources in a focused manner on achievable and measurable strategies. Implementation of these priorities takes place over the life of the strategic plan with specific performance measures to evaluate their success. The FY 2012-2013 Judicial Branch Strategic Plan can be found on the branch website <http://www.mncourts.gov>.

Results:

It is the policy of the Minnesota Judicial Branch to establish core performance goals and to monitor key results that measure progress toward meeting these goals in order to ensure accountability of the branch, improve overall operations of the Court, and enhance the public's trust and confidence in the judiciary.

Throughout the year, the Court of Appeals is directed to review performance measure results. It is provided regular reports to facilitate its review and to determine and implement corrective actions. This review of results is shared with the Judicial Council (the branch's governing body) twice a year.

The performance goal of timeliness indicates whether the Court of Appeals is handling cases in a timely manner. The Court has adopted the American Bar Association (ABA) standards for intermediate appellate courts, which measure cases from beginning (filing) to end (disposition). The goals are to have 75 percent of cases disposed within 290 days of filing and 90 percent of cases disposed within 365 days of filing.

Overall, the Court of Appeals is making steady progress toward meeting its timeliness goals:

- In 2011, the Court disposed of 79 percent of cases within 290 days, which was a significant improvement over 2009 when 53 percent of cases were disposed in that timeframe. While only 53 percent of criminal cases were disposed within 290 days in 2011, this marks a notable improvement over the 2009 measure of 32 percent disposed. In all other non-criminal case categories (civil, juvenile protection and juvenile delinquency) the Court exceeded the 75 percent goal.
- In 2011, the Court disposed of 95 percent of cases within 365 days, surpassing the goal of 90 percent as well as showing improvement over 2009 (79 percent). For criminal cases, 85 percent were disposed within 365 days and did not meet the performance goal; however, 2011 marked a significant improvement over the 2009 disposition rate of 55 percent. For non-criminal cases (Civil, Juvenile Protection and Juvenile Delinquency) the Court exceeded the goal and improved overall compared to 2009.

The Court has effectively eliminated a backlog that peaked in 2007. Timeliness in criminal appeals is expected to continue to improve, although many relevant factors are largely outside the Court's control.

The Court continues to look at ways to improve services to lawyers and litigants and to improve the timeliness of case processing. In January 2011, following a successful pilot project, the Court formally implemented its Family Law Appellate Mediation Program (Program). With the assistance of certified mediators, the Program continues to be successful in enabling litigants and lawyers to save considerable time and expense that would otherwise be incurred by briefing and oral argument. The Program has also produced benefits for the Court. Every appeal that is voluntarily settled allows the Court to conserve and reallocate its scarce resources.

eCourtMN is a multi-year transformational project to move the branch from an historic framework of paper files to an electronic information environment. In July 2011, the Court of Appeals, through the Clerk of Appellate Courts, implemented "e-notification," the sending of notices, orders and opinions to lawyers and litigants electronically via e-mail messages. This innovation provides lawyers and litigants with faster notice of Court actions and allows the Courts to enjoy savings in terms of staff time, paper costs and postage. In addition, plans are underway for implementing eFiling in the Appellate Courts. These efforts will carry on into the FY 2014-2015 biennium.

Performance Measures	Previous	Current	Trend
Percent of Total Cases Disposed Within 290 Days of Filing	53%	79%	Improving
Percent of Criminal Cases Disposed Within 290 Days of Filing	32%	53%	Improving
Percent of Non-Criminal Cases Disposed Within 290 Days of Filing	65%	90%	Improving
Percent of Total Cases Disposed Within 365 Days of Filing	79%	95%	Improving
Percent of Criminal Cases Disposed Within 365 Days of Filing	55%	85%	Improving
Percent of Non-Criminal Cases Disposed Within 365 Days of Filing	92%	100%	Improving

Performance Measures Notes:

Data are from the Judicial Branch 2012 Performance Measures – Key Results and Measures Annual Report. The data range uses 2009 for the previous period and 2011 for the current period. The report can be found at <http://www.mncourts.gov>.

Court Of Appeals**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$20,334			\$20,334
Current Law Expenditures (FY 2014-15)	\$20,456			\$20,456
Governor's Recommended Expenditures (FY2014-15)	\$21,664			\$21,664
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$1,208			\$1,208
% Change from FY 2014-15 Current Law to Governor's Rec	6%			6%

Court Of Appeals
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$21,664		\$0	\$21,664
SOURCES OF FUNDS	\$21,664		\$0	\$21,664
EXPENDITURES	\$21,664			\$21,664
PAYROLL EXPENSE	\$19,206			\$19,206
OPERATING EXPENSES	\$2,446			\$2,446
OTHER FINANCIAL TRANSACTIONS	\$12			\$12
USES OF FUNDS	\$21,664			\$21,664

Court Of Appeals

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Maintain Core Justice Operations

The Governor recommends funding to maintain core justice operations, including compensation increases for court staff and judges, increased employee-paid pension contributions to the Judge Pension Fund, and anticipated cost increases for employee health insurance. Employee-paid contributions to the Judge Pension Fund would also be increased.

Performance Measures:

Maintaining existing staff and services will allow the Court to continue to undertake initiatives designed to increase efficiency, reduce costs, improve public services and resolve cases promptly and without delay.

General Fund	Expenditure	413	795	1,208	795	795	1,590
	Net Change	413	795	1,208	795	795	1,590
Net All Change Items	General Fund	413	795	1,208	795	795	1,590
	Net Change	413	795	1,208	795	795	1,590

Court Of Appeals
All Funds FTE by Program

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Court Of Appeals	87.6	81.9	87.6
Court Of Appeals	87.6	81.9	87.6

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The Minnesota Board of Dentistry is an independent State agency, and as one of the Health Regulatory Boards, has responsibility as the administering Board for the Health Professionals Services Program (HPSP). Both the Board of Dentistry and HPSP are profiled below. Additional detailed information about both the Board of Dentistry and HPSP may be found in the December 2011 report to the Sunset Advisory Commission http://www.commissions.leg.state.mn.us/sunset/reports/BoardofDentistry_2011.pdf.

Mission:

Board of Dentistry— *To ensure that Minnesota citizens receive quality dental health care from competent dental health care professionals.*

HPSP— *To enhance public safety in health care. The goals of HPSP are to promote early intervention, diagnosis and treatment for health professionals, and to provide monitoring services as an alternative to Board discipline.*

Statewide Outcome(s):

The Board of Dentistry supports the following statewide outcome(s). HPSP also supports the following outcome:

- People in Minnesota are safe.

Context:

BOARD OF DENTISTRY—

The Minnesota Board of Dentistry is the state agency responsible for protecting the public through enforcement of regulations regarding the practice of dentistry. The safety and protection of the people of Minnesota drives every aspect of Board operations.

HPSP—

Health professionals, like anyone else, are susceptible to substance, psychiatric and medical disorders. Left untreated, these illnesses can put patients at risk. HPSP promotes early intervention, diagnosis, treatment and monitoring of health professionals with potentially impairing illness by providing monitoring services as an alternative to Board discipline.

Strategies:

BOARD OF DENTISTRY—

The Board of Dentistry uses an inclusive, collaborative approach to governing, based heavily on an active Committee structure reliant upon Board members, public/professional input, and a staff committed to operationalizing agency goals. The Board ensures that dental professionals licensed in Minnesota are competent throughout their careers, thereby promoting a healthy and safe Minnesota. Through effective management and a committed staff, the services provided by this government agency are effective, efficient and accountable.

- The Board of Dentistry protects the public through regulation of dental professionals, primarily by (1) establishing educational and testing standards to qualify for licensure, (2) ensuring continual development and competence, and (3) addressing complaints involving dental professionals.
- The Board is actively involved in dental workforce issues, with responsibility for regulating nearly 17,000 Dentists, Dental Therapists, Dental Hygienists, and Dental Assistants. Beginning in 2013, the Board of Dentistry will also have the responsibility for registering dental laboratories.

The Board of Dentistry is committed to remaining relevant in establishing and enforcing regulations governing the practice of dentistry, and providing the legislature, licensees, and the public with an objective resource on dental care professions. The Board of Dentistry is fully funded by fees paid by the licensed dental professionals, and receives *no* General Fund monies.

The Board relies on the shared resources of the Administrative Services Unit, a collaborative, voluntary body established by the state's health regulatory Boards. The Board of Dentistry also partners with other State of Minnesota agencies, primarily including the Attorney General's Office and Minnesota Management and Budget

(MMB). External partners critical to the Board's success include the educational institutions and professional associations for the various dental professions regulated.

HPSP—

In order to enhance public safety in health care through the monitoring of health professionals with potentially impairing illnesses, HPSP has implemented the following strategies:

- Provide outreach and education services to health education schools, health care facilities, organizations and associations to promote self and third reporting;
- Provide competent, effective and efficient case management and monitoring services;
- Intervene immediately when health professionals are at risk of negatively impacting patient care;
- Implement practice restrictions that protect patients and provide greater recovery outcomes;
- Report non-compliance with monitoring contracts to licensing boards; and
- Work collaboratively with health care employers, employee health programs, treatment programs, licensing boards and others to intervene develop strategies to enhance public safety in health care.

HPSP is completely funded by the health regulatory Boards and the Minnesota Department of Health, based on a standard per agency annual fee as well as proportional fees based on agency utilization (General Fund monies comprise less than three percent of the HPSP budget).

Board Activities:

BOARD OF DENTISTRY—

Because the Board works to protect the public from harm, measuring harm that did *not* occur is not possible. The measures that are available to the Board focus on process, which is useful for internal operations and planning, but not for comparisons across Boards either within the state or across jurisdictions.

Note: Various process measures are featured in the Board's Biennial Report <http://www.asu.state.mn.us/Portals/0/Biennial%20Report%202008-2010.pdf>, and the report to the Sunset Advisory Commission http://www.commissions.leg.state.mn.us/sunset/reports/BoardofDentistry_2011.pdf. These process measures included such things as the number of licensees regulated, the number of complaints received per year, the timeframe for processing applications and resolving complaints, use of online services, and detailed budget data. As indicated, there are no empirical data available to inform about the most important outcome, which is the extent to which harm did not occur as a result of the work of the agency. It can be assumed or derived, but simply cannot be measured.

HPSP—

The most impactful results of HPSP's work involve the prevention of harm to health care consumers in Minnesota. This simply cannot be measured. As a marker for harm averted, HPSP uses the identification of health care professionals who are assessed and monitored or placed on work restrictions so that their illnesses do not affect patient care or are reported to their licensing boards for potential disciplinary action. At a minimum, HPSP's strategies are working because national studies have shown that sustained recovery rates improve for health professionals who have engaged in monitoring.

Note: Each state regulates health professionals differently and therefore, monitoring services are also provided differently. Minnesota is a national model in that as a shared program it monitors *all* regulated health professionals, whereas some states have different monitoring programs for different professions. Minnesota's model promotes the reporting of health care practitioners to one program, which makes reporting easy. This has led to greater awareness of HPSP services among employee health programs, treatment programs, and large health care organizations. This organizational structure also promotes efficiency and effectiveness in the delivery of services, as there is no redundancy in services among Boards.

Performance Measures	Previous	Current	Trend
BOARD OF DENTISTRY			
License Renewals (online) <i>calendar year</i>	5.1%	80.1%	Improving
Number of Licensees per Staff Member <i>calendar year</i>	1,432.6/staff	1,670.7/staff	Improving
HPSP			
HPSP: Monitor health professionals with potentially impairing illnesses	n/a	332	

For online license renewals, previous data is calendar year 2004, and current data is calendar year 2011. Though the overall number of online renewals are increasing, the percentage of Dental Assistants renewing online remains significantly lower than for Dentists and Dental Hygienists.

For number of licensees per staff member, previous data is calendar year 2004, and current data is calendar year 2012.

The measure of health professionals monitored is a new measure. Current data is for 2011.

Dentistry, Board of
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$3,696		\$3,696
Current Law Expenditures (FY 2014-15)		\$3,698		\$3,698
Governor's Recommended Expenditures (FY2014-15)		\$3,698		\$3,698
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

**Dentistry, Board of
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION		\$3,698		\$3,698
SOURCES OF FUNDS		\$3,698		\$3,698
EXPENDITURES		\$3,698		\$3,698
PAYROLL EXPENSE		\$2,938		\$2,938
OPERATING EXPENSES		\$760		\$760
USES OF FUNDS		\$3,698		\$3,698

**Dentistry, Board of
All Funds FTE by Program**

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Dentistry, Board Of	17.6	18.6	18.6
Dentistry, Board of	17.6	18.6	18.6

**Dentistry, Board of
Revenue Summary**
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS		3,403		3,403
	ALL OTHER		0		0
	Subtotal		3,403		3,403
Dedicated	ALL OTHER		0		0
	Subtotal		0		0
	Total		3,403		3,403

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Mission:

The mission of the Board of Dietetics and Nutrition Practice is:

- To promote the public's interest in receiving quality dietetic and nutrition services from competent dietitians and nutritionists.
- To protect the public by ensuring that all licensed dietitians and nutritionists meet the educational and practical requirements specified in law.
- To protect the public by setting standards for quality dietetic and nutrition services.

Statewide Outcome(s):

Dietetic and Nutrition Practice, Board of supports the following statewide outcome(s).

People in Minnesota are safe.

Context:

The Board serves the consumers of dietetic/nutrition services by licensing as dietitians and nutritionists only those persons the board has determined meet the established education, experiential and examination requirements. The board serves the dietetic/nutrition community by providing verification of credentials to other state and federal agencies.

The Board is committed to public protection and to responsible, efficient, and cost-effective services. The seven member Board of Dietetics and Nutrition Practice (three public members, two licensed dietitians, and two licensed nutritionists) set the direction for the Board, oversee the agency's activities.

Minnesota has 1392 Licensed Dietitians and 67 Licensed Nutritionists. The board is 100 percent fee supported, has lowered its fees three times since inception and no general fund dollars have been used. The Board has liaisons established with the provider associations to assure public safety while attempting to work with the business community for mutual betterment to the state.

The board is responsible for collecting sufficient revenue to cover both direct and indirect expenditures. The board works directly with their licensees to assure fees are used prudently. The Minnesota Board of Dietetics and Nutrition Practice fees were established in 1995 and have been reduced three times. Board members are committed to operating efficiently.

The board continues to desire to move forward with electronic processes that create efficiency. This past year they introduced online applications with online renewals. Most processes are electronic if supported by current state policies.

Strategies:

The board provides public safety by:

- Providing information and education to the public, other interested parties, and licensees
- Supporting public protection by setting standards of practice and conduct for licensees
- Supporting public protection by verifying that applicants meet set standards for initial licensure
- Supporting public protection by verifying that licensees meet continuing competence requirements
- Ensuring that educational standards for prospective licensees and continuing education for licensees are initially met and maintained.
- Licensing qualified individuals so that Minnesotans seeking to use their services will be able to identify those working in the field with skills necessary to provide services in compliance with Minnesota Statutes and Rules.
- Implementing disciplinary and compliance actions when licensees do not perform in accordance with the current standard of practice.
- Educating the public on health-related professions, practitioners, and standards

- The quarterly board meetings are attended by seven official board members comprised of licensed dietitians, licensed nutritionists and three public members with other stakeholders in attendance. The agenda reflects quality improvement activities with key statistics tracked and shared with the attendees. Board discussion lead to action steps and directives to staff which are listed in the minutes of each board meeting. Those minutes are posted on the website.
- The Executive Committee of the board assures the business aspects of the licensure process are efficient and the public members assure public involvement and board actions are meant for public safety. The board has provider associations' reports as part of the standing agenda while assuring key issues are identified, investigated and resolved within the public board structure. This is a board that seeks compromise and works toward problem resolution in an open environment.

Results:

The board believes and supports additional specific measurements should be embraced. The national tracking of measurable outcomes does not exist for this occupation. The board values information to continuously improve, however, compared to other states and other boards, no state comparison exists.

The board does engage in survey processes to measure expected outcomes. It does not employ a metric or dashboard of data as the board has not determined what to track or the value added to the board's mission. If a standard was required or suggested, the board would actively engage to assure its successful tracking and measurement.

Performance Measures	Previous	Current	Trend
Average days when an applicant completes their application and granted their initial license	120 days	5 days	Improving
Average days that a complaint remains open	180	180	Stable

Performance Measures Notes:

The board will review other performance measures as the national board(s) investigates comparable data.

Initial License data: previous is 2010, current is 2012.

Complaint data: previous is 2010, current is 2012.

Source is Small Boards Licensing Database.

Dietetics and Nutrition Practice, Board of
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$231		\$231
Current Law Expenditures (FY 2014-15)		\$234		\$234
Governor's Recommended Expenditures (FY2014-15)		\$234		\$234
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

**Dietetics and Nutrition Practice, Board of
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION		\$233		\$233
SOURCES OF FUNDS		\$233		\$233
EXPENDITURES		\$234		\$234
PAYROLL EXPENSE		\$146		\$146
OPERATING EXPENSES		\$88		\$88
USES OF FUNDS		\$234		\$234

**Dietetics and Nutrition Practice, Board of
All Funds FTE by Program**

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Dietetics & Nutrition Bd.	0.9	0.9	0.9
Dietetics and Nutrition Practice, Board of	0.9	0.9	0.9

Dietetics and Nutrition Practice, Board of

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS		174		174
	ALL OTHER		0		0
	Subtotal		174		174
	Total		174		174

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Mission:

The Minnesota State Council on Disability (MSCOD) is a state agency providing leadership to empower and strengthen the rights of Minnesotans with disabilities. We collaborate with the public and private sectors as a policy and technical resource advisor.

Statewide Outcome(s):

Disability Council supports the following statewide outcome(s).

Strong and stable families and communities.

Context:

Because society has recognized the value of ensuring accessibility for all peoples so that engagement in a fully productive life is available, laws have been passed (by we the people) to ensure such accessibility. MSCOD is charged with holding policy makers and state agencies accountable to those laws in an effort to ensure the goal of full participation in society for all residents and visitors of Minnesota.

MSCOD's priority is to ensure programmatic, physical, and sensory access to government, education, employment, transportation, and recreation for all residents and visitors of Minnesota. Our clients are people with disabilities and their families, the general public, and all levels of federal, state and local governments (including the Governor, the state legislature, and state agencies). We are funded with general fund dollars.

Strategies:

MSCOD consults with Minnesota state agencies, such as the Minnesota Department of Transportation (MnDOT), the Minnesota Department of Natural Resources (MnDNR), Minnesota Management and Budget (MMB), Minnesota Department of Public Safety Homeland Security and Emergency Management (HSEM), Minnesota Department of Health (MnDOH), Minnesota Department of Administration, and others to improve accessibility to government resources and services for all residents and visitors of Minnesota. For example, MSCOD is currently consulting with MnDNR to improve the accessibility of their online park reservation system. MSCOD partners with the disability and nonprofit community, as well as other government entities, to advocate for full inclusion in society for people with disabilities.

By providing direct access to one another via live events, video and web based conferences, MSCOD engages the disability community, the general public, legislators, and other policy makers so that all voices are heard. MSCOD also educates Minnesotans, including state employees, on issues related to disability.

MSCOD also provides professional technical assistance to building officials, emergency managers, attorneys, and other professionals on federal and state laws relating to civil rights and disability rights (ADA, Human Rights Act, Olmstead Act, Section 508, etc.) and the building code.

Representing the disability community on various advisory boards and commissions is another way MSCOD influences policy and furthers the goals of the agency. Some examples include: MnDOT Transportation Advisory Board, Metropolitan Council Transportation Accessibility Advisory Commission, Metropolitan Council Light Rail Transit Access Committee, Minnesota Coalition for Citizens with Disabilities (MN-CCD), Minnesota Department of Administration Access Review Board, Minnesota Department of Administration Building and Elevator Code Committee, Minnesota Department of Employment and Economic Development State Independent Living Council, Minnesota Management and Budget ADA Coordinators Committee, Minnesota Department of Human Services Quality Design Commission, Minnesota Department of Labor and Industry Worker's Compensation Home Modification Program; and HAVA (Help America Vote Act) Access Advisory Committee, to name a few.

Results:

The performance measures below are indicators of the influence MSCOD has on public policy surrounding disability issues in Minnesota. Emergency Preparedness, with a disability focus has had great success since 2005 when MSCOD began this work on behalf of all Minnesotans. MSCOD forged the partnership of Minnesota

Homeland Security and Emergency Management, the Department of Health and others to develop a robust program in the area of emergency preparedness.

MSCOD developed and delivers the “Integrating the ADA and Employment Practices training” each FY for Minnesota Management and Budget. In FY 2012 one group in particular was staunchly argumentative regarding hiring individuals with disabilities in any context; thus those managers rated the training low in their satisfaction. This indicated to MSCOD that we have much work to continue to do.

Other recent successes including working with MMB to make the state budget narrative process fully accessible; ensuring compliance with federal and state laws, as well as consulting on the Target Field project, which is a national leader in offering an accessible, inclusive stadium experience for all. MSCOD is also represented on an average of 33 advisory boards or commissions each year, taking a leadership role in several of those boards or commissions.

In addition to the measures identified below, MSCOD plans to track and develop additional performance indicators, including information on polling place accessibility and state park accessibility.

Performance Measures	Previous	Current	Trend
Emergency Preparedness trainings delivered ¹	9	16	Improving
Supervisor and Manager satisfaction rating of “Integrating the ADA and Employment Practices” trainings offered ²	4.4 out of 5	4.25 out of 5	Stable
Building code related technical assistance projects MSCOD consulted on ³	346	366	Improving
Workers comp home modification projects reviewed by MSCOD ⁴	43	78	Improving

Performance Measures Notes:

The performance measures included here do not fully address many aspects of our work and successes, as much of our work and influence is difficult to quantify. MSCOD intends to continue to develop scientific measures, and hopes to work with our strategic partners in the future to improve our performance measuring.

1. Previous is FY 2007, and current is FY 2011. Source: MSCOD contact data base.
2. Previous is FY 2011, and current is FY 2012. Source: Minnesota Management & Budget.
3. Previous is FY 2009, and current is FY 2011. Source: MSCOD contact data base.
4. Previous is FY 2009, and current is FY 2011. Source: MSCOD contact data base.

Disability Council**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,048	\$11	\$132	\$1,191
Current Law Expenditures (FY 2014-15)	\$1,048	\$47	\$0	\$1,095
Governor's Recommended Expenditures (FY2014-15)	\$1,228	\$47	\$0	\$1,275
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$180	\$0	\$0	\$180
% Change from FY 2014-15 Current Law to Governor's Rec	17%	0%	0%	16%

**Disability Council
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$2		\$2
REVENUE		\$47	\$0	\$47
APPROPRIATION	\$1,228	\$0	\$0	\$1,228
SOURCES OF FUNDS	\$1,228	\$49	\$0	\$1,277
BALANCE FORWARD OUT		\$2		\$2
EXPENDITURES	\$1,228	\$47	\$0	\$1,275
PAYROLL EXPENSE	\$950	\$4	\$0	\$954
OPERATING EXPENSES	\$278	\$43	\$0	\$321
USES OF FUNDS	\$1,228	\$49	\$0	\$1,277

Disability Council

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Emergency Preparedness Training

The Governor recommends funding for coordinated emergency preparedness activities. The agency will consult with partner organizations such as the Minnesota Department of Public Safety (DPS) and the division of Homeland Security and Emergency Management (HSEM) to develop and deliver emergency preparedness training and educational programs specifically addressing the needs of people with disabilities.

Performance Measures:

Injuries and other undesirable outcomes (such as separation from their service animals) for people with disabilities during emergency first response activities will be mitigated. This work will ensure that people with disabilities are included in the planning, exercising and execution of local, state and federal emergency response plans. The agency will track the number of first responders and emergency managers trained. The agency will also measure satisfaction and effectiveness of this training through course evaluations.

General Fund	Expenditure	90	90	180	90	90	180
	Net Change	90	90	180	90	90	180
Net All Change Items	General Fund	90	90	180	90	90	180
	Net Change	90	90	180	90	90	180

Disability Council
All Funds FTE by Program

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Council On Disability	7.4	6.3	7.3
Disability Council	7.4	6.3	7.3

Disability Council
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	FEDERAL GRANTS			0	0
	INVESTMENT INCOME		0		0
	ALL OTHER		47		47
	Subtotal		47	0	47
	Total		47	0	47

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Mission:

The mission of the judicial branch is to provide justice through a system that assures equal access for the fair, competent, and timely resolution of cases and controversies.

Statewide Outcome(s):

District Courts supports the following statewide outcome(s).

Strong and stable families and communities.

People in Minnesota are safe.

Efficient and accountable government services.

Context:

The district courts have original statewide jurisdiction in all civil and criminal actions within district boundaries. There are ten judicial districts, and 289 district court judges. Each year, about 1.5 million cases are filed in Minnesota's district courts. A family court division, juvenile court division, probate division, and a traffic and ordinance violations bureau exist in the district court.

There are district courts in 99 locations across the state with more geographic representation than any other state entity, providing access and justice to citizens in every county. Judges are assisted in their adjudicative work by law clerks (who perform legal research) and court reporters (who record trial proceedings). Court administration staff at the county and district level manages scheduling, case flow, finance, personnel and juries. Judicial District Administrators and staff assist the Chief Judge in each district in carrying out his/her responsibility as the administrative head of all courts within the district.

The adjudicative functions of the District Courts have an impact on all Minnesota citizens.

For the district courts, General Fund direct appropriations are the primary funding source. For FY 2012-13, General Fund direct appropriations account for 96.8 percent of funding for the district courts. Federal grants represent 0.9 percent of funding for the district courts. The balance of funding is from special revenue funds and other grants and gifts, representing 2.3 percent of district courts funding. The district courts collect nearly \$200 million in revenues annually. These revenues are distributed to the state general fund, other state agencies, local units of government and crime victims in the form of restitution.

Strategies:

The District Courts conduct their adjudicative and administrative functions in support of three strategic goals to deliver the judicial branch mission and to support the statewide outcomes:

Access to Justice – Ensuring the justice system is open, affordable, effective, and accountable to the people it serves.

Administering Justice for Effective Results – Working across branches of government and with other stakeholders to improve outcomes for and the delivery of services for children, families, and alcohol and other drug (AOD) addicted offenders who come into the courts.

Public Trust, Accountability and Impartiality – Through education, outreach to diverse communities and a commitment to system-wide customer service and accountability, improving citizens' understanding of and confidence in the Third Branch of government.

To further these three strategic goals, the branch's strategic plan outlines future priorities. Each of the specific priorities addresses challenges facing the court system by targeting judicial branch resources in a focused

manner on achievable and measurable strategies. Implementation of these priorities takes place over the life of the strategic plan with specific performance measures to evaluate their success. The FY 2012-2013 Judicial Branch Strategic Plan can be found at <http://www.mncourts.gov>.

Results:

It is the policy of the Minnesota Judicial Branch to establish core performance goals and to monitor key results that measure progress toward meeting these goals in order to ensure accountability of the branch, improve overall operations of the court, and enhance the public's trust and confidence in the judiciary.

Throughout the year, the district courts are directed to review performance measures results. They are provided regular reports to facilitate this review and to determine and implement corrective actions. This review of results is shared with the Judicial Council (the branch's governing body) twice a year.

The performance goal of timeliness indicates whether the district courts are handling cases in a timely manner. There are several measures the district courts use to gauge timeliness, including clearance rate, time to disposition, and age of pending caseload.

Overall, the district courts are meeting the goal of timeliness.

- The current Clearance Rate for district courts is 100 percent. Clearance rate is the number of cases settled divided by the number of new cases filed. A clearance rate of 100 percent indicates the district courts are keeping up with cases filed. This goal is being met.
- The percent of cases statewide that are not meeting Time to Disposition timing standards is holding steady. Time to Disposition assesses the length of time it takes to process cases compared to the Judicial Council objectives for timely case processing. The goal is to have only one percent of cases pending beyond the timing objective. This measure is holding steady at 2.3 percent for all case groups. The Major Criminal case group (felony and gross misdemeanor cases) had the highest percentage of cases not meeting the established timing standards for dispositions at 7.0 percent in 2011.
- As of June 30, 2012, six percent of all cases were pending disposition beyond established timing objectives, which is an improvement over the previous year. Age of Pending is a measure of court backlog at a point in time, and the goal is to have only one percent of cases pending beyond the timing standard. The most backlogged case group is Domestic Abuse at 12 percent in 2012 compared to eight percent in 2011. The Major Criminal case group is the second most backlogged and is holding steady at 11 percent.

Contributing to these results is the continued efforts of the district courts to expand the use of technology and reengineer business processes to increase efficiency and reduce costs, while continuing to provide Minnesota with quality justice.

To address processing delays in the Major Criminal case group, resulting from a lack of resources brought on by judicial vacancies, public defender shortages, and other justice partner staff reductions, a series of meetings between District Chief Judges and Chief Public Defenders were held to address scheduling and other ideas to resolve issues within existing financial constraints.

The first phase of the Court Payment Center (CPC) was completed in 2011. The CPC centralizes the processing of hundreds of thousands of payable citations filed each year in 85 district courts. In addition the CPC allows for the payment of fines by credit card 24/7 through the web and over the phone, automates the calculation and distribution of fees to state and local government, and automates the referral of overdue fines to the branch's collection agent the MN Department of Revenue. This initiative provides new and more efficient ways for the public to pay outstanding fines, frees up local court staff to concentrate on high priority court work, and increases collections and revenues for cities, counties and the state. The last two district courts, Hennepin and Ramsey, are scheduled to come onto the CPC in the FY 2014/2015 biennium.

eCourtMN is a multi-year transformational project to move the branch from an historic framework of paper files to an electronic information environment. Nine district courts are serving as pilots for the voluntary eFiling of various cases and two district courts are piloting mandatory eFiling for civil and family cases. The goal is to increase efficiency, reduce costs and improve convenience for litigants, attorneys and the public.

Performance Measures	Previous	Current	Trend
Statewide Clearance Rate	101%	100%	declining but meeting goal
Statewide Time to Disposition -- % of caseload not meeting disposition timing objectives	2.3%	2.3%	steady
Major Criminal Time to Disposition -- % of caseload not meeting disposition timing objective of 12 months	8.1%	7.3%	improving
Statewide Age of Pending -- % of currently pending cases not meeting timing objectives	7%	6%	improving
Age of Pending -- Domestic Abuse case group	8%	12%	declining
Age of Pending -- Major Criminal case group	11%	11%	steady

Performance Measures Notes:

Data are from the *Judicial Branch 2011 Performance Measures – Key Results and Measures Annual Report* and from the *Judicial Branch 2012 Performance Measures – Key Results and Measures Annual Report*. Both reports can be found at <http://www.mncourts.gov>.

Clearance Rates used 2007 data for the previous period and 2011 data for the current period. Rates exclude the Minor Criminal case type.

Time to Disposition used 2010 data for the previous period and 2011 data for the current period. Data reported reflects cases disposed beyond the 99th percentile. Cases disposed beyond the 99th percentile are considered to have not met timing objectives.

Age of Pending is a point in time measure. Data from 6/30/2011 was used for the previous period and data from 6/30/2012 was used for the current period. Data reported reflects cases pending beyond the 99th percentile; cases beyond the 99th percentile are a measure of backlog.

District Courts**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$470,338	\$16,461	\$20,092	\$506,891
Current Law Expenditures (FY 2014-15)	\$473,656	\$12,864	\$25,256	\$511,776
Governor's Recommended Expenditures (FY2014-15)	\$502,825	\$12,864	\$25,256	\$540,945
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$29,169	\$0	\$0	\$29,169
% Change from FY 2014-15 Current Law to Governor's Rec	6%	0%	0%	6%

District Courts
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$12,141	\$1,403	\$13,544
REVENUE		\$12,478	\$23,853	\$36,331
TRANSFERS IN		\$350		\$350
APPROPRIATION	\$502,825	\$0	\$0	\$502,825
SOURCES OF FUNDS	\$502,825	\$24,970	\$25,256	\$553,051
BALANCE FORWARD OUT		\$12,105		\$12,105
EXPENDITURES	\$502,825	\$12,864	\$25,256	\$540,945
PAYROLL EXPENSE	\$433,030	\$559	\$3,754	\$437,344
OPERATING EXPENSES	\$67,218	\$1,285	\$21,450	\$89,953
OTHER FINANCIAL TRANSACTIONS	\$609	\$11,020		\$11,629
GRANTS, AIDS AND SUBSIDIES	\$134		\$52	\$186
CAPITAL OUTLAY-REAL PROPERTY	\$1,833			\$1,833
USES OF FUNDS	\$502,825	\$24,970	\$25,256	\$553,051

District Courts

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Maintain Core Justice Operations

The Governor recommends funding to maintain core justice operations, including compensation increases for court staff and judges, increased employer-paid pension contributions to the Judge Pension Fund, and anticipated cost increases for employee health insurance. Employee-paid contributions to the Judge Pension Fund would also be increased.

Performance Measures:

Maintaining existing staff and services will allow the Courts to continue to undertake initiatives designed to increase efficiency, reduce costs, improve public services and resolve cases promptly and without delay.

General Fund	Expenditure	9,756	19,413	29,169	19,413	19,413	38,826
	Net Change	9,756	19,413	29,169	19,413	19,413	38,826
Net All Change Items	General Fund	9,756	19,413	29,169	19,413	19,413	38,826
	Net Change	9,756	19,413	29,169	19,413	19,413	38,826

District Courts
All Funds FTE by Activity

	Current	Forecast Base	Governor's Recommendation
Activity	FY 2013	FY 2015	FY 2015
Budget Activity: Trial Courts	2,612.3	2,432.9	2,612.1
District Courts	2,612.3	2,432.9	2,612.1

District Courts
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	ALL OTHER	47,984			47,984
	Subtotal	47,984			47,984
Dedicated	FEDERAL GRANTS		0	9,510	9,510
	DEPARTMENTAL EARNINGS		943		943
	INVESTMENT INCOME		50		50
	ALL OTHER		11,485	14,343	25,828
	Subtotal		12,478	23,853	36,331
Total		47,984	12,478	23,853	84,315

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Mission:

Leading for educational excellence. Every day for Everyone.

Statewide Outcome(s):

Education supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

Minnesota Department of Education (MDE) strives to improve educational achievement by establishing clear standards, measuring performance, assisting educators, and increasing opportunities for lifelong learning. MDE strives to be an innovative education agency, assisting schools, families, and other education providers with exemplary services that result in high academic achievement for all students, pre-kindergarten to grade 12, and adult learners.

Strategies:

MDE focuses to improve teacher quality by developing teacher and principal evaluations as a model for individual districts. The new accountability system measures overall student performance and allows for a fairer, more accurate and supportive model. Regional centers of excellence provide strategic support and strategies to schools identified under the accountability model. Quality early education makes a profound difference in students. MDE has a strategic focus on early education by creating an Office of Early Learning, aligning with other agencies through the Children's Cabinet, and led a private/public collaboration to submit a successful Race to the Top Grant which directs \$45 million to targeted early education. MDE successfully submitted a federal grant to design and implement high quality charter schools. In conjunction with the Office of Higher Education, MDE staged the first college application week. In order to strategically deliver resources to districts MDE has convened a working group on education finance reform that works with stakeholders to successfully develop a finance model that is built for the changing needs of Minnesota students and families.

Measuring Success:

MDE is able to measure accomplishments of students through our Multiple Measurements Rating (MMR) which measures; proficiency, growth, achievement gap, and graduation rates. Through the MMR the agency is able to target resources and strategies, while still working with communities to help provide the best outcomes for individual schools. Minnesota was included in the first group of states to have a successful No Child Left Behind (NCLB) waiver and through our new accountability system have already been able to identify increased achievement overall, while still identifying areas most in need. Minnesota has long had one of the worst achievement gaps in the country which is measured through the National Assessment of Educational Progress (NAEP). The goal of the MMR, and the accountability system is to close the achievement gap while still increasing proficiency.

Education**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$15,190,626	\$84,945	\$1,583,496	\$16,859,067
Current Law Expenditures (FY 2014-15)	\$15,142,645	\$76,663	\$1,570,929	\$16,790,238
Governor's Recommended Expenditures (FY2014-15)	\$15,485,417	\$76,663	\$1,570,929	\$17,133,010
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$342,772	\$0	\$0	\$342,772
% Change from FY 2014-15 Current Law to Governor's Rec	2%	0%	0%	2%

Education**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$0	\$6,520	\$235	\$6,755
REVENUE	\$0	\$29,447	\$1,570,958	\$1,600,405
TRANSFERS IN	\$824	\$48,985		\$49,809
APPROPRIATION	\$15,485,474	\$0	\$0	\$15,485,474
SOURCES OF FUNDS	\$15,486,298	\$84,952	\$1,571,193	\$17,142,444
BALANCE FORWARD OUT		\$1,866	\$266	\$2,132
TRANSFERS OUT	\$880	\$6,424		\$7,304
EXPENDITURES	\$15,485,417	\$76,663	\$1,570,929	\$17,133,010
PAYROLL EXPENSE	\$28,076	\$7,698	\$37,736	\$73,511
OPERATING EXPENSES	\$50,000	\$9,522	\$54,262	\$113,784
OTHER FINANCIAL TRANSACTIONS	\$841	\$2	\$3,573	\$4,416
GRANTS, AIDS AND SUBSIDIES	\$15,406,358	\$59,441	\$1,475,358	\$16,941,157
CAPITAL OUTLAY-REAL PROPERTY	\$142			\$142
USES OF FUNDS	\$15,486,297	\$84,953	\$1,571,195	\$17,142,445

Education

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Basic Formula Simplification and Investment

The Governor recommends increasing the General Education basic formula by 1% in FY 2014. The per pupil formula would increase \$52, from \$5,224 in FY 2013 to \$5,276 in FY 2014. The Governor also recommends the following changes to the general education formula beginning in FY 2015 to increase transparency, equity and flexibility of funding to school districts. 1) Simplify student weightings by changing grades 1 - 6 and handicapped kindergarten to 1.0, grades 7 - 12 to 1.2, and kindergarten to 0.55. 2) Eliminate marginal cost pupil units and establish a separate declining enrollment component of the formula. 3) Change the referendum levy calculations for districts from a resident student to a served student formula. 4) Adjust per student allowances to neutralize the impact of student accounting simplification on district revenues. 5) Simplify equity revenue with a two-part formula including a sliding scale allocation ranging from \$100 per student for districts with no referendum revenue to zero for districts with referendum revenue of \$2,000 per student or above and a uniform allocation of \$56 per student. Calculate equity revenue for charter schools based on actual referendum revenue received rather than state averages. 6) Increase flexibility of basics skills funding for school districts by rolling extended time revenue into the compensatory formula and increasing discretionary spending from 5% to 15% of compensatory revenue. 7) Adjust levy calculations to limit the impact of above changes on property taxes. 8) Roll gifted and talented revenue into the basic formula. 9) Provide charter schools with \$35 per pupil in Safe School aid beginning in FY 2015, which is equivalent to the safe schools levy available to school districts. 10) Eliminate the aid reduction for changes in employer retirement contribution rates with a hold harmless for districts with below average reductions. 11) Adjust transition revenue for FY 2015 and later to ensure that every district receives at least as much revenue under the Governor's recommendations as under current law.

Performance Measures:

Changes to the General Education formula increase transparency, equity, and flexibility of funding for school districts. Increasing the basic formula, together with increases in special education funding, aim to improve education funding adequacy.

General Fund	Expenditure	48,875	69,615	118,490	73,269	73,892	147,161
	Net Change	48,875	69,615	118,490	73,269	73,892	147,161

Optional All Day Kindergarten

The Governor recommends an increase of 0.15 in the pupil unit weight for students enrolled in a free all-day every day kindergarten program, beginning in FY 2015 (from 0.55 to 0.70). For FY 2015, this is an increase of \$910 per student enrolled in a free all-day every day kindergarten program. This increase in funding is expected to increase the participation of kindergarten students served in free all-day every day programs from 49% in FY 2012 to 85% in FY 2015.

Performance Measures:

Expanded all-day kindergarten will reduce the achievement gap and increase achievement for all, including an increase in third grade reading proficiency.

General Fund	Expenditure	0	40,221	40,221	49,212	51,691	100,903
	Net Change	0	40,221	40,221	49,212	51,691	100,903

Education

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Special Education Funding

The Governor recommends increasing state special education funding by 13 percent and replacing the current special education-regular and excess cost formulas with a new formula under one appropriation beginning in FY 2015. These new formulas will promote equity among school districts and enable students to be better served. The new special education formula will include a pupil-driven formula that accounts for the incidence and cost related to disabilities as well as poverty concentration and an excess cost formula to make funding more predictable and ensure that funding is targeted to districts with the greatest need. Beginning in FY 2015, all special education costs will be included in excess cost aid calculations, consistent with current practice for tuition billing (e.g., fringe benefits will be added), and aid will be calculated using prior year data. For open-enrolled students, the new formula will require the serving district to pay for 10% of the unreimbursed cost of providing special education and services, which will encourage cost-containment. However, districts with high concentrations of special needs students (those in which more than 70% of students have Individualized Education Programs) are exempt from this requirement.

Performance Measures:

Reforming special education funding seeks to restore equity for school districts, allowing them to adequately serve students with special needs and reduce the cross subsidy of special education costs from unreserved general funds. The new funding formula will encourage cost-containment and promote efficiencies in delivering services to students, which is intended to increase student achievement.

General Fund	Expenditure	0	124,801	124,801	158,922	167,215	326,137
	Net Change	0	124,801	124,801	158,922	167,215	326,137

Early Learning Scholarships

The Governor recommends increasing access to high quality early childhood education programming by expanding the Early Learning Scholarship program created in 2011. The goal of the scholarship program is to improve student outcomes by providing children ages three to five with high-needs access to high-quality early learning opportunities. The scholarships provide income-eligible families financial support for their child to attend programs rated by the Parent Aware Quality Rating and Improvement System.

Performance Measures:

Minnesota faces one of the largest achievement gaps across the nation. Research has shown that the achievement gap not only starts early in the development of a child, but addressing it early has a substantial long term positive impact compared to students who did not receive the same opportunity. This investment would close the achievement gap by addressing it at the beginning of a child's educational career.

General Fund	Expenditure	22,000	22,000	44,000	22,000	22,000	44,000
	Net Change	22,000	22,000	44,000	22,000	22,000	44,000

Education

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Teacher Growth and Evaluation

The Governor recommends revising statutes to clarify, define, and support teacher growth and evaluation systems. In FY 2014, local districts will begin receiving funding on a pilot grant basis, and in beginning FY 2015, school districts not participating in the Q-Comp program will receive teacher growth and evaluation aid of \$22 per student. Additionally, the proposal would designate resources in FY 2014 to the Department of Education for the purpose of providing support for teacher evaluation systems to local districts by developing a model evaluation system that would be used by local districts if there was not an evaluation model in place.

Performance Measures:

This investment helps to alleviate the impacts of the mandate incurred by local districts who will have to implement a teacher evaluation system.

General Fund	Expenditure	1,433	8,568	10,001	10,133	9,900	20,033
	Net Change	1,433	8,568	10,001	10,133	9,900	20,033

Regional Centers of Excellence

The Governor recommends expanding the state's Regional Centers of Excellence from 3 to 9 centers statewide. The regional centers were initiated in the spring of 2012 with the No Child Left Behind (NCLB) waiver to provide high quality support and technical assistance to the state's Priority and Focus schools. Expanding the centers would allow the Department of Education to provide support and disseminate evidence-based best practices to all schools in the state. The centers will provide support to teachers and principals as evaluation models are implemented. The centers will also build local and regional relationships between institutions of higher education, service cooperatives, community and professional organizations, and public schools.

Performance Measures:

Expanding the Regional Centers of Excellence with state funds allows the Department of Education to provide support to all districts within the state, regardless of Federal status.

General Fund	Expenditure	1,500	3,000	4,500	4,500	4,500	9,000
	Net Change	1,500	3,000	4,500	4,500	4,500	9,000

Bullying Prevention: School Climate Center

The Governor recommends continuing the Prevention of School Bullying task force efforts. This proposal would establish a multi-agency school climate center at the Department of Education in order to develop standards for prevention, intervention and support around issues of harassment and intimidation. The center, staffed by a director and a training coordinator, would promote best practices and provide training for schools and communities to improve school climate and school safety.

Performance Measures:

The School Climate Center will provide guidance to local districts on how to create safe and supportive school communities. The Center will host conferences and provide trainings to local district staff, which are intended to improve school environments for students.

General Fund	Expenditure	500	500	1,000	500	500	1,000
	Net Change	500	500	1,000	500	500	1,000

Education

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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English Language Learners 5 to 7 Years

The Governor recommends extending funding for English language learner (ELL) students from 5 years to 7 years. State aid is provided to school districts to recognize the additional cost of educating ELL students. The current formula allows a pupil to generate ELL aid for up to 5 years. Studies show that it takes an average of 7 years for an ELL pupil to pass the emerging academic test and develop the skills to fully participate in the classroom along with native English speaking students.

Performance Measures:

Providing additional funding for school districts to assist ELL students addresses the achievement gap.

General Fund	Expenditure	4,002	4,856	8,858	4,874	4,881	9,755
	Net Change	4,002	4,856	8,858	4,874	4,881	9,755

Integration Aid

The Governor recommends a new Integration Aid formula beginning in FY 2014. The current formula ends in FY 2013 and funding under the current formula varies widely among districts. Under the current formula, some districts with low concentrations of students of color receive higher levels of Integration Aid than districts with high concentrations. The proposed formula would allocate Integration Aid on a per-pupil basis according to minority concentration and local district progress on closing the achievement gap. Districts would be guaranteed to receive at least 90 percent of their FY 2013 per pupil funding level.

Performance Measures:

The new formula will promote accountability and will be linked to students' progress in each school district on closing the achievement gap.

General Fund	Expenditure	(2,961)	(2,764)	(5,725)	(1,965)	(784)	(2,749)
	Net Change	(2,961)	(2,764)	(5,725)	(1,965)	(784)	(2,749)

Literacy Incentive Aid

The Governor recommends changing the Literacy Aid formula beginning in FY 2015. Under the new formula, funds would be allocated based on reading growth and high school graduation rate rather than on reading growth and reading proficiency.

Performance Measures:

While third grade reading proficiency is an important benchmark, this proposal seeks to provide greater balance in promoting and rewarding students' continued growth and achievement at all grade levels.

General Fund	Expenditure	0	(43)	(43)	(701)	(1,056)	(1,757)
	Net Change	0	(43)	(43)	(701)	(1,056)	(1,757)

Education

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Clarification of Kindergarten Early Entrance Requirements

The Governor recommends the Department of Education clarify and provide criteria for school districts on the admissions policies for children younger than 5 years old starting kindergarten. The criteria developed will help ensure the district's policy is appropriate and ensures a students' success in kindergarten and subsequent progression to first grade the next year.

Performance Measures:

Clarifying kindergarten enrollment policies will reduce the number of students enrolled in kindergarten prior to being developmentally ready. As a result, fewer students will be held back for a second year of kindergarten.

General Fund	Expenditure	(1,271)	(1,540)	(2,811)	(1,540)	(1,540)	(3,080)
	Net Change	(1,271)	(1,540)	(2,811)	(1,540)	(1,540)	(3,080)

Amend Charter School Lease Aid

The Governor recommends amending the lease aid formula for charter schools. A clause would be added to change the formula for schools leasing from governmental entities and affiliated building corporations that do not carry original debt on the facility. In any facilities purchased or constructed with public funds, there would be no continued payment of public funds that would create a profit. Instead, the formula would approximate costs to maintain the building and would create a capital reserve fund for capital maintenance projects, resulting in a state cost-savings.

Performance Measures:

Amending the charter school lease aid formula will ensure that public funds will not create a profit for public or private entities that did not support the purchase or construction of facilities used by charter schools.

General Fund	Expenditure	(839)	(1,016)	(1,855)	(1,016)	(1,016)	(2,032)
	Net Change	(839)	(1,016)	(1,855)	(1,016)	(1,016)	(2,032)

Post-Secondary Scholarships - Early Graduation

The Governor recommends repealing the Early Graduation Achievement Scholarship Program, which awards scholarships of \$2,500, \$5,000, or \$7,500 to early-graduating high school students. The scholarship amounts increase the earlier the student graduates from their secondary institution. This proposal would result in a state cost-savings.

Performance Measures:

Ending the scholarship program will promote governmental efficiencies. The program has a low participation rate, and MDE resources can be targeted at programs with higher demand and greater need.

General Fund	Expenditure	(145)	(283)	(428)	(475)	(716)	(1,191)
	Net Change	(145)	(283)	(428)	(475)	(716)	(1,191)

Education

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Career & Technical Education Levy Modification

The Governor recommends modifying the existing career and technical levy funding formula. Current law allows school districts to levy for certain career and technical education program expenditures, including teacher salaries. An increasing number of small districts are sharing the services of career and technical education teachers as a way to provide the curriculum on a part-time basis. The current funding formula requires the district that holds the teacher contract levy 100 percent of the salary expenditures. The new formula will allow the district that has the teacher through a contract agreement to levy for their share of the expenditures.

Performance Measures:

The proposed changes to the Career & Technical levy formula increases funding equity for school districts that share career & technical services.

General Fund	Expenditure	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0

MN Foundation for Student Organizations

The Governor recommends ensuring funding for the Minnesota Foundation for Student Organizations within the existing student organizations' appropriations. The Minnesota Foundation for Student Organizations is tasked in statute to provide oversight and direction for secondary and postsecondary student organizations, but is currently unfunded. This proposal supports the agreement between the Foundation and student organizations that would redirect some of the organizations' funds back to the Foundation. This proposal would also allow the Department of Education to direct funding for student organizations to the Foundation in one single grant, rather than as eleven individual grants.

Performance Measures:

Funding the Foundation will enable it to fulfill its role to provide oversight and guidance. Providing a single grant for student organization funding will promote efficiency.

General Fund	Expenditure	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0

Commissioner Approval of Charter Facility Lease

The Governor recommends requiring charter school leases be approved by the Department of Education prior to execution. The proposal would also require all leases to have an escape clause in the event that the charter's contract is not renewed or terminated. This proposal would protect state funds from continuing to pay for a charter school's lease agreement if the charter school were to close.

Performance Measures:

Requiring commissioner approval of charter school leases will prevent government resources from being spent unnecessarily. State funds will be saved if a charter school's contract is terminated or not renewed prior to the end of its lease obligation.

General Fund	Expenditure	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0

Education

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Summer Food Replacement Aid Change

The Governor recommends simplifying the method of fund disbursement to summer food service sponsors. The current method requires reimbursements to be made at different rates according to the type of meal served, such as breakfast, lunch, or supplemental. This proposal would provide for reimbursements based on total meals served by each provider from the end of the school year to the beginning of the following school year on a prorated basis.

Performance Measures:

Changing the reimbursement practice will simplify the way that providers are paid for food service, and will make the reimbursement process more efficient

General Fund	Expenditure	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0

Special Education Paperwork Reduction

The Governor recommends that the Department of Education develop model Individuals with Disabilities Education Act (IDEA) paperwork that would be available free of charge to schools. The model paperwork would be provided through an online system created and maintained by the Department of Education. Currently, many districts contract with outside vendors to obtain IDEA paperwork for special needs students. However, many vendors profit from selling packages that include forms not required by law, creating more work for teachers, greater costs for districts, and less transparency for parents. IDEA paperwork offered by the Department of Education will streamline and simplify paperwork requirements as well as provide cost-savings for local districts.

Performance Measures:

IDEA paperwork offered by MDE will streamline and simplify paperwork requirements as well as provide cost-savings for local districts.

General Fund	Expenditure	1,500	263	1,763	0	0	0
	Net Change	1,500	263	1,763	0	0	0

Education Shift Buyback

The Governor recommends repaying our debt to schools by the end of the FY 2016-17 biennium. \$481 million in FY2016 will bring our school aid payment ratio to 88.5:11.5. \$771 million in FY 2017 will bring our school aid payments back to the 90:10 ratio established in law, and will buy back 100% of the property tax recognition shift, allowing districts to return to the practice of recognizing their May property tax revenue in the following fiscal year.

Performance Measures:

The state's outstanding fiscal obligation to school districts and charter schools will be eliminated, demonstrating improved financial management by the state and improving school district and charter school cash flow.

General Fund	Expenditure	0	0	0	481,000	770,683	1,251,683
	Net Change	0	0	0	481,000	770,683	1,251,683

Net All Change Items	General Fund	74,594	268,178	342,772	798,713	1,100,150	1,898,863
	Net Change	74,594	268,178	342,772	798,713	1,100,150	1,898,863

Education
All Funds FTE by Program

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Agency Operations	438.6	380.7	393.2
Program: General Education	0.4	0.4	0.4
Program: School Choice	0.0	0.0	0.0
Program: Special Student & Teacher	0.0	0.0	0.0
Program: Early Childhood & Family Supp	1.0	1.0	4.0
Education	439.9	382.1	397.6

Education**Revenue Summary**

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	TAXES	0			0
	DEPARTMENTAL EARNINGS	3,585			3,585
	ALL OTHER	0			0
	Subtotal	3,585			3,585
Dedicated	TAXES	0			0
	FEDERAL GRANTS		0	1,570,958	1,570,958
	DEPARTMENTAL EARNINGS		11,074		11,074
	INVESTMENT INCOME		86		86
	ALL OTHER	0	18,287	0	18,287
	Subtotal	0	29,447	1,570,958	1,600,405
	Total	3,585	29,447	1,570,958	1,603,990

Education

Agency Operating

<http://education.state.mn.us/mde/index.html>

Statewide Outcome(s):

Agency Operating supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This program provides the infrastructure for services and assistance to students, teachers, parents, and school districts provided by MDE. This program exists to fulfill the agency mission: to improve educational achievement by establishing clear standards, measuring performance, assisting educators, and increasing opportunities for lifelong learning.

Strategies:

This program provides the infrastructure for services and assistance to students, teachers, parents, and school districts provided by MDE. Education services are provided by the following offices.

The Office of Academic Standards and Effectiveness is responsible for setting and implementing academic standards.

The Education Licensing Division issues educator licenses.

The Charter School Center implements charter school policies.

MN.IT@Education develops and operates state-level IT system for education data and resource deployment.

The Office of Early Learning is responsible for ensuring young children and their families are positioned for school success.

The Safety, Health, and Nutrition Division provides nutritious meals for students in schools and assists schools in creating safe and healthy learning environments.

State Library Services develops and extends statewide library services and administering the Minnesota Braille and Talking Book Library located in Faribault; and managing competitive and application regional grant programs.

The Office of Equity and Innovation and High School/Dual Credit/Alternative Learning/Online Learning Division are responsible for school choice programs, expanded online learning, Indian education programs, alternative rigorous coursework for college and career readiness, alternative programs to meet student needs, and expanded high school learning initiatives.

The Special Education Policy Division oversees district special education services.

The Adult Basic Education Division administers adult education programs that target overage and under credited populations.

The School Support Division supports schools in the state identified as persistently lowest achieving. Through the unprecedented resources and accountability provided under the Title I School Improvement Grant (SIG), the division seeks to create a system of support for eligible schools to implement dramatic turnaround efforts to boost student achievement.

School Finance is responsible for distribution of formula and competitive grant and aid programs, calculating state aid and distributing aid payments to school districts and charter schools, and calculating school district property tax levy limitations.

Research and Assessment is responsible for the development and implementation of a coherent assessment system that measures student knowledge and skills on Minnesota Academic Standards and the Minnesota English Language Proficiency Standards. The system meets state and federal requirements and provides timely information that educators can use to inform curricular and instructional decisions that improve student achievement.

Compliance and Assistance is responsible for monitoring school district and MDE compliance with certain state and federal education laws. The division provides training and resources to assist school districts, parents, and the department in maintaining compliance. The division also implements the Student Maltreatment Program and oversees rulemaking and data practices for MDE.

The Career and Technical Education, Community Education, and Service Learning Division administers the Carl Perkins federal grant program for career and technical education programs, transition-disabled CTE programs, community education programs, and service learning programs.

The Student Support Division administers programs that provide systematic early identification, intervention, referral and support when health care and social supports are needed for students and their families and works to remove barriers that disturb, interrupt or distract learners.

Administration activities are provided in the area of providing leadership and policy direction for the agency, information technology services to all agency programs, agency fiscal (MAPS budget and spending plan), and human resource direction.

These offices and activities provide the following services to the preK-12 education community:

- Academic Standards
- Adult and Career Education
- Career and Technical Education
- Charter Schools
- Compliance and Assistance for Special Education Students
- Consolidated Federal Programs
- Early Learning Services
- Educator Licensing and Teacher Quality
- Education Innovation
- English Language Learners/Limited English Proficiency (LEP)
- Food and Nutrition Services
- High School Improvement
- Indian Education
- Library Development and Services
- Minnesota Braille and Talking Book Library
- Research and Assessment
- Safe and Healthy Learners
- School Choice
- School Finance
- School Improvement
- School Technology
- Special Education
- Turnaround Schools

Results:

As a result of the hard work and dedication of MDE staff, MDE has reached many education milestones including being a Race to the Top Early Learning Challenge winner and being one of the first states granted a federal waiver from the No Child Left Behind law. This allowed staff to focus on better programs for our earliest and most vulnerable learners and to create a new accountability system which will allow districts to accurately measure their performance and target their improvement efforts to improving student proficiency and growth, as well as closing the achievement gap and improving graduation rates.

Performance Measures	Previous	Current	Trend
Teacher Licensure Applications Processed	18,353	22,284	Increasing

Performance Measures Notes:

Previous year data from FY 2009, current year data from FY 2011.

Program: Agency Operations

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$37,695	\$17,253	\$105,917	\$160,866
Current Law Expenditures (FY 2014-15)	\$37,660	\$17,474	\$104,789	\$159,923
Governor's Recommended Expenditures (FY2014-15)	\$45,673	\$17,474	\$104,789	\$167,936
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$8,013	\$0	\$0	\$8,013
% Change from FY 2014-15 Current Law to Governor's Rec	21%	0%	0%	5%

Program: Agency Operations**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$0	\$6,520	\$235	\$6,755
REVENUE	\$0	\$19,243	\$104,818	\$124,061
TRANSFERS IN	\$824			\$824
APPROPRIATION	\$45,728	\$0	\$0	\$45,728
SOURCES OF FUNDS	\$46,552	\$25,763	\$105,053	\$177,368
BALANCE FORWARD OUT		\$1,866	\$266	\$2,132
TRANSFERS OUT	\$880	\$6,424		\$7,304
EXPENDITURES	\$45,673	\$17,474	\$104,789	\$167,936
PAYROLL EXPENSE	\$27,336	\$7,698	\$37,329	\$72,363
OPERATING EXPENSES	\$17,443	\$9,512	\$35,700	\$62,654
OTHER FINANCIAL TRANSACTIONS	\$0	\$2		\$2
GRANTS, AIDS AND SUBSIDIES	\$753	\$262	\$31,761	\$32,776
CAPITAL OUTLAY-REAL PROPERTY	\$142			\$142
USES OF FUNDS	\$46,553	\$25,764	\$105,055	\$177,371

Education

General Education - General Education

<http://education.state.mn.us/MDE/SchSup/SchFin/GenEd/>

Statewide Outcome(s):

General Education supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

The purpose of general education revenue is to promote a general and uniform, thorough and efficient system of public schools throughout the state by providing equitable core funding for students. General education revenue is the largest single item of state general fund spending and also the largest resource available to school districts. General education revenue is provided for all public school students in kindergarten through grade 12 and for prekindergarten students with disabilities. In addition to students attending schools operated by school districts, this includes charter school students, students in grades 11 and 12 attending Minnesota higher education institutions under the Post-Secondary Enrollment Options (PSEO) program, students enrolled in private, nonsectarian schools that have contracted with a public school district to provide educational services (contract alternative), and students attending public schools on a part-time basis while also attending nonpublic schools (shared time).

Strategies:

General education revenue is the primary source of general operating funds for school districts and charter schools. In FY 2013, it accounts for 81 percent of school district general fund state aid and levy revenues. Components of general education revenue, as specified in Minnesota Statutes (M.S.) 126C.10 (<https://www.revisor.mn.gov/statutes/?id=126C.10>), include:

- **basic revenue** provides all districts with a uniform allocation per pupil unit
- **compensatory revenue** is based on the concentration of poverty in a school building
- **English learner revenue** is based on the number & concentration of English language learners enrolled in the district
- **extended time revenue** provides districts with additional revenue to fund extended day, extended week, summer school, and other programming authorized under the learning year program.
- **gifted and talented revenue** provides districts with additional revenue for identifying gifted and talented students, providing education programs for these students or providing staff development for teachers to best meet the needs of these students.
- **secondary sparsity revenue and elementary sparsity revenue** fund the added costs of operating small schools that are too isolated to reduce costs by cooperating or consolidating.
- **small schools** revenue provides additional revenue for school districts with fewer than 1,000 pupil units
- **transportation sparsity revenue** funds the added cost of pupil transportation in areas with low population density
- **total operating capital revenue** is reserved for facilities and equipment purposes
- **equity revenue** provides additional revenue targeted primarily to districts with referendum revenue per pupil unit below the 95th percentile for the region where the district is located (metro or rural).
- **transition revenue** provides funds to mitigate the loss of general education revenue that districts experienced from changes enacted by the 2003 legislature
- **alternative teacher compensation (Qcomp) revenue** provides additional funds for districts with an approved alternative teacher professional pay system

Operating referendum revenue under M.S. 126C.17 (<https://www.revisor.mn.gov/statutes/?id=126C.17>) is not a defined component of general education revenue, but is included, along with the postsecondary option program, shared time aid, and private alternative school aid in the legislative appropriation for general education aid. Additional funds include investment earnings generated by land sales, mining royalties, timber sales, lakeshore and other leases on School Trust land.

Details of the formulae used to allocate general education revenue are shown in [Financing Education in Minnesota, 2012-13](#) and [Minnesota School Finance: A Guide for Legislators](#). Additional information at an

individual school district or charter school level about this and many other programs can be found at [Data Reports and Analytics](#) on the MDE website.

Most general education revenue is unrestricted, and can be used for any school operating purpose. Programs supported by general education revenue include regular instruction, vocational instruction, special education, instructional support services, pupil support services, operations and maintenance of school facilities, pupil transportation, district and school administration, district support services, and capital expenditures.

Exceptions to the unrestricted use are as follows:

- *Class-size reduction* (M.S. 126C.12). The additional basic revenue generated by the portion of the pupil unit weight for regular kindergarten students exceeding 0.5 and the portion of the pupil unit weight for students in grades 1 – 6 exceeding 1.0 is reserved for class-size reduction, beginning with kindergarten through grade three.
- *Staff development* (M.S. 122A.61). An amount equal to two percent of basic revenue (\$104.48 per pupil unit in FY 2013) must be reserved for staff development. This requirement is waived for school districts in statutory operating debt and may be waived by a majority vote of the school board and the teachers in any district. (Note: The requirement is waived for all districts for FY 2010 through FY 2013 only.)
- *Gifted and talented* (M.S. 126C.10, Subd. 2b). This revenue must be used for gifted and talented programs.
- *Basic skills* (M.S. 126C.15). This revenue, which includes compensatory education revenue and English learner revenue, must be used to meet the educational needs of students who enroll underprepared to learn and whose progress toward meeting state or local content or achievement standards is below the level that is appropriate for learners of their age. Compensatory revenue must be allocated to the buildings where the children generating the revenue are served; however, an amount up to five percent of the prior year's revenue may be allocated according to a local plan approved by the commissioner.
- *Operating capital* (M.S. 126C.10, Subd. 13, 14). This revenue must be used for facilities, equipment, or for personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and software.

Funding is based primarily on the average daily membership (ADM) of students in pre-kindergarten through grade 12. ADM is computed by dividing the sum of the number of students enrolled each school day (student membership) by the number of days school is in session. To reflect cost differences, the ADM is weighted by grade level to determine the number of pupil units:

- Disabled Pre-K 1.250; Regular Kindergarten 0.612; Disabled Kindergarten 1.000;
- Grades 1 – 3 1.115; Grades 4 - 6 1.060; Grades 7 – 12 1.300

Most revenues are computed using adjusted marginal cost pupil units (AMCPU). “Adjusted” means that the resident pupil units have been adjusted by adding the pupil units generated by nonresident students served in the district under alternative attendance programs such as open enrollment and subtracting the pupil units generated by resident students served in another district under an alternative attendance program. “Marginal cost” means that pupil units are computed using a mix of current and prior year data, recognizing that school districts have fixed costs that do not decline in direct proportion to enrollment decline. AMCPU equals the greater of the adjusted pupil units for the current year or 77 percent of the adjusted pupil units for the current year plus 23 percent of the adjusted pupil units for the prior year.

Referendum revenue is funded with a mix of local property taxes, state referendum equalization aid, and state tax base replacement aid. Operating capital revenue, alternative teacher compensation revenue, equity revenue, and transition revenue are also funded with a mix of state aid and local property taxes. All other components are funded entirely with state aid. Spreadsheets showing general education revenue by component for FY 1996 through FY 2013 for individual districts and the state can be found at Financial Trends on the MDE web site.

Results:

Performance Measures	Previous	Current	Trend
Basic revenue per student in ADM adjusted for inflation*	5,951	5,616	Decreasing
Referendum revenue per student in ADM adjusted for inflation*	882	965	Increasing
Avg Referendum levy per \$100,000 of Refer. Market Value	133	176	Increasing
Disparity in revenue per student**	26.6%	30.9%	Worsening
Disparity in tax rate to raise avg referendum revenue / student***	98%	117%	Worsening
Avg student / teacher ratio excl. special education teachers****	19.0	19.2	Worsening
Graduation Rate	74.3	76.9	Stable
Achievement Gap - reading proficiency gap between white and black students in all grades	32.9	29.2	Improving

Performance Measures Notes:

* Inflation adjustment calculated using Consumer Price Index (CPI). Amounts shown in 1999 dollars.

** Percentage difference between the 5th and 95th percentiles of basic plus equity plus referendum revenue per pupil unit. MS 127A.51 requires MDE to report annually on this measure of revenue disparities resulting from the operating referendum levy.

*** Percentage difference between the 5th and 95th percentiles of tax rates needed to raise the state average amount of referendum revenue per student. This statistic measures the effectiveness of the state's referendum equalization program in mitigating the impact of property wealth disparities among school districts. Under the current equalization system for FY 2013, a district with low referendum market value (RMV) per student would need to levy a tax rate more than double the tax rate in a district with high RMV per student (\$220 per \$100,000 of RMV versus \$102 per \$100,000 of RMV to raise \$896 per pupil unit).

****Current data is from FY 2012. Compensation for teachers and other district staff constitutes the districts' largest operating cost.

Program: General Education
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$5,736,642	\$5,896,423	\$11,633,065	\$5,999,386	\$6,089,395	\$12,088,781
Governor's Recommendation	\$5,736,642	\$5,896,423	\$11,633,065	\$6,061,970	\$6,223,882	\$12,285,852
Dollar Change from Base	\$0	\$0	\$0	\$62,584	\$134,487	\$197,071
Percent Change from Base	0%	0%	0%	1%	2%	2%
Base Appropriation	\$5,366,915	\$6,915,024	\$12,281,939	\$5,982,052	\$6,073,050	\$12,055,102
Governor's Recommendation	\$5,366,915	\$6,915,024	\$12,281,939	\$6,034,196	\$6,194,394	\$12,228,590
Dollar Change from Base	\$0	\$0	\$0	\$52,144	\$121,344	\$173,488
Percent Change from Base	0%	0%	0%	1%	2%	1%
Base Levy	\$989,020	\$994,653	\$1,983,673	\$1,010,550	\$1,038,911	\$2,049,461
Governor's Recommendation	\$989,020	\$994,653	\$1,983,673	\$1,010,550	\$1,034,151	\$2,044,701
Dollar Change from Base	\$0	\$0	\$0	\$0	(4,760)	(4,760)
Percent Change from Base	0%	0%	0%	0%	0%	0%
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$24,294	\$24,461	\$48,755	\$24,482	\$24,503	\$48,985
Governor's Recommendation	\$24,294	\$24,461	\$48,755	\$24,482	\$24,503	\$48,985
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Program: General Education
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$5,736,642	\$5,896,423	\$11,633,065	\$6,061,970	\$6,223,882	\$12,285,852
Levies	\$989,020	\$994,653	\$1,983,673	\$1,010,550	\$1,034,151	\$2,044,701
District Revenue	\$6,725,662	\$6,891,076	\$13,616,738	\$7,072,520	\$7,258,033	\$14,330,553
Appropriation						
Current Year	\$3,705,980	\$4,884,362	\$8,590,342	\$5,022,135	\$5,154,558	\$10,176,693
Prior Year	\$1,660,934	\$2,030,662	\$3,691,596	\$1,012,061	\$1,039,836	\$2,051,897
State Aid	\$5,366,914	\$6,915,024	\$12,281,938	\$6,034,196	\$6,194,394	\$12,228,590
Federal Funds						
Other Funds	\$24,294	\$24,461	\$48,755	\$24,482	\$24,503	\$48,985
Sources of Funds	\$5,391,208	\$6,939,485	\$12,330,693	\$6,058,678	\$6,218,897	\$12,277,575
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS	\$0		\$0			
GRANTS, AIDS AND SUBSIDIES	\$5,391,209	\$6,939,485	\$12,330,694	\$6,058,678	\$6,218,897	\$12,277,575
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$5,391,209	\$6,939,485	\$12,330,694	\$6,058,678	\$6,218,897	\$12,277,575

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

General Education – E-12 Education Shifts (information only)

Minnesota Statutes (M.S.) [123B.75](#) and [16A.152](#)

Statewide Outcome(s):

Context:

The E-12 Education shifts are accounting mechanisms that have helped balance the state's budget during periods of state budget crisis. Shifting state general fund education payments into future years benefits the state and its citizens by allowing the state to balance the state budget without making severe cuts to state services.

Strategies:

There are two types of education shifts utilized by the state.

Aid Payment Shift

Since most school revenue is tied to current year data, including the number and characteristics of students served by the district and expenditures for special education, a portion of the funding must be held back until final student data is available to avoid over payments. The consensus is that ten percent hold back is prudent. Therefore, in years when there is not an aid payment shift, state appropriations for formula-driven school aids equal 90 percent of current year entitlement plus ten percent of adjusted prior year entitlement.

90 Percent Current Year + 10 Percent Prior Year = Entitlement

However, beginning in the early 1980s, larger holdbacks have been enacted to help balance the state budget. Most of the savings to the state occur in the year that the current aid percentage is reduced, when the sum of the current year aid percent and the prior year final aid percent is less than 100 percent. However, additional shift savings occur in subsequent years as state aid entitlements increase. Because school districts recognize revenues using a modified accrual basis of accounting, aid payment shifts do not reduce school revenues, aside from lost interest earnings. The table below shows the current and final aid payment percentages and shift costs or savings for each year since FY 2002:

Fiscal Year	Prior Year Final Payment Percent	Current Year Payment Percent	(Savings)/Cost (\$ in Millions)	Cumulative Aids Shift (\$ in Millions)
2002	10.0	90.0	-	-
2003	10.0	83.0	(462.1)	(462.1)
2004	17.0	80.0	(184.0)	(646.1)
2005	20.0	84.3	247.0	(399.1)
2006	15.7	90.0	399.1	-
2007	10.0	90.0	-	-
2008	10.0	90.0	-	-
2009	10.0	90.0	-	-
2010	10.0	73.0	(1,067.7)	(1,067.7)
2011	27.0	70.0	(311.6)	(1,379.3)
2012	30.0	64.3	(436.8)	(1,816.1)
2013	35.7	64.3	(57.3)	(1,873.4)
2014	35.7	64.3	(38.1)	(1,911.5)
2015	35.7	64.3	(37.2)	(1,948.7)

Property Tax Recognition Shift

While property taxes are paid on a calendar year basis, school districts operate on a fiscal year (FY) that runs from July 1 to June 30. The first half of the property taxes payable for the calendar year are due in May and the second half are due in October or November.

May 15th Payment + October 15th Payment = Levy

Prior to FY 1983, all of the school districts' May property tax collections were held and recognized as revenue in the following fiscal year, beginning July 1. Beginning in FY 1983, the revenue recognition policy was changed so that a portion of the spring proceeds were recognized as revenue in the fiscal year of collection. The shift provision was structured to be revenue neutral to school districts by adjusting state aid payments by the difference between the current year's early levy recognition amount and the previous year's early levy recognition amount. This accounting change provided the state with one-time savings in state aid appropriations, without reducing the overall revenue recognized by a school district.

In the period FY 1983-1993, the state experienced cumulative savings of \$688.1 million from this revenue shift. Beginning in FY 1994, the early recognition of school levies was gradually reduced, and the amount previously deducted from state aid payments was repaid to school districts over a six-year period. Beginning in FY 2003, the early recognition of property tax levies was reinstated. Beginning in FY 2012, the methodology for early recognition calculations was changed to use gross levies before credits rather than net levies after credits, which slightly increased the total amount shifted. The table below shows the early recognition percentages and shift costs or savings for each year since FY 2003.

Fiscal Year	Early Recognition Percent	Appropriation decrease / (Increase) (\$ in Millions)	Methodology Change for FY 11: FY 12 budget impact	Cumulative Reduction
2003	-	-	-	-
2004	48.6	(230.5)	-	(230.5)
2005	48.6	(21.9)	-	(252.4)
2006	-	252.4	-	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	48.6	(515.5)	(12.9)	(528.4)
2012	48.6	(8.9)	-	(537.3)
2013	48.6	(25.6)	-	(562.9)
2014	48.6	(23.5)	-	(586.4)
2015	48.6	(19.5)	-	(605.9)

Repayment of Education Shifts

To emphasize the importance of buying back the shift when the state's financial health improved, a statute was adopted that automatically appropriated positive forecast balances to shift repayment (M.S. 16A.152, Subd. 2).

Education

Other General Education - Enrollment Options Transportation

<http://education.state.mn.us/MDE/SchSup/SchFin/index.html>

Statewide Outcome(s):

Enrollment Options Transportation supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

Students may have barriers to education opportunities due to transportation costs. This state aid program helps families with income below the federal poverty guidelines whose students participate in the postsecondary enrollment options, school district enrollment options, and charter school programs by providing state aid to school districts and postsecondary institutions that reimburse families for transportation expenses associated with these programs. This program is part of MDE's efforts to expand education options for students and families.

Strategies:

School districts, charter schools and postsecondary institutions provide data to MDE and receive reimbursement of \$0.15 per mile with a limit of 250 miles per week, except for students participating in the postsecondary enrollment options when the postsecondary institution is more than 25 miles from the student's home or school.

The state aid removes economic barriers to choosing education options that require family costs for transportation.

Results:

Estimated costs are expected to increase slightly. This is due primarily to the program growing as more families qualify for the program.

Performance Measures	Previous	Current	Trend
Students served	59	105	Increasing
Average reimbursement per family per year	\$462.56	\$357.46	Decreasing

Performance Measures Notes:

Previous year data is FY 2010 and current year data is FY 2011.

The amounts in the narrative may differ from the fiscal summary due to year-end closing and forecast changes.

Budget Activity: Enrollment Options Transport
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$0	\$40	\$40	\$44	\$48	\$92
Governor's Recommendation	\$0	\$40	\$40	\$44	\$48	\$92
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$37	\$40	\$77	\$44	\$48	\$92
Governor's Recommendation	\$37	\$40	\$77	\$44	\$48	\$92
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Enrollment Options Transport
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$0	\$40	\$40	\$44	\$48	\$92
Levies						
District Revenue	\$0	\$40	\$40	\$44	\$48	\$92
Appropriation						
Current Year	\$0	\$40	\$40	\$44	\$48	\$92
Prior Year	\$0		\$0			
State Aid	\$0	\$40	\$40	\$44	\$48	\$92
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$37	\$40	\$77	\$44	\$48	\$92
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$37	\$40	\$77	\$44	\$48	\$92
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$37	\$40	\$77	\$44	\$48	\$92

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Other General Education - Abatement Revenue

<http://education.state.mn.us/MDE/SchSup/SchFin/index.html>

Statewide Outcome(s):

Abatement Revenue supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This state aid and local levy program maintains equity for students and taxpayers by replacing revenue to which the district was entitled but did not receive due to abatements. An “abatement” occurs when property taxes on a real estate parcel are decreased after the district certifies levy revenue. All eligible school districts in Minnesota participate in this program. MDE seeks to replace the revenue in the same proportion of aid and levy as the original entitlement. Abatement revenue is provided to school districts to prevent permanent revenue losses as certified by the county auditors.

Strategies:

Abatement aid and levy is calculated annually based on abatements reported by counties to the Minnesota Department of Education (MDE). Relevant statutes directing the calculation of abatement aid and levy are M.S. 126C.46 and M.S 127A.49, subd. 2. Abatements are reported to MDE by counties in the spring of each year: aid is paid in the following fiscal year and levy is included in taxes payable in the next calendar year.

This revenue assures that education programs provided by the school district will not be disrupted due to loss of revenue.

Results:

School districts do not incur permanent revenue loss as a result of property tax abatements.

Performance Measures	Previous	Current	Trend
District revenue loss prevented	\$10.5M	\$15.9M	Improving

Performance Measures Notes:

Previous year data is FY 2012 and current year data is FY 2013.

Budget Activity: Abatement Revenue
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$1,648	\$2,216	\$3,864	\$3,185	\$3,266	\$6,451
Governor's Recommendation	\$1,648	\$2,216	\$3,864	\$3,185	\$3,266	\$6,451
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$1,406	\$2,417	\$3,823	\$3,015	\$3,252	\$6,267
Governor's Recommendation	\$1,406	\$2,417	\$3,823	\$3,015	\$3,252	\$6,267
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy	\$8,875	\$13,765	\$22,640	\$18,390	\$20,467	\$38,857
Governor's Recommendation	\$8,875	\$13,765	\$22,640	\$18,390	\$20,467	\$38,857
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: Abatement Revenue
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$1,648	\$2,216	\$3,864	\$3,185	\$3,266	\$6,451
Levies	\$8,875	\$13,765	\$22,640	\$18,390	\$20,467	\$38,857
District Revenue	\$10,523	\$15,981	\$26,504	\$21,575	\$23,733	\$45,308
Appropriation						
Current Year	\$1,060	\$1,829	\$2,889	\$2,628	\$2,695	\$5,323
Prior Year	\$346	\$588	\$934	\$387	\$557	\$944
State Aid	\$1,406	\$2,417	\$3,823	\$3,015	\$3,252	\$6,267
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$1,406	\$2,417	\$3,823	\$3,015	\$3,252	\$6,267
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$1,406	\$2,417	\$3,823	\$3,015	\$3,252	\$6,267
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$1,406	\$2,417	\$3,823	\$3,015	\$3,252	\$6,267

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Other General Education - Consolidation Transition

<http://education.state.mn.us/MDE/SchSup/SchFin/index.html>

Statewide Outcome(s):

Consolidation Transition supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

The goal of voluntary school district reorganization through district consolidation is the expansion of programs and services to student and families in an environment of financial stability. The consolidation transition state aid program supports districts that have recently consolidated by providing funds for reorganization costs. Students and communities in eligible districts are served by this program.

Strategies:

By incenting districts to consolidate, voluntary school district reorganizations help to expand programs and services to students and families at a lower cost. The elimination of financially inefficient school districts will result in larger and more cost-efficient school districts. State aid is available for two years after consolidation and is calculated based on the formula in Minnesota Statutes (M.S.) 123A.485. State aid provides funding for costs associated with district consolidation, retirement incentives, reduction of operating debt, and expansion of learning opportunities.

The primary reason districts consolidate is usually financial; however, school districts that have consolidated through this program have reported that the consolidation has provided additional opportunities to meet student academic needs, has increased efficiency in district operations, and has improved the likelihood of long-term financial health of the newly formed district. The potential cost efficiencies that could be attributed to this program vary by district due to the unique financial, operating and facility characteristics of the combining districts.

Results:

There were two consolidations between FY 2006-2008 and five between FY 2009-2011. While the number of consolidations is easy to calculate, the true performance measure is in the satisfaction and achievement of the districts that consolidated which we do not evaluate.

Performance Measures	Previous	Current	Trend
Number of Consolidations	2	5	Increasing

Performance Measures Notes:

Previous measurement is FY 2006-2008 and current is FY 2009-2011.

Budget Activity: Consolidation Transition
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$0	\$300	\$300	\$505	\$480	\$985
Governor's Recommendation	\$0	\$300	\$300	\$505	\$480	\$985
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$145	\$248	\$393	\$469	\$484	\$953
Governor's Recommendation	\$145	\$248	\$393	\$469	\$484	\$953
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Consolidation Transition
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$0	\$300	\$300	\$505	\$480	\$985
Levies						
District Revenue	\$0	\$300	\$300	\$505	\$480	\$985
Appropriation						
Current Year	\$0	\$248	\$248	\$417	\$396	\$813
Prior Year	\$145	\$0	\$145	\$52	\$88	\$140
State Aid	\$145	\$248	\$393	\$469	\$484	\$953
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$145	\$248	\$393	\$469	\$484	\$953
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$145	\$248	\$393	\$469	\$484	\$953
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$145	\$248	\$393	\$469	\$484	\$953

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Other General Education - Nonpublic Pupil

<http://education.state.mn.us/MDE/SchSup/SchFin/Nonpublic/>

Statewide Outcome(s):

Nonpublic Pupil supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This program exists to ensure equitable access to secular study materials and pupil support services for those students who choose nonpublic education. By providing nonpublic students with equitable access to secular study materials and pupil support services, the nonpublic pupil aid program improves student achievement and helps prepare nonpublic students to compete in the global economy.

Strategies:

This state aid program provides every pupil in the state with equitable access to secular study materials and pupil support services. Services under this program are provided to Minnesota students attending nonpublic schools including home schools.

A school district in which a nonpublic school is located receives state aid based on a formulas provided in Minnesota Statutes (M.S.) 123B.42 and 123b.44 to reimburse the school district for costs of services to nonpublic students. There are three basic categories of nonpublic pupil aid supporting the following services:

- Textbooks, Individualized Instructional Materials, and Standardized Tests
- Health Services
- Guidance and Counselor Services

Results:

Participation is measured by the percentage of nonpublic students applying for access to the program for textbooks or other educational materials, health services and guidance/counselor services.

Performance Measures	Previous	Current	Trend
Access to textbooks	83%	84%	Stable
Access to health services	78%	79%	Stable
Access to guidance and counselor services	88%	88%	Stable

Performance Measures Notes:

Previous year data is FY 2010 and current year data is FY 2011.

Budget Activity: Nonpublic Pupil
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$15,770	\$15,533	\$31,303	\$15,826	\$16,148	\$31,974
Governor's Recommendation	\$15,770	\$15,533	\$31,303	\$15,826	\$16,148	\$31,974
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$14,302	\$18,444	\$32,746	\$15,775	\$16,092	\$31,867
Governor's Recommendation	\$14,302	\$18,444	\$32,746	\$15,775	\$16,092	\$31,867
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: Nonpublic Pupil
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$15,770	\$15,533	\$31,303	\$15,826	\$16,148	\$31,974
Levies						
District Revenue	\$15,770	\$15,533	\$31,303	\$15,826	\$16,148	\$31,974
Appropriation						
Current Year	\$10,141	\$12,815	\$22,956	\$13,057	\$13,323	\$26,380
Prior Year	\$4,161	\$5,629	\$9,790	\$2,718	\$2,769	\$5,487
State Aid	\$14,302	\$18,444	\$32,746	\$15,775	\$16,092	\$31,867
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$14,302	\$18,444	\$32,746	\$15,775	\$16,092	\$31,867
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$14,302	\$18,444	\$32,746	\$15,775	\$16,092	\$31,867
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$14,302	\$18,444	\$32,746	\$15,775	\$16,092	\$31,867

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Other General Education - Nonpublic Transportation

<http://education.state.mn.us/MDE/SchSup/SchFin/Nonpublic/>

Statewide Outcome(s):

Nonpublic Transportation supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

To provide expanded school choice options for students, this state aid program ensures that nonpublic school students receive the same level of transportation services as public school students receive and that the school districts are able to provide this transportation without significant cross-subsidy from the district's general fund. This program serves Minnesota students attending nonpublic schools.

Strategies:

School districts must provide equal transportation within the district for public and nonpublic school students. This means that the district where a nonpublic pupil resides must provide transportation for the nonpublic pupil within the district in like manner as that provided to the public school student residing in the district.

If the district transports nonpublic students to a school in another district because there is not a suitable nonpublic school located within the district, the nonpublic school or the parents pay the cost of transportation outside the district boundaries.

Public schools must also provide nonpublic school pupils with transportation within district boundaries between the private school and public school or neutral site for health and secondary guidance and counseling services provided to nonpublic school pupils. The public school district must also transport nonpublic school students on late activity bus routes if it provides that service for public school students.

Results:

Performance Measures	Previous	Current	Trend
Percentage of nonpublic students transported	69.8%	69.7%	Stable

Performance Measures Notes:

Previous year data is FY 2010 and current year data is FY 2011.

Budget Activity: Nonpublic Transportation
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$18,793	\$19,293	\$38,086	\$19,563	\$19,744	\$39,307
Governor's Recommendation	\$18,793	\$19,293	\$38,086	\$19,563	\$19,744	\$39,307
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$17,784	\$22,626	\$40,410	\$19,516	\$19,712	\$39,228
Governor's Recommendation	\$17,784	\$22,626	\$40,410	\$19,516	\$19,712	\$39,228
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Nonpublic Transportation
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$18,793	\$19,293	\$38,086	\$19,563	\$19,744	\$39,307
Levies						
District Revenue	\$18,793	\$19,293	\$38,086	\$19,563	\$19,744	\$39,307
Appropriation						
Current Year	\$12,084	\$15,917	\$28,001	\$16,140	\$16,289	\$32,429
Prior Year	\$5,700	\$6,709	\$12,409	\$3,376	\$3,423	\$6,799
State Aid	\$17,784	\$22,626	\$40,410	\$19,516	\$19,712	\$39,228
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$17,784	\$22,626	\$40,410	\$19,516	\$19,712	\$39,228
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$17,784	\$22,626	\$40,410	\$19,516	\$19,712	\$39,228
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$17,784	\$22,626	\$40,410	\$19,516	\$19,712	\$39,228

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Other General Education - Compensatory Pilot Grants

<http://education.state.mn.us/MDE/SchSup/SchFin/GenEd/CompRev/>

Statewide Outcome(s):

Compensatory Pilot Grants supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This pilot grant program was established in 2005 for two purposes: (1) to evaluate whether allowing districts greater flexibility in allocating compensatory revenue among school sites based on student performance would be an effective strategy for improving overall student performance, and (2) to direct additional compensatory revenue to selected large suburban districts to correct perceived inequities in the compensatory revenue formula. In general, school districts are required to allocate at least 95 percent of compensatory revenue to the school site generating the revenue. This pilot program provides grant funding and allows selected school districts to allocate compensatory revenue received under Minnesota Statute (M.S.) 126C.10, Subd. 3, and the grants among their school buildings according to each building's school performance measures.

The 2011 legislature established a one-time compensatory pilot project formula program to allocate additional funding to districts with large pupil unit counts and relatively low regular compensatory education revenue per compensatory pupil unit.

Strategies:

The pilot grant program was initially limited to five school districts; Anoka Hennepin, Osseo, Robbinsdale, Rochester, and South Washington. Brooklyn Center was added to the program in fiscal year 2008 and Albert Lea was added to the program in fiscal year 2012.

School districts participating in the grant program are required to submit to the commissioner an application and board-approved plan that includes the following information:

- identification of the test results that will be used to assess student performance;
- description of the method the district will use to distribute the compensatory revenue; and
- summarization of the evaluation procedure the district will use to determine if the redistribution of compensatory revenue results in an improvement of measurable student performance.

The formula aid program was funded for fiscal year 2013 only. Districts among the top 20 in terms of pupil units and regular compensatory revenue per compensatory pupil unit below \$1,400 received formula aid equal to the difference between \$1,400 times the compensatory revenue pupil units and the regular compensatory education revenue.

Results:

The Minnesota Department of Education submitted a report to the legislature in February 2008 on the effectiveness of the pilot grant projects. The report findings were inconclusive as to the impact the pilot projects have had on student achievement. While some of the participating schools have experienced a positive impact as a result of their efforts, results of the test data used to assess the effectiveness of program initiatives are inconsistent.

Performance Measures	Previous	Current	Trend

Performance Measures Notes:

[Click here to enter text.](#)

Budget Activity: Compensatory Pilot Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$17,448			\$17,448
Current Law Expenditures (FY 2014-15)	\$7,364			\$7,364
Governor's Recommended Expenditures (FY2014-15)	\$7,364			\$7,364
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Compensatory Pilot Grants**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$7,364			\$7,364
SOURCES OF FUNDS	\$7,364			\$7,364
EXPENDITURES	\$7,364			\$7,364
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$7,364			\$7,364
USES OF FUNDS	\$7,364			\$7,364

Education

Other General Education - Special Provisions for Select Districts

<http://education.state.mn.us/MDE/SchSup/SchFin/index.html>

Statewide Outcome(s):

Special Provisions for Select Districts supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

Every school district in Minnesota is unique. This program addresses specific financial circumstances for individual school districts due to distinctive characteristics or situations.

Strategies:

One-Room School House

This program provides aid of \$65,000 each year to the Warroad school district to assist with expenses related to the Angle Inlet school. This program was implemented in FY 1995 for the Warroad school district to open and operate a one-room schoolhouse at Angle Inlet. This program funds a historic Minnesota institution and protecting it is important to Minnesota's history and culture. Angle Inlet is located in an extremely isolated and remote portion of the state on the Red Lake reservation. As such, there is no property tax base to draw from. The Angle Inlet school is vital to ensuring students in this remote location receive quality educational services.

Disaster Funds (M.S. 12A.06)

This program provides aid to School Districts experiencing a natural disaster. Disaster enrollment impact aid assists districts with loss of revenue experienced when pupil units decline after a disaster. Disaster relief facilities grants assist districts with costs associated with facility damage that is not reimbursed by FEMA or district insurance. Disaster relief operating grants assist districts with additional operating costs associated with the disaster, and pupil transportation aid assists districts with increased pupil transportation costs due to expanded busing or change in routes due to the disaster.

Results:

The Angle Inlet school continues to provide education services to its community despite its remote location. School districts that experience declared natural disasters receive state assistance to help with unexpected costs or revenue loss.

Performance Measures	Previous	Current	Trend

Performance Measures Notes:

Budget Activity: Spec Prov For Select Districts
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,407	\$0		\$1,407
Current Law Expenditures (FY 2014-15)	\$130			\$130
Governor's Recommended Expenditures (FY2014-15)	\$130			\$130
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Spec Prov For Select Districts**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$130			\$130
SOURCES OF FUNDS	\$130			\$130
EXPENDITURES	\$130			\$130
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$130			\$130
USES OF FUNDS	\$130			\$130

Education

School Choice Programs - Charter School Lease Aid

<http://education.state.mn.us/MDE/StuSuc/EnrollChoice/CharterSch/>;

Statewide Outcome(s):

Charter School Lease Aid supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This state aid program provides funding to charter schools to lease appropriate facilities for instructional purposes. Unlike school districts, which have a property tax base from which they can levy funds to pay for facilities, charter schools do not receive property tax revenue. Instead, to provide a funding source for charter school facility needs, the state provides charter school lease aid. This program is funded from general fund appropriations.

Strategies:

Charter schools submit applications for lease aid that are reviewed and approved or denied based on reasonableness of price given current market conditions, appropriateness of the lease considering space needs and financial position of the school, and conformity of the lease to rules and laws. Authorizers are approved by the Commissioner of Education to provide oversight. The application for approval as a charter school authorizer must demonstrate the applicant's ability to implement the procedures and satisfy the criteria for chartering a school.

State aid is calculated based on the formula in Minnesota Statutes (M.S.) 124D.11, subd. 4 (<https://www.revisor.mn.gov/statutes/?id=124D.11>), which provides the lesser of 90 percent of net lease costs or the product of the pupil units served by the school in the current year multiplied by \$1,200.

Results:

	Previous	Current	Trend
Charter Schools Receiving Lease Aid	129	148	Increasing

Performance Measures Notes:

Previous performance measure is for FY 2010, current performance measure is for FY 2011.

Budget Activity: Charter School Lease Aid
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$46,903	\$50,226	\$97,129	\$54,871	\$59,825	\$114,696
Governor's Recommendation	\$46,903	\$50,226	\$97,129	\$53,855	\$58,809	\$112,664
Dollar Change from Base	\$0	\$0	\$0	(1,016)	(1,016)	(2,032)
Percent Change from Base	0%	0%	0%	(2%)	(2%)	(2%)
Base Appropriation	\$42,626	\$58,181	\$100,807	\$54,058	\$58,958	\$113,016
Governor's Recommendation	\$42,626	\$58,181	\$100,807	\$53,219	\$57,942	\$111,161
Dollar Change from Base	\$0	\$0	\$0	(839)	(1,016)	(1,855)
Percent Change from Base	0%	0%	0%	(2%)	(2%)	(2%)
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds	\$2,235	\$5,649	\$7,884	\$6,339	\$6,339	\$12,678
Governor's Recommendation	\$2,235	\$5,649	\$7,884	\$6,339	\$6,339	\$12,678
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Charter School Lease Aid
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$46,903	\$50,226	\$97,129	\$53,855	\$58,809	\$112,664
Levies						
District Revenue	\$46,903	\$50,226	\$97,129	\$53,855	\$58,809	\$112,664
Appropriation						
Current Year	\$30,159	\$41,437	\$71,596	\$44,430	\$48,517	\$92,947
Prior Year	\$12,468	\$16,744	\$29,212	\$8,789	\$9,425	\$18,214
State Aid	\$42,627	\$58,181	\$100,808	\$53,219	\$57,942	\$111,161
Federal Funds	\$2,235	\$5,648	\$7,883	\$6,339	\$6,339	\$12,677
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$44,862	\$63,829	\$108,691	\$59,558	\$64,281	\$123,838
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS	\$0		\$0			
GRANTS, AIDS AND SUBSIDIES	\$44,861	\$63,830	\$108,691	\$59,558	\$64,281	\$123,839
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$44,861	\$63,830	\$108,691	\$59,558	\$64,281	\$123,839

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

School Choice Programs - Integration Revenue

<http://education.state.mn.us/MDE/SchSup/SchFin/Integ/>

Statewide Outcome(s):

Integration Revenue supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This program exists to ensure children experience their education with other racial groups. Studies have shown that students who attend integrated schools are less likely to develop prejudice as adults. The program is also intended to close the achievement gap. This program serves K-12 students attending public schools or districts eligible under the Desegregation Rule 3535.0100-180. Integration revenue is used to support implementation of cross-district programs or programs designed to create racial balance at a qualified school site. Integration revenue is funded through local levy (30 percent) and state aid (70 percent).

Strategies:

Integration Revenue supports the implementation of programs and initiatives intended to address the following two goals: for students to have increased and sustained contact with students from other racial groups and to provide improved educational opportunities and outcomes designed to close the academic achievement gap.

Schools identified as having a higher percentage of protected class students when compared with other schools within their district must develop a plan to create racial balance at that school site. Eligible districts also include districts adjoining a racially isolated district as defined by the Rule and districts which volunteer to work with such a district on cross-district programming.

MDE establishes guidelines and provides technical assistance to school districts to ensure that their integration revenue-supported expenditures are aligned with the goals of the integration statute. Use of integration revenue must also be consistent with the school board-approved integration plan required for receipt of integration revenue and can include, but is not limited to, the following strategies: cooperative transportation, incentives for low income students to transfer to non-racially isolated districts, developing cooperative magnet schools or programs, recruiting teachers of color, shared extracurricular activities, and providing smaller class sizes. Strategies included in an approved plan must address the goals of the integration revenue program.

Results:

MDE provides technical assistance on development and evaluation of integration plans and oversight on expenditure of revenue. We have established budget guidelines, tracking systems, and reporting requirements to provide oversight and guidance on the use of funds.

Districts have not previously generated the data needed to confirm that they have met either of program goals of increasing students' contact with other racial groups or closing the achievement gap. MDE is developing an evaluation process in order to report on these goals. This evaluation process is designed to provide a consistent, standardized format for determining the extent to which each district has met the goals of this program and the extent to which the funding has enabled districts as a whole to meet these two goals.

Performance Measures	Previous	Current	Trend
1. MDE has established accessible, clear and consistent budget guidelines aligned with the integration statute and posted to the MDE website.	No	Yes	Improving
2. Districts submit integration budgets and reports on expenditures by an established deadline or request an extension.	No	Yes	Improving

Performance Measures	Previous	Current	Trend
3. Percent of districts reporting progress toward integration plan goals.	3%	N/A	N/A

Performance Measures Notes:

1. Previous Data: Prior to 2010 / Current Data: 2011
2. Previous Data: Prior to 2010 / Current Data: 2011
3. Previous Data: Prior to 2010 / Current Data 2011. MDE is currently developing a new evaluation and reporting process that will dramatically increase the number of participating districts providing evaluation reports to MDE, which will help the department better understand program outcomes.

Budget Activity: Integration Revenue
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$65,090	\$64,863	\$129,953	\$68,184	\$68,691	\$136,875
Governor's Recommendation	\$65,090	\$64,863	\$129,953	\$64,595	\$66,103	\$130,698
Dollar Change from Base	\$0	\$0	\$0	(3,589)	(2,588)	(6,177)
Percent Change from Base	0%	0%	0%	(5%)	(4%)	(5%)
Base Appropriation	\$61,120	\$76,749	\$137,869	\$75,976	\$68,603	\$144,579
Governor's Recommendation	\$61,120	\$76,749	\$137,869	\$73,015	\$65,839	\$138,854
Dollar Change from Base	\$0	\$0	\$0	(2,961)	(2,764)	(5,725)
Percent Change from Base	0%	0%	0%	(4%)	(4%)	(4%)
Base Levy	\$28,530	\$28,549	\$57,079	\$28,549		\$28,549
Governor's Recommendation	\$28,530	\$28,549	\$57,079	\$27,683		\$27,683
Dollar Change from Base	\$0	\$0	\$0	(866)		(866)
Percent Change from Base	0%	0%	0%	(3%)		(3%)
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: Integration Revenue
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$65,090	\$64,863	\$129,953	\$64,595	\$66,103	\$130,698
Levies	\$28,530	\$28,549	\$57,079	\$27,683		\$27,683
District Revenue	\$93,620	\$93,412	\$187,032	\$92,278	\$66,103	\$158,381
Appropriation						
Current Year	\$41,853	\$53,512	\$95,365	\$53,291	\$54,535	\$107,826
Prior Year	\$19,272	\$23,237	\$42,509	\$19,724	\$11,304	\$31,028
State Aid	\$61,125	\$76,749	\$137,874	\$73,015	\$65,839	\$138,854
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$61,125	\$76,749	\$137,874	\$73,015	\$65,839	\$138,854
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$61,120	\$76,749	\$137,869	\$73,015	\$65,839	\$138,854
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$61,120	\$76,749	\$137,869	\$73,015	\$65,839	\$138,854

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

School Choice Programs - Interdistrict Desegregation Transportation

<http://education.state.mn.us/MDE/SchSup/SchFin/Integ/>

Statewide Outcome(s):

Interdistrict Desegregation Transportation supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This program exists to further the dual goals of Minnesota's integration program; increased contact with students of other races and to close the achievement gap. Transportation is necessary to integrate segregated schools. This program serves public school's students attending interdistrict desegregation or integration schools or programs and low-income Minneapolis students attending suburban districts under the Choice is Yours (CIY) program.

Strategies:

The purpose of this state aid program is to promote interdistrict desegregation and integration programs among school districts which are designed to close the achievement gap, by providing state aid to cover unreimbursed student transportation costs.

Transportation is provided between the student's home or school and the interdistrict program or school. School districts have entered into joint powers agreements to develop desegregation/integration programs and/or schools. Existing programs include the East Metro Integration District (6067), West Metropolitan Education Program District (WMEP) (6069), and the North West Suburban Integration School District (6078). Other programs exist to promote desegregation/integration experiences in more than 100 school districts.

Results:

Performance Measures	Previous	Current	Trend
Number of students that open enrolled and were provided desegregation transportation on a daily basis.*	3,440	4,695	Increasing

Performance Measures Notes:

*Previous: FY 2007 / Current: FY 2011

Budget Activity: Interdist Deseg Transportation
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$27,228			\$27,228
Current Law Expenditures (FY 2014-15)	\$30,188			\$30,188
Governor's Recommended Expenditures (FY2014-15)	\$30,188			\$30,188
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Interdist Deseg Transportation

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$30,188			\$30,188
SOURCES OF FUNDS	\$30,188			\$30,188
EXPENDITURES	\$30,188			\$30,188
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$30,188			\$30,188
USES OF FUNDS	\$30,188			\$30,188

Education

Indian Programs - Success for the Future

<http://education.state.mn.us/MDE/StuSuc/IndianEd/>

Statewide Outcome(s):

Success for the Future supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This program exists to increase the academic achievement, decrease the dropout rate, and improve the school climate for American Indian students. The program serves 4,850 American Indian students in the urban areas and 4,000 in rural suburban areas in 26 public school districts, four tribal schools, and one charter school. This activity is funded through the general fund.

Strategies:

Success for the Future is a state grant program that provides funding to grantees that develop comprehensive and collaborative plans to support academic achievement, decrease the dropout rate, and improve the school climate for American Indian students in a culturally appropriate manner.

Success for the Future provides the following program services: targeted retention programs, academic and counseling services, advocacy and liaison services, innovative curriculum based on technology, and best practices in teaching for American Indian students. In the fall of 2010, MDE trained Success for the Future Indian Education coordinators in the ACT's College and Career readiness system (known as "Explore and Plan").

Results:

The program serves nearly half the state's enrolled American Indian students and enables participating students to take part in advanced placement and a variety of college readiness programs.

Performance Measures	Previous	Current	Trend
1. Percentage of Statewide Enrolled American Indian Students Served by SFTF	45%	46%	Stable
2. Statewide number of American Indian Students who take the ACT	232	211	Worsening
3. American Indian Students receiving a 3 or better on an AP exam	76 of 164 (46%)	77 of 168 (45%)	Stable

Performance Measures Notes:

1. Previous: FY2010 / Current: FY2012
2. Previous: FY2011 / Current: FY2012
3. Previous: FY2010 / Current: FY2011
4. Previous: FY2010 / Current: FY2011

Budget Activity: Success For The Future

Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$2,137	\$2,137	\$4,274	\$2,137	\$2,137	\$4,274
Governor's Recommendation	\$2,137	\$2,137	\$4,274	\$2,137	\$2,137	\$4,274
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$2,013	\$2,526	\$4,539	\$2,137	\$2,137	\$4,273
Governor's Recommendation	\$2,013	\$2,526	\$4,539	\$2,137	\$2,137	\$4,273
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
 FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Success For The Future
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$2,137	\$2,137	\$4,274	\$2,137	\$2,137	\$4,274
Levies						
District Revenue	\$2,137	\$2,137	\$4,274	\$2,137	\$2,137	\$4,274
Appropriation						
Current Year	\$1,375	\$1,764	\$3,139	\$1,764	\$1,764	\$3,528
Prior Year	\$638	\$762	\$1,400	\$373	\$373	\$746
State Aid	\$2,013	\$2,526	\$4,539	\$2,137	\$2,137	\$4,274
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$2,013	\$2,526	\$4,539	\$2,137	\$2,137	\$4,274
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$2,013	\$2,526	\$4,539	\$2,137	\$2,137	\$4,273
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$2,013	\$2,526	\$4,539	\$2,137	\$2,137	\$4,273

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Indian Programs - Indian Teacher Preparation

<http://education.state.mn.us/MDE/StuSuc/IndianEd/>

Statewide Outcome(s):

Indian Teacher Preparation supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This program exists to increase the number of American Indian teacher candidates. Increasing the amount of American Indian teachers is important because American Indians have been historically underrepresented in the teacher ranks. The program seeks to improve teacher quality by diversifying the pool of Minnesota teachers in order to increase all students' cultural awareness, experiences, and exposure to a diverse population of teachers. The demographic trend for students is shifting; having a diverse teacher population helps to ensure that all Minnesotans have access to a quality education.

Strategies:

The state-funded Indian Teacher Training Grant program assists American Indian people to become teachers and provides additional education for American Indian teachers. This program provides a source of certified American Indian teachers to specific school districts with significant concentrations of American Indian students. The program provides resources to American Indians in the form of grants and loans to complete a teacher preparation program. These loans are forgiven through service at a participating school district.

Augsburg College, Bemidji State University, and the University of Minnesota-Duluth each partner in this initiative with one of the following districts: Minneapolis, St. Paul, Red Lake, Moorhead, and Duluth Public Schools. Individuals participating in the program range from teachers working on additional licensure programs to undergraduate students.

Results:

There have been sixty graduates from this program since its inception in 1979. A total of 90 American Indians have taken part in the program since 2011. In the 2011-2012 school year, there were a total of 22 students participating in the Minnesota Indian Teacher Preparation program.

Performance Measures	Previous	Current	Trend
Eligible Institutions*	4	4	Stable
New Student Participants**	18	4	Worsening
Graduates***	6	3	Worsening

Performance Measures Notes:

* Previous: FY 2009 / Current: FY 2012

** Previous: FY2009 / Current: FY 2012

*** Previous: FY 2009 / Current: FY 2012

Budget Activity: Indian Teacher Preparation
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$371			\$371
Current Law Expenditures (FY 2014-15)	\$380			\$380
Governor's Recommended Expenditures (FY2014-15)	\$380			\$380
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Indian Teacher Preparation**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$380			\$380
SOURCES OF FUNDS	\$380			\$380
EXPENDITURES	\$380			\$380
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$380			\$380
USES OF FUNDS	\$380			\$380

Education

Indian Programs - Tribal Contract Schools

<http://education.state.mn.us/MDE/StuSuc/IndianEd/>

Statewide Outcome(s):

Tribal Contract Schools supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

The program began to ensure tribal schools had adequate funds to provide an adequate and uniform education to their students, as required by the Minnesota Constitution. Participants include the four tribal schools in the state: Bug-O-Nay-Ge-Shig School, Leech Lake; Circle of Life School, White Earth; Nay Ah Shing School, Mille Lacs; and Ojibwe School, Fond du Lac.

Strategies:

This state aid program provides funding to promote equal education opportunity for students enrolled in tribal contract schools (as compared to public schools) by providing state funds to schools based on the difference between the amount of aid provided by the federal government and the state per pupil aid amount. The funds are designed to provide general education services. The schools report student data and have adopted graduation standards and state testing according to their comprehensive education plans.

Results:

Participant performance is not tracked by MDE. Tribal schools are not public schools. Therefore, MDE does not have the ability to require tribal schools to submit assessment data related to this program.

Performance Measures	Previous	Current	Trend
October 1 Enrollment in Tribal Contract Schools*	816	792	Decreasing

Performance Measures Notes:

*Previous: FY2009 / Current: FY2012

Budget Activity: Tribal Contract Schools
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$1,690	\$1,957	\$3,647	\$2,066	\$2,183	\$4,249
Governor's Recommendation	\$1,690	\$1,957	\$3,647	\$2,066	\$2,183	\$4,249
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$1,687	\$2,218	\$3,905	\$2,047	\$2,162	\$4,209
Governor's Recommendation	\$1,687	\$2,218	\$3,905	\$2,047	\$2,162	\$4,209
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Tribal Contract Schools
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$1,690	\$1,957	\$3,647	\$2,066	\$2,183	\$4,249
Levies						
District Revenue	\$1,690	\$1,957	\$3,647	\$2,066	\$2,183	\$4,249
Appropriation						
Current Year	\$1,087	\$1,615	\$2,702	\$1,705	\$1,801	\$3,506
Prior Year	\$600	\$603	\$1,203	\$342	\$361	\$703
State Aid	\$1,687	\$2,218	\$3,905	\$2,047	\$2,162	\$4,209
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$1,687	\$2,218	\$3,905	\$2,047	\$2,162	\$4,209
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS	\$600	\$603	\$1,203	\$342	\$361	\$703
GRANTS, AIDS AND SUBSIDIES	\$1,087	\$1,615	\$2,702	\$1,705	\$1,801	\$3,506
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$1,687	\$2,218	\$3,905	\$2,047	\$2,162	\$4,209

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Indian Programs - Tribal Early Childhood Programs

<http://education.state.mn.us/MDE/StuSuc/IndianEd/>

Statewide Outcome(s):

Tribal Early Childhood Programs supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This program exists to ensure Early Childhood and Family Education (ECFE) services are available for parents who live in tribal communities and who will send their children to tribal school. These programs deliver ECFE services with an added emphasis on preserving American Indian culture. For more information on the purposes of the Early Childhood Family Education (ECFE) program, please see the ECFE budget narrative.

Strategies:

This state aid program provides funding to four eligible tribal schools to enhance the ability of American Indian parents to provide for their children's optimal learning and development through education and support that emphasizes cultural values and learning from birth to kindergarten age. The programs use culturally appropriate materials and strategies to deliver the basic ECFE program with an added emphasis on preserving American Indian culture. The programs require the direct presence and substantial involvement of the children's parents.

Results:

Performance Measures	Previous	Current	Trend
N/A*	N/A	N/A	N/A

Performance Measures Notes:

* Participant performance is not tracked by MDE. Tribal schools are not public schools. Therefore, MDE does not have the ability to require tribal schools to submit assessment data related to this program.

Budget Activity: Tribal Early Childhood Program
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$136			\$136
Current Law Expenditures (FY 2014-15)	\$136			\$136
Governor's Recommended Expenditures (FY2014-15)	\$136			\$136
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Tribal Early Childhood Program

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$136			\$136
SOURCES OF FUNDS	\$136			\$136
EXPENDITURES	\$136			\$136
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS	\$136			\$136
USES OF FUNDS	\$136			\$136

Education

Innovation and Accountability Programs - Assessments

<http://education.state.mn.us/MDE/SchSup/TestAdmin/>

Statewide Outcome(s):

Statewide Testing supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

Having accurate, timely and meaningful assessment information available to educators and decision makers is fundamental to having a well-educated state. As demand for information about student achievement increases, accurate, efficient evaluations of student performance are more critical than ever. Statewide assessments inform parents, teachers, and the public on the achievement of students against the Minnesota Academic Standards, or other standards for special populations. Testing serves approximately 62,000 students per grade, 60,000 English language learners, 6,200 students with disabilities that are persistently low performing, and 4,500 students with severe cognitive disabilities. The program is funded through the general fund.

Strategies:

Title I Assessments for Reading, Mathematics, and Science. Statewide Assessments measure student achievement in reading, science and mathematics through the Minnesota Comprehensive Assessments (MCA) and Minnesota Test of Academic Skills (MTAS) and in reading and mathematics through the MCA-Modified.

Title III Assessments for English Language Proficiency. Students defined as English Learners participate in the ACCESS for ELLs (Assessing Comprehension and Communication in English State-to-State for English Language Learners) assessment as part of the World-Class Instructional Design and Assessment (WIDA) consortia.

Diploma Assessments for Graduation. All students must fulfill the requirement of the Graduation-Required Assessment for Diploma (GRAD).

A priority for our division throughout the development of these assessments and protocols for administration is involvement of Minnesota educators and stakeholders.

Statewide Testing conducts the following activities with separate professional measurement organizations:

- **Item Development and Test Construction;** ensure assessments align to Minnesota Academic Standards and adhere to psychometric requirements.
- **Administration;** monitoring administration of Minnesota statewide assessments, includes creation of manuals and user guides for district use.
- **Scoring and Reporting;** monitoring of scoring processes and quality assurance of reports.
- **Quality Control Review;** an analysis by an independent, third party auditor to confirm that scores and results have been correctly assigned.
- **Alignment Studies;** an independent review to ensure tests are measuring the content and skills of the standards.

More information for these specific assessments can be found at the Minnesota Tests page (<http://education.state.mn.us/MDE/SchSup/TestAdmin/MNTests/index.html>).

Results:

Performance Measures	Previous	Current	Trend
1. Percent of 3-8 grade math assessments administered online and provided immediate results	75%	88%	Improving
2. Percent of reading and mathematics tests invalidated because of improper test administration	0.84 (rate/1,000)	0.71 (rate/1,000)	Improving

Performance Measures Notes:

1. Previous: 2011, Current: 2012
2. Previous: 2011, Current: 2012

Budget Activity: Assessments**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$30,300		\$18,682	\$48,981
Current Law Expenditures (FY 2014-15)	\$30,300		\$16,494	\$46,794
Governor's Recommended Expenditures (FY2014-15)	\$30,300		\$16,494	\$46,794
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0		\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%		0%	0%

Budget Activity: Assessments**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$16,494	\$16,494
APPROPRIATION	\$30,300		\$0	\$30,300
SOURCES OF FUNDS	\$30,300		\$16,494	\$46,794
EXPENDITURES	\$30,300		\$16,494	\$46,794
PAYROLL EXPENSE				
OPERATING EXPENSES	\$30,300		\$16,494	\$46,794
USES OF FUNDS	\$30,300		\$16,494	\$46,794

Education

Special Student & Teacher Programs – Advanced Placement/International Baccalaureate (AP/IB)

<http://education.state.mn.us/MDE/EdExc/RigorHigh/index.html>

Statewide Outcome(s):

AP/IB supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

In a time when college costs are increasing, and the need for high school students to be college ready is critical, it's important to provide an opportunity for high school students to be better prepared for college and to earn college credit and/or advanced standing, thus saving students and parents time and money during postsecondary education. The AP/IB programs provide increased academic rigor as well as offer sound curricular design, accountability, comprehensive external assessment, feedback to students and teachers, and the opportunity for high school students to compete academically on a global level. This program is funded through the general fund.

Strategies:

This state program provides financial incentives for schools to begin or expand their Advanced Placement (AP) and International Baccalaureate (IB) programs and to promote rigorous, challenging courses of study as part of the regular offerings for students in secondary schools by providing funding for teacher training and student exam fees. Most of Minnesota's public and private colleges and universities have credit awarding policies for AP and IB course credits for exams taken by students.

Results:

The data in both AP and IB indicate steady growth in exam participation, and the population of exam takers is increasingly diverse. As the diversity and size of the pool of exam takers grows, overall student proficiency levels have increased (AP) or only dipped slightly (IB). Teacher training that provides strategies to support more students to be successful in AP and IB classes is demonstrating positive results.

Performance Measures	Previous	Current	Trend
Number of Advanced Placement (AP) exams taken	53,239	56,942	Improving
Percent of AP exams –“proficient” or above	64.1%	64.9%	Improving
Number of AP teachers trained	647	852	Improving
Number of International Baccalaureate (IB) exams taken	4,970	5,402	Improving
Number of IB exams–“proficient” or above	64%	63.6%	Worsening
Number of IB teachers trained	1,018	1,294	Improving

Performance Measures Notes:

Previous: FY 2010 / Current: FY 2011

The overall diversity of the AP testing population in public schools increased; the exam participation rate of black students increased by 17.8 percent and the exam participation rate of Hispanic students increased by almost 25 percent in 2011, higher than the exam participation rate for all students. At the same time, the percentage of black students earning a three or above on an AP exam increased by 19.5 percent, while the number of Hispanic students earning a three or higher increased by 26.9 percent. Additionally, the number of students of color in International Baccalaureate (IB) taking IB exams increased by 21.6 percent in 2011 over the previous year, while the percentage of these students earning a four or above on these exams increased by 29.6 percent.

Budget Activity: Adv Placement/Intl Bacc
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$13,000			\$13,000
Current Law Expenditures (FY 2014-15)	\$13,000			\$13,000
Governor's Recommended Expenditures (FY2014-15)	\$13,000			\$13,000
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Adv Placement/Intl Bacc**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$13,000			\$13,000
SOURCES OF FUNDS	\$13,000			\$13,000
EXPENDITURES	\$13,000			\$13,000
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$13,000			\$13,000
USES OF FUNDS	\$13,000			\$13,000

Education

Special Student and Teacher Programs - Collaborative Urban Educator

Statewide Outcome(s):

Collaborative Urban Educator supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This program addresses the need to recruit and train educators prepared to meet the educational needs of the urban school and a diverse student population. The program is funded through the general fund.

Strategies:

The collaborative urban educator program funds three programs: the Southeast Asian Teacher program at Concordia University, St. Paul; the collaborative urban educator program at the University of St. Thomas; and the Center for Excellence in Urban Teaching at Hamline University. CUE provides professional development to school district staff enhancing skills and abilities to meet the educational needs of urban learners and a diverse student population.

Results:

To date, 332 persons have completed CUE programs, earning licenses in special education, elementary education, mathematics, and science. The current cohort of 23 persons is earning licensure in the high needs area of special education. With a retention rate in education nearing 88 percent, CUE alumni have taught an estimated 45,000 students and are currently teaching in 126 schools in 16 Minnesota districts.

Performance Measures	Previous	Current	Trend
Concordia	6 graduates	2 graduates	Decreasing
St. Thomas	N/A	22 graduates	N/A
Hamline	N/A	62 scholarships	N/A

Performance Measures Notes:

Current performance measure is for 2011/2012 school year, previous is for 2010/2011. Information is what was given from the schools to MDE.

Budget Activity: Collaborative Urban Educator
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,056			\$1,056
Current Law Expenditures (FY 2014-15)	\$1,056			\$1,056
Governor's Recommended Expenditures (FY2014-15)	\$1,056			\$1,056
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Collaborative Urban Educator**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$1,056			\$1,056
SOURCES OF FUNDS	\$1,056			\$1,056
EXPENDITURES	\$1,056			\$1,056
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$1,056			\$1,056
USES OF FUNDS	\$1,056			\$1,056

Education

Special Student and Teacher Programs - Literacy Incentive Aid

<http://education.state.mn.us/MDE/EdExc/ReadWell/>

Statewide Outcome(s):

Literacy Incentive Aid supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

Reading well by third grade is one of many developmental milestones in a child's educational experience and has been found to be a major predictor of future success. Providing quality curriculum, instruction, and assessments such that more students are reading at grade level in third grade will improve students' performance throughout their educational careers.

Strategies:

Beginning in the 2012-13 school year, schools are eligible for additional aid based on how well students in the third grade read (called "Proficiency Aid"), and how much progress is being made between the third and fourth grades in reading skills (called "Growth Aid"). Proficiency aid is calculated by multiplying \$85 times the average percentage of students in a school that meet or exceed proficiency over the current year and previous two years on the third grade reading portion of the Minnesota Comprehensive Assessment, multiplied by the number of students enrolled at the school in the previous year. Similarly, Growth aid is calculated by multiplying \$85 times the percentage of students that make medium or high growth on the fourth grade reading Minnesota Comprehensive Assessment multiplied by the previous year's student count. [Minnesota Statue (M.S.) 124D.98]

In addition, each public school district and charter school serving grades K-3 has to develop local literacy plans which are posted on each district webpage. The information is intended to guide schools and districts as they work toward meeting the requirement of all students reading well by the end of third grade.

Results:

Although Literacy Incentive Aid is a new categorical aid, all districts have submitted literacy plans, which is a first step in improving early learning.

Performance Measures	Previous	Current	Trend
Third Grade Proficiency*	76.3%	78.5%	Improving
Fourth Grade Growth**	N/A	79.9%	N/A

Performance Measures Notes:

* Previous Measure: FY 2010 / Current Measure: FY 2011. Proficiency measures percentage of students reading proficiently in third grade.

** Previous Measure: FY 2010 / Current Measure: FY 2011. Growth measures percentage of students with high or medium skills growth from third to fourth grade. Data measuring skills growth was not tracked prior to FY 2011, but will be in the future.

Budget Activity: Literacy Incentive Aid
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$40,083			\$40,083
Current Law Expenditures (FY 2014-15)	\$106,195			\$106,195
Governor's Recommended Expenditures (FY2014-15)	\$106,152			\$106,152
\$ Change from FY 2014-15 Current Law to Governor's Rec	(43)			(43)
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Literacy Incentive Aid**Sources and Uses**

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$106,152			\$106,152
SOURCES OF FUNDS	\$106,152			\$106,152
EXPENDITURES	\$106,152			\$106,152
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$106,152			\$106,152
USES OF FUNDS	\$106,152			\$106,152

Education

Special Student and Teacher Programs - ServeMinnesota

Statewide Outcome(s):

ServeMinnesota Innovation supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

ServeMinnesota is the Minnesota recipient of federal AmeriCorps funding. The program exists to recruit and support individuals to improve the lives of Minnesota by creating positive social change. ServeMinnesota education initiatives utilize proven learning methods to help thousands of students achieve grade level proficiency in reading and math. By promoting service and volunteerism, ServeMinnesota helps create engaged and motivated communities.

Strategies:

ServeMinnesota mobilizes Minnesotans to solve the state's biggest problems through service and volunteerism in the following ways:

- AmeriCorps Matching Funds and Program Administration.** The state general fund appropriation provides the required local match for federal AmeriCorps dollars. ServeMinnesota also administers a portfolio of 12 AmeriCorps programs with more than 1,200 AmeriCorps members providing direct service in five priority areas: education, the environment, healthy futures, veterans, and economic opportunity. More than 650 sites across the state are hosting an AmeriCorps member in FY 2012. In exchange for providing a year of community service, ServeMinnesota members receive a stipend, health benefits and a higher education award.
- Minnesota Reading Corps.** ServeMinnesota also oversees the Minnesota Reading Corps. Minnesota Reading Corps launched in 2003, serving preschool children in four Head Start agencies. The early results showed the program model was effective. The program quickly expanded to serve children age 3-grade 3 in many more locations throughout Minnesota. This state program complements the federal AmeriCorps program. The services provided by students can range from mentoring and tutoring, service activities, mediation services to decrease violence, park safety, construction and rehabilitation of homes, environmental projects, and other community service projects.

Results:

By using innovative, evidence-based practices and personalized tutoring, Minnesota Reading Corps has demonstrated proven results to help close Minnesota's growing achievement gap. The program has grown each year to become the largest state AmeriCorps program in the country. Since 2003, Minnesota Reading Corps has grown from serving 250 children to about 20,000. There are over 750 Minnesota Reading Corps tutors currently serving in 500 Head Start centers, preschools, and elementary schools throughout the state. The program has plans to place more than 1,000 tutors in over 600 sites during the 2012-2013 school year.¹

In 2011, nearly 80 percent of Minnesota Reading Corps participants achieved more than a year's worth of progress in one year's time, exceeding state and national averages and dramatically surpassing what would have typically been expected. Studies show that by increasing investments in quality early childhood literacy interventions, the whole community can anticipate a return of up to \$12 for every \$1 invested.

Performance Measures	Previous	Current	Trend
ServeMinnesota Members	841	1,297	Increasing
Reading Corps student served**	250	20,000	Increasing
Reading MCA pass rates for Reading Corps students***	N/A	80%	N/A

Performance Measures Notes:

* Previous: FY 2009 / Current: FY 2011

**Previous: FY 2003 / Current: FY 2011

***Current data shown is from FY 2011. Data on MCA pass rates was not previously collected, but will be in the future.

¹ Source: Minnesota Reading Corps website <http://www.serveminnesota.org/programs/minnesota-reading-corps> and <http://minnesotareadingcorps.org/>. Data reported on the ServeMinnesota Annual Report at <http://www.serveminnesota.org/>

Budget Activity: Youthworks**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,800			\$1,800
Current Law Expenditures (FY 2014-15)	\$1,800			\$1,800
Governor's Recommended Expenditures (FY2014-15)	\$1,800			\$1,800
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Youthworks**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$1,800			\$1,800
SOURCES OF FUNDS	\$1,800			\$1,800
EXPENDITURES	\$1,800			\$1,800
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$1,800			\$1,800
USES OF FUNDS	\$1,800			\$1,800

Education

Special Student & Teacher Programs - Student Organizations

Statewide Outcome(s):

Student Organizations supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

The Minnesota Foundation of Student Organizations (MFSO) exists to promote career and technical student organizations that provide student opportunities for applied leadership, personal development, community service, and career preparation that allow students to enter the workforce with the skills needed to be a leader in Minnesota. The student organizations under oversight of the MFSO are funded through the general fund.

Strategies:

The Minnesota Foundation for Student Organizations (MFSO) promotes and supports career and technical student organizations as they work to provide student opportunities for leadership, personal development, community service and career preparation in the following ways:

1. MFSO provides operating grants to student career and technical organizations to support their ongoing activities. Student organizations currently funded by the Foundation for Student Organizations include:
 - HOSA - Health Occupations Students of America
 - FCCLA-HERO – Service Occupations
 - FCCLA – Family & Consumer Science Occupations
 - FFA – Agriculture and Agribusiness Education
 - PAS - Post Secondary Agricultural Students
 - BPA – Business Occupations (Postsecondary)
 - BPA – Business Occupations (Secondary)
 - DECA – Marketing Occupations
2. MFSO develops public-private partnerships for funding and to create opportunities for student members as well as a pipeline to future skilled employees for Minnesota businesses.
3. MFSO serves as the body for coordinating joint activities and outreach among its member student organizations.

The foundation was established by the legislature in 1996 and is directed by a 23 member foundation board formed in January 1998.

Results:

Despite pressures that are limiting career and technical education program opportunities in schools, participation in career and technical education student organizations continues to rise.

Performance Measures	Previous	Current	Trend
Membership in career and technical education student organizations*	16,800	19,041	Improving

Performance Measures Notes:

*Previous: FY 2006 / Current: FY 2011

Budget Activity: Student Organizations
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,450			\$1,450
Current Law Expenditures (FY 2014-15)	\$1,450			\$1,450
Governor's Recommended Expenditures (FY2014-15)	\$1,450			\$1,450
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Student Organizations**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$1,450			\$1,450
SOURCES OF FUNDS	\$1,450			\$1,450
EXPENDITURES	\$1,450			\$1,450
PAYROLL EXPENSE				
OPERATING EXPENSES	\$81			\$81
GRANTS, AIDS AND SUBSIDIES	\$1,369			\$1,369
USES OF FUNDS	\$1,450			\$1,450

Education

Special Student and Teacher Programs – EXPLORE and PLAN (EPAS)

<http://education.state.mn.us/MDE/EdExc/CollegePlan/>

Statewide Outcome(s):

EPAS supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

With the value of a college degree continually increasing, it's important to identify students' college readiness as early as possible to ensure that students and their families have both adequately planned for and are prepared to transition from high school to college. This state-supported program provides college readiness information as early as eighth grade, allowing for appropriate course planning and necessary interventions to support student success.

Strategies:

This state aid program, EXPLORE and PLAN (EPAS) is aimed at preparing high school students for postsecondary education options through the American College Testing (ACT) program's College and Career Readiness System. School districts and charter schools voluntarily participate in the EXPLORE (grade eight) and PLAN (grade ten) assessments funded by the state. These assessments are aligned with the ACT test, taken voluntarily by over 70 percent of Minnesota seniors as a college entrance requirement.

The ACT's College and Career Readiness System provides a longitudinal, aligned approach to educational and career planning, assessment, instructional support and evaluation. The system focuses on the higher order thinking skills students develop in grades K-12 that are important for success both during and after high school and provides benchmarks to assist parents, students and educators in college and career planning. The College and Career Readiness System achievement assessment includes English, reading, mathematics, science, as well as sections addressing individual interests and course planning.

Results:

The number of students participating in the assessment system continues to increase while the number of students meeting all four benchmarks of college readiness continues to grow between grade eight and grade 11. Data indicates more Minnesota students are better prepared for college and careers.

Performance Measures	Previous	Current	Trend
1. EXPLORE- number of students tested	40,076	40,861	Stable
2. EXPLORE- percent of students meeting all four benchmarks	20%	17%	Worsening
3. PLAN- number of students tested	54,638	54,652	Stable
4. PLAN - percent of students meeting all four benchmarks	22%	25%	Improving
5. ACT- percent of students meeting all four benchmarks	36%	36%	Stable
6. ACT- percent of students testing (voluntary)	72%	74%	Improving
7. Minnesota average composite score national rank for states testing 50 percent or more of graduating seniors	1	1	Stable
8. Percent of students enrolled in postsecondary institutions	68%	70.5%	Improving

Performance Measures Notes:

Measures #1 – #7: Previous Data: FY 2010-11 / Current Data: 2011-12

Measure #8: Previous Data: 2006 / Current Data: 2010

Budget Activity: Educ Plng & Assess Systems
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,658			\$1,658
Current Law Expenditures (FY 2014-15)	\$1,658			\$1,658
Governor's Recommended Expenditures (FY2014-15)	\$1,658			\$1,658
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Educ PIng & Assess Systems**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$1,658			\$1,658
SOURCES OF FUNDS	\$1,658			\$1,658
EXPENDITURES	\$1,658			\$1,658
PAYROLL EXPENSE				
OPERATING EXPENSES	\$1,658			\$1,658
USES OF FUNDS	\$1,658			\$1,658

Education

Special Student & Teacher Programs - Early Childhood Literacy

<http://education.state.mn.us/MDE/StuSuc/LifelongLiteracy/>

Statewide Outcome(s):

Early Childhood Literacy supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This program will contribute to reducing Minnesota's achievement gap and create substantial gains in the number of students meeting literacy standards by the end of third grade. This program focuses on the whole child, including social emotional development, health, family engagement, and transitions – all-important components for building early literacy success.

Research rigorously demonstrates that high-quality early learning programs can improve school readiness, particularly for disadvantaged children. In addition, research has proven that a high-quality early learning program for one or two years can generate longer-term gains in academic achievement as well as improvements on other educational outcomes such as grade retention, special education referrals, and high school graduation.

The program is funded with a combination of state aid, federal funds, and private donations.

Strategies:

Early childhood literacy grants support research-based literacy programs in Head Start and other preschool classrooms. The purpose of the program is to increase the literacy skills of Head Start / preschool children and to increase families' participation in providing early literacy experiences to their children.

The grants are used to fund the Minnesota Reading Corps (MRC), which places AmeriCorps members in early childhood, after-school, and school-based settings to work with children age three to grade three. MRC provides trained tutors for children and focus on integrating talking, reading, and writing into all classroom activities. Tutors also provide supplemental literacy skills tutoring for children kindergarten to third grade. AmeriCorps members are trained in research-based tutoring techniques and assessments developed by the University of Minnesota. Additionally, they regularly monitor each student's progress. As the program develops at each site, AmeriCorps members also recruit community volunteers to expand the capacity of the program to reach more children.

Results:

The Pre-K MRC members are embedded in the classrooms to provide a literacy rich environment to all students and small group and individual interventions to students identified as needing supplemental support to develop specific literacy skills. Student literacy data is gathered three times a year (fall, winter, spring) using the Individual Growth and Development Indicators (IGDI's); the spring IGDI's are completed in May. Individual sites and their MRC Master Coaches examine spring growth data by classroom and adjust interventions. An annual report is submitted that summarizes student growth on each of the five IGDI measures and reports the percentage of students who begin the year below target and end the year at or above target on each measure. This year's data show that more children than ever before who have participated in MRC program are on target to read at grade level by third grade. This data shows significant gains in all areas.

Performance Measures	Previous	Current	Trend
1. Percent increase in participating Pre-Kindergarten students meeting proficiency targets for alliteration, letter naming, letter sounds, picture naming and rhyming from Fall of 2011 to Fall of 2012	Alliteration = 49% Letter naming = 73% Letter Sound = 56% Picture naming= 67% Rhyming= 56%	Alliteration =59% Letter naming =78% Letter Sound = 68% Picture naming= 72% Rhyming = 64%	Improving
2. Number of Preschools served (including Head Start classrooms, district pre-k programs and community-based pre-schools)	68	148	Improving
3. Number of pre-school students served	4,388	6,443	Improving
4. Percent increase on number of Pre-Kindergarten students demonstrating growth on all five measures (see page 23 of 2010-2011 Evaluation Summary)	N/A	54.86%	N/A

Performance Measures Notes:

1. Previous: 2009-10, Current: 2010-2011
2. Previous: 2009-10, Current: 2010-2011
3. Previous: Fall 2010, Current: Fall 2011
4. Previous: Not tracked, Current: 2010-2011
5. Previous: 2009-10, Current: 2010-2011

Please see 2010-2011 Evaluation Summary for further detail: <http://minnesotareadingcorps.org/about/evaluation-reports>

Budget Activity: Early Childhood Literacy
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$8,250			\$8,250
Current Law Expenditures (FY 2014-15)	\$8,250			\$8,250
Governor's Recommended Expenditures (FY2014-15)	\$8,250			\$8,250
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Early Childhood Literacy**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$8,250			\$8,250
SOURCES OF FUNDS	\$8,250			\$8,250
EXPENDITURES	\$8,250			\$8,250
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$8,250			\$8,250
USES OF FUNDS	\$8,250			\$8,250

Education

Special Student & Teacher Programs - Elementary and Secondary Education Act

<http://education.state.mn.us/MDE/SchSup/ESEA/FedAcc/>

Statewide Outcome(s):

ESEA supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

The Elementary & Secondary Education Act (ESEA) is the principal federal law that provides funds for supplemental services to promote academic growth for all students. The program exists to provide financial incentive to states to focus resources to driving academic achievement of their most economically disadvantaged subgroups of student. Districts are required to use these ESEA funds to provide additional services to students that are at risk of not meeting the state's academic content standards.

Strategies:

The Elementary and Secondary Education Act (ESEA) is the principal federal law affecting education from kindergarten through high school. The purpose of ESEA is to increase accountability for results; emphasize what works based on scientific research; expand parental options; and expand local control and flexibility. The Act consists of various programs designed to ensure the academic success of at risk students. The most notable are:

- Title I which includes supplemental services around evidenced based learning to promote academic growth. This program also includes the requirement used for holding schools and district accountable.
- Title II High Quality Teachers and Principals which promotes professional development for teachers and principals to ensure high quality professionals.
- Title III Language Instruction for Limited English Proficient and Immigrant Students which provides professional development for teachers working with English Language Learners.
- Title IV 21st Century Schools which promote after school programs for at risk students.
- Title V Promoting Informed Parental Choice and Innovative Programs which includes funding for charter schools and other choice programs.

In February 2012, the U.S. Department of Education approved Minnesota's request for ESEA Flexibility, which now allows the state to hold schools accountable through the Multiple Measurement Rating (MMR) and Focus Rating (FR). The state now measures schools on multiple indicators of success and uses those ratings in a system of recognition, accountability and support.

Using the MMR, schools will be measured by proficiency, growth, achievement gap, and graduation rates. Prior to the waiver schools were only measured on proficiency. Based on their scores, schools will be divided into the following categories:

- Reward Schools: Top 15 percent of schools will be publicly recognized for their great work.
- Priority Schools: Bottom five percent of schools will work directly with the state to develop and implement a turnaround plan that will dramatically change the way the school operates.
- Focus Schools: ten percent of schools with the greatest contribution to state achievement gaps. Focus schools will work with their districts with assistance from MDE to develop and implement an improvement plan that will directly address the specific needs of low-performing student subgroups.

Results:

With the successful waiver application, Minnesota was one of the first states to update accountability measures. Regional Centers of Excellence will provide a key role in working with identified schools, identifying best practices, and working with schools and communities to provide an improved education.

Performance Measures	Previous	Current	Trend
Total number of schools with improving MMR rating scores	N/A	474	N/A
Total number of schools with declining MMR rating changes	N/A	1,060	N/A
Total number of schools with improving Focus rating changes	N/A	854	N/A
Total number of schools with declining Focus rating changes	N/A	574	N/A

Performance Measures Notes:

Previous Data: N/A / Current Data: Change between FY2010-2011 to FY2011-2012. To determine overall trend, these data points measure the change in the number of schools with different types of scores between school years. Because MDE only has one set of data points to determine how schools' MMR and Focus ratings are changing (change from 2010-2011 to 2011-2012), we do not have previous data from which we can determine a trend. Going forward, MDE will track this to determine the statewide trend in changing ratings.

Budget Activity: Elem Sec Educ Act Programs
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)			\$419,421	\$419,421
Current Law Expenditures (FY 2014-15)			\$426,762	\$426,762
Governor's Recommended Expenditures (FY2014-15)			\$426,762	\$426,762
\$ Change from FY 2014-15 Current Law to Governor's Rec			\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec			0%	0%

Budget Activity: Elem Sec Educ Act Programs**Sources and Uses**

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$426,762	\$426,762
SOURCES OF FUNDS			\$426,762	\$426,762
EXPENDITURES			\$426,762	\$426,762
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS			\$117	\$117
GRANTS, AIDS AND SUBSIDIES			\$426,645	\$426,645
USES OF FUNDS			\$426,762	\$426,762

Education

Other Federal Programs

<http://education.state.mn.us/MDE/SchSup/SchFin/FedAid/>

Statewide Outcome(s):

Other Federal Programs supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

Four programs make up Other Federal Programs: Byrd Scholarship, Homeless Children, Career and Technical Education (CTE) Grants, and ARRA homeless youth grants. They aim to promote CTE, provide scholarships, and aid homeless youth.

Strategies:

ARRA Homeless Youth - aims to ensure that homeless children are able to enroll in, attend, and succeed in school.

Byrd Scholarship - The purpose of the Byrd Honors Scholarship Program is to provide scholarships for study at institutions of higher education to outstanding high school graduates who show promise of continued excellence, in an effort to recognize and promote student excellence and achievement.

Career and Technical Education Grants - The purpose of this grant program is to develop more fully the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in vocational and technical programs. Under a new state plan for career and technical education, secondary schools and postsecondary institutions must jointly plan for the use of these funds to develop and implement programs of study spanning at least grades 11 through 14.

Homeless Children - This program provides funding to ensure that homeless children and youth have equal access to the same free, appropriate public education as other children and to provide activities for and services to ensure that these children enroll in, attend, and achieve success in school.

Results:

Performance Measures	Previous	Current	Trend
NCLB Graduation Rate of CTE Concentrators*	95.36%	96.50%	Improving

Performance Measures Notes:

* Previous Data: 2008-09 / Current Data: 2010-11. Under the federal Carl D. Perkins Career and Technical Education Act, the State negotiates annual performance with the US Department of Education in eight performance categories. New calculations pertaining to academic performance (reading and mathematics) of career and technical education concentrators (students who concentrate their coursework in career and technical education) began with the 2011-2012 year for which data will be available late in 2012. Evidence continues to show strong correlation between career and technical education concentration (240 hours or more of CTE coursework within one career field) and graduation, using the NCLB graduation calculation for the subset of career and technical education concentrators: 95.36 percent in 2008-2009, 96.40 percent in 2009-2010, 96.50 percent in 2010-2011.

Budget Activity: Other Federal Programs
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)			\$118,763	\$118,763
Current Law Expenditures (FY 2014-15)			\$15,693	\$15,693
Governor's Recommended Expenditures (FY2014-15)			\$15,693	\$15,693
\$ Change from FY 2014-15 Current Law to Governor's Rec			\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec			0%	0%

Budget Activity: Other Federal Programs**Sources and Uses**

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$15,693	\$15,693
SOURCES OF FUNDS			\$15,693	\$15,693
EXPENDITURES			\$15,693	\$15,693
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES			\$15,693	\$15,693
USES OF FUNDS			\$15,693	\$15,693

Education

Special Education Programs - Regular Special Education

<http://education.state.mn.us/MDE/StuSuc/SpecEdProg/index.html>

Statewide Outcome(s):

Special Education - Regular supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

It is critically important to meet requirements to provide a Free, Appropriate Public Education (FAPE) as that is the first, primary purpose of the Individuals with Disabilities Education Act (IDEA)– to ensure that all children with disabilities have available to them a FAPE that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment and independent living. A hard fought history of special education took us from exclusion and segregated services to inclusion and access to general education. Students have a right to an education, with specially designed instruction in conformity with the requirements of an Individualized Education Program (IEP). From the inception of the Education for all Handicapped Act in 1975 to require services for unserved and underserved students and some MN laws prior to that, state child count and costs have grown. We now serve 13 disability areas, with services from birth to 21. A majority of the costs are for staff, services, and support.

Strategies:

This state aid and federal IDEA funded program provides specially designed instruction and related services for children and youth with disabilities ages birth – 21. The program specifically helps students with disabilities achieve results in the general curriculum and make progress toward graduation per individualized goals. Goals of special education are to provide Free Appropriate Public Education (FAPE) in the least restrictive environment and to increase special education student graduation, performance on statewide assessments, and improvement of coordinated services for students receiving support from multiple agencies

Students 3-21 must meet two general criteria to be eligible for special education services:

- 1) be found eligible through a multi-disciplinary assessment as having a disability; and
- 2) be in need of specifically designed instruction and related services.

Special education is specially designed instruction that helps students with disabilities achieve results in the general curriculum and make progress toward graduation per individualized goals. The Division of Special Education Policy and the Division of Compliance and Assistance work with school districts and cooperatives to implement self-assessment and improvement procedures related to program evaluation and to due process compliance.

Special education aid is based on approved expenditures in the current fiscal year. Special education initial aid equals the sum of the following amounts:

- *Salary* - 68% of the salary of each essential staff providing direct instructional and related services to students (both special education and transition disabled programs);
- *Contracted Services* – 52 percent of the amount of a contract for instruction and services that are supplemental to a district's education program for students with disabilities. 52 percent of the difference between the amount of the contract and the general education revenue of the district for that pupil for the fraction of the school day the student receives services that are provided in place of services of the district's program (both special education and transition disabled programs). For transition disabled programs only, 52% of the cost of vocational evaluation;
- *Supplies and Equipment: Special education programs* – 47 percent of the cost of supplies and equipment not to exceed an average of \$47 per student with a disability,
- *Supplies and Equipment: Transition disabled programs* – 47 percent of the cost of supplies not to exceed an average of \$47 per student with disability. 47 percent of the cost of equipment;
- *Travel* - for transition disabled programs only, 47 percent of the costs of necessary travel between instructional sites by transition program teachers.

- *Bus Depreciation* – 100 percent of the cost of regular buses over eight years and Type III buses over five years that are used the majority of time providing special transportation services; and,
- *Transportation* – 100 percent of the cost of special transportation services.

The state total special education aid is capped in law, and the aid for each district is adjusted to limit the total aid to the statewide cap amount. For FY 2012 and later fiscal years, the state total special education aid equals the state total special education aid for the preceding fiscal year times the program growth factor times the greater of one, or the ratio of the state total average daily membership (ADM) for the current fiscal year to the state total ADM for the preceding fiscal year. The program growth factor is 1.046 for FY 2012 and later years.

Results:

Performance Measures	Previous	Current	Trend
1. Child count (birth-21)	124,580	128,430	Increasing
2. Graduation rates of students with disabilities	85.3%	86.6%	Improving
3. Performance on statewide assessments by students with disabilities – Reading (partially or fully met expectations)	68.1%	70.2%	Improving
4. Adjustment factor to limit state total aid to statutory cap	85.3%	90.1%	Improving
5. State average special education cross subsidy per student in ADM	\$670	\$631	Improving
6. Gap between 95 th and 5 th percentiles of special education cross subsidy per student in ADM	\$674	\$758	Worsening

Performance Measures Notes:

1. Previous Data: FY2010 / Current Data: FY2011.
2. Previous Data: 2008-2009 school year / Current Data: 2009-2010 school year. Later data is not yet available.
3. Previous Data: 2010-2011 school year / Current Data: 2011-2012 school year.
4. Previous Data: FY 2009 / Current Data: FY 2013 (estimate).
5. Previous Data: FY 2009 / Current Data: FY 2013 (estimate). The cross subsidy is the amount of special education cost not funded by state or federal special education aid or the portion of general education revenue attributable to special education students served primarily outside of the regular classroom. School districts use unreserved general fund resources to cover these unfunded special education costs.
6. Previous Data: FY 2009 / Current Data: FY 2013 (estimate). There is significant variation among school districts in the amount of unreserved general fund revenue per student needed to cover unfunded special education costs. All else equal, districts having relatively large special education cross subsidies per student are at a competitive disadvantage compared with other districts in providing regular education programs.

Budget Activity: Special Education
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$938,684	\$986,712	\$1,925,396	\$1,036,920	\$1,089,110	\$2,126,030
Governor's Recommendation	\$938,684	\$986,712	\$1,925,396	\$1,036,920	\$1,240,383	\$2,277,303
Dollar Change from Base	\$0	\$0	\$0	\$0	\$151,273	\$151,273
Percent Change from Base	0%	0%	0%	0%	14%	7%
Base Appropriation	\$874,033	\$1,143,094	\$2,017,127	\$1,027,439	\$1,079,278	\$2,106,717
Governor's Recommendation	\$874,033	\$1,143,094	\$2,017,127	\$1,027,439	\$1,204,079	\$2,231,518
Dollar Change from Base	\$0	\$0	\$0	\$0	\$124,801	\$124,801
Percent Change from Base	0%	0%	0%	0%	12%	6%
Base Levy			\$0			
Governor's Recommendation			\$0	\$0		\$0
Dollar Change from Base				\$0		\$0
Percent Change from Base			0%			
Federal Funds	\$170,514	\$182,636	\$353,150	\$173,000	\$173,000	\$346,000
Governor's Recommendation	\$170,514	\$182,636	\$353,150	\$173,000	\$173,000	\$346,000
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: Special Education
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$938,684	\$986,712	\$1,925,396	\$1,036,920	\$1,240,383	\$2,277,303
Levies				\$0		\$0
District Revenue	\$938,684	\$986,712	\$1,925,396	\$1,036,920	\$1,240,383	\$2,277,303
Appropriation						
Current Year	\$584,609	\$789,019	\$1,373,628	\$829,746	\$996,905	\$1,826,651
Prior Year	\$289,424	\$354,075	\$643,499	\$197,693	\$207,174	\$404,867
State Aid	\$874,033	\$1,143,094	\$2,017,127	\$1,027,439	\$1,204,079	\$2,231,518
Federal Funds	\$170,514	\$182,636	\$353,150	\$173,000	\$173,000	\$346,000
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$1,044,999	\$1,325,730	\$2,370,729	\$1,200,439	\$1,377,079	\$2,577,518
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES	\$490	\$0	\$490			
OTHER FINANCIAL TRANSACTIONS	\$0		\$0			
GRANTS, AIDS AND SUBSIDIES	\$1,044,057	\$1,325,730	\$2,369,787	\$1,200,439	\$1,377,079	\$2,577,518
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$1,044,547	\$1,325,730	\$2,370,277	\$1,200,439	\$1,377,079	\$2,577,518

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Special Education Programs - Children with Disabilities

<http://education.state.mn.us/MDE/JustParent/SpecEdStu/>

Statewide Outcome(s):

Children with Disabilities supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This state aid program ensures that individuals who are placed in a residential facility and for whom no district of residence can be determined receive a free and appropriate education, as required by state and federal law. Students may not have a district of residence for several reasons: they may be placed under care in a state institution, a licensed residential facility, or a foster facility and no district of residence can be determined.

Strategies:

The physical school district in which a residential facility resides is responsible for providing a free, appropriate public education (FAPE) to special education students residing in that facility. Typically, a district will be reimbursed by the student's resident district for costs of providing special education services. If the student has no resident district, there is no way for districts to get reimbursed for the cost of services. Without this source of state funding to districts, students at residential facilities would be at risk of receiving inadequate special education services and districts in which residential facilities physically reside would be forced to assume a large budget burden.

Under this program, districts may be reimbursed for costs associated with serving those students for whom no district of residence can be determined. Pupils are eligible if no districts of residence can be determined because;

- parental rights have been terminated by court order,
- the parent or guardian is not living within the state,
- no other district of residence can be established; or,
- the parent or guardian having legal custody is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of corrections.

Results:

MDE uses a general set of performance measures to determine the impact of the state's special education program as a whole. As a result, the measures here reflect the impact of MDE's entire special education program, including, but not limited to, the Children with Disabilities program.

Performance Measures	Previous	Current	Trend
Child count (birth-21)	124,580	128,430	Worsening
Graduation rates of students with disabilities	85.3%	86.6%	Improving
Performance on statewide assessments by students with disabilities – Reading (partially or fully met expectations)	68.1%	70.2%	Improving

Performance Measures Notes:

*Previous – 2010, Current - 2011

** Previous – 2008-09 school year, Current – 2009-2010 school year. Later data is not yet available.

***Assessment Performance: Previous – 2010-2011 school year, Current – 2011-2012 school year.

Budget Activity: Special Ed Child W Disability
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$3,057		\$2,736	\$5,793
Current Law Expenditures (FY 2014-15)	\$3,407		\$2,399	\$5,806
Governor's Recommended Expenditures (FY2014-15)	\$3,407		\$2,399	\$5,806
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0		\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%		0%	0%

Budget Activity: Special Ed Child W Disability**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$2,400	\$2,400
APPROPRIATION	\$3,407		\$0	\$3,407
SOURCES OF FUNDS	\$3,407		\$2,400	\$5,807
EXPENDITURES	\$3,407		\$2,399	\$5,806
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$3,407		\$2,399	\$5,806
USES OF FUNDS	\$3,407		\$2,399	\$5,806

Education

Travel for Home-Based Services

<http://education.state.mn.us/MDE/SchSup/SchFin/Trans/>

Statewide Outcome(s):

Home-Based Services supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This state aid activity provides funding to assist school districts with travel costs for early childhood special education (ECSE) staff in delivering services to children and their families in home and community early childhood education program settings. This program exists to assure that all individuals from birth to five years of age with disabilities, and their families, have access to ECSE intervention services. For very young children, services may consist of parent consultation and training, as well as direct services to the child. By providing these services in the home, parents are more likely to participate due to the lack of disruption for the family. By providing ECSE interventions services, services can help ensure a child is ready for kindergarten and in some cases intervention can avert special education classification at the elementary level.

Strategies:

This state aid program provides reimbursement to districts for the cost of travel so that early childhood special education staff can provide services in the home or community-based programs for children under five. Under current law, the state must pay each district one-half of the sum actually expended by a district based on mileage for necessary travel of essential personnel providing home-based or community-based services to children with a disability under age five and their families

This program provides for special education and related services by assisting the districts with the costs of providing services in the student's home.

Results:

The number of children, from birth to five years of age, identified as having disabilities and receiving special education services increased from 9,438 in FY 2000 to 12,866 in FY 2009 to 20,438 in FY 2011. The majority of these services are provided in the child's home or in a center-based site in the community.

Performance Measures	Previous	Current	Trend
1. Percent of infants and toddlers with IFSPs who primarily receive early intervention services in the home or community-based settings.	95.3%	95.9%	Stable
2. Percent of children ages 3 – 5 with disabilities who participate in regular early childhood programs and receive the majority of their special education services in that setting.	48.3%	51.54%	Improving

Performance Measures Notes:

1. Previous Data: 12/1/2010 / Current Data: 12/1/ 2011.
2. Previous Data: 12/1/2010 / Current Data: 12/1/ 2011.

Budget Activity: Special Ed - Home Based Svs
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$321	\$321	\$642	\$327	\$335	\$662
Governor's Recommendation	\$321	\$321	\$642	\$327	\$335	\$662
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$314	\$379	\$693	\$326	\$334	\$660
Governor's Recommendation	\$314	\$379	\$693	\$326	\$334	\$660
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Special Ed - Home Based Svcs
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$321	\$321	\$642	\$327	\$335	\$662
Levies						
District Revenue	\$321	\$321	\$642	\$327	\$335	\$662
Appropriation						
Current Year	\$207	\$265	\$472	\$270	\$277	\$547
Prior Year	\$107	\$114	\$221	\$56	\$57	\$113
State Aid	\$314	\$379	\$693	\$326	\$334	\$660
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$314	\$379	\$693	\$326	\$334	\$660
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$314	\$379	\$693	\$326	\$334	\$660
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$314	\$379	\$693	\$326	\$334	\$660

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Special Education - Court Placed Special Education Revenue

<http://education.state.mn.us/MDE/SchSup/SchFin/SpecEd/StateFund/>

Statewide Outcome(s):

Court Placed Special Education supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

This state aid program provides funding for school districts to pay the costs of providing special education programs to non-Minnesota students with disabilities when the providing school district is unable to collect tuition from the responsible state or agency.

Strategies:

By reimbursing the districts it mitigates school district costs related to providing services to non-Minnesota students with disabilities. To be eligible, the serving district must document that they have admittance procedures designed to identify the agency responsible for the education costs and must show a good faith effort to get commitment for payment of tuition from the agency prior to admitting the student into the program.

Results:

Performance Measures	Previous	Current	Trend
Non-resident average daily membership placed in MN by the courts for services not paid by the resident non-MN district or resident state	3.85	2.9	Improving

Performance Measures Notes:

Previous Performance Measure: FY 2009 / Current Performance Measure: FY 2011

Budget Activity: Special Ed Court Placed
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$86			\$86
Current Law Expenditures (FY 2014-15)	\$109			\$109
Governor's Recommended Expenditures (FY2014-15)	\$109			\$109
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Special Ed Court Placed

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$109			\$109
SOURCES OF FUNDS	\$109			\$109
EXPENDITURES	\$109			\$109
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$109			\$109
USES OF FUNDS	\$109			\$109

Education

Special Education Programs - Out of State Tuition

<http://education.state.mn.us/MDE/SchSup/SchFin/SpecEd/StateFund/>

Statewide Outcome(s):

Special Education Programs – Out of State Tuition supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

Some states do not have reciprocity agreements with the State of Minnesota to reimburse the cost of education for students with disabilities that are placed in care and treatment facilities in that state. By ensuring adequate funding for special education services provided to students in an out of state care and treatment facility, this program helps to ensure that students with disabilities receive the most appropriate education to enable them to succeed to their highest potential.

Strategies:

This state aid program provides education funding for Minnesota resident students placed in care and treatment facilities by court action in a state that does not have a reciprocity agreement with the state of Minnesota. Minnesota school districts are assured that costs of education will be reimbursed when students with disabilities are placed in care and treatment facilities in states without reciprocity.

When a Minnesota student is placed in an out of state care and treatment facility, those out of state care and treatment facilities submit tuition bills to the Minnesota resident district based on the costs of providing education. The resident district submits the tuition bills to MDE and the department calculates aid revenue for reimbursement to the district.

Results:

Performance Measures	Previous	Current	Trend
Average daily membership placed out-of-state for care and treatment	61.3	41.11	Improving

Performance Measures Notes:

Previous – FY 2009 / Current – FY 2011

Budget Activity: Special Ed Out State Tuition
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$589			\$589
Current Law Expenditures (FY 2014-15)	\$500			\$500
Governor's Recommended Expenditures (FY2014-15)	\$500			\$500
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Special Ed Out State Tuition**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$500			\$500
SOURCES OF FUNDS	\$500			\$500
EXPENDITURES	\$500			\$500
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$500			\$500
USES OF FUNDS	\$500			\$500

Education

Other Federal Special Education Programs

<http://education.state.mn.us/MDE/SchSup/SchFin/SpecEd/>

Statewide Outcome(s):

Federal Special Education Programs supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

Special Education – Deaf/Blind

Deafblindness is the special education categorical area with the fewest number of students. The December 2011 unduplicated child count includes 67 children. There is no teacher licensure for this area, and teachers serving these children require additional resources, skills and knowledge to support these children in receiving a free, appropriate public education. Because there is not a significant depth of knowledge among educators, it is critical to provide technical assistance, consulting services, targeted professional development for specialized services and supports to families of students with this unique disability.

The Deaf-Blind Technical Assistance grant provides support to initiate and improve statewide educational services for children who are deaf-blind from birth through age 21. The focus of the grant is to provide a range of technical assistance and support to Minnesota schools and families of children who are deaf-blind. Technical assistance and professional development activities are focused on building the capacity of teachers, service providers, and families to provide effective services and improve outcomes for students who are deaf-blind.

Strategies:

Special Education – Deaf/Blind P.L. 108-446 IDEA

The Deaf-Blind Technical Assistance grant provides support to initiate and improve statewide educational services for children who are deaf-blind from birth through age 21. The focus of the grant is to provide a range of technical assistance and support to Minnesota schools and families of children who are deaf-blind. Technical assistance and professional development activities are focused on building the capacity of teachers, service providers, and families to provide effective services and improve outcomes for students who are deaf-blind using the following strategies:

- **Providing technical assistance** to school teams, including parents and administrators.
- **Supporting parents** by providing training and information that enhances the role of parents as informed partners and active participants in the education of their children.

It enhances state and local capacity and facilitates the achievement of systemic change to improve services and results for children who are Deaf-Blind. Key partners include multiple national technical assistance centers, Regional Low Incidence Facilitators, advocacy groups, and schools and families.

Results:

This program contributes to federal indicators of improving graduation rates, decreasing dropout rates, increased participation in the Minnesota Comprehensive Assessments, and increased proficiency rates on the MCAs.

Performance Measures	Previous	Current	Trend
Student/families impacted by targeted technical assistance*	51	62	Increasing
Referral and identification of deaf/blind students**	18	22	Increasing
Participation in statewide assessment (MCA and MTAS)	26	33	Improving
Number partially meeting proficiency in Math MCA and MTAS	5	7	Improving

Performance Measures	Previous	Current	Trend
Number partially meeting proficiency in Reading MCA and MTAS	3	10	Improving
Number meeting or exceeding proficiency in Math MCA and MTAS	8	8	Stable
Number meeting or exceeding proficiency in Reading MCA and MTAS	14	15	Improving
Percent of deafblind students dropping out*	4.2%	8%	Decreasing
Percent of DB students graduating**	100%	75%	Decreasing

Performance Measures Notes:

Previous: 2009-2010 school year, Current: 2010-2011 school year

* This represents an increase from one student to two students dropping out. The nature of the low incidence creates challenges in data.

** This represents two of two potential graduates in 2009-2010 and three of four potential graduates in 2010-2011. The nature of low incidence disability creates challenges in data.

Budget Activity: Other Federal Sp Ed Programs
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)			\$402	\$402
Current Law Expenditures (FY 2014-15)			\$453	\$453
Governor's Recommended Expenditures (FY2014-15)			\$453	\$453
\$ Change from FY 2014-15 Current Law to Governor's Rec			\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec			0%	0%

Budget Activity: Other Federal Sp Ed Programs

Sources and Uses

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$453	\$453
SOURCES OF FUNDS			\$453	\$453
EXPENDITURES			\$453	\$453
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES			\$453	\$453
USES OF FUNDS			\$453	\$453

Education

Facilities & Technology - Health and Safety Revenue

<http://education.state.mn.us/MDE/SchSup/DataSubLogin/HealthSafety/>

Statewide Outcome(s):

Health and Safety Revenue supports the following statewide outcome(s).

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

People in Minnesota are safe.

Context:

Students need a safe place to learn and staff needs a safe place to work. Health and Safety Revenue is a dedicated source of revenue used to address a school district's compliance with state and federal regulations identified in Minnesota Statute (M.S.) 123B.57 that impact the safety and/or health of school district students and staff.

Strategies:

School districts and intermediate districts (through the member district) are eligible to access this levy and aid for use in buildings that are owned or being acquired by the district. School districts and intermediate districts propose projects which are reviewed by the Minnesota Department of Education (MDE) to determine qualification based on statute. School district levy and aid are calculated based on the equalized formula M.S. 123B.57. Due to a low equalization factor implemented in FY 2003, only districts with very low property wealth receive state aid. Projects that qualify include:

- asbestos management
- hazardous substance abatement,
- fire and life safety,
- environmental health and safety management,
- physical hazard control, and
- indoor air quality

In 2003 the program was modified to transfer funding for large projects (over \$500,000) from the health and safety program to the alternative facilities program under M.S. 123B.59. These projects are still approved within health and safety; however districts are able to issue bonds or levy to fund the large projects over an extended period of time. This has resulted in a decrease in expenditures made under the health and safety program. The state aid portion of the program is 0.15 percent of total health and safety revenue.

MDE partners with the State Fire Marshal's Office which inspects school district buildings once every three years to identify fire code violations that districts may secure Health and Safety revenue to correct.

FY 2011 Health & Safety Expenditures Categories:

- Asbestos 17.4 percent,
- Fire and Life Safety 22.7 percent,
- Environmental Health and Safety Management 25.6 percent,
- Hazardous Substances 7.7 percent,
- Physical Hazards 20.3 percent,
- Indoor Air Quality 6.3 percent.

Results:

MDE does not collect data regarding facility conditions or unmet maintenance needs. School districts that do not qualify for aid but have low property wealth may need to perform maintenance in stages and levy for necessary projects over a period of two or more years or delay projects.

Performance Measures	Previous	Current	Trend
Districts receiving revenue for approved projects	323	326	Stable
Districts receiving state aid	9	6	Stable
State aid as a percentage of revenue	.19%	.17%	Stable

Performance Measures Notes:

Previous data is from FY 2009 and current data is from FY 2011.

Budget Activity: Health & Safety Revenue
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$81	\$194	\$275	\$505	\$423	\$928
Governor's Recommendation	\$81	\$194	\$275	\$505	\$423	\$928
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$92	\$189	\$281	\$450	\$437	\$887
Governor's Recommendation	\$92	\$189	\$281	\$450	\$437	\$887
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy	\$45,671	\$51,510	\$97,181	\$53,000	\$54,000	\$107,000
Governor's Recommendation	\$45,671	\$51,510	\$97,181	\$53,000	\$54,000	\$107,000
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: Health & Safety Revenue
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$81	\$194	\$275	\$505	\$423	\$928
Levies	\$45,671	\$51,510	\$97,181	\$53,000	\$54,000	\$107,000
District Revenue	\$45,752	\$51,704	\$97,456	\$53,505	\$54,423	\$107,928
Appropriation						
Current Year	\$53	\$161	\$214	\$417	\$349	\$766
Prior Year	\$39	\$28	\$67	\$33	\$88	\$121
State Aid	\$92	\$189	\$281	\$450	\$437	\$887
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$92	\$189	\$281	\$450	\$437	\$887
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$92	\$189	\$281	\$450	\$437	\$887
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$92	\$189	\$281	\$450	\$437	\$887

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education Facilities & Technology - Debt Service Equalization Revenue

[Minnesota Statute \(M.S.\) 123B.53](#)

Statewide Outcome(s):

Debt Service Equalization Revenue supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

Debt equalization revenue was implemented to help ensure that all school districts, regardless of property wealth, can provide adequate education facilities for their students by helping to offset property owner's relatively high tax burden in areas with low to moderate tax bases. Without the state aid contribution to assist in paying off the debt associated with bond issuance, school districts with low to moderate tax base per pupil may be unable to provide adequate facilities, or will require a substantially higher property owner tax burden than districts with higher tax bases.

Strategies:

Property tax levies and state aid are calculated to fund school district debt service payments. State aid for eligible debt service obligations is calculated based on the two-tier formula in Minn. Stat. § 123B.53. To assure that funds will be available to make payments in spite of delinquencies and abatements, districts levy 105% of the levy portion required to fund debt service payments.

School districts must receive approval from a majority of those voting in a school bond referendum before issuing bonds to construct, acquire, or improve school facilities. Since initial implementation, the state aid portion of the revenue has declined, due to property valuation increases and a static equalization factor.

Legislative overhaul of the debt service equalization formula was accomplished in 2001. A new two-tiered equalization formula was created to target districts with low to moderate tax bases and/or districts with a relatively high debt burden. In FY 2011 falling adjusted net tax capacities (ANTCs) prompted an increase in debt service aid. Though debt service aid increased from FY 2010 to FY 2011, in percentage terms, the state's share of eligible debt service revenue has decreased from 6.1 percent in FY 2003 to a fraction of one percent in FY 2011.

Results:

The Minnesota Department of Education does not collect data regarding unmet facility needs.

Performance Measures	Previous	Current	Trend
Percent of districts ineligible for Tier 1 debt service equalization aid because the tax base per student exceeds statutory Tier 1 equalizing factor.	64%	95%	Worsening
Districts receiving debt service equalization state aid.	104	50	Worsening

Performance Measures Notes:

Previous data is from FY 2005 and current data is from FY 2013.

Budget Activity: Debt Service Equalization
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$13,755	\$17,626	\$31,381	\$19,945	\$25,651	\$45,596
Governor's Recommendation	\$13,755	\$17,626	\$31,381	\$19,945	\$25,670	\$45,615
Dollar Change from Base	\$0	\$0	\$0	\$0	\$19	\$19
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$11,449	\$19,452	\$30,901	\$19,539	\$24,653	\$44,192
Governor's Recommendation	\$11,449	\$19,452	\$30,901	\$19,539	\$24,669	\$44,208
Dollar Change from Base	\$0	\$0	\$0	\$0	\$16	\$16
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy	\$771,387	\$781,896	\$1,553,283	\$771,133	\$757,235	\$1,528,368
Governor's Recommendation	\$771,387	\$781,896	\$1,553,283	\$771,133	\$757,216	\$1,528,349
Dollar Change from Base	\$0	\$0	\$0	\$0	(19)	(19)
Percent Change from Base	0%	0%	0%	0%	0%	0%
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Debt Service Equalization
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$13,755	\$17,626	\$31,381	\$19,945	\$25,670	\$45,615
Levies	\$771,387	\$781,896	\$1,553,283	\$771,133	\$757,216	\$1,528,349
District Revenue	\$785,142	\$799,522	\$1,584,664	\$791,078	\$782,886	\$1,573,964
Appropriation						
Current Year	\$8,845	\$14,542	\$23,387	\$16,455	\$21,179	\$37,634
Prior Year	\$2,604	\$4,910	\$7,514	\$3,084	\$3,490	\$6,574
State Aid	\$11,449	\$19,452	\$30,901	\$19,539	\$24,669	\$44,208
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$11,449	\$19,452	\$30,901	\$19,539	\$24,669	\$44,208
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$11,449	\$19,452	\$30,901	\$19,539	\$24,669	\$44,208
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$11,449	\$19,452	\$30,901	\$19,539	\$24,669	\$44,208

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Facilities and Technology - Alternative Facilities Revenue

[Minnesota Statute: 123B.59](#)

Statewide Outcome(s):

Alternative Facilities Revenue supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

School districts, students, and taxpayers are better served through healthy, well-maintained facilities, and through extension of facility life. This program allows large school districts to complete deferred maintenance, health and safety, and disabled accessibility projects that cannot be completed with other available funds and small school districts to address large scale health and safety projects.

Strategies:

Alternative facilities revenue allows large districts to complete projects that will maintain and extend the life of facilities. The following districts are currently eligible and participating in the 1A (large district) program. 1A districts must meet one of the following criteria to be eligible:

- have at least 1.85 million square feet of space and an average building age of at least 15 years; or
- have at least 1.5 million square feet of building space and average building age of at least 35 years.

Anoka-Hennepin	Duluth	Mounds View	Roseville	Bloomington
Elk River	North St. Paul	South Washington	Burnsville	Hopkins
Osseo	St. Cloud	Chaska	Lakeville	Robbinsdale
St. Paul	Eden Prairie	Minneapolis	Rochester	Stillwater
White Bear Lake	Mnetonka	Rosemount	Edina	

To receive alternative bonding revenue, 1A districts must submit a ten-year facility plan to the Minnesota Department of Education (MDE) for approval. The plan must describe eligible projects and the district's timetable for undertaking them. Eligible projects are for deferred maintenance, health and safety, and disabled accessibility. Once MDE approval is obtained, the district must decide if it will:

- issue bonds to finance improvements and retire them over time with a debt service levy;
- make an annual general fund (pay-as-you go) levy to fund projects on an annual basis; or
- some combination of these two options.

Alternative facilities revenue provides limited access to all other school districts only for an approved health and safety project of \$500,000 or more per building. This limited expansion of the program, effective for FY 2005 and later, allows all other school districts (1B districts) to spread the cost of approved large health and safety projects over a span of years so as not to unduly increase property tax burdens.

Voter approval is not required to access this revenue. This program is funded by a combination of state aid and local property tax levies. School district debt service levies under this program qualify for Tier 1 debt service equalization. Annual school district general fund (pay-as-you-go) levies under this program qualify for health and safety aid.

Seven of the 25 large 1A districts also qualify for alternative facilities aid. Aid is based on the lesser of the current annual debt service cost for alternative facility or the certified debt service levy for the program for taxes payable in 1997 if a district issued bonds. For districts certifying an annual levy, the amount is limited to the lesser of the district's annual levy or one-sixth of the levy certified for taxes payable in 1998.

Results:

MDE does not collect data on the condition of school district facilities. The intention of facility funding is to provide a revenue stream for facility maintenance. MDE can only report on how much state aid and district property tax is being utilized by districts.

Performance Measures	Previous	Current	Trend
Debt Revenue, Large (1A) districts*	\$47.8 mil	\$96.1 mil	Increasing
General Fund Levy, Large (1A) districts*	\$36.0 mil	\$60.6 mil	Increasing
Debt Revenue, All Other Districts (1B)*	\$4.4 mil	\$24.5 mil	Increasing
General Fund Levy, All Other Districts (1B)*	\$0.0 mil	\$1.7 mil	Increasing
Average Health and Safety and Alternative Facility Revenue per adjusted pupil unit in the 25 eligible districts.**	\$428	\$426	Stable
Average Health and Safety and Alternative Facility Revenue per adjusted pupil unit in ineligible districts.**	\$199	\$226	Increasing
Percent of revenue accessed by ineligible district compared to 25 eligible districts.**	46.40%	53.10%	Increasing

Performance Measures Notes:

*The previous data is from FY 2005 and current data is from FY 2011.

** The previous data is from FY 2010 and current data is from FY 2013.

Budget Activity: Alternative Facilities
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$19,287	\$19,287	\$38,574	\$19,287	\$19,287	\$38,574
Governor's Recommendation	\$19,287	\$19,287	\$38,574	\$19,287	\$19,287	\$38,574
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$18,187	\$22,797	\$40,984	\$19,287	\$19,287	\$38,574
Governor's Recommendation	\$18,187	\$22,797	\$40,984	\$19,287	\$19,287	\$38,574
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Alternative Facilities
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$19,287	\$19,287	\$38,574	\$19,287	\$19,287	\$38,574
Levies						
District Revenue	\$19,287	\$19,287	\$38,574	\$19,287	\$19,287	\$38,574
Appropriation						
Current Year	\$12,402	\$15,912	\$28,314	\$15,912	\$15,912	\$31,824
Prior Year	\$5,786	\$6,885	\$12,671	\$3,375	\$3,375	\$6,750
State Aid	\$18,188	\$22,797	\$40,985	\$19,287	\$19,287	\$38,574
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$18,188	\$22,797	\$40,985	\$19,287	\$19,287	\$38,574
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$18,187	\$22,797	\$40,984	\$19,287	\$19,287	\$38,574
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$18,187	\$22,797	\$40,984	\$19,287	\$19,287	\$38,574

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Facilities and Technology - Deferred Maintenance

<http://education.state.mn.us/MDE/SchSup/SchFin/>

Statewide Outcome(s):

Deferred Maintenance Revenue supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

School districts, students, and taxpayers are better served through healthy, well-maintained facilities, and through extension of facility life. Having a dedicated revenue source for deferred maintenance allows districts to schedule required capital projects essential to extending facility life. The deferred maintenance program was initiated by the 2005 legislature and was intended to decrease the level of disparity on a per pupil basis for facility maintenance and upkeep between districts that are eligible for alternative facility revenue and other school districts in the state.

Strategies:

Deferred maintenance revenue is an equalized aid and levy program providing dedicated funding for deferred facility maintenance revenue to school districts ineligible to participate in the alternative facilities bonding and levy program under Minnesota Statute (M.S.) 123B.59, subd. 1(a). This program, lessens, but does not close the disparity of funding on a per pupil basis for facility maintenance and upkeep between the 25 districts that are eligible for alternative facility revenue M.S. 123B.59 subd. 1(a), and other school districts in the state.

This is an equalized aid and levy program that began in FY 2008. Districts must levy their local share to participate in this program and receive aid, if eligible.

- Deferred maintenance revenue for eligible districts equals the product of \$60 times the adjusted marginal cost pupil units for the school year times the lesser of one or the ratio of the district's average age of buildings space to 35 years.
- Districts may levy an amount not more than the product of the deferred maintenance revenue for the fiscal year times the lesser of one or the ratio of the adjusted net tax capacity per adjusted marginal cost pupil unit to \$5,900.
- Deferred maintenance aid equals the deferred maintenance revenue minus the deferred maintenance levy times the ratio of the actual amount levied to the permitted levy.

Results:

MDE does not collect data on the condition of school district facilities. The intention of facility funding is to provide a revenue stream for facility maintenance. MDE can only report on how much state aid and district property tax is being utilized by districts.

Performance Measures	Previous	Current	Trend
Average Health and Safety and Alternative Facility Revenue per adjusted pupil unit in the 25 districts eligible for Alternative Facilities Revenue for deferred maintenance projects	\$428	\$426	Stable
Average Health and Safety, Deferred Maintenance and Alternative Facility Revenue per adjusted pupil unit in districts not eligible for Alternative Facilities Revenue for deferred maintenance projects	\$199	\$226	Increasing
Percent of revenue accessed by districts not eligible for Alternative Facilities Revenue compared to 25 eligible districts	46.4%	53.1%	Increasing

Performance Measures Notes:

Previous data is from FY 2010 and current data is from FY 2013.

The 25 large districts eligible for deferred maintenance funding under the alternative facilities program are not subject to a cap on non-voter approved deferred maintenance revenue, while all other districts are limited to the amount allowable under the deferred maintenance revenue formula (up to \$60 per pupil unit, depending on average building age). Assuming that deferred maintenance needs are similar for the two groups of districts, the gap in funding between the 25 large districts and all other districts is an indicator of the unmet need for deferred maintenance funding in the smaller districts.

Budget Activity: Deferred Maintenance
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$2,549	\$3,555	\$6,104	\$3,706	\$3,829	\$7,535
Governor's Recommendation	\$2,549	\$3,555	\$6,104	\$3,706	\$3,922	\$7,628
Dollar Change from Base	\$0	\$0	\$0	\$0	\$93	\$93
Percent Change from Base	0%	0%	0%	0%	2%	1%
Base Appropriation	\$2,287	\$3,842	\$6,129	\$3,680	\$3,807	\$7,487
Governor's Recommendation	\$2,287	\$3,842	\$6,129	\$3,680	\$3,884	\$7,564
Dollar Change from Base	\$0	\$0	\$0	\$0	\$77	\$77
Percent Change from Base	0%	0%	0%	0%	2%	1%
Base Levy	\$23,570	\$23,051	\$46,621	\$22,698	\$22,901	\$45,599
Governor's Recommendation	\$23,570	\$23,051	\$46,621	\$22,698	\$22,990	\$45,688
Dollar Change from Base	\$0	\$0	\$0	\$0	\$89	\$89
Percent Change from Base	0%	0%	0%	0%	0%	0%
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: Deferred Maintenance
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$2,549	\$3,555	\$6,104	\$3,706	\$3,922	\$7,628
Levies	\$23,570	\$23,051	\$46,621	\$22,698	\$22,990	\$45,688
District Revenue	\$26,119	\$26,606	\$52,725	\$26,404	\$26,912	\$53,316
Appropriation						
Current Year	\$1,640	\$2,933	\$4,573	\$3,058	\$3,236	\$6,294
Prior Year	\$647	\$909	\$1,556	\$622	\$648	\$1,270
State Aid	\$2,287	\$3,842	\$6,129	\$3,680	\$3,884	\$7,564
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$2,316	\$3,842	\$6,158	\$3,680	\$3,884	\$7,564
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$2,287	\$3,842	\$6,129	\$3,680	\$3,884	\$7,564
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$2,287	\$3,842	\$6,129	\$3,680	\$3,884	\$7,564

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education Facilities & Technology - Equity in Telecommunications Access

<http://education.state.mn.us/MDE/SchSup/SchTech/>

Statewide Outcome(s):

Equity in Telecommunications Access Aid supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

Students across Minnesota should have equal access to technology. Students that have limited access to technology may experience what is known as the digital divide. The goal of the Equity in Telecommunications Access program is to expand telecommunication and internet access to all public and nonpublic schools in Minnesota.

Strategies:

This program provides funding on a reimbursement basis for qualifying telecommunication and internet access with the goal of providing each eligible school and school district with T1 transmission. Nonpublic schools, excluding home schools, may access revenue by annually submitting a request to the school district in which they are located.

Costs eligible for reimbursement under this program are limited to the following:

- ongoing or recurring telecommunications/internet access costs associated with internet access, data lines, and video links providing: a) the equivalent of one data line, video link, or integrated data/video link for each elementary school, middle school, or high school under section 120A.05, subdivisions 9, 11, and 13; or b) the equivalent of one data line or video circuit, or integrated data/video link for each district and ongoing internet access service fees;
- recurring costs of contractual or vendor-provided maintenance on the school district's wide area network;
- recurring costs of cooperative, shared arrangements for regional delivery of telecommunications/internet access between school districts, postsecondary institutions, and public libraries; and
- service provider installation fees for installation of new telecommunications lines or increased bandwidth.

Funding is based on the formula in Minnesota Statute (M.S.) 125B.26. Districts must apply for the federally funded e-rate program. Costs eligible for reimbursement are adjusted for e-rate revenue received.

Results:

The Minnesota Department of Education (MDE) does not collect information regarding connectivity of individual schools.

Performance Measures	Previous	Current	Trend
Number of public schools receiving aid	298	300	Stable
Number of public schools not receiving aid	195	186	Stable

Performance Measures Notes:

Previous data is from FY 2009 and current data is from FY 2012.

Schools and school districts that are not a member of a telecommunication cluster having eligible costs not exceeding the \$15 per AMCPU threshold outlined in statute do not qualify for aid.

Budget Activity: Telecommunications Access
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$7,500			\$7,500
Current Law Expenditures (FY 2014-15)	\$7,500			\$7,500
Governor's Recommended Expenditures (FY2014-15)	\$7,500			\$7,500
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Telecommunications Access**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$7,500			\$7,500
SOURCES OF FUNDS	\$7,500			\$7,500
EXPENDITURES	\$7,500			\$7,500
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$7,500			\$7,500
USES OF FUNDS	\$7,500			\$7,500

Education

Nutrition Programs - School Lunch

<http://education.state.mn.us/MDE/SchSup/FNS/SNP/>

Statewide Outcome(s):

School Lunch supports the following statewide outcome(s).

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Context:

Providing nutritious lunches during the school day helps meet children's nutritional needs and fosters lifelong healthy eating habits. Research has shown that students who are fed nutrient appropriate meals perform better in the classroom, have better test results and better school attendance.

The federal government provides funding for NSLP. The afterschool snack component of the NSLP provides reimbursement for snacks served to children in afterschool educational and enrichment programs. The state of Minnesota provides an additional 12 cents per lunch to schools to keep lunch prices affordable (124D.111). This activity is funded through general fund appropriations.

Strategies:

The National School Lunch Program (NSLP) provides nutritionally balanced, low-cost or free lunches to children in public and nonpublic schools and residential child care settings.

School lunches must meet federal nutrition requirements, but decisions about what specific foods to serve and how they are prepared are made by local schools.

Any child at a participating school may purchase a meal through the National School Lunch Program.

- Children from families with incomes at or below 130 percent of the poverty level are eligible for free meals.
- Children from families with incomes between 130 percent and 185 percent of the poverty level are eligible for reduced price meals, for which students can be charged no more than 40 cents.
- Children from families with incomes over 185 percent of poverty pay a full price, though their meals are still subsidized to some extent, ranging from 27 cents to 35 cents per lunch. Schools set their own prices for full price (paid) meals, but must operate their meal services as non-profit programs.

Afterschool snacks are provided to children on the same income eligibility basis as school meals. However, programs that operate in areas where at least 50 percent of students are eligible for free or reduced price meals may serve all their snacks for free.

Federal cash reimbursement rates for school year 2012-2013 are as follows:

- Free lunch ranges from \$2.86 to \$2.94 per lunch;
- Reduced price lunch ranges from \$2.46 to \$2.54 per lunch;
- Free snack is 78 cents per snack; and
- Reduced price snack is 39 cents per snack.

Results:

MDE conducts administrative reviews of school lunch and afterschool snack programs and provides technical assistance and resource materials to schools and residential child care settings (group homes, juvenile correctional facilities). Currently schools are reviewed once every five years for compliance with USDA standards and regulations. Beginning school year 2014-2015, schools will be reviewed once every three years.

Performance Measures	Previous	Current	Trend
Percent of lunches sold that are free or reduced price	42%	43%	Stable
Percent of schools needing additional monitoring reviews to assure compliance	10%	8%	Improving

Performance Measures Notes:

1. USDA, Food Programs Reporting System (FPRS) compares Previous: FY 2010 / Current: FY 2011
2. MDE Food and Nutrition Services Data Files compares Previous: FY 2010 / Current: FY 2011

Budget Activity: School Lunch
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$24,282		\$282,879	\$307,161
Current Law Expenditures (FY 2014-15)	\$25,262		\$303,659	\$328,921
Governor's Recommended Expenditures (FY2014-15)	\$25,262		\$303,659	\$328,921
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0		\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%		0%	0%

Budget Activity: School Lunch**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$303,659	\$303,659
APPROPRIATION	\$25,262		\$0	\$25,262
SOURCES OF FUNDS	\$25,262		\$303,659	\$328,921
EXPENDITURES	\$25,262		\$303,659	\$328,921
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS	\$0		\$318	\$318
GRANTS, AIDS AND SUBSIDIES	\$25,262		\$303,341	\$328,603
USES OF FUNDS	\$25,262		\$303,659	\$328,921

Education

Nutrition Programs - School Breakfast

<http://education.state.mn.us/MDE/SchSup/FNS/SNP/>

Statewide Outcome(s):

School Breakfast supports the following statewide outcome(s).

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Context:

Providing nutritious breakfasts to school children helps meet children's nutritional needs and fosters lifelong healthy eating habits. Research has shown that students who are fed nutrient appropriate meals perform better in the classroom, have better test results and better school attendance.

The federal government provides funding for the School Breakfast Program (SBP), which is augmented with state funding from general fund appropriations.

Strategies:

The national School Breakfast Program (SBP) provides cash assistance to states to operate nonprofit breakfast programs in schools and residential child care settings. Each school year, public and nonpublic schools that participate in the federal school breakfast program are eligible for the state breakfast program. The state reimburses each participating school 30 cents for each reduced price breakfast and 55 cents for each fully paid breakfast. A school that receives state school breakfast aid must make breakfast available without charge to all participating students who qualify for free or reduced price meals (124D.1158).

A district must offer a school breakfast program in every school building in which at least 33 percent of the school lunches served during the second preceding school year were served free or at a reduced price. Schools in which fewer than 25 pupils are expected to participate, or schools that do not participate in the national school lunch program are exempted from the statutory requirement (124D.117).

School breakfasts must meet federal nutrition requirements, but decisions about what specific foods to serve and how they are prepared are made by local schools.

Any child at a participating school may purchase a meal through the SBP.

- Children from families with incomes at or below 130 percent of the federal poverty level are eligible for free meals.
- Children from families with incomes between 130 percent and 185 percent are eligible for reduced price meals, for which students can be charged no more than 30 cents.
- Children from families over 185 percent of federal poverty pay full price, though their breakfasts are still subsidized at 27 cents each. Schools set their own prices for breakfasts served to students who pay the full meal price (paid), though they must operate their meal services as non-profit programs.

Schools may qualify for higher "severe need" reimbursements if 40 percent or more of their lunches are served free or at a reduced price in the second preceding year. Severe need payments are up to 30 cents higher than the normal reimbursements for free and reduced price breakfasts. About 79 percent of the breakfasts served nationally in the SBP receive severe need payments.

Federal cash reimbursement rates for school year 2012-2013 are as follows: free breakfast at \$1.55; reduced price breakfast at \$1.25; severe need free breakfast at \$1.85; severe need reduced price breakfast at \$1.55.

Results:

MDE conducts administrative reviews of school breakfast programs and provides technical assistance and resource materials to schools and residential child care settings. Currently schools are reviewed once every five years for compliance with USDA standards and regulations. Beginning school year 2014-15, schools will be reviewed once every three years.

Performance Measures	Previous	Current	Trend
Percent of school breakfasts sold that are free or reduced price	73%	74%	Stable
Percent of schools needing additional monitoring reviews to assure compliance	10%	8%	Improving

Performance Measures Notes:

1. USDA, Food Programs Reporting System (FPRS) compares Previous: FY 2010 / Current: FY 2011
2. MDE Food and Nutrition Services Data Files compares Previous: FY 2010 / Current: FY 2011

Budget Activity: School Breakfast
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$10,532		\$75,681	\$86,213
Current Law Expenditures (FY 2014-15)	\$11,792		\$79,872	\$91,664
Governor's Recommended Expenditures (FY2014-15)	\$11,792		\$79,872	\$91,664
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0		\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%		0%	0%

Budget Activity: School Breakfast**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$79,872	\$79,872
APPROPRIATION	\$11,792	\$0	\$0	\$11,792
SOURCES OF FUNDS	\$11,792	\$0	\$79,872	\$91,664
EXPENDITURES	\$11,792		\$79,872	\$91,664
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS	\$0		\$91	\$91
GRANTS, AIDS AND SUBSIDIES	\$11,792		\$79,781	\$91,573
USES OF FUNDS	\$11,792		\$79,872	\$91,664

Education

Nutrition Programs - Summer Food Replacement

<http://education.state.mn.us/MDE/SchSup/FNS/SFSP/>

Statewide Outcome(s):

Summer Food Replacement supports the following statewide outcome(s).

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Context:

Many Minnesota students rely on school breakfast and lunch programs to get the healthy food they need to meet their nutritional needs. Moreover, research has shown that students who are fed nutrient appropriate meals perform better in the classroom, have better test results and better school attendance. However, when school is done for the summer, students lose access to school breakfast and lunch programs.

The federal government provides funding for the program. In addition, state funds are available to supplement meals and snacks. Minnesota's summer food service replacement aid is funded through general fund appropriations (124D.119).

Strategies:

The Summer Food Service Program (SFSP) provides access to nutritious meals and snacks for children in low-income areas during the summer months. The US Department of Agriculture (USDA) administers SFSP through the Minnesota Department of Education (MDE). Locally, SFSP is run by approved sponsors, including school districts, local government agencies, summer camps, or private nonprofit organizations.

MDE approves meals sites as open, enrolled, or camp sites. Open sites operate in low-income areas where at least half of the children come from families with incomes at or below 185 percent of federal poverty level, making them eligible for free and reduced price school meals. Meals are served free to any child at the open site. Enrolled sites provide free meals to children enrolled in an activity program at the site where at least half of them are eligible for free and reduced price meals. Camps receive payments only for meals served to children who are eligible for free and reduced price meals.

At most sites children receive either one or two reimbursable meals each day. In Minnesota, 58 percent of total meals served is lunch; 31 percent breakfast. Camps and sites that primarily serve migrant children may be approved to serve up to three meals to each child each day.

SFSP reimbursements are based on the number of reimbursable meals served multiplied by the combined operating and administrative rate for that meal. For summer 2012, rates are between \$1.89 and \$1.93 for breakfast; \$3.25 and \$3.38 for lunch or supper; 78 cents and 79 cents for snacks - depending on whether meals are vended or prepared on-site.

State summer food service replacement aid supplements breakfast at four cents; lunch or supper at 14 cents; and snacks at ten cents.

MDE reviews summer sites once every three years to ensure compliance with federal regulations. Pre-approval visits and reviews for all new and returning sponsors with corrective action plans are completed each year prior to application approval. MDE provides technical assistance to summer food service sponsors.

Results:

MDE conducts outreach activities with anti-hunger organizations to increase SFSP participation. These outreach activities have proven successful at increasing the number of SFSP sponsors offering summer meals.

Performance Measures	Previous	Current	Trend
Total number meals served	4,564,326	5,487,348	Increasing
Number of sponsors	101	118	Increasing
Number of sites	452	505	Increasing
Percent of schools needing additional monitoring reviews to assure compliance	13.5%	12%	Improving

Performance Measures Notes:

1. USDA, Food Programs Reporting System (FPRS) compares Previous: FY 2010 / Current: FY 2011
2. USDA, Food Programs Reporting System (FPRS) compares Previous: FY 2010 / Current: FY 2011
3. USDA, Food Programs Reporting System (FPRS) compares Previous: FY 2010 / Current: FY 2011
4. MDE Food and Nutrition Services Data Files compares Previous: FY 2010 / Current: FY 2011

Budget Activity: Summer Food
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$271		\$11,508	\$11,779
Current Law Expenditures (FY 2014-15)	\$300		\$13,657	\$13,957
Governor's Recommended Expenditures (FY2014-15)	\$300		\$13,657	\$13,957
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0		\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%		0%	0%

Budget Activity: Summer Food**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$13,656	\$13,656
APPROPRIATION	\$300		\$0	\$300
SOURCES OF FUNDS	\$300		\$13,656	\$13,956
EXPENDITURES	\$300		\$13,657	\$13,957
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS	\$0		\$54	\$54
GRANTS, AIDS AND SUBSIDIES	\$300		\$13,603	\$13,903
USES OF FUNDS	\$300		\$13,657	\$13,957

Education

Nutrition Programs - Commodities

<http://education.state.mn.us/MDE/SchSup/FNS/FDP/HowPartic/Plan/>

Statewide Outcome(s):

Commodities supports the following statewide outcome(s).

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Context:

The commodity program began in the early 1930's as an outgrowth of federal agriculture policies designed to shore up farm prices and help American farmers suffering from the economic upheaval of the Great Depression. When the National School Lunch Act was passed in 1946, it had as its stated purpose not only to improve the health of children but also to provide a market for agricultural production. The federal government provides funding for the program.

Strategies:

The federal Child Nutrition Commodity Program purchases surplus commodities from domestic agricultural producers to provide nutritious food to the National School Lunch Program, the Child and Adult Care Food Program and the Summer Food Service Program. Purchased commodities must be of domestic origin, and nearly 60 percent of the foods must be determined by USDA to be in surplus at time of purchase.

Schools participating in the National School Lunch Program (NSLP) receive commodity foods, called "entitlement" foods, at a value of 22.75 cents for each lunch served. Schools can also get "bonus" commodities such as meat, cheese, poultry, grains, rice, fruits and vegetables, as they are available through USDA. These foods are offered periodically, but only as they become available through agricultural surpluses. Minnesota schools receive an estimated 26 million pounds of commodity foods each year.

A state revolving fund was established in 2001 for the purpose of depositing cash received for commodity donated foods that have been lost, damaged, recalled or diverted for processing. Minnesota uses the fund to issue payments for the value of the lost, damaged, recalled or diverted commodity donated foods and related costs (124D.1195).

Results:

A variety of nutritious foods continue to be offered to and consumed by children participating in child nutrition programs.

Performance Measures	Previous	Current	Trend
Total dollar amount of commodities received by schools*	\$19,338,163	\$22,565,060	Increasing

Performance Measures Notes:

1. USDA, Electronic Commodity Ordering System (ECOS) compares Previous: FY 2010 / Current: FY 2011

Budget Activity: Commodities**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$12,892	\$2,082	\$14,974
Current Law Expenditures (FY 2014-15)		\$10,134	\$2,214	\$12,348
Governor's Recommended Expenditures (FY2014-15)		\$10,134	\$2,214	\$12,348
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%	0%	0%

Budget Activity: Commodities**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$10,134	\$2,214	\$12,348
SOURCES OF FUNDS		\$10,134	\$2,214	\$12,348
EXPENDITURES		\$10,134	\$2,214	\$12,348
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS			\$12	\$12
GRANTS, AIDS AND SUBSIDIES		\$10,134	\$2,202	\$12,336
USES OF FUNDS		\$10,134	\$2,214	\$12,348

Education

Nutrition Programs - Child and Adult Food Care

<http://education.state.mn.us/MDE/SchSup/FNS/CACFPCenter/>

Statewide Outcome(s):

Child and Adult Food Care supports the following statewide outcome(s).

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Context:

The Child and Adult Care Food Program (CACFP) safeguards the health of Minnesotans year-round by helping to ensure that young children and older adults receiving organized care services have access to nutritious meals and snacks. Child care centers, family child care homes, school-age care sites, after-school programs, emergency shelters, adult day care centers may participate in the CACFP. The federal government provides all funding for the program. USDA administers CACFP through MDE.

Strategies:

Eligible public or private nonprofit child care centers, Head Start programs and other institutions which are licensed or approved to provide child care services may participate in CACFP, independently or as sponsored centers. Independent centers and sponsoring organizations enter into agreements with MDE to assume administrative and financial responsibility for CACFP. For-profit centers must receive Title XX funds for at least 25 percent of enrolled children or licensed capacity (whichever is less) or at least 25 percent of the children in care must be eligible for free and reduced price meals. Meals to children are reimbursed at rates based upon a child's eligibility for free, reduced price, or paid meals.

Facility Requirements:

- **A licensed family day care home** must sign an agreement with a sponsoring organization to participate in CACFP. Reimbursements are based upon eligibility for tier I rates (which targets higher levels of reimbursement to low-income areas, providers, or children) or lower tier II rates.
- **Community-based programs** that offer enrichment activities for at-risk children and youth after the regular school day ends can provide free meals and snacks through CACFP if they are located in areas where at least 50 percent of the children are eligible for free and reduced price meals based upon school data.
- **Emergency shelters** providing residential and food services to children and youth experiencing homelessness may participate in CACFP.
- **Public or private nonprofit adult day care facilities** which provide structured, comprehensive services to nonresidential adults who are functionally impaired, or aged 60 and older, may also participate in CACFP.

USDA makes state administrative funds available to state agencies for administrative expenses incurred in supervising and giving technical assistance to participating programs and complying with federal audit requirements.

Particularly for child care centers and family child care homes, participation in the CACFP plays a vital role in making child care more affordable for low-income families, in addition to meeting the nutritional needs of children and teaching them lifelong healthy eating habits.

Results:

One-third of all child care centers and licensed family child care home sponsors are reviewed each year to ensure compliance with USDA regulations. Corrective actions are issued to bring child care centers and family child care sponsors into compliance. Workshops are offered throughout the state on USDA regulations.

Performance Measures	Previous	Current	Trend
1. Total meals served, all settings	53,075,884	52,919,130	Decreasing
2. Number of participating child care centers	311	306	Decreasing
3. Number of participating family day care homes	10,269	9,971	Decreasing
4. Number of participating adult day care centers	21	21	Stable
5. Number of participating emergency shelters	10	10	Stable

Performance Measures Notes:

1. Previous Measure: FY 2010 / Current Measure: FY 2011. USDA Food Programs Reporting System (FPRS)
2. Previous Measure: FY 2010 / Current Measure: FY 2011. USDA FPR.
3. Previous Measure: FY 2010 / Current Measure: FY 2011. USDA FPR.
4. Previous Measure: FY 2010 / Current Measure: FY 2011. USDA FPR.
5. Previous Measure: FY 2010 / Current Measure: FY 2011. USDA FPR.

Budget Activity: Child & Adult Food Care
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$10	\$134,226	\$134,236
Current Law Expenditures (FY 2014-15)		\$10	\$181,651	\$181,661
Governor's Recommended Expenditures (FY2014-15)		\$10	\$181,651	\$181,661
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%	0%	0%

Budget Activity: Child & Adult Food Care**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$10	\$181,651	\$181,661
SOURCES OF FUNDS		\$10	\$181,651	\$181,661
EXPENDITURES		\$10	\$181,651	\$181,661
PAYROLL EXPENSE				
OPERATING EXPENSES		\$10		\$10
OTHER FINANCIAL TRANSACTIONS			\$1,431	\$1,431
GRANTS, AIDS AND SUBSIDIES			\$180,220	\$180,220
USES OF FUNDS		\$10	\$181,651	\$181,661

Education

Nutrition Programs - Kindergarten Milk

<http://education.state.mn.us/MDE/SchSup/FNS/MilkProg/>

Statewide Outcome(s):

Kindergarten Milk supports the following statewide outcome(s).

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Context:

Providing milk during the school day helps meet children’s nutritional needs and fosters lifelong healthy eating habits. Research has shown that students who are fed nutrient appropriate meals perform better in the classroom, have better test results and better school attendance.

The School Milk Program is funded through state general fund appropriations. The Special Milk Program is funded through the U.S. Department of Agriculture.

Strategies:

The **School Milk Program** provides school districts with added resources so that all kindergarten students in public and nonpublic schools may have access to milk on a daily basis.

The federally-funded **Special Milk Program (SMP)** provides milk to children in schools and residential child care settings that do not participate in other federal meal programs. Schools that participate in the federal SMP may also participate in the state School Milk Program.

1. In the **School Milk Program**, the Minnesota Department of Education (MDE) reimburses public and nonpublic schools 20 cents for each half-pint of milk served to kindergarten students who are not part of a reimbursed school lunch or breakfast (124D.118).
2. In the **Special Milk Program**, the federal government, through MDE, reimburses schools and nonprofit child care sites that do not participate in other federal meal programs 19.25 cents for each half-pint of milk served to children. Schools in the National School Lunch or School Breakfast Programs may also participate in the Special Milk Program to provide milk to children in half-day pre-kindergarten and kindergarten programs where children do not have access to the school meal programs.

MDE conducts administrative reviews of child nutrition programs and provides technical assistance and resource materials to schools and residential child care settings (group homes, juvenile correctional facilities).

Results:

Performance Measures	Previous	Current	Trend
Total state school milk half-pints served	5,180,601	5,072,378	Stable
Total federal special milk program half-pints served	4,269,490	3,925,123	Decreasing
Percent of schools needing additional monitoring reviews to ensure compliance	10%	8%	Improving

Performance Measures Notes:

1. MDE, Cyber-Linked Interactive Claims System (CLiCS) compares Previous FY 2010 / Current FY 2011
2. USDA, Food Programs Reporting System (FPRS) compares Previous: FY 2010 / Current: FY 2011
3. MDE Food and Nutrition Services Data Files compares Previous: FY 2010 / Current: FY 2011

Budget Activity: Kindergarten Milk
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$2,008		\$1,576	\$3,585
Current Law Expenditures (FY 2014-15)	\$2,048		\$1,604	\$3,652
Governor's Recommended Expenditures (FY2014-15)	\$2,048		\$1,604	\$3,652
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0		\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%		0%	0%

Budget Activity: Kindergarten Milk**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$1,604	\$1,604
APPROPRIATION	\$2,048		\$0	\$2,048
SOURCES OF FUNDS	\$2,048		\$1,604	\$3,652
EXPENDITURES	\$2,048		\$1,604	\$3,652
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$2,048		\$1,604	\$3,652
USES OF FUNDS	\$2,048		\$1,604	\$3,652

Education

Libraries Programs - Basic Support

<http://education.state.mn.us/MDE/SchSup/FNS/MilkProg/>

Statewide Outcome(s):

Basic Support supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

Minnesota's public libraries help bridge the divide between those who have access to information and those who do not by providing free and equal access to information for people of all ages and backgrounds statewide. According to the American Library Association (<http://www.ala.org/advocacy>), families nationally that make less than \$15,000 annually are two to three times more likely to rely on library computers than those earning more than \$75,000. Public libraries offer computers and high-speed broadband access as well as the expertise of trained staff to help Minnesotans develop 21st Century literacy skills. Public library resources support workforce development, digital literacy, small business and community economic development, e-government activities, education, and lifelong learning.

Strategies:

Regional library basic system support provides state aid to regional library systems to benefit Minnesotans through the provision of interlibrary resource sharing programs, shared automation, and coordinated services to member libraries. Regional library basic system support serves Minnesota residents through 12 regional public library systems whose branch or member libraries include 359 public library buildings statewide. Participation in regional public library systems includes all Minnesota counties and serves almost all of the state's residents.

State funding and federal Library Services and Technology Act (LSTA) funding promote cost-effective services through cooperation, collaboration, and resource-sharing statewide. State regional library basic system support is state aid distributed by statutory formula using population, square mileage, equalized valuation of property and a basic amount per system as outlined in Minnesota Statutes (M.S.) 134.34 and M.S. 134.355. The federal LSTA funding program provides population-based grants to states with a State Library Administrative Agency (the Division of State Library Services of the Minnesota Department of Education). State and federal funding for public libraries provide about 20 percent of the total investment in library services.

Minnesotans use public libraries for information and self-sufficiency including access to resources for education, self-development, career development and personal interests. This activity provides the following services to strengthen the ability of public libraries across the state to provide services to citizens:

- provides incentives for counties and cities to work together in regional public library systems extending service to all at the most reasonable cost;
- distributes funding between cooperating jurisdictions;
- encourages the sharing of library materials within each region and statewide through library-to-library lending and reciprocal borrowing and returning;
- maintains and improves the infrastructure for reading and lifelong learning through collaborative library programs, materials, and outreach to culturally diverse communities;
- targets library services to individuals of diverse geographic, cultural and socioeconomic backgrounds, individuals with disabilities, and people with limited functional literacy or information skills;
- encourages library and information services to underserved urban and rural communities, including children from families living in poverty.

Results:

According to the 2011 public library annual reports submitted to the Division of State Library Services, Minnesotans visited their public libraries 27,418,144 times in 2012, which is an average of 527,272 visits per week or the equivalent of over five visits per person annually (based upon the 2010 U.S. Census state population of 5,303,925). This is over five times the 5,030,516 total home games attendance in 2011-2012 at Twins, Vikings, Minnesota Wild, and Timberwolves games according to their websites.

Regional public library systems through their branch or member libraries provided programs that promote community development through:

- early childhood literacy programs provided in collaboration with local early childhood and other community groups;
- homework help programs;
- resources for homeschoolers and distance learners;
- high-speed broadband internet access to e-government, the Electronic Library for Minnesota (ELM) and other databases, and other e-resources;
- 63,655,724 reference questions or the equivalent of 12 questions per Minnesotan annually were answered by trained library staff;
- 359 public library buildings offered evening and weekend hours for access to resources for workforce development, education, lifelong learning, etc.

According to the 2011 *Library Return on Investment Study* completed by the University of Minnesota – Duluth’s, Labovitz School of Business and Economics Bureau of Business and Economic Research, available at <http://www.crplsa.info/display/home/2012/02/22/ROI+Report+Available>, the Return on Investment (ROI) in 2010 of Minnesota’s regional public library systems and its branch or member libraries was calculated at \$4.62 in annual return per dollar of public tax support.

Performance Measures	Previous	Current	Trend
1. Number of children and young adults participating in library programs such as story times, homework help and summer reading programs will increase.	953,881	970,000	Increasing
2. Number of adults participating in library-provided programs such as digital literacy, resume-writing and job seeking skills, small business development, and lifelong learning will increase.	320,576	350,000	Increasing

Performance Measures Notes:

1. Previous: FY 2010 / Current: FY 2012
2. Previous: FY 2010 / Current: FY 2012

Budget Activity: Basic Support & Fed Grants
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$13,570	\$13,570	\$27,140	\$13,570	\$13,570	\$27,140
Governor's Recommendation	\$13,570	\$13,570	\$27,140	\$13,570	\$13,570	\$27,140
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$12,797	\$16,040	\$28,837	\$13,570	\$13,570	\$27,140
Governor's Recommendation	\$12,797	\$16,040	\$28,837	\$13,570	\$13,570	\$27,140
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds	\$325	\$450	\$775	\$450	\$450	\$900
Governor's Recommendation	\$325	\$450	\$775	\$450	\$450	\$900
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Other Funds	\$3,000	\$3,000	\$6,000	\$0	\$0	\$0
Governor's Recommendation	\$3,000	\$3,000	\$6,000	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Basic Support & Fed Grants
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$13,570	\$13,570	\$27,140	\$13,570	\$13,570	\$27,140
Levies						
District Revenue	\$13,570	\$13,570	\$27,140	\$13,570	\$13,570	\$27,140
Appropriation						
Current Year	\$8,726	\$11,196	\$19,922	\$11,196	\$11,196	\$22,392
Prior Year	\$4,071	\$4,844	\$8,915	\$2,374	\$2,374	\$4,748
State Aid	\$12,797	\$16,040	\$28,837	\$13,570	\$13,570	\$27,140
Federal Funds	\$325	\$450	\$775	\$450	\$450	\$900
Other Funds	\$3,000	\$3,000	\$6,000	\$0	\$0	\$0
Sources of Funds	\$16,122	\$19,490	\$35,612	\$14,020	\$14,020	\$28,040
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$16,122	\$19,490	\$35,612	\$14,020	\$14,020	\$28,040
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$16,122	\$19,490	\$35,612	\$14,020	\$14,020	\$28,040

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Libraries Programs - Multicounty Multitype

<http://education.state.mn.us/MDE/StuSuc/Lib/StateLibServ/MultiLibSys/index.html>

Statewide Outcome(s):

Multicounty Multitype supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

The multicounty multitype library cooperation systems promote the sharing of library-related resources including opportunities for continuing education for library staff, supporting long-range planning for cooperative programs, and increasing communication across all types of libraries. The multicounty multitype library cooperation systems have a critical role for school libraries by encouraging the expansion of 21st century skills for school media specialists/school librarians and teachers to support student achievement through programs such as the Metronet Information Literacy Initiative (MILI).

Operating grant funding is established in M.R. 3530.2500, which allocates 60 percent of the state appropriation (\$1.3 million) equally among the systems, 20 percent in an equal amount per capita, and 20 percent in an equal amount per square mile. The multicounty multitype library cooperation systems do not receive other funds except through grants and cost-recovery fees for attendance at workshops and other continuing education activities.

Strategies:

State aid improves library services through seven multicounty, multitype library cooperation systems serving school, public, academic, non-profit special and agency libraries within defined multiple county regions. This activity benefits Minnesotans by focusing primarily on services for school and special libraries in the state of Minnesota through the multicounty, multitype library cooperation systems. Currently, approximately 1,900 members with almost 2,200 library outlets of all types in Minnesota work together through their multitype systems. The multicounty, multitype library cooperation systems are in M.S. 134.351-354 and M.R. 3530.2200-2600.

This program provides support to improve library services through;

- developing and implementing strategic plans that address the needs of the region with available library and information resources;
- providing communication systems among participating libraries;
- operating and improving delivery services to facilitate resource sharing among participating libraries;
- assisting with training on and development of electronic resources; and,
- helping with the organization and promotion of opportunities for continued staff development and expertise in new technologies and other services for the public.

Results:

The multicounty multitype library cooperation systems collaborate and share best practices for programs providing professional development opportunities in order to enhance student learning. These include:

- Minnesota History Days with the Minnesota Historical Society;
- Camp Read-A-Lot with regional public library systems and teacher-librarians from local school districts;
- Metronet's Metro Information Literacy Initiative (MILI).

For example, the joint Southwest Area Multicounty Multitype Interlibrary Exchange (SAMME) – Plum Creek Library System's Camp Read-A-Lot was held in Marshall in August 2012, and had 90+ public and school librarians and teachers registered. The joint Metronet - Metropolitan Library Service Agency (MELSA) Camp Read-A-Lot had 228 registrations in FY 2011.

The Metronet MILI program expanded in FY 2011 with the addition of a “MILI, Jr.” program for teachers and school librarians in Grades K-5. Participation in the MILI training program requires a school district to have a licensed school media specialist/school librarian. See the curriculum piloted in the Spring Lake Park School District: <http://metronetmili.pbworks.com/w/page/42238164/11-12%20MILI%20Junior%20home> for the MILI, Jr. program.

Performance Measures	Previous	Current	Trend
The number of Camp Read-A-Lot locations	2	3	Improving

Performance Measures Notes:

Previous: FY 2010 / Current: FY 2011-2012

Budget Activity: Multicounty Multitype
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$1,300	\$1,300	\$2,600	\$1,300	\$1,300	\$2,600
Governor's Recommendation	\$1,300	\$1,300	\$2,600	\$1,300	\$1,300	\$2,600
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$1,226	\$1,537	\$2,763	\$1,300	\$1,300	\$2,600
Governor's Recommendation	\$1,226	\$1,537	\$2,763	\$1,300	\$1,300	\$2,600
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
 FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: Multicounty Multitype
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$1,300	\$1,300	\$2,600	\$1,300	\$1,300	\$2,600
Levies						
District Revenue	\$1,300	\$1,300	\$2,600	\$1,300	\$1,300	\$2,600
Appropriation						
Current Year	\$836	\$1,073	\$1,909	\$1,073	\$1,073	\$2,146
Prior Year	\$390	\$464	\$854	\$227	\$227	\$454
State Aid	\$1,226	\$1,537	\$2,763	\$1,300	\$1,300	\$2,600
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$1,226	\$1,537	\$2,763	\$1,300	\$1,300	\$2,600
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES	\$119	\$0	\$119	\$0	\$0	\$0
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$1,107	\$1,537	\$2,644	\$1,300	\$1,300	\$2,600
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$1,226	\$1,537	\$2,763	\$1,300	\$1,300	\$2,600

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Libraries Programs - Electronic Library Minnesota

<http://education.state.mn.us/MDE/StuSuc/Lib/StateLibServ/LSTA/index.html>

Statewide Outcome(s):

Electronic Library Minnesota supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

Minnesota's libraries deliver critical services statewide to a diverse population with changing demographics. Minnesota's communities look to their academic, public, school and non-profit special libraries to provide access to increasingly more sophisticated library services and resources beyond more traditional models such as books or children's programming.

The general fund appropriation for the Electronic Library for Minnesota (ELM) enables Minnesotans to have more equitable access to a group of databases and other electronic resources, whether in classrooms, school media centers, public libraries, at work, and from home. For families and children with geographical or socio-economic barriers, access to online resources in multiple environments can help reduce some of the disparities caused by these barriers.

Access to online resources at school, work, home and in a library was identified as a priority for Minnesotans in the study (*LSTA 2013-2017 Five Year Plan: Focus Groups/Interview Summary and Survey Results, June 2012*) done by Minnesota Management Analysis & Development for the Division of State Library Services of the Minnesota Department of Education (MDE). In the study, database access was among the highest ranking (84 percent) uses of computers in all types of libraries. For public school libraries (74 percent) and academic libraries (95 percent), database use was ranked among the top three uses of computers in these libraries.

Strategies:

ELM provides students, parents, teachers, and citizens statewide access to a basic set of database resources, full-text articles in magazines and newspapers, and other materials needed for education, health, research, business, and lifelong learning. ELM resources are available through the MnKnows (<http://www.mnknows.org/>) and the ELM (<http://www.elm4you.org>) electronic portals. The state investment leverages an increased purchasing power by statewide licensing of electronic databases and ensures all students have equitable access to a broad range of electronic resources to assist them in meeting educational standards.

By consolidating funds, database selection, licensing contract negotiations, and staff time to support database licenses through an interagency agreement between the Division of State Library Services of the Minnesota Department of Education (MDE) and Minitex Library Information Network of the Office of Higher Education and the University of Minnesota-Twin Cities, the State is able to acquire statewide database licenses at significantly-reduced cost. As a result of these efforts, academic, public, school, and non-profit libraries and their customers have access to these resources at their library, school, business, or home.

In the Management Analysis & Development study, database training was identified by 64 percent as among the most popular types of training offered in libraries. To support training developed to maximize the impact of the investment in ELM, The Division of State Library Services allocates federal Library Services and Technology Act (LSTA) funds for an additional interagency agreement with Minitex to develop ELM training for library staff.

Results:

ELM provides a wide range of online resources that serve multiple functions such as classroom support, workforce development, academic and professional research, and lifelong learning.

Performance Measures	Previous	Current	Trend
ELM resources are integrated into school curricula to meet state and national standards.*	Social Studies Standards	Social Studies Standards STEM standards	Improving
Minitex provides training for school and public library staff to assist library customers in accessing ELM resources.	2,221 attendees	Est. 2,500 attendees	Improving

Performance Measures Notes:

Current: FY 2013, Previous: FY 2012

Budget Activity: Electronic Library Minnesota
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,800			\$1,800
Current Law Expenditures (FY 2014-15)	\$1,800			\$1,800
Governor's Recommended Expenditures (FY2014-15)	\$1,800			\$1,800
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Electronic Library Minnesota**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$1,800			\$1,800
SOURCES OF FUNDS	\$1,800			\$1,800
EXPENDITURES	\$1,800			\$1,800
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$1,800			\$1,800
USES OF FUNDS	\$1,800			\$1,800

Education

Libraries Programs - Regional Library Telecommunication

<http://education.state.mn.us/MDE/StuSuc/Lib/StateLibServ/RegionalLibrarySystems/index.htm>

Statewide Outcome(s):

Regional Library Telecommunication supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

Regional public library systems and their branch or member libraries provide broadband access to over 350 public library buildings statewide. In Greater Minnesota a public library building may provide the only free high-speed broadband access in a community. As businesses, schools and governmental entities require the use of the internet for employment applications, unemployment applications, school assignments and contacts between schools and parents and other e-government resources, public libraries are where people go for access that they might not have at home or that require a level of high-speed broadband that they cannot afford or obtain. This free high-speed broadband access increases equity of access to electronic resources statewide.

Regional Library Telecommunications Aid (RLTA) is funded through general fund appropriations (Minnesota Statutes (M.S.) 134.355, Subd. 8-10). State funds are allocated based on actual cost pro-rated downwards to the amount of funding available to support the regional public library systems services and their system-level automation system. RLTA provides support for public libraries in all Minnesota counties.

Strategies:

The Regional Library Telecommunications Aid (RLTA) program provides state aid to twelve regional public library systems to equalize data and video access costs and other related costs to improve or maintain electronic access of participating public libraries to the state information infrastructure and to facilitate resource sharing. RLTA facilitates optimal access and connections to the statewide electronic infrastructure and supports equity of access to electronic resources. Among the activities supported through connectivity are:

- automation activities for cost-effectiveness in resource sharing;
- connectivity necessary to access licensed online full-text databases via the Electronic Library for Minnesota (ELM);
- access to the internet necessary for e-government, workforce development centers, immigration services, tax filing, and legal and medical electronic resources;
- interconnectivity and interoperability with school districts, post-secondary education, etc.;
- community access to high-speed Internet links; and,
- integration of new technology and training.

Results:

Minnesotans used their public libraries to access the internet over 7.1 million times in 2010. RLTA funds pay for public library access to the Electronic Library for Minnesota (ELM) which provides Minnesotans free access to a selection of online full-text newspaper and journals, and to MnLINK, which makes the resources of academic, public, and some school and non-profit libraries available for resource sharing statewide.

Performance Measures	Previous	Current	Trend
Percent of eligible actual costs incurred by public libraries that are reimbursed by Regional Library Telecommunications Aid.	96%	64%	Worsening

Performance Measures Notes:

Previous year: FY 2008 /Current year: FY 2013

Budget Activity: Reg Library Telecommunication
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$2,300	\$2,300	\$4,600	\$2,300	\$2,300	\$4,600
Governor's Recommendation	\$2,300	\$2,300	\$4,600	\$2,300	\$2,300	\$4,600
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$2,153	\$2,719	\$4,872	\$2,300	\$2,300	\$4,600
Governor's Recommendation	\$2,153	\$2,719	\$4,872	\$2,300	\$2,300	\$4,600
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: Reg Library Telecommunication
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$2,300	\$2,300	\$4,600	\$2,300	\$2,300	\$4,600
Levies						
District Revenue	\$2,300	\$2,300	\$4,600	\$2,300	\$2,300	\$4,600
Appropriation						
Current Year	\$1,479	\$1,898	\$3,377	\$1,898	\$1,898	\$3,796
Prior Year	\$674	\$821	\$1,495	\$402	\$402	\$804
State Aid	\$2,153	\$2,719	\$4,872	\$2,300	\$2,300	\$4,600
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$2,153	\$2,719	\$4,872	\$2,300	\$2,300	\$4,600
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$2,153	\$2,719	\$4,872	\$2,300	\$2,300	\$4,600
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$2,153	\$2,719	\$4,872	\$2,300	\$2,300	\$4,600

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Early Childhood and Family Support - Early Childhood Family Education

<http://education.state.mn.us/MDE/StuSuc/EarlyLearn/ECFE/>

Statewide Outcome(s):

Early Childhood Family Education supports the following statewide outcome(s).

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

The purpose of the program is to provide parenting education to support children's learning and development. All families with children birth to kindergarten are eligible for services.

Strategies:

There are three strategies aimed at providing parent education.

Early Childhood Family Education

All families with children ages birth to kindergarten are eligible for ECFE. Expectant parents and family relatives may also participate. The early childhood family education (ECFE) program is funded by state aid and local levy. Programs typically include the following components in supporting parents:

- parent discussion groups
- parent-child activities
- play and learning activities that promote children's development
- home visits
- special events for the entire family
- information on community resources

Educate Parents Partnership

The Minnesota Department of Education (MDE) coordinates a partnership with early childhood organizations, including, but not limited to, early childhood family education, child care resource and referral, and interagency early intervention committees. Parents of newborns are provided informational materials and contacts on a broad range of subjects prior to hospital discharge. MDE has developed a Website (<http://mnparentsknow.info>) that provides information and links to resources on child development, parent education, child care, and consumer safety. This program is funded by state aid.

Parent-Child Home Program

This is a grant program that funds an evidence-based literacy home visiting model. This grant program received a one-time appropriation of \$250,000 in FY 2013.

Results:

Performance Measures	Previous	Current	Trend
Parent participation in regular parent/child weekly sessions*.	92,773	89,515	Worsening
Classes offered for parents of children under three years**.	27%	29%	Improving

Performance Measures	Previous	Current	Trend
Referrals from ECFE to community resources and partner organizations.	19,488	19,343	Stable
Referrals made on the MN Parents Know website to Help Me Grow (Infant and Toddler Intervention and Preschool Special Education) for babies and young children with developmental concerns.	739	2,263	Increasing
Access to parent information provided through MN Parents Know website. <ul style="list-style-type: none"> • Podcasts • Webinars • Enews 	10,000 downloads/month 1,851 participants/ yr 616/month	15,000 downloads/month 3,916 participants/ yr 97,000/month	Improving

Performance Measures Notes:

ECFE Prior year data is FY 2009 and current year data is FY 2010. MN Parents Know prior year data is FY 2011 and current year data is FY 2012.

*Decreased parent participation likely due to smaller class sizes for infants and toddlers, serving families with higher needs, and decreased class offerings for parents (12,556 in FY 2010 and 12,720 in FY 2009).

**State guidance refocused parenting education programs on providing classes for parents with children ages birth to three years.

There are no performance measures for the Parent Child Home Program.

Budget Activity: Early Child Family Ed
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$22,659	\$22,254	\$44,913	\$22,623	\$23,057	\$45,680
Governor's Recommendation	\$22,659	\$22,254	\$44,913	\$22,623	\$23,057	\$45,680
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$21,120	\$26,700	\$47,820	\$22,558	\$22,981	\$45,539
Governor's Recommendation	\$21,120	\$26,700	\$47,820	\$22,558	\$22,981	\$45,539
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy	\$21,847	\$21,955	\$43,802	\$22,135	\$22,135	\$44,270
Governor's Recommendation	\$21,847	\$21,955	\$43,802	\$22,135	\$22,135	\$44,270
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Federal Funds	\$203		\$203			
Governor's Recommendation	\$203		\$203			
Dollar Change from Base	\$0		\$0			
Percent Change from Base	0%		0%			
Other Funds	\$0	\$35	\$35	\$30	\$30	\$60
Governor's Recommendation	\$0	\$35	\$35	\$30	\$30	\$60
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: Early Child Family Ed
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$22,659	\$22,254	\$44,913	\$22,623	\$23,057	\$45,680
Levies	\$21,847	\$21,955	\$43,802	\$22,135	\$22,135	\$44,270
District Revenue	\$44,506	\$44,209	\$88,715	\$44,758	\$45,192	\$89,950
Appropriation						
Current Year	\$14,578	\$18,369	\$32,947	\$18,673	\$19,031	\$37,704
Prior Year	\$6,542	\$8,081	\$14,623	\$3,885	\$3,950	\$7,835
State Aid	\$21,120	\$26,450	\$47,570	\$22,558	\$22,981	\$45,539
Federal Funds	\$203	\$0	\$203	\$0	\$0	\$0
Other Funds	\$0	\$35	\$35	\$30	\$30	\$60
Sources of Funds	\$21,350	\$26,735	\$48,085	\$22,588	\$23,011	\$45,599
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES	\$22	\$54	\$76	\$49	\$49	\$98
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$21,301	\$26,681	\$47,982	\$22,539	\$22,962	\$45,501
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$21,323	\$26,735	\$48,058	\$22,588	\$23,011	\$45,599

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Early Childhood and Family Supp - School Readiness

<http://education.state.mn.us/MDE/StuSuc/EarlyLearn/SchReadiK/>

Statewide Outcome(s):

School Readiness supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

The purpose of the school readiness program is to prepare children to enter kindergarten by creating greater access to educational opportunities for children with high needs and to make progress on closing the achievement gap upon school entrance. The state funded program is established through the school district and serves children age three years to kindergarten entrance.

Strategies:

The school readiness program provides comprehensive program content and intentional instructional practice aligned with early learning standards to prepare children three and up for kindergarten. Beginning in FY 2011 school districts are required to use school readiness aid for at-risk students (ELL, free or reduced lunch, homeless, IEP, or identified through health and developmental screening).

Most school-based classroom programs are two and a half hours in length and meet one day to five days per week dependent on other funds available in the district. Program models include:

- Assessing each child’s skills with a comprehensive assessment instrument when a child enters and leaves the program to inform program planning.
- Coordinating kindergarten transitions with parents and kindergarten teachers.
- Ensuring teachers have knowledge in early childhood curriculum content, assessment, and instruction.
- Integrating early childhood special education in school readiness classrooms.
- Coordinating referrals and follow-up to early childhood screening.
- Consulting and staff development for child care providers.
- Offering comprehensive family literacy and English language learner programs.

Districts receive aid based on a formula that includes the number of four year olds in the district and the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program. State aid for school readiness has changed little over the past ten years, and is currently funded at a base level of \$10.095 million per year. Based on total state aid of \$10,095 million and participation of 55,940 children and parents, state aid funded an average of approximately \$180 per participant in FY 2009.

Results:

MDE assesses the school readiness of a random sample of entering kindergarteners on the skills, knowledge, behaviors and accomplishments that children should know and can do. Research demonstrates that young children from high quality early childhood programs enter kindergarten at a higher rate of proficiency than those from lower quality programs.

Performance Measures	Previous	Current	Trend
Kindergarteners demonstrating proficiency	60%	67.7%	Improving
**Preschoolers served			Decreasing
3 year olds	10.9%	9.3%	
4 year olds	26.6%	25.9%	

Performance Measures Notes:

Previous year data is FY 2011 and current year data is FY 2012.

**School readiness aid has not increased to accommodate the increase in program costs and therefore the number of students served is declining.

Budget Activity: School Readiness
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$10,095	\$10,095	\$20,190	\$10,095	\$10,170	\$20,265
Governor's Recommendation	\$10,095	\$10,095	\$20,190	\$10,095	\$10,170	\$20,265
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$9,444	\$11,932	\$21,376	\$10,095	\$10,157	\$20,252
Governor's Recommendation	\$9,444	\$11,932	\$21,376	\$10,095	\$10,157	\$20,252
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
 FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: School Readiness
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$10,095	\$10,095	\$20,190	\$10,095	\$10,170	\$20,265
Levies						
District Revenue	\$10,095	\$10,095	\$20,190	\$10,095	\$10,170	\$20,265
Appropriation						
Current Year	\$6,492	\$8,329	\$14,821	\$8,329	\$8,391	\$16,720
Prior Year	\$2,952	\$3,603	\$6,555	\$1,766	\$1,766	\$3,532
State Aid	\$9,444	\$11,932	\$21,376	\$10,095	\$10,157	\$20,252
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$9,444	\$11,932	\$21,376	\$10,095	\$10,157	\$20,252
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$9,444	\$11,932	\$21,376	\$10,095	\$10,157	\$20,252
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$9,444	\$11,932	\$21,376	\$10,095	\$10,157	\$20,252

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Early Childhood & Family Support - Kindergarten Readiness Assessment

<http://education.state.mn.us/MDE/StuSuc/EarlyLearn/SchReadiK/>

Statewide Outcome(s):

Kindergarten Readiness Assessment supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

Research has shown, and continues to show, that there is a critical relationship between early childhood experiences, school success, and positive life-long outcomes. One predictor of success is whether or not a student is ready for kindergarten. The Kindergarten Readiness Assessment program is a readiness assessment that is administered to a representative sample of incoming kindergarteners. The study is designed to show kindergarten readiness and track readiness trends over time.

Strategies:

To ensure the results are reliable and can be generalized to the entire population of Minnesota kindergarteners, the study uses a representative statewide sample of ten percent of all incoming kindergarteners as assessed on their kindergarten readiness skills within the first eight weeks of school. Participation by schools is voluntary.

Kindergarten teachers observe children in the classrooms and record their observations and children's performance on 32 indicators across five domains of child development: language/literacy, mathematical thinking, personal/social; physical, and arts. Results are compiled, analyzed and given to participating school sites. Aggregate results are used to inform school administrators, teachers, parents, early childhood teachers, child care providers, policymakers, and the public about progress towards the goal of ensuring that children are ready for kindergarten. It is expected that results will be used to plan children's transition from home to school, prepare for teacher conferences, and improve instruction and services to families.

Results:

Analysis done in Minnesota concludes that the results of the Kindergarten Readiness Study are predictive of the Minnesota Comprehensive Assessment (MCA) proficiency outcomes at grade three, especially in reading and math, and that kindergarteners attaining overall proficiency were at least twice as likely to exceed standards on both MCA reading and math scores in third grade compared to kindergarteners who did not attain overall proficiency. Kindergarteners not attaining overall proficiency were more than twice as likely to have been in special education or retained by third grade, even when holding constant gender, race/ethnicity, parent education, income or Individual Education Program (IEP) status compared to kindergarteners who did attain overall proficiency.

Performance Measures	Previous	Current	Trend
Schools recruited to participate in assessments	9.2%	8.6%	Stable
Participating principals reporting satisfaction with delivery of the study.	84%	89%	Improving
Participating teachers reporting satisfaction with delivery of the study	92%	90%	Stable

Performance Measures Notes:

Previous year data is from FY 2010 and current year data is from 2011.

Budget Activity: Kindergarten Readiness
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$529			\$529
Current Law Expenditures (FY 2014-15)	\$562			\$562
Governor's Recommended Expenditures (FY2014-15)	\$562			\$562
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Kindergarten Readiness

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$562			\$562
SOURCES OF FUNDS	\$562			\$562
EXPENDITURES	\$562			\$562
PAYROLL EXPENSE	\$141			\$141
OPERATING EXPENSES	\$421			\$421
USES OF FUNDS	\$562			\$562

Education

Early Childhood & Family Supp - Access to Quality Early Learning

<http://education.state.mn.us/MDE/StuSuc/EarlyLearn/>

Statewide Outcome(s):

Access to Quality Early Learning supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

Access to Quality Early Learning seeks to improve outcomes for children with high needs by increasing access to quality early learning programs. A large and growing body of research supports the critical relationship between quality early childhood learning experiences and successful life-long outcomes. In recognition of this, the Minnesota Department of Education promotes policies and programs that support high quality early learning programs and reduces the barriers for accessing those programs by families and children with high needs.

Strategies:

In order to support the access of quality early learning programs by families and children with high needs, the Minnesota Department of Education has in FY 2012 implemented the following strategies:

- Early Childhood Scholarships – Providing scholarships to families and children with high needs in order to assist families in accessing high quality early learning programs and reducing barriers.
- Early Learning Challenge - Developing an early childhood education and care system that supports early learning programs and promotes high quality program standards.

Results:

While many factors contribute to families and children's ability to access high quality early learning programs, the Department monitors children with high needs' access to quality early learning programs with two broad measures listed in the state's Race to the Top – Early Learning Challenge application.

Performance Measures	Previous	Current	Trend
Children with high needs enrolled in a high quality early learning program.*	NA	17.0%	NA
Children with high needs being rated as proficient on the Minnesota Kindergarten Entry Assessment.**	NA	65.2%	NA

Performance Measures Notes:

*Children with high needs served by highly rated programs receiving public funds including school-based prekindergarten, Head Start, Early Childhood Special Education and early learning programs receiving payments from the Child Care Assistance Program as estimated by the Parent Aware evaluation team and reported in the 2010 Parent Aware evaluation report. For this purpose, high quality is defined as having a three or four-star Parent Aware Rating.

**Children from families with an income of less than 250 percent of federal poverty guidelines rated as "proficient" on the Minnesota Kindergarten Entry Assessment in 2011.

Early Childhood Scholarships and the Early Learning Challenge are strategies that the Department began implementing in FY 2012, and as such have no previous data to compare.

Budget Activity: Access to Quality Early Learning
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$2,000		\$4,415	\$6,415
Current Law Expenditures (FY 2014-15)	\$6,000		\$21,844	\$27,844
Governor's Recommended Expenditures (FY2014-15)	\$50,000		\$21,844	\$71,844
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$44,000		\$0	\$44,000
% Change from FY 2014-15 Current Law to Governor's Rec	733%		0%	158%

Budget Activity: Access to Quality Early Learning**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$21,844	\$21,844
APPROPRIATION	\$50,000		\$0	\$50,000
SOURCES OF FUNDS	\$50,000		\$21,844	\$71,844
EXPENDITURES	\$50,000		\$21,844	\$71,844
PAYROLL EXPENSE	\$600			\$600
OTHER FINANCIAL TRANSACTIONS			\$1,550	\$1,550
GRANTS, AIDS AND SUBSIDIES	\$49,400		\$20,294	\$69,694
USES OF FUNDS	\$50,000		\$21,844	\$71,844

Education

Early Childhood & Family Support - Health and Developmental Screening

<http://education.state.mn.us/MDE/StuSuc/EarlyLearn/EarlyChildScreen/>

Statewide Outcome(s):

Health and Developmental Screening supports the following statewide outcome(s).

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

Early childhood health and developmental screening promotes educational readiness and improved health of young children through the early detection of factors that may impede children's learning, growth, and development. Every school board must provide for a mandatory program of early childhood health and developmental screening for children once before school entrance targeting children between the ages of three to four years. Charter schools may choose to provide early childhood screening. Districts receive state aid for every child screened prior to kindergarten entrance or within 30 days after first entering kindergarten.

Strategies:

A screening program must include the following components: developmental assessments, hearing and vision screening or referral, immunization review and referral, the child's height and weight, identification of risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. A district may offer additional components such as nutritional, physical and dental assessments, review of family circumstances that might affect development, blood pressure, laboratory tests, and health history.

Results:

Performance Measures	Previous	Current	Trend
Three-year-old children receiving health and developmental screening.	41%	40%	Worsening
Access to screening for diverse populations by providing interpreter assistance.	39%	42%	Improving
Referrals for further evaluation, assessment or support made for children identified as having possible health and/or development problems or needs.	25,809	27,344	Increasing

Performance Measures Notes:

Current Year data is FY 2012 and previous year data is FY 2011.

*Minnesota's changing demographics and New American populations provides challenges for districts to identify children eligible for health and developmental screening. Expanded cross-system partnerships, social media messaging and other innovations to promote screening to families have been developed and it is expected these strategies will help increase awareness about the screening program.

**Referrals are for the total number of possible problems or needs identified at the time of screening and do not reflect numbers of children as children may have more than one problem. Deemed improving because children are now receiving the evaluations and assistance they need.

Budget Activity: Health & Developmental Screen
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$3,472	\$3,442	\$6,914	\$3,363	\$3,315	\$6,678
Governor's Recommendation	\$3,472	\$3,442	\$6,914	\$3,363	\$3,315	\$6,678
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$3,299	\$4,079	\$7,378	\$3,377	\$3,323	\$6,700
Governor's Recommendation	\$3,299	\$4,079	\$7,378	\$3,377	\$3,323	\$6,700
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Health & Developmental Screen
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$3,472	\$3,442	\$6,914	\$3,363	\$3,315	\$6,678
Levies						
District Revenue	\$3,472	\$3,442	\$6,914	\$3,363	\$3,315	\$6,678
Appropriation						
Current Year	\$2,233	\$2,840	\$5,073	\$2,775	\$2,735	\$5,510
Prior Year	\$1,066	\$1,239	\$2,305	\$602	\$588	\$1,190
State Aid	\$3,299	\$4,079	\$7,378	\$3,377	\$3,323	\$6,700
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$3,299	\$4,079	\$7,378	\$3,377	\$3,323	\$6,700
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$3,299	\$4,079	\$7,378	\$3,377	\$3,323	\$6,700
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$3,299	\$4,079	\$7,378	\$3,377	\$3,323	\$6,700

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Early Childhood & Family Support - Head Start

<http://education.state.mn.us/MDE/StuSuc/EarlyLearn/>

Statewide Outcome(s):

Head Start supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

The Head Start Program uses state and federal funds to promote school readiness of low income children by enhancing cognitive, social, and emotional development in a supportive learning environment and through comprehensive health, educational, and nutritional services. The Head Start Approach to School Readiness means that children are ready for school, families are ready to support their children's learning, and schools are ready for children. Head Start views school readiness as children possessing the skills, knowledge, and attitudes necessary for success in school and for later learning and life.

Strategies:

Head Start primarily serves three and four-year-olds from low-income families. Some programs serve infants, toddlers, and pregnant mothers in Early Head Start. Programs predominately serve children from families at or below the federal poverty level.

Federal regulations require all Head Start programs to establish school readiness goals defined as the expectations of children's status and progress across domains of language and literacy development, cognition, and general knowledge, approaches to learning, physical health and well-being and motor development, and social and emotional development that will improve readiness for kindergarten. Programs operate a center-based, home-based, and/or combination option. Other collaborative partners include public health, early childhood screening, early childhood special education, early childhood family education, school readiness, adult basic education, family literacy, public school kindergarten, and self-sufficiency programs.

Federal funds flow directly to 36 Head Start programs located in Minnesota. State aid uses the existing infrastructure to allocate the aid based equally on the program share of federal Head Start funds and the proportion of eligible children in the program service area who are not currently being served.

Results:

Minnesota Head Start Association with assistance from Minnesota Department of Education convened a group of Head Start Education Coordinators to improve the quality of the child assessment data collected in Head Start Programs.

Performance Measures	Previous	Current	Trend
*Head Start Progress Ratings			
Fall	N/A	17%	N/A
Winter		29%	
Spring		77%	
Children served under 5 years old	21%	23%	Improving

Performance Measures Notes:

Children served previous data is from FY 2011 and current year data is from FY 2012.

*The University of Minnesota Human Capital Research Collaborative conducted the analysis of the data. This is the first time this data was collected. Current year data is FY 2011 and FY 2012 data will be available late fall.

Head Start teachers rate children in the fall to gather baseline data, in the winter to measure progress and at the end of the school year to show final results. The progress rating indicates the percent of participating children that rated at least 75 percent of possible points using Work Sampling On-Line, an assessment that is a predictor of Minnesota Comprehensive Assessment Grade Three proficiency.

Budget Activity: Head Start**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$40,200			\$40,200
Current Law Expenditures (FY 2014-15)	\$40,200			\$40,200
Governor's Recommended Expenditures (FY2014-15)	\$40,200			\$40,200
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Head Start**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$40,200			\$40,200
SOURCES OF FUNDS	\$40,200			\$40,200
EXPENDITURES	\$40,200			\$40,200
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$40,200			\$40,200
USES OF FUNDS	\$40,200			\$40,200

Education

Early Childhood & Family Support - Infants and Toddlers Part C

<http://education.state.mn.us/MDE/SchSup/EarlyLearnProg/PartCPreSSpecEd/>

Statewide Outcome(s):

Infant and Toddlers Part C supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

Research shows that when children with developmental delays are receiving early intervention they are less likely to need special education services at age three or beyond. The Part C - Infants and Toddlers program is federally regulated and provides individualized family-centered services to eligible children and their families. Part C services are provided through federal funds, state special education aid and general education revenue.

Strategies:

Infants and Toddlers Part C serves eligible infants and toddlers with disabilities birth to age three and their families.

Early intervention services are offered in conformity with an individual family services plan (IFSP) and are most often provided in the home, child care, or other early childhood education settings. School districts are responsible for the evaluation of children referred and for the provision of the early intervention services.

Federal Part C funds support 12 Interagency Early Intervention Committees (IEICs) through the IEIC annual application planning process. IEICs are responsible for the development, coordination, and implementation of comprehensive local interagency early childhood intervention services for young children with disabilities and their families. IEIC members include representatives of school districts, county human service agencies, county boards, early childhood family education programs, parents of young children with disabilities under age 12, and health care providers.

Additional components of the Part C state and local system to enhance quality and accountability include:

- local staff development, opportunities for occupational therapists, ECSE staff, speech pathologists, physical therapists, physicians, nurses, nutritionists, and child care providers;
- technical assistance to local areas through the Minnesota Technical Assistance for Family Support, Early Hearing Detection and Intervention Network, center for inclusive child care, and the Autism Network, Center of Excellence for Young Children with Disabilities;
- the development of Web-based applications to serve as a resource for parents and teachers;
- the central directory and 800 number which provides parents with referral and resource information;
- local and state interagency agreements that include procedures for intra- and interagency dispute resolution, complaints, agency roles and responsibilities for child find services, service coordination, financial commitments, and data collection;
- due process procedures for families and service providers; and
- coordination with child care providers and other early childhood service providers to improve Child Find.

Results:

In 2010–11, infants and toddlers with delays or disabilities who received services under the Part C of the Individuals with Disabilities Education Act (IDEA) showed greater than expected developmental progress. Many children exited the program functioning within age expectations, and most made progress.

Performance Measures	Previous	Current	Trend
Percent of infants and toddlers birth to 3 with IFSPs	2.15%	2.37%	Improving
Percent of families participating in Part C who report that early intervention services have helped the family help their children develop and learn.	92%	87%	Worsening
Children demonstrate positive relationships			
(A) Greater than expected progress	63%	63%	Stable
(B) Exited Part C within age expectations	42%	44%	Improving
Children acquire and use knowledge and skills			
(A) Greater than expected progress	65%	65%	Stable
(B) Exited Part C within age expectations	42%	41%	Stable
Children take action to meet needs			
(A) Greater than expected progress	67%	66%	Stable
(B) Exited Part C within age expectations	44%	46%	Improving

Performance Measures Notes:

Current year: FY 2010, Previous year FY 2009

Additional information on these and other performance measures is available within Minnesota's Part C Annual Performance Report at <http://education.state.mn.us/MDE/Welcome/AdvBCT/ICC/index.html>

Budget Activity: Infant & Toddler Intervention
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)			\$15,789	\$15,789
Current Law Expenditures (FY 2014-15)			\$14,000	\$14,000
Governor's Recommended Expenditures (FY2014-15)			\$14,000	\$14,000
\$ Change from FY 2014-15 Current Law to Governor's Rec			\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec			0%	0%

Budget Activity: Infant & Toddler Intervention**Sources and Uses**

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$14,000	\$14,000
SOURCES OF FUNDS			\$14,000	\$14,000
EXPENDITURES			\$14,000	\$14,000
PAYROLL EXPENSE			\$278	\$278
OPERATING EXPENSES			\$384	\$384
GRANTS, AIDS AND SUBSIDIES			\$13,338	\$13,338
USES OF FUNDS			\$14,000	\$14,000

Education

Early Childhood & Family Support - Preschool Special Education B/619

<http://education.state.mn.us/MDE/SchSup/EarlyLearnProg/PartCPreSSpecEd/>

Statewide Outcome(s):

Preschool Special Education supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

Research shows that when children with developmental delays are receiving early intervention they are less likely to need special education services at Kindergarten or beyond. Preschool Special Education (Part B, Section 619 of the Individuals with Disabilities Education Act) is federally regulated and provides individualized education services to young children with disabilities ages three through five. Funding for services is a combination of federal funds, state special education aid and general education revenue.

Strategies:

Preschool special education services are offered in conformity with an individual education program (IEP) plan. School districts must provide services in the least restrictive environment for each child, which means that many children receive services in child care, Head Start, School Readiness or other early childhood education settings.

Services often include special instruction, speech and occupational therapy, and transportation. Federal funds support professional development opportunities promoting evidence-based practices through the Centers of Excellence.

Results:

In 2010–2011, many preschool children with delays or disabilities who received services under the Part B/Section 619 of the Individuals with Disabilities Education Act (IDEA) showed greater than expected developmental progress. Many children exited the program functioning within age expectations, and most made progress.

Performance Measures ¹	Previous	Current	Trend
Children will demonstrate positive relationships (A) Greater than expected progress (B) Exited Part C within age expectations	79% 51%	76% 53%	Worsening Improving
Children will acquire and use knowledge and skills (A) Greater than expected progress (C) Exited Part C within age expectations	78% 52%	75% 54%	Worsening Improving
Children will take action to meet needs (A) Greater than expected progress (B) Exited Part C within age expectations	80% 66%	76% 65%	Worsening Stable

Performance Measures Notes:

Previous data is from federal FY 2009 and current year is from federal FY 2010.

Additional information on these and other performance measures is available within Minnesota's Part B Annual Performance Report at <http://education.state.mn.us/MDE/SchSup/SpecEdComp/index.html>

Budget Activity: Preschool Special Ed
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)			\$14,002	\$14,002
Current Law Expenditures (FY 2014-15)			\$13,000	\$13,000
Governor's Recommended Expenditures (FY2014-15)			\$13,000	\$13,000
\$ Change from FY 2014-15 Current Law to Governor's Rec			\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec			0%	0%

Budget Activity: Preschool Special Ed**Sources and Uses**

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$13,000	\$13,000
SOURCES OF FUNDS			\$13,000	\$13,000
EXPENDITURES			\$13,000	\$13,000
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES			\$13,000	\$13,000
USES OF FUNDS			\$13,000	\$13,000

Education

Community Education - Community Education

<http://education.state.mn.us/MDE/SchSup/SchFin/CommEd/>

Statewide Outcome(s):

Community Education supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

The state and local school districts have invested significant resources in school district facilities. The majority of facilities go unused after school hours. Communities have a need to provide educational opportunities for adults and/or youth programs to engage young people in the community and provide structured activities after school hours. The community education programs are intended to maximize the community's use of public schools and to promote the use of school facilities beyond the regular school day. Community education programs provide lifelong learning opportunities for all community members and access to school facilities for public use.

Strategies:

The state community education program began in 1971 and is funded through both aid and levy. School boards must establish a community education advisory council and, with some exceptions, must employ a licensed community education director. Together they determine how best to use school facilities and community resources to meet the needs of their community.

Community education provides services beyond the regular K-12 program and may include:

- adults with disabilities;
- adult basic education (ABE);
- youth development;
- youth service;
- early childhood family education (ECFE);
- school-age care;
- summer programs for elementary and secondary pupils;
- youth after-school enrichment programs
- school readiness programs; and
- non-vocational, recreational, and leisure activities.

Every Minnesota school district operates a community education program. Programs serve children and adults of all ages.

Results:

MDE has had no staff dedicated to community education since 2001. Data are reported by school districts. MDE shares reported data with the Minnesota Community Education Association who undertakes efforts to improve community education for its participating members. MDE collects no data to show impact of the programming other than the number of individuals that received services.

Performance Measures	Previous	Current	Trend
Duplicated Head Count	2.38 million	2.38 million	Stable

Performance Measures Notes:

Previous data is from FY 2009 and current data is from FY 2011.

Participants reported does not include those reported separately under ECFE, ABE, and early childhood screening. Community Education participation numbers are self-reported by districts in the Community Education Annual Report. FY 2009 numbers reflect 265 districts reporting. FY 2011 numbers reflect 290 districts reporting. Individuals may be counted more than once if they participated in multiple services.

Budget Activity: Community Education
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$478	\$890	\$1,368	\$939	\$1,070	\$2,009
Governor's Recommendation	\$478	\$890	\$1,368	\$939	\$1,070	\$2,009
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$442	\$905	\$1,347	\$930	\$1,047	\$1,977
Governor's Recommendation	\$442	\$905	\$1,347	\$930	\$1,047	\$1,977
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy	\$38,374	\$37,765	\$76,139	\$38,163	\$38,196	\$76,359
Governor's Recommendation	\$38,374	\$37,765	\$76,139	\$38,163	\$38,196	\$76,359
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: Community Education
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$478	\$890	\$1,368	\$939	\$1,070	\$2,009
Levies	\$38,374	\$37,765	\$76,139	\$38,163	\$38,196	\$76,359
District Revenue	\$38,852	\$38,655	\$77,507	\$39,102	\$39,266	\$78,368
Appropriation						
Current Year	\$308	\$735	\$1,043	\$775	\$883	\$1,658
Prior Year	\$134	\$170	\$304	\$155	\$164	\$319
State Aid	\$442	\$905	\$1,347	\$930	\$1,047	\$1,977
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$442	\$905	\$1,347	\$930	\$1,047	\$1,977
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$442	\$905	\$1,347	\$930	\$1,047	\$1,977
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$442	\$905	\$1,347	\$930	\$1,047	\$1,977

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Community Education - Adults with Disabilities

<http://education.state.mn.us/MDE/SchSup/SchFin/CommEd/>

Statewide Outcome(s):

Adults with Disabilities supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

Adults with disabilities are more likely to be isolated and disconnected from the community. Supporting and engaging adults with disabilities will benefit the individual and the community by providing the individual the skills to be more independent and self-sufficient, requiring fewer community resources to economically support in the future.

Strategies:

The adults with disabilities program is a state aid and levy program that provides revenue to a select number of school districts to support community education programs and services for adults with disabilities.

Community education programs locally administer programs funded through adults with disabilities revenue. Approved programs may receive revenue equal to the lesser of \$60,000 or actual expenditures; 50 percent aid and 50 percent levy.

Thirty of the 67 supported school districts are in the seven-county metropolitan area. Programs use the following service strategies:

- services enabling adults to participate in community activities, including one-on-one assistance, Braille and interpreter services
- classes specifically for adults with disabilities
- outreach to identify adults needing services
- activities to increase public awareness of the roles of people with disabilities

Results:

This stable source of community education funding has been primarily available to the same districts that accessed the funding stream at the program's inception in 1989. Program performance data are not reported to the Minnesota Department of Education.

Performance Measures	Previous	Current	Trend
Participating districts	67	67	Stable

Performance Measures Notes:

Previous year data is from FY 2005 and current year data is from 2011.

Budget Activity: Adults W Disabilities**Current, Base and Governor's Recommended Expenditures - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$710	\$710	\$1,420	\$710	\$710	\$1,420
Governor's Recommendation	\$710	\$710	\$1,420	\$710	\$710	\$1,420
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$654	\$839	\$1,493	\$710	\$710	\$1,420
Governor's Recommendation	\$654	\$839	\$1,493	\$710	\$710	\$1,420
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy	\$670	\$670	\$1,340	\$670	\$670	\$1,340
Governor's Recommendation	\$670	\$670	\$1,340	\$670	\$670	\$1,340
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Budget Activity: Adults W Disabilities
Sources and Uses - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$710	\$710	\$1,420	\$710	\$710	\$1,420
Levies	\$670	\$670	\$1,340	\$670	\$670	\$1,340
District Revenue	\$1,380	\$1,380	\$2,760	\$1,380	\$1,380	\$2,760
Appropriation						
Current Year	\$457	\$586	\$1,043	\$586	\$586	\$1,172
Prior Year	\$197	\$253	\$450	\$124	\$124	\$248
State Aid	\$654	\$839	\$1,493	\$710	\$710	\$1,420
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$654	\$839	\$1,493	\$710	\$710	\$1,420
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$654	\$839	\$1,493	\$710	\$710	\$1,420
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$654	\$839	\$1,493	\$710	\$710	\$1,420

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Community Education - Hearing Impaired Adults

<http://education.state.mn.us/MDE/EdExc/SpecEdClass/DisabCateg/HardHear/>

Statewide Outcome(s):

Hearing Impaired Adults supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

Individuals who are deaf or hard-of hearing experience barriers to education opportunities. Access to education programs for persons with disabilities is assured by the American with Disabilities Act (ADA). The hearing impaired adults program was developed to provide educational opportunities for deaf and hard-of hearing adults.

Strategies:

This program covers one-time interpreter or note-taker services for deaf and hard of hearing adults participating in school district adult education classes, adult technical college programs, or non-vocational programs operated by public or private community agencies. The intent of the program is to reimburse adult education programs for unanticipated costs, therefore funding varies from year to year.

The average cost for an hour of American Sign Language interpretation ranges between \$50 and \$100. Reimbursement available is prorated to not exceed the annual state appropriation which has been \$70,000 for the past decade.

This program:

- targets adult students with hearing impairments;
- provides access to vocational education programs and programs promoting educational growth and development; and
- enhances and encourages lifelong learning.

Since the annual demand approximates the funding available, the state has not undertaken a campaign to promote this funding stream. MDE has altered the process to distribute funds to applicants. MDE now reimburses expenditures on a prorated basis rather than distributing the funds on a first come-first served basis.

Results:

The rate at which sites request funds in consecutive years provides a gauge whether providers are anticipating, and budgeting for, support for individuals with hearing impairments. It is difficult to draw assumptions regarding the true statewide demand for services, since most districts or non-profit providers seek other resources to meet their needs as well.

Performance Measures	Previous	Current	Trend
Supported Events	290	244	Decreasing
Expenditures Reimbursed	86.7%	100%	Increasing

Performance Measures Notes:

The number of supported events varies significantly from year to year. Previous year data is from FY 2009 and current year data is from FY 2010.

The appropriation for this program is capped at \$70,000. Demand exceeded the appropriation in four of the previous eight years; the proration averaged was 86.7 percent for those four years. Current year is FY 2011 where proration was not necessary.

Budget Activity: Hearing Impaired Adults
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$135			\$135
Current Law Expenditures (FY 2014-15)	\$140			\$140
Governor's Recommended Expenditures (FY2014-15)	\$140			\$140
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Hearing Impaired Adults

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$140			\$140
SOURCES OF FUNDS	\$140			\$140
EXPENDITURES	\$140			\$140
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$140			\$140
USES OF FUNDS	\$140			\$140

Education

Community Education - School Age Care

<http://education.state.mn.us/MDE/SchSup/FNS/CACFPCenter/>

Statewide Outcome(s):

School Age Care supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

People in Minnesota are safe.

Context:

School age care is a program for children with disabilities or children who experience problems of a temporary nature from kindergarten through grade six to expand student's learning opportunities when school is not in session. This program exists to ensure that all students, regardless of disability or family problems, have equal access to after-school care and summer educational programming. Without this program schools would be reluctant to fund participation by students with disabilities because after-school care and summer programs are not essential elements of FAPE and usually carry significant costs for participation for a student with disabilities. For students experiencing family problems at home, this program ensures they have a safe after-school and summer environment regardless of their family's ability to pay.

Strategies:

Local school boards must develop the standards for the program, which must include the following components:

- adult supervised activities while school is not in session;
- parent involvement in program design and direction;
- partnerships with K-12 system and other public, private, or nonprofit entities;
- opportunities for trained secondary school pupils to work with younger children as part of a community service program; and
- access to available school facilities when otherwise not in use as part of the operation of the school.

School age care revenue is an equalized levy and aid program equal to the annual eligible costs of providing school age care services. The levy is equalized at a rate of \$2,433 of adjusted net tax capacity per resident pupil unit. Districts with a per-pupil tax capacity less than this amount are eligible to receive state aid. Currently all school districts accessing this revenue have tax capacities sufficient to generate 100% of their school age care revenue.

Results:

Performance Measures	Previous	Current	Trend
Number of Participating Districts*	79	225	Increasing
Percent of before and after school program revenue from tuition and fees**	87%	87%	Stable

Performance Measures Notes:

*Previous data is from FY 1994 the start of the program and current data is from FY 2011.

** Previous data is from FY 2009 and current data is from FY 2011.

Budget Activity: School Age Care
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$0	\$1	\$1	\$1	\$1	\$2
Governor's Recommendation	\$0	\$1	\$1	\$1	\$1	\$2
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$0	\$1	\$1	\$1	\$1	\$2
Governor's Recommendation	\$0	\$1	\$1	\$1	\$1	\$2
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy	\$14,096	\$14,800	\$28,896	\$15,540	\$16,317	\$31,857
Governor's Recommendation	\$14,096	\$14,800	\$28,896	\$15,540	\$16,317	\$31,857
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Federal Funds			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: School Age Care
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$0	\$1	\$1	\$1	\$1	\$2
Levies	\$14,096	\$14,800	\$28,896	\$15,540	\$16,317	\$31,857
District Revenue	\$14,096	\$14,801	\$28,897	\$15,541	\$16,318	\$31,859
Appropriation						
Current Year	\$0	\$1	\$1	\$1	\$1	\$2
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0
State Aid	\$0	\$1	\$1	\$1	\$1	\$2
Federal Funds						
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$0	\$1	\$1	\$1	\$1	\$2
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES						
OTHER FINANCIAL TRANSACTIONS						
GRANTS, AIDS AND SUBSIDIES	\$0	\$1	\$1	\$1	\$1	\$2
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$0	\$1	\$1	\$1	\$1	\$2

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Self Sufficient and Lifelong Learning - Adult Basic Education

<http://education.state.mn.us/MDE/StuSuc/AdultEd/>

Statewide Outcome(s):

Adult Basic Education supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

Census data from the 2010 census indicate that 327,891 working-age adult Minnesotans (18 – 64) have either not completed high school (238,581), have no college education and speak English poorly or not at all (58,170) or have not completed high school and speak English poorly or not at all (31,203). Another 384,972 adults have no post-secondary education and are working but living in families with combined incomes less than a living wage. Many of those Minnesotans, despite having a high school diploma, have below high school level literacy skills.

Strategies:

This state and federal funded program provides education opportunities for adults who lack basic academic skills and whose low educational levels are barriers to employment, self-sufficiency, and postsecondary training.

Adults are eligible to participate in adult basic education programs when they are at least 16 years old, are not enrolled in school (formally withdrawn or dropped out), and function below the high school completion level in basic skills and/or English language skills.

ABE program options include the following program types:

- **GED (General Education Development Diploma)** - high school equivalency program (a GED online preparation program is available, as well as, in-class preparation)
- **Adult Diploma** - programs for adults leading to a Minnesota high school diploma
- **English as a Second Language (ESL)** - for students whose native language is not English
- **Basic Skills Education** - for students who need to brush-up on some specific basic skills, such as math or reading (typically related to their employment needs)
- **Workforce Preparation** - literacy skills related to students' need to obtain, retain, or improve their employment. Instruction uses work-related content, often delivered at the learner's work site or within a post-secondary training institution (e.g.- Minnesota FastTRAC program)
- **Transition to Postsecondary Education** - programs for college readiness including free remedial classes for college-bound adults. Typically contextualized for specific occupation areas.
- **Family Literacy** - features instruction for adults in academic basic literacy skills, parenting, and also provides learning opportunities for their pre-school children
- **U.S. Citizenship and Civics** - programs for legal noncitizens (immigrants and refugees) to attain English and civic knowledge necessary for U.S. citizenship and civic participation.

Results:

Minnesota Adult Basic Education (ABE) programs are measured through a national system of performance outcomes including educational gain, GED and high school diploma acquisition, and follow-up outcomes including employment and/or transition to post-secondary education. Minnesota has exceeded its federally negotiated performance targets for the past six years and earned the state over \$5 million in ABE performance incentive awards. Over 70,000 Minnesota adults participated in ABE during 2011-12. Performance on key variables including GED attainment, high school diploma attainment, and a variety of follow-up measures noted below are continuing to increase as well as ABE service level indicators.

Performance Measures	Previous	Current	Trend
Clients who left public assistance	579	867	Improving
Clients who entered post-secondary	9,659	12,356	Improving
Clients who gained or bettered employment	12,678	14,388	Improving
Clients who are better able to assist their children in school	11,879	12,044	Improving

Performance Measures Notes:

Current performance data is for 2011-2012, previous is for 2009-2010 (biennial comparison). The average annual per student cost is increasing due to a higher proportion of enrolling students at the lowest literacy levels. These students are provided more intensive, and costly, services.

Budget Activity: Adult Basic Education
Current, Base and Governor's Recommended Expenditures - MDE

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Expenditures (FY 2014-15)
Base Entitlement	\$45,352	\$46,207	\$91,559	\$47,130	\$48,072	\$95,202
Governor's Recommendation	\$45,352	\$46,207	\$91,559	\$47,130	\$48,072	\$95,202
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Appropriation	\$42,526	\$54,311	\$96,837	\$46,969	\$47,907	\$94,875
Governor's Recommendation	\$42,526	\$54,311	\$96,837	\$46,969	\$47,907	\$94,875
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Base Levy			\$0			
Governor's Recommendation			\$0			
Dollar Change from Base						
Percent Change from Base			0%			
Federal Funds	\$4,973	\$5,031	\$10,004	\$5,031	\$5,031	\$10,062
Governor's Recommendation	\$4,973	\$5,031	\$10,004	\$5,031	\$5,031	\$10,062
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Governor's Recommendation	\$0	\$0	\$0	\$0	\$0	\$0
Dollar Change from Base	\$0	\$0	\$0	\$0	\$0	\$0
Percent Change from Base	0%	0%	0%	0%	0%	0%

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

**Budget Activity: Adult Basic Education
Sources and Uses - MDE**

(Dollars in Thousands)

	FY12	FY13	Biennium (FY 2012-13)	FY14	FY15	Biennium (FY 2014-15)
Entitlement	\$45,352	\$46,207	\$91,559	\$47,130	\$48,072	\$95,202
Levies						
District Revenue	\$45,352	\$46,207	\$91,559	\$47,130	\$48,072	\$95,202
Appropriation						
Current Year	\$29,162	\$38,121	\$67,283	\$38,883	\$39,660	\$78,543
Prior Year	\$13,364	\$16,190	\$29,554	\$8,086	\$8,247	\$16,333
State Aid	\$42,526	\$54,311	\$96,837	\$46,969	\$47,907	\$94,876
Federal Funds	\$4,973	\$5,031	\$10,004	\$5,031	\$5,031	\$10,062
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Sources of Funds	\$47,499	\$59,342	\$106,841	\$52,000	\$52,938	\$104,938
Expenditures						
PAYROLL EXPENSE						
OPERATING EXPENSES	\$245		\$245			
OTHER FINANCIAL TRANSACTIONS	\$7	\$9	\$16	\$0	\$0	\$0
GRANTS, AIDS AND SUBSIDIES	\$47,247	\$59,332	\$106,580	\$51,999	\$52,937	\$104,937
CAPITAL OUTLAY-REAL PROPERTY						
Uses of Funds	\$47,499	\$59,342	\$106,841	\$51,999	\$52,937	\$104,937

FY 2012 Current Year percentage was 64.3, Prior Year 30. FY 2013 Current Year percentage is 82.5, Prior Year is 35.7.
FY 2014 - FY 2017 Current Year percentage is 82.5, Prior Year is 17.5

Education

Self Sufficiency & Lifelong Learning - GED Tests

<http://education.state.mn.us/MDE/StuSuc/AdultEd/>

Statewide Outcome(s):

GED Tests supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their personal and employment goals.

Strong and stable families and communities.

Context:

Ten percent of Minnesotans over 18 years old lack a high school diploma or General Educational Development (GED). The percent of Minnesota adults without high school equivalency varies by ethnic group: Hispanic – 40 percent, Native American – 37 percent, Black – 21 percent, Asian – 14 percent, White – 13 percent. This state aid program provides increased access for eligible individuals to complete the GED battery of tests by paying a portion of the student’s testing fees.

Strategies:

This program provides a \$40 subsidy per complete test battery for low income GED test takers. To be eligible to take the GED exam and have the cost subsidized by the state, an individual must meet four criteria:

- 19 years of age or obtain a waiver (for ages 16, 17 and 18) from the MDE,
- A Minnesota resident and have been so for at least 90 days,
- Not currently enrolled in a program leading to a high school diploma,
- Not have the testing fee paid by another government agency.

As a result of this subsidy, which is paid quarterly to testing centers until depleted, fees for individual GED examinees are reduced. There are 55 testing centers in Minnesota including nine at state correctional facilities. The GED examination consists of a battery of five tests that measure major and lasting outcomes associated with a high school education. The five tests (social studies; science; language arts reading; language arts writing; and mathematics) employ a multiple-choice format with the two-part mathematics test also using alternative format questions. The writing skills test requires an essay.

The average GED test fee per participant is \$95. The state covers \$40 per test (42 percent); however the pool of funds is typically depleted during the third or fourth quarter of test center operation. Once the subsidy is depleted, the cost of the GED is increased by testing centers to cover the cost of managing and proctoring the exam.

Results:

One out of every ten high school credentials issued in Minnesota last year was issued through Adult Basic Education programming and includes GED diplomas and adult high school diploma attainment.

Performance Measures	Previous	Current	Trend
GED candidates tested (any amount of GED tests)	9,455	9,759	Improving
GED candidates completing all five GED tests	(70%)	(71%)	Stable
GED candidates passing all five GED tests	(83%)	(83%)	Stable

Performance Measures Notes:

Current year is calendar year 2011, previous is 2010.

Budget Activity: GED Tests**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$250			\$250
Current Law Expenditures (FY 2014-15)	\$250			\$250
Governor's Recommended Expenditures (FY2014-15)	\$250			\$250
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: GED Tests**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$250			\$250
SOURCES OF FUNDS	\$250			\$250
EXPENDITURES	\$250			\$250
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS	\$2			\$2
GRANTS, AIDS AND SUBSIDIES	\$248			\$248
USES OF FUNDS	\$250			\$250

DEPT OF EDUCATION

FEDERAL FUNDS SUMMARY

Federal Award Name and Brief Purpose	New Grant	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match/MOE		Statewide Outcome
						yes	no	
Total Federal Funds		779,472	804,869	783,801	787,646			
FNS-Breakfast E370450 School Breakfast Program funds to reimburse participating public and nonprofit private schools, of high school grade and under and residential child care institutions, for breakfasts to eligible children.	on-	37,480	38,200	39,346	40,526	yes	no	Educatio
FNS-Lunch E370460 School lunch program to reimburse participating public and nonprofit private schools, of high school grades or under, including residential child care institutions, for lunches meeting the nutritional requirements to eligible children.	on-	135,136	142,300	146,569	150,966	yes	no	Educatio
FNS-Special Milk E370470 To encourage the consumption of milk by children in public and private nonprofit schools of high school grade and under, public and private nonprofit nursery schools, and child-care centers. Milk served free to eligible needy children is reimbursed at the average cost of a half pint of milk.	on-	798	779	802	802	yes	no	Educatio
FNS-CACFP Commodities E370480 To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	on-	1,024	1,059	1,091	1,123	no	no	Educatio
FNS-CACFP Audit E370490 To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	on-	804	1,110	1,110	1,110	no	no	Educatio
FNS-CACFP Food Service E370500 To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	on-	52,598	68,100	78,100	88,100	no	no	Educatio
FNS-CACFP Sponsor Admin E370510 To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	on-	6,129	7,400	7,600	7,851	no	no	Educatio

DEPT OF EDUCATION

FEDERAL FUNDS SUMMARY

Federal Award Name and Brief Purpose	New Grant	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match/MOE		Statewide Outcome
FNS-Summer Food Service Program State Admin Expenses E370530 Nonprofit food service programs for low-income children during the summer months and at other approved times, when schools are out of session or are closed for vacation.	on-going	100	205	221	228	no	no	Educatio n
FNS-State Admin Expense E370540-E370541 Administrative funds to supervise and give technical assistance to local schools, school districts and institutions with their Child Nutrition Programs.	on-	3,101	4,801	4,920	5,041	yes	no	Educatio
FNS-Fresh Fruits & Vegetables E370560-E370561 Selected low-income public and nonprofit private elementary schools are reimbursed for produce served to school children outside of the lunch or breakfast food service periods.	on-going	2,578	3,019	3,118	3,213	no	no	Educatio n
FNS-Summer Food Program Sponsor Admin E370570 Initiate and maintain nonprofit food service programs for low-income children during the summer months and at other approved times, when schools are out of session or are closed for vacation.	on-going	466	545	561	578	yes	no	Educatio n
FNS-Summer Food Program E370580 Initiate and maintain nonprofit food service programs for low-income children during the summer months and at other approved times, when schools are out of session or are closed for vacation.	on-	4,512	5,986	6,166	6,351	no	no	Educatio
Striving Readers Comprehensive Literacy Program State Form Grant 417 To advance literacy skills, including pre-literacy skills, reading and writing for students from birth through grade 12, including limited-English-proficient students and students with disabilities.	ended	48	44	0	0	no	no	Educatio n
Adult Basic Education E370610-E370612 Programs for adult education and literacy services, including workplace literacy services, family literacy services, and English literacy and integrated English literacy-civics education programs. Participation is limited to adults and out-of-school youths aged 16 and older who do not have a high school diploma or equivalent.	on-	5,716	6,098	6,098	6,098	yes	yes	Educatio
ESEA – Migrant Education E370620-E370622 To ensure that migratory children have the opportunity to meet the same challenging State content and performance standards that all children are expected to meet.	on-going	1,936	2,373	2,650	2,650	no	no	Educatio n

DEPT OF EDUCATION

FEDERAL FUNDS SUMMARY

Federal Award Name and Brief Purpose	New Grant	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match/MOE		Statewide Outcome
Title I Neglected & Delinquent E370640-E370641 To help provide educational continuity for neglected and delinquent children and youth in State-run institutions for juveniles and in adult correctional institutions, so that these youth can make successful transitions to school or employment once they are released.	on-going	225	300	300	300	no	no	Education
Deaf & Blind E370650 Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	on-	176	226	226	226	no	no	Educatio
Special Education – State Personnel Dev E370660-E370662 Reform and improve systems for school personnel preparation and professional development in early intervention, educational and transition services, to improve results for children with disabilities.	on-going	1,374	1,862	1,521	1,521	no	no	Educatio n
Institute of Museum & Library Services – Grants to States E370670 Promote improvement in library services in all types of libraries to better serve the public by facilitating access to resources for the purpose of cultivating an educated and informed citizenry and encouraging resource sharing among libraries for the purpose of achieving economical and efficient delivery of library services to the public.	on-going	2,830	2,725	2,725	2,725	yes	yes	Educatio n
Rural & Low Income Schools E370680-E370681 Provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools.	on- ooina	313	447	447	447	no	no	Educatio n
Early Childhood – Special Education Preschool Grant Part B E370700-E370702 Provide special education and related services to children with disabilities ages 3 through 5 years, and at a State's discretion, to 2- year- old children with disabilities who will reach age three during the school year.	on-going	6,282	7,395	7,404	7,404	no	yes	Educatio n
Early Childhood – Special Education Infants & Toddlers Grant Part C E370710-E370712 Implement and maintain a Statewide, comprehensive, coordinated, multidisciplinary, interagency system to make available early intervention services to infants and toddlers with disabilities and their families.	on- ooina	7,069	7,975	7,975	7,975	no	yes	Educatio n

DEPT OF EDUCATION

FEDERAL FUNDS SUMMARY

Federal Award Name and Brief Purpose	New Grant	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match/MOE		Statewide Outcome
Homeless Children E370750-E370752 Ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children.	on-going	643	936	936	936	no	no	Education
Head Start E370770 Promote school readiness by enhancing the social and cognitive development of low-income children, including children on federally recognized reservations and children of migratory farm workers, through the provision of comprehensive health, educational, nutritional, social and other services; and to involve parents in their children's learning and to help parents make progress toward their educational, literacy and employment goals.	on-	116	132	132	132	yes	no	Education
Charter School Facilities E370781-E370782 To provide matching funds to states to establish or enhance and administer per-pupil facilities aid programs in order to help charter schools obtain adequate facilities.	ending	0	839	0	0	yes	no	Education
Charter Schools E370790-E370793 Support the planning, development, and initial implementation of charter schools and the dissemination of information on charter schools.	on-	2,278	5,089	6,653	6,653	no	no	Education
ESEA Title 1 E370800-E370802 Assist local educational agencies (LEAs) and schools to improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic achievement standards.	on-	128,292	159,543	159,544	159,544	no	no	Education
Special Education--Children with Disabilities E370810-E370816 Formula grant to provide special education & related services needed to eligible children as authorized under IDEA.	on-going	168,955	201,775	190,691	190,691	no	yes	Education
Advanced Placement Incentive E370830-E370831 Support efforts to increase access to advanced placement classes and tests for low-income students and to cover part or all of the cost of test fees for low-income students enrolled in advanced placement courses.	ending	1,173	826	0	0	yes	yes	Education

DEPT OF EDUCATION

FEDERAL FUNDS SUMMARY

Federal Award Name and Brief Purpose	New Grant	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match/MOE		Statewide Outcome
ESEA – 21st Century Community Learning E370840-E370842 Create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low-performing schools to help students meet state and local student standards in core academic subjects and offers literacy and other educational services to the families of participating children.	on-going	10,580	13,846	13,846	13,846	no	no	Education
ESEA – State Assessments E370850-E370851 Support the development of the additional State assessments and standards required by Section 1111(b) of the Elementary and Secondary Education Act (ESEA), as amended; and (2) if a State has developed the assessments and standards required by Section 1111(b), then to support the administration of those assessments or to carry out other activities related to ensuring that the State's schools and local education agencies are held accountable for results.	on-	6,284	5,770	5,402	5,402	no	no	Educatio
USDE Contract – NAEP E370860 Coordinate state's participation in the federally required assessments of the National Assessments Governing Board.	on-	304	331	347	360	no	no	Educatio
ESEA – English Language Acquisition E370870-E370872 Ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards.	on-going	7,573	8,976	8,976	8,976	no	yes	Educatio
ESEA – Title II Improving Teacher Quality/Effective Teachers and Leaders E370880-E370882 To improve teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement.	on-going	27,443	33,424	33,424	33,424	no	no	Educatio
ESEA Migrant Consortium E370910 Participate in consortia that provide high-quality project designs and services to improve the interstate or intrastate coordination of migrant education programs by addressing key needs of migratory children who have their education interrupted.	on-	57	69	66	66	no	no	Educatio

DEPT OF EDUCATION

FEDERAL FUNDS SUMMARY

Federal Award Name and Brief Purpose	New Grant	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match/MOE		Statewide Outcome
						no	no	
Comprehensive School Health Programs E370920 To improve the health and well-being of youth and prepare them to be healthy adults and help schools prevent sexual risk behaviors that result in HIV infection, especially among youth who are at highest risk.	on-going	475	378	378	378	no	no	Education
Carl Perkins Act – Vocational Education E3700930-E370934 Develop more fully the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in career and technical education programs.	on-going	6,732	8,503	8,478	8,478	yes	yes	Education
USDE Contract – PBDMI E370940 To improve and institutionalize ED Facts reporting processes within the state.	on-	44	50	54	57	no	no	Education
ESEA – Voluntary Public School Choice E370960-E370962 Eligible entities use the grant funds for: (1) planning or designing a program (for not more than 1 year); (2) the cost of making tuition transfer payments to public elementary schools or secondary schools to which students transfer under the program; (3) the cost of capacity-enhancing activities that enable high-demand public elementary schools or secondary schools to accommodate transfer requests under the program; (4) the cost of carrying out public education campaigns to inform students and parents about the program; and (5) other costs reasonably necessary to implement the program.	on-going	1,903	1,691	1,691	1,691	yes	no	Education
Learn & Serve America School Based Prog E370970 Encourage elementary and secondary schools and community-based agencies to create, develop, and offer service-learning opportunities for school-age youth; educate teachers about service-learning and incorporate service-learning opportunities into classrooms to enhance academic learning; coordinate adult volunteers in schools; and introduce young people to a broad range of careers and encourage them to pursue further education and training.	ended	185	45	0	0	yes	no	Education
ESEA – Math & Science Partnerships E370981-E370983 To improve the academic achievement of students in mathematics and science.	on-going	1,946	1,561	1,580	1,580	no	no	Education

DEPT OF EDUCATION

FEDERAL FUNDS SUMMARY

Federal Award Name and Brief Purpose	New Grant	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match/MOE		Statewide Outcome
						no	no	
ESEA – School Improvement Grants E370990-E370991 Competitive subgrants to local educational agencies (LEAs) that demonstrate the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources in order to raise substantially the achievement of students in their lowest-performing schools.	on-going	1,344	8,622	5,912	5,912	no	no	Education
ARRA Data Systems for 21st Century E371010 Create comprehensive P-20 systems that permit the generation and use of accurate and timely data, support analysis and informed decision-making at all levels of the education system, increase the efficiency with which data may be analyzed to support the continuous improvement of education services and outcomes, facilitate research to improve student academic achievement and close achievement gaps, support education accountability systems, and simplify the processes to make education data transparent through Federal and public reporting.	ending	5,526	5,433	800	0	yes	no	Education
ARRA Title I E371020-E371021 Improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic achievement standards.	ended	15,352	482	0	0	no	no	Education
ARRA Head Start Advisory E371060-E371061 Improve coordination and collaboration among early childhood education and care programs and services in the state through activities of the State Early Childhood Advisory Council.	ending	701	269	0	0	yes	no	Education
ARRA School Improvement E371090-E371091 Competitive subgrants to local educational agencies (LEAs) that demonstrate the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources in order to raise substantially the achievement of students in their lowest-performing schools.	ending	12,715	8,641	4,536	0	no	no	Education
Education Jobs Funding E371110-E371112 Assist local educational agencies (LEAs) in saving or creating education jobs for school year 2010-2011.	ended	80,169	23,284	0	0	no	yes	Education
Enhanced Assessment Grant – Improving Validity of Assessment Results for ELLs with Disabilities E371320 Address the validity of assessment results of ELLs with disabilities in statewide accountability assessments.	ended	929	270	128	0	no	no	Education

DEPT OF EDUCATION

FEDERAL FUNDS SUMMARY

Federal Award Name and Brief Purpose	New Grant	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match/MOE		Statewide Outcome
FNS-Team Nutrition Training Grants E371400-E371401 To improve children's lifelong eating and physical activity habits by using the principles of the Dietary Guidelines for Americans and the USDA Food Guidance System.	on-going	89	166	176	170	no	no	Education
Race to the Top Early Learning E371420-E371422 To improve the quality of early childhood programs and to close the achievement gap for high-need children.	one time	299	10,515	20,515	13,529	no	no	Education
FNS-Healthy Hunger Free Kids E371490 To provide Federal financial aid to State agencies for costs incurred to operate the Supplemental Nutrition Assistance Program.	on-	0	454	586	586	no	no	Education
ESEA – Drug & Violence E370730-E370731 Provide a disciplined environment conducive to learning, by preventing violence in and around schools and strengthening programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and are coordinated with related Federal, State, and community efforts and resources.	ended	332	0	0	0	no	no	Education
ESEA – Drug & Violence E370740-E370741 Provide programs and activities that prevent illegal drug use and violence targeted to populations that need special services or additional resources, such as youth in juvenile detention facilities, runaway or homeless children and youth, pregnant and parenting teens and school dropouts and are coordinated with related Federal, State, and community efforts and resources.	ended	101	0	0	0	no	no	Education
ESEA – Enhancing Technology State Grants E370820-E370822 Formula grant to (a) improve student academic achievement through the use of technology in schools; (b) assist all students in becoming technologically literate by the end of eighth grade; and (c) encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods.	ended	594	0	0	0	no	no	Education
Building State Capacity for Preventing Youth Substance Abuse E370950 Enhance the prevention of illegal use of drugs and violence among, and promote safety and discipline for, students at all educational levels; and to support programs to reduce alcohol abuse among secondary school students.	ended	83	0	0	0	no	no	Education

DEPT OF EDUCATION

FEDERAL FUNDS SUMMARY

Federal Award Name and Brief Purpose	New Grant	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match/MOE		Statewide Outcome
						no	yes	
ARRA IDEA Part B E371030-E371031 Provide a free appropriate public education to all children with disabilities.	ended	19,997	0	0	0	no	yes	Educatio
ARRA Title II Tech E371080 Formula grants to (a) improve student academic achievement through the use of technology in schools; (b) assist all students in becoming technologically literate by the end of eighth grade; and (c) encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods.	ended	23	0	0	0	no	no	Educatio
ESEA – Migrant MSIX Data Quality E371330 To participate in consortia that provide high-quality project designs and services to improve the interstate or intrastate coordination of migrant education programs by addressing key needs of migratory children who have their education interrupted.	ended	2	0	0	0	no	no	Educatio
Even Start Family Literacy E370761-E370762 Help break the cycle of poverty and illiteracy and improve the educational opportunities of low-income families, by integrating early childhood education, adult literacy or adult basic education, and parenting education into a unified family literacy program.	ended	207	0	0	0	yes	no	Educatio
ARRA McKinney Vento E371070 Ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, the Education for Homeless Children and Youth program provides assistance to States, Outlying Areas, and the Bureau of Indian Education (BIE).	ended	4	0	0	0	no	no	Educatio
Byrd Honors Scholarships E370720 Provide scholarships to support postsecondary education to outstanding high school seniors who show promise of continued academic achievement in an effort to recognize and promote student excellence and achievement.	ended	134		0	0	no	no	Educatio
ARRA Stabilization Fund E371100 Support and restore funding for elementary, secondary, and postsecondary education and, as applicable, early child hood education programs and services.	ended	410	0	0	0	no	yes	Educatio
ARRA Preschool Part B E371040 Provide special education and related services to children with disabilities ages 3 through 5 years, and at a State's discretion, to 2-year-old children with disabilities who will reach age three during the school year.	ended	2,040	0	0	0	no	no	Educatio

DEPT OF EDUCATION

FEDERAL FUNDS SUMMARY

Federal Award Name and Brief Purpose	New Grant	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match/MOE		Statewide Outcome
ARRA IDEA Infants & Family Part C E371050 Implement and maintain a statewide, comprehensive, coordinated, multidisciplinary, interagency system to make available early intervention services to infants and toddlers with disabilities and their families.	ended	2,743	0	0	0	no	no	Educatio

MDE Federal Funds Summary Narrative:

Federal Funds make up 10% of Minnesota Department of Education's (MDE) budget and are projected to be \$784 and \$788 million for State fiscal years 2014 and 2015 respectively. Due to the ending of large one-time funds for the American Recovery and Reinvestment Act (ARRA) and Education Jobs, fiscal year 2013 is significantly higher than subsequent years. Title I and Special Education funding has remained the same or shown a slight increase that is insignificant when compared to the increased cost of providing services to eligible students. Special Education expenditures fluctuated between fiscal years 2012 and 2013 due to some delayed spending of the federal award.

Major programs with Maintenance of Effort (MOE) include Title I, Special Education, English Language Acquisition, and Adult Basic Education (ABE). Title I and ABE require LEAs to spend at least 90% of prior year funding from state and local efforts to avoid a prorated loss of federal funds. For Special Education, states are subject to MOE and are required to spend the same amount of funding as the previous year in order to receive IDEA Parts B and C funds. Food & Nutritional Services, ABE and Carl Perkins also require a state match for the state to receive federal funds.

MDE estimates that about \$500M dollars in federal funds will be impacted by sequestration. This amounts to about 23 federal programs. Depending on which programs outside of education are included the impact could be anywhere between an 8.4% to 15% reduction. The reductions would be significant not only to districts but also MDE. Sixty percent of MDE staff is funded through federal funds. Layoff would be inevitable. The amount of indirect funds the agency can use for internal operations (local grant awards, accounts payable and receivable and other operating costs) would also be significantly impacted.

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Mission:

The mission of the Emergency Medical Services Regulatory Board is to provide leadership which optimizes the quality of emergency medical care for the people of Minnesota -- in collaboration with our communities -- through policy development, regulation, system design, education, and medical direction.

Statewide Outcome(s):

Emergency Medical Services Regulatory Board supports the following statewide outcome(s).

People in Minnesota are safe.

Context:

Access to quality emergency medical services helps to improve the outcomes for those in need of care from ambulances services, education programs and certification of pre-hospital personnel. In recognition of this, the Emergency Medical Services Regulatory Board (EMSRB) sets policies and strives to mitigate the need for regulation by establishing a network of resources including national and state data to assist medical directors in determining whether protocols need to be improved, and when necessary, protect the public through corrective action. EMSRB operates with general fund dollars, grants and returns collected fees to general fund per Minnesota Statutes (M.S.) section 144E.29, subd. (c).

Strategies:

In order to support the public's access to quality emergency medical care in Minnesota, as safely and quickly as possible, the EMSRB contributes to the above statewide outcomes by:

- Conducting biennial ambulance service sites and vehicle inspections to promote public safety.
- Establishing minimum educational standards that promote quality education.
- Establishing minimum registration and certification standards for pre-hospital care personnel.
- Maximizing technology for internal and external stakeholders to support data-driven quality care improvements and management decisions.
- Establishing and conducting policies to protect the public that are expedient and just.
- Developing a Complaint Review Panel to establish standard policies necessary to protect the public.
- Developing partnerships and emergency plans to respond to and coordinate resources during a disaster.
- Collaborating and supporting a strong EMS System to deliver services and reducing barriers.

EMSRB engages with other state agencies to assure congruence on issues involving health care delivery, patient safety issues, and coalitions of health care providers and enforcement agencies to identify best practices for addressing violations of the law such as drug diversion.

Results:

While no single entity can claim to be responsible for providing access to quality emergency care, EMSRB is committed to performance measurements and quality improvement through participation in the Office of Enterprise Technology (OET) E-licensing pilot program to develop an integrated data-management system. EMSRB also monitors comparative state and national data, through the National Registry of EMT's, National EMS Information System and stakeholder surveys using the data to analyze and identify areas for improvement.

EMSRB is also developing performance measures related to the percentage of ambulance reports submitted on time, percentage of certifications processed within 24 hours of applicants meeting all requirements, and the complaint resolution cycle. EMSRB is coordinating with the recently reinstated Minnesota Educator's Association and EMSRB Instructor Workgroup to improve student pass rates in Minnesota by one percent.

Performance Measures	Previous	Current	Trend
# of Ambulance Licenses / Vehicles statewide % of all Ambulance Licenses / Vehicles inspected statewide	308 / 823 100/100%	321 / 846 100/100%	Improving Stable
# state ambulance run reports submitted - Annually	472,718	499,771	Improving
# of education programs approved % of education program inspections	164 8.5%	171 10.5%	Improving Improving
# of certifications available for on-line verification % of first attempt EMT-Basic pass rates - Minnesota / Nationally % of first attempt EMT-Paramedic pass rates - Minnesota / Nationally	29,483 73 / 65% 74 / 69%	29,321 75 / 70% 73 / 72%	Worsening Improving Worsening
# of grants managed - Annually	21	20	Stable
% of staff responses to Emergency Event Notifications - Annually	100%	100%	Stable

Performance Measures Notes:

Note: Data is for FY 2009-2010 (Previous) and FY 2011-12 (Current), unless noted as annually, in which case, measures are calculated for year 2010 (Previous) and 2012 (Current).

The performance measures are from the Minnesota OET E-Licensing System, National Registry of EMT's, Minnesota State Ambulance Reporting System, and EMSRB Internal Tracking Systems.

Emergency Medical Services Regulatory Board
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$5,638	\$4,214	\$410	\$10,262
Current Law Expenditures (FY 2014-15)	\$5,482	\$3,843	\$464	\$9,789
Governor's Recommended Expenditures (FY2014-15)	\$5,482	\$3,843	\$464	\$9,789
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Emergency Medical Services Regulatory Board**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$48	\$464	\$512
TRANSFERS IN		\$3,796		\$3,796
APPROPRIATION	\$5,482	\$0	\$0	\$5,482
SOURCES OF FUNDS	\$5,482	\$3,844	\$464	\$9,790
EXPENDITURES	\$5,482	\$3,843	\$464	\$9,789
PAYROLL EXPENSE	\$1,522	\$127	\$226	\$1,875
OPERATING EXPENSES	\$2,068	\$57	\$30	\$2,155
OTHER FINANCIAL TRANSACTIONS			\$2	\$2
GRANTS, AIDS AND SUBSIDIES	\$1,892	\$3,659	\$206	\$5,757
USES OF FUNDS	\$5,482	\$3,843	\$464	\$9,789

Emergency Medical Services Regulatory Board
All Funds FTE by Program

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Emergency Medical Services Bd	13.3	13.5	13.5
Emergency Medical Services Regulatory Board	13.3	13.5	13.5

Emergency Medical Services Regulatory Board**Revenue Summary**

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	150			150
	ALL OTHER	0			0
	Subtotal	150			150
Dedicated	FEDERAL GRANTS			264	264
	DEPARTMENTAL EARNINGS		46		46
	INVESTMENT INCOME		0		0
	ALL OTHER		2	200	202
	Subtotal		48	464	512
	Total	150	48	464	662

Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012	2013	2014 Base	2015 Base	Required	Required	State-wide
			Actual	Budget			State	State MOE	
							Match Yes / No	Yes /No	Outcome
Federal Fund - Agency Total	ongoing	grant contract with Childrens Hospital services emergency medical services for children	200,000	200,000	130,000	130,000	No	No	MN is safe
Program Total	ongoing	grant contract with Childrens Hospital services emergency medical services for children	200,000	200,000	130,000	130,000	No	No	MN is safe
Budget Activity Total	ongoing	grant contract with Childrens Hospital services emergency medical services for children	200,000	200,000	130,000	130,000	No	No	MN is safe

Narrative:

MN Emergency Medical Services Regulatory Board – Emergency Medical Services for Children (EMSC) Partnership Grant

The Federal EMSC Program is designed to ensure that all children and adolescents, no matter where they live, attend school, or travel, receive appropriate care in a health emergency. It is administered by the United States Department of Health and Human Services' Health Resources and Services Administration's Maternal and Child Health Bureau. The EMSCRC is housed within Children's Hospitals and Clinics of Minnesota, and is a collaborative program of Children's Hospitals and Clinics of Minnesota, the University Of Minnesota School Of Medicine, and the Emergency Medical Services Regulatory Board. The EMSCRC is dedicated to improving emergency care for our children through education, system development and research. This is accomplished by collaborating with families, pediatric, EMS and community organizations throughout Minnesota.

The maintenance of effort levels for the EMSC grant program are supported only by federal funds. The EMSRB receives the federal funds to operate this program and contracts with Children's Hospital who partners with others in the state. This program receives federal funds for this program. This program does not receive any other state funding through the EMSRB board.

Currently the board is unaware of any changes to funding levels for this grant. This grant is an on-going grant that has been awarded to MN for many years. In the future, the board would reapply for future funding.

Currently the board does not receive state funding to support the EMSC Partnership grant.

The potential impact of sequestration would be to reduce the grant and reduce its costs to promote emergency health care to children in MN.

Grants Funding Detail

Program Name (Indicate Federal, State or Both) Legal Citation	Purpose	Recipient Type (s) Eligibility Criteria	2012	2013
State Grant - M.S. 144E	Funding for Emergency Medical Services Regions	8 EMS Regions	\$585,000	\$585,000

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Mission:

The mission of the Department of Employment and Economic Development (DEED) is to enhance the economic success of individuals, businesses, and communities by improving opportunities for prosperity and independence.

Statewide Outcome(s):

Employment and Economic Development supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

Minnesota's economic future depends on businesses (both small and large) who are successful, competitive, and capable of employing our citizens in quality jobs, on trained workers who can enter and grow in those positions, and on vibrant communities which can support business and employment growth. DEED programs support its vision of ***Minnesotans working together to build a prosperous state*** where:

- Businesses are globally competitive and locally engaged in their community,
- Minnesotans have world-class talent and achieve their highest career and independent living potential, and
- Communities are desirable places to live and work.

DEED is primarily funded by the federal government; however some activities are funded through the state's general, workforce development, and other special revenue funds.

Strategies:

DEED operates many federal and state programs that support Minnesota's people, businesses, and communities. It provides services in-person through WorkForce Centers and other locations throughout the state, as well as nation-leading online unemployment services. It facilitates development and service provision through communities, intermediaries, and partner organizations to help meet Minnesota's economic challenges. DEED provides regulatory technical assistance and international market entry strategies to ensure Minnesota's companies are globally competitive. It is particularly interested in ensuring that business has the talent they need to be globally competitive and that workers have the skills that businesses need.

Measuring Success:

DEED tracks numerous performance measures to determine progress towards goals including:

- The number and percent of individuals employed after being served by a DEED program
- The timeliness of benefit payments and accuracy of decision-making
- The amount of private investment leveraged in business development and expansion
- The amount of Minnesota's exports
- The number of jobs created with DEED assistance

Employment and Economic Development
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$103,087	\$202,426	\$555,360	\$860,874
Current Law Expenditures (FY 2014-15)	\$81,035	\$155,646	\$575,940	\$812,622
Governor's Recommended Expenditures (FY2014-15)	\$137,535	\$155,646	\$575,940	\$869,122
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$56,500	\$0	\$0	\$56,500
% Change from FY 2014-15 Current Law to Governor's Rec	70%	0%	0%	7%

**Employment and Economic Development
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$3,000	\$20,051	\$2,889	\$25,940
REVENUE		\$52,577	\$575,478	\$628,055
TRANSFERS IN	\$150	\$2,710		\$2,860
APPROPRIATION	\$134,636	\$101,804	\$0	\$236,440
SOURCES OF FUNDS	\$137,786	\$177,142	\$578,367	\$893,295
BALANCE FORWARD OUT		\$21,046	\$2,426	\$23,472
TRANSFERS OUT	\$250	\$450		\$700
EXPENDITURES	\$137,535	\$155,646	\$575,940	\$869,122
PAYROLL EXPENSE	\$18,624	\$20,986	\$191,475	\$231,085
OPERATING EXPENSES	\$6,419	\$28,491	\$142,282	\$177,193
OTHER FINANCIAL TRANSACTIONS	\$0	\$2,853	\$9,100	\$11,953
GRANTS, AIDS AND SUBSIDIES	\$112,492	\$103,317	\$233,083	\$448,891
USES OF FUNDS	\$137,785	\$177,142	\$578,367	\$893,294

Employment and Economic Development

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Minnesota Investment Fund

The MIF loan program provides financing to create and retain high-quality jobs to improve economic vitality for all Minnesota citizens. MIF funds are disbursed to local governments and then provided as a loan to the business. The loans are attractive to businesses because they are up front and can be used to offset capital expenditures, often equipment purchases. All projects must meet minimum criteria for private investment, number of jobs created or retained, and wages paid. Some loans are forgiven depending on the transaction requirements. Recapitalizing MIF will allow the state to actively compete for jobs created by expanding manufacturing and high-tech businesses looking to relocate to or expand in Minnesota.

Performance Measures:

This measure will assist in the creation of approximately 7,500 – 10,000 new jobs in Minnesota.

General Fund	Expenditure	15,000	15,000	30,000	15,000	15,000	30,000
	Net Change	15,000	15,000	30,000	15,000	15,000	30,000

Minnesota Job Creation Fund

The Governor recommends funding for the Minnesota Job Creation Fund, a statewide job creation incentive program. This economic development tool will help Minnesota compete for job creation from businesses expanding or locating in the state. This program, in conjunction with the Minnesota Investment Fund, provides Minnesota with flexible and effective tools to craft incentive packages that would be most appealing based on differing business financial needs. This new performance-based statewide grant program follows incentive program best practices and would provide financial awards to businesses that meet industry requirements as well as minimum capital investment and job creation thresholds.

Performance Measures:

This reform proposal will leverage \$450 million in private investment and assist in the creation of approximately 5,000 jobs.

General Fund	Expenditure	12,500	12,500	25,000	12,500	12,500	25,000
General Fund	Revenue	0	0	0	0	0	0
	Net Change	12,500	12,500	25,000	12,500	12,500	25,000

Minnesota Global Competitiveness Initiative

The Governor recommends funding for the Global Competitiveness Initiative to increase exports and foreign direct investment. This program would establish foreign offices in three new markets; currently the Minnesota Trade Office has one foreign location. The initiative also provides funds for a marketing campaign designed to better communicate the benefits of doing business in Minnesota and an export assistance grant program for small businesses to participate in trade-related activities. These activities equip Minnesota with the tools it needs to be competitive in a global marketplace.

Performance Measures:

This proposal would create new jobs through increased foreign investment and/or or increased exports.

General Fund	Expenditure	750	750	1,500	750	750	1,500
	Net Change	750	750	1,500	750	750	1,500

Employment and Economic Development

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Unemployment Insurance Employer Tax Reduction

The Governor recommends reducing the Unemployment Insurance (UI) tax to 0.1% of taxable wages for all for-profit employers and eliminating the 14% additional assessment currently levied on taxes due for FY 2014 -2015. The impact of this reduction would be a savings to Minnesota employers. The tax reductions would only occur if the unemployment insurance trust fund continues to maintain an adequate balance to pay benefits to individuals. Note: The trust fund is maintained outside of the state treasury; therefore numbers are not reflected in the budget system.

Performance Measures:

This proposal will substantially reduce unemployment taxes over a two year period.

General Fund	Expenditure	0	0	0	0	0	0
General Fund	Revenue	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0
Net All Change Items	General Fund	28,250	28,250	56,500	28,250	28,250	56,500
	Net Change	28,250	28,250	56,500	28,250	28,250	56,500

**Employment and Economic Development
All Funds FTE by Program**

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Business and Community Dvpmt	49.8	49.0	49.0
Program: Unemployment Insurance	457.4	433.1	433.1
Program: Workforce Development	528.5	501.9	501.9
Program: General Support Services	154.1	115.2	115.2
Program: Minnesota Trade Office	13.9	13.0	15.0
Program: Vocational Rehabilitation	387.0	382.8	382.8
Program: Services for The Blind	126.5	126.2	126.2
Employment and Economic Development	1,717.3	1,621.1	1,623.1

Employment and Economic Development**Revenue Summary**

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	TAXES		84,604		84,604
	INVESTMENT INCOME		200		200
	ALL OTHER	0	0		0
	Subtotal	0	84,804		84,804
Dedicated	TAXES		750		750
	FEDERAL GRANTS		40	575,178	575,218
	DEPARTMENTAL EARNINGS		2,082		2,082
	INVESTMENT INCOME		241		241
	ALL OTHER		49,464	300	49,764
	Subtotal			52,577	575,478
Total		0	137,381	575,478	712,859

Employment and Economic Development Business and Community Development

<http://www.positivelyminnesota.com>

Statewide Outcome(s):

Business and Community Development (BCD) supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

Context:

The Business and Community Development division contributes to Minnesota's economic success by providing services that support the growth of businesses and communities. Expanding businesses often see state government as a primary point of contact for help. Smaller businesses require technical assistance and information in order to start and grow. Communities need affordable, quality places for residents and businesses to locate, grow, and prosper. Funding sources include state general fund, capital budget for infrastructure, special revenue, and federal funds.

Strategies:

Businesses: Information is provided on how to start and manage a business, through free services and publications; the U.S. Small Business Administration and regional institutions of higher education are key partners. Financing is offered through intermediaries, in the form of micro loans, tax credits, loan guarantees, and venture capital. Larger business expansions, and attraction to Minnesota, occur through marketing, consultation and technical assistance, development incentives, and funding for customized training through partnerships with qualified training institutions. BCD collaborates with other state agencies on projects requiring assistance from the state's regulatory functions. Significant focus rests on accountability for job creation and investment goals.

Communities: Funding is provided for: low-income housing and commercial rehabilitation; infrastructure including water, wastewater, streets, and other services for business expansions; preparation of sites for new development, through clean-up of contaminated land, removal of dilapidated buildings, and installation of new infrastructure. Local governments are often partners in bringing forward potential rehabilitation and infrastructure projects, and removing health and safety hazards. An aggressive system of tools that communities need in order to conduct economic development is maintained, including electronic databases of land and buildings, an inventory of certified "shovel ready" parcels, and marketing campaigns in certain industrial sectors.

Economic development partners participate in every project of BCD: Local governments, regional development groups in the Twin Cities and elsewhere, utilities, post-secondary education, non-profit organizations, and private businesses.

Results:

Economic growth and investment are driven by macro- and micro-economic forces. The recent extended recession impacted the ability to conduct economic development but also heightened its urgency.

BCD perseveres in providing communities with the infrastructure and resources they require, small businesses with the information and financing needed to stabilize and grow, and larger business development expansions and relocations with clear, powerful support to choose Minnesota. Results are measured in job creation and retention, business formation and growth, and private investment leveraged.

Job numbers and investment represent proposed levels, since virtually all projects require time to completion and most programs allow up to two years to measure the results; however, history has shown that results typically exceed the proposed thresholds. Generally, most of the measures reflect an improving economy during the 2010-2012 timeframe. From 2008-2011, business expansions and small business activity were at a sluggish level or on hold, but clearly demand is on the rise. For example, small business informational requests grew 26 percent from 2011 to 2012 – and returned to 2010 levels.

Performance Measures	Previous	Current	Trend
Private investment from public infrastructure projects	\$613.7 million	\$558.5 million	Decreasing
Job creation and private investment in business development expansions	2650; \$450 million	2550; \$490 million	Stable/Increasing
Workers trained in customized training projects	16,701	19,243	Increasing
Number of small business informational requests	33,232	45,856	Increasing
Small business capital formation from direct services	\$90 million	\$100 million	Increasing

Performance Measures Notes:

1. Performance measures for private investment from public infrastructure projects and workers trained in customized training projects are comparing state fiscal year 2011 to 2012.
2. The remainder of the performance measures compare calendar year 2010 to 2011.

Program: Business and Community Dvpmt
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$44,259	\$32,507	\$65,812	\$142,579
Current Law Expenditures (FY 2014-15)	\$22,884	\$21,640	\$54,792	\$99,315
Governor's Recommended Expenditures (FY2014-15)	\$77,884	\$21,640	\$54,792	\$154,315
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$55,000	\$0	\$0	\$55,000
% Change from FY 2014-15 Current Law to Governor's Rec	240%	0%	0%	55%

Program: Business and Community Dvpmt**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$3,000	\$19,634	\$2,889	\$25,523
REVENUE		\$8,251	\$54,329	\$62,581
TRANSFERS IN	\$150	\$450		\$600
APPROPRIATION	\$74,884	\$14,478	\$0	\$89,362
SOURCES OF FUNDS	\$78,034	\$42,813	\$57,218	\$178,065
BALANCE FORWARD OUT		\$20,724	\$2,426	\$23,150
TRANSFERS OUT	\$150	\$450		\$600
EXPENDITURES	\$77,884	\$21,640	\$54,792	\$154,315
PAYROLL EXPENSE	\$6,937	\$1,131	\$1,129	\$9,197
OPERATING EXPENSES	\$2,396	\$721	\$361	\$3,477
OTHER FINANCIAL TRANSACTIONS	\$0	\$2,844	\$9,100	\$11,944
GRANTS, AIDS AND SUBSIDIES	\$68,551	\$16,944	\$44,203	\$129,698
USES OF FUNDS	\$78,034	\$42,813	\$57,218	\$178,065

Employment and Economic Development

Minnesota Trade Office

<http://www.positivelyminnesota.com/trade>

Statewide Outcome(s):

The Minnesota Trade Office (MTO) supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Context:

The Minnesota Trade Office promotes the creation and retention of jobs and the economic prosperity of the state by assisting Minnesota companies to increase exports and attract foreign investment. MTO's programs and services provide the necessary technical assistance small and mid-sized companies need to successfully enter and compete in the international marketplace.

With 95 percent of the world's population living outside of the United States' border, there is a huge demand from foreign markets to buy Minnesota's high quality products and services. In 2011, Minnesota's exports supported 115,000 jobs across the state. When Minnesota's products are purchased by overseas buyers, this creates business growth and new jobs for Minnesota. The MTO also serves as Minnesota's Office of Protocol, ensuring that the state's interactions with foreign delegations and dignitaries are conducted with appropriate diplomatic etiquette and cultural practices. The MTO is the state's liaison to the Minnesota Consular Corps, the state's local diplomatic community. In addition, the MTO tracks and reports Minnesota's export statistics on a quarterly and annual basis. Funding sources include the general and special revenue funds.

Strategies:

International trade representatives in MTO provide technical assistance to companies by: conducting market research, identifying potential international distributors/partners, reviewing regulatory requirements, providing advice on international logistics and evaluating market entry strategies.

The MTO provides cutting-edge training seminars and one-on-one coaching through its "Export by Design" program for new to export companies to develop a strategic export plan. These seminars are designed to support both new to export companies and companies that are currently exporting, but looking to expand into a new foreign market.

In February 2012, the MTO launched the "MSP Export Initiative" in partnership with the Brookings Institute and 25+ Minnesota organizations such as the State Chamber of Commerce, the City of Minneapolis, and the City of St. Paul with a goal of doubling exports from the metropolitan region over the next five years. The MTO also organizes export promotion events to help companies explore market opportunities firsthand such as international trade shows, trade missions and reverse trade missions (foreign dignitary and business delegations visiting Minnesota).

The Minnesota Trade Office's key partners are the US Department of Commerce including the Foreign Commercial Service, Small Business Administration, Export-Import Bank of the United States, LifeScience Alley, Midwest Global Trade Association, MN Department of Agriculture, Greater MSP, Minnesota's Universities and Colleges, MN Consular Corps, and the MN Chamber of Commerce.

Results:

One measurement of the effectiveness of MTO strategies is to track and review the state's export output. The State of Minnesota exported \$20.3 billion dollars of manufactured good, agriculture and mining exports in 2011. This was a record for Minnesota, and the first time the state exported over \$20 billion dollars of goods. Over the past decade, Minnesota's exports have increased 93%. Additional information can be found at http://www.positivelyminnesota.com/Data_Publications/Data/Export_Statistics/index.aspx

Another measurement is to survey companies that utilize our services. Of the companies that participated in the most recent trade mission to China in June 2012, 97% said that the trade mission met their expectations.

In addition, the MTO tracks how many companies attend training and seminars and how many new small and mid—sized companies throughout the state are serviced. During fiscal year 2012, 1,451 individuals attended training compared to 1,302 from the previous year. During that same time period, MTO served 834 new companies that requested technical assistance or information about training programs, trade missions and technical assistance.

There is increased interest in exporting from Minnesota's small and mid-sized companies. Companies are realizing their potential to create new jobs by increasing their sales in foreign markets. To begin exporting, or to begin exporting in a new market, small and mid-sized companies need export assistance to reduce risk.

Performance Measures	Previous	Current	Trend
Minnesota's exports	\$18.9 billion	\$20.3 billion	Increasing
Number of companies served	14,807	15,641	Increasing
Number of attendees at MTO training seminars	1,302	1,451	Increasing

Performance Measures Notes:

1. Exports are comparing calendar year 2010 to 2011.
2. Companies served and training attendees are comparing state fiscal year 2011 to 2012.

Program: Minnesota Trade Office
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$2,984	\$680	\$740	\$4,404
Current Law Expenditures (FY 2014-15)	\$2,984	\$632	\$123	\$3,739
Governor's Recommended Expenditures (FY2014-15)	\$4,484	\$632	\$123	\$5,239
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$1,500	\$0	\$0	\$1,500
% Change from FY 2014-15 Current Law to Governor's Rec	50%	0%	0%	40%

Program: Minnesota Trade Office

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$632	\$123	\$755
APPROPRIATION	\$4,484	\$0	\$0	\$4,484
SOURCES OF FUNDS	\$4,484	\$632	\$123	\$5,239
EXPENDITURES	\$4,484	\$632	\$123	\$5,239
PAYROLL EXPENSE	\$2,845	\$11	\$24	\$2,880
OPERATING EXPENSES	\$1,039	\$621	\$50	\$1,709
GRANTS, AIDS AND SUBSIDIES	\$600		\$50	\$650
USES OF FUNDS	\$4,484	\$632	\$123	\$5,239

Employment and Economic Development

Unemployment Insurance

<http://www.uimn.org>

Statewide Outcome(s):

Unemployment Insurance supports the following statewide outcome(s).

Strong and stable families and communities.

Context:

The Unemployment Insurance program provides a temporary, partial wage replacement to workers unemployed due to no fault of their own. The benefits paid to these workers ensure that they are able to support themselves and their families while they look for their next job. The payment of benefits also provides stability to local economies by helping to maintain spending during prolonged economic downturns. Benefit payments also support dislocated workers while they obtain training so they may re-enter the labor market, and ensure that skilled workers do not leave an area in search of other work during periods of short-term unemployment.

The payment of unemployment insurance benefits is funded by a special tax on Minnesota employers. The tax rate is based on an employer's "experience rating" – the ratio of benefits paid to their former workers compared to the employer's payroll. Administrative funding is provided through a federally administered payroll tax.

Strategies:

Minnesota's Unemployment Insurance program uses advanced technological and management approaches to ensure the prompt payment of benefits to eligible unemployed workers; to reduce as much as possible the administrative burdens on employers who pay the tax and to use valuable human resources as cost-effectively as possible. The Unemployment Insurance Program collaborates with WorkForce Center partners to ensure workers obtain the assistance needed to speedily return to employment that makes the best possible use of the worker's skills and abilities.

Results:

The Unemployment Insurance program continuously monitors and manages hundreds of performance metrics to ensure that federally-mandated and departmental performance measures are being met. As a result, Minnesota regularly out-performs all but a few states according in overall program performance. Of all the measures, the strongest indicators of a well-run and healthy program are those that reflect prompt payment of benefits, timely determinations of eligibility and timely issuance of appeal decisions.

Performance Measures	Previous	Current	Trend
Timely First Payment of Benefits (Federal goal: 87% in 14 days)	92.0%	92.0%	Stable
Timely Eligibility Determinations (Federal goal: 80% in 21 days)	85.5%	85.4%	Stable
Timely Appeal Decisions (Federal goal: 60% in 30 days)	90.7%	90.0%	Stable

Performance Measures Notes:

1. Performance measures compare calendar year 2011 to the first six months of calendar year 2012.

Program: Unemployment Insurance
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$30,016	\$119,625	\$149,641
Current Law Expenditures (FY 2014-15)		\$2,720	\$126,542	\$129,262
Governor's Recommended Expenditures (FY2014-15)		\$2,720	\$126,542	\$129,262
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%	0%	0%

Program: Unemployment Insurance

Sources and Uses

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$2,720	\$126,542	\$129,262
SOURCES OF FUNDS		\$2,720	\$126,542	\$129,262
EXPENDITURES		\$2,720	\$126,542	\$129,262
PAYROLL EXPENSE			\$62,430	\$62,430
OPERATING EXPENSES		\$2,720	\$64,112	\$66,832
USES OF FUNDS		\$2,720	\$126,542	\$129,262

Employment and Economic Development Workforce Development Division

<http://www.positivelyminnesota.com>

Statewide Outcome(s):

The Workforce Development Division supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

The purpose of the Workforce Development Division is to provide youth and adults with occupational and employment related skills and to match their talent with the skill requirements of employers. The division is responsible for providing appropriate services to remove individual barriers to employment so they may participate in the labor force. Employment and training activities are designed to address both unemployment and underemployment of Minnesota citizens. The division must be proactive in engaging employers to identify the skills they need to be globally competitive. The primary customers of the division are job seekers and employers. Veterans receive priority of service in all activities. Disability Determination Services (DDS) makes eligibility determinations for the Social Security Disability Insurance and Supplemental Income programs. The majority of funding comes from the federal government. State funds are primarily from the Workforce Development Fund which is derived from a fee on employers.

Strategies:

- Delivers its services through 47 WorkForce Centers strategically located across the state;
- Enhances low skilled workers competitiveness through supportive and occupational skills training;
- Provides unemployment insurance applicants timely re-employment services to shorten their duration on unemployment;
- Provides timely and accurate determinations for Minnesotans applying for Social Security disability benefits;
- Utilize web-based tools to expand employment services via a virtual WorkForce Center;
- Maintain a premier job matching system for job seekers and employers; <http://www.minnesotaworks.net>
- Invite business engagement to identify industry valued credentials and align training opportunities to occupations in demand; and
- Partners with the Departments of Labor and Industry, Human Services, and Education, Minnesota State Colleges and Universities, and the University of Minnesota as well as county government, city government, philanthropic community, and private non-profit organizations.

Results:

Increased job vacancies posted is an indicator of an improving economic climate. The trend is declining for DDS decisions due to hiring restrictions imposed by the federal government.

Performance Measures	Previous	Current	Trend
# and percentage of people entering employment after completing the program	71,870 (49%)	74,985 (50%)	Stable
# of employers who list their job vacancies on http://www.minnesotaworks.net	9,689	10,551	Increasing
Days in decision-making (DDS) Title 2/Title 16	76.6/82	70.9/78	Decreasing
Accuracy of decisions (DDS)	98.2%	96.4%	Decreasing

Performance Measures Notes:

-
1. The employment and job vacancy measures compare state fiscal year 2010 to 2011.
 2. Measures related to DDS decisions compare federal fiscal year 2010 to 2011.

Program: Workforce Development
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,369	\$88,273	\$241,920	\$331,563
Current Law Expenditures (FY 2014-15)	\$1,660	\$80,666	\$269,791	\$352,117
Governor's Recommended Expenditures (FY2014-15)	\$1,660	\$80,666	\$269,791	\$352,117
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Program: Workforce Development

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$4,740	\$269,791	\$274,531
TRANSFERS IN		\$2,260		\$2,260
APPROPRIATION	\$1,660	\$73,666	\$0	\$75,326
SOURCES OF FUNDS	\$1,660	\$80,666	\$269,791	\$352,117
EXPENDITURES	\$1,660	\$80,666	\$269,791	\$352,117
PAYROLL EXPENSE	\$82	\$2,991	\$64,498	\$67,571
OPERATING EXPENSES	\$0	\$4,953	\$50,588	\$55,541
OTHER FINANCIAL TRANSACTIONS		\$9		\$9
GRANTS, AIDS AND SUBSIDIES	\$1,578	\$72,713	\$154,705	\$228,996
USES OF FUNDS	\$1,660	\$80,666	\$269,791	\$352,117

Employment and Economic Development Vocational Rehabilitation Services

<http://www.PositivelyMinnesota.com/vrs>

Statewide Outcome(s):

Vocational Rehabilitation Services supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

Disability correlates strongly with unemployment, poverty, and dependence on public supports. In Minnesota, consistent with the rest of the nation, labor force participation for people with disabilities hovers around 20 percent; for people without disabilities it's typically about 70 percent. As of July 2012, the national unemployment rate for people with disabilities was 13.6 percent; for people without disabilities it was about 8.4 percent.

Primary customers include: 1) approximately 266,000 non-institutionalized Minnesotans ages 18-64 who have a significant disability – about ten percent of the state's adult population; 2) about 25,000 high school-age youth with significant disabilities who will soon be making the transition from school to work; and 3) businesses and other employers who seek qualified candidates for job openings.

Strategies:

Vocational Rehabilitation Services consists of three distinct programs, all working together to assist Minnesotans with significant disabilities to secure and retain employment, live independently, and reduce their dependence on government supports. The Vocational Rehabilitation Program provides time-limited counseling, training, and job placement services for people with physical, mental, cognitive, or developmental impairments. The Extended Employment Program provides job supports for individuals with significant disabilities to assist in achieving long-term job retention and success. The Independent Living Program provides services and training that enable Minnesotans with disabilities to live independently in their communities. Vocational Rehabilitation Services is a federal/state partnership and receives funding from state and federal sources.

Highly trained staff in most of the 47 WorkForce Centers (as well as a few stand-alone offices) provide individualized assessment, evaluation, counseling, training, assistive technology, and job placement services for individuals with significant disabilities. These services are augmented by a coordinated network of statewide strategic alliances with nonprofit community rehabilitation providers, multiple county service agencies, eight regional centers for independent living, secondary and post-secondary educational institutions, businesses, and other public and private organizations.

Results:

The primary measure of success for Vocational Rehabilitation Services customers consists of competitive and stable employment that pays a competitive wage in a fully integrated community setting. Success is measured on the increase in the number of successful job placements and in the quality of the jobs. Additional measures include an increase in the number of Minnesotans with disabilities who are able to live independently in the community of their choice, to enjoy employment as the primary source of their support, and to minimize their reliance on public support.

Performance Measures	Previous	Current	Trend
Number of VR customers placed into competitive employment	2,049	2,531	Increasing
Total wages earned by individuals in community employment	\$55.3 million	\$66.2 million	Increasing
Participating businesses and other employers	3,791	3,797	Stable
Number of individuals receiving independent living services	5,409	6,044	Increasing

Performance Measures Notes:

1. Performance measures compare state fiscal year 2010 to 2012.

Program: Vocational Rehabilitation
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$40,694	\$14,890	\$97,496	\$153,080
Current Law Expenditures (FY 2014-15)	\$39,722	\$13,660	\$95,555	\$148,937
Governor's Recommended Expenditures (FY2014-15)	\$39,722	\$13,660	\$95,555	\$148,937
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Program: Vocational Rehabilitation

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$95,555	\$95,555
APPROPRIATION	\$39,722	\$13,660	\$0	\$53,382
SOURCES OF FUNDS	\$39,722	\$13,660	\$95,555	\$148,937
EXPENDITURES	\$39,722	\$13,660	\$95,555	\$148,937
PAYROLL EXPENSE	\$798		\$50,235	\$51,033
OPERATING EXPENSES	\$156	\$0	\$20,695	\$20,851
GRANTS, AIDS AND SUBSIDIES	\$38,768	\$13,660	\$24,625	\$77,053
USES OF FUNDS	\$39,722	\$13,660	\$95,555	\$148,937

Employment and Economic Development Services for the Blind

<http://www.mnssb.org>

Statewide Outcome(s):

Services for the Blind supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

The mission of Services for the Blind (SSB) is to facilitate the achievement of personal and vocational independence by Minnesotans who are blind, visually impaired, or DeafBlind. The program addresses the needs of these individuals by providing services leading to employment and personal independence. It also provides access to print materials in accessible formats needed for education, vocational training, and personal independence. Activities are funded by the general, federal, and special revenue funds.

Strategies:

Customers seeking to gain or maintain employment receive vocational rehabilitation services from qualified vocational rehabilitation counselors in 11 offices in WorkForce Centers statewide. Services provided to about 1,000 persons each year may include assessment and counseling; training in adjustment to blindness, use of assistive technology, job seeking skills, and vocational skills; job placement assistance; and job adaptation assistance. Services are based on customer choice and agreement between customer and counselor in a written service plan focused on an employment outcome.

Customers seeking skills to maintain their personal independence are generally age 55 and older not seeking employment. Services to about 3,300 persons per year are provided and coordinated by SSB staff and rehabilitation counselors in WorkForce Centers with skills in low-vision assessment and services.

From its Communication Center, about 13,000 customers per year receive print material in accessible formats (Braille, audio, print, radio and digital) through state staff and over 650 volunteers. SSB also lends and repairs special radio receivers, digital, and cassette players. The Center broadcasts a 24-hour radio reading service through a closed-circuit radio network and provides two 24-hour audio newspaper-reading services accessed via the telephone.

The program partners with the WorkForce Center system, Minnesota Departments of Education and of Commerce, the Braille and Talking Book Library, the Library of Congress, Minnesota Public Radio, community rehabilitation programs, and individual vendors of rehabilitation services, local senior service programs, the State Rehabilitation Council for the Blind, and over 650 community volunteers.

Results:

Strategic planning in 2011 generated metrics for assessing progress and results. The range of results achieved with current strategies is fairly stable despite a fairly turbulent environment. The aging population, the aging workforce, the complexity of barriers to employment and independence of customers, changing access technology, resource scarcity, and the increasing role of technology in our services are all factors impacting program results.

Performance Measures	Previous	Current	Trend
Percent served becoming employed	52%	69%	Improving
Seniors increasing control and confidence in their lives	91%	88%	Declining
Braille pages produced	933,000	900,000	Declining

Performance Measures Notes:

1. Performance measures compare federal fiscal year 2010 to 2011.

Program: Services for The Blind
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$11,853	\$2,578	\$22,362	\$36,792
Current Law Expenditures (FY 2014-15)	\$11,850	\$2,183	\$22,180	\$36,213
Governor's Recommended Expenditures (FY2014-15)	\$11,850	\$2,183	\$22,180	\$36,213
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Program: Services for The Blind
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$417	\$0	\$417
REVENUE		\$2,088	\$22,180	\$24,268
APPROPRIATION	\$11,850	\$0	\$0	\$11,850
SOURCES OF FUNDS	\$11,850	\$2,505	\$22,180	\$36,535
BALANCE FORWARD OUT		\$322		\$322
EXPENDITURES	\$11,850	\$2,183	\$22,180	\$36,213
PAYROLL EXPENSE	\$6,775	\$575	\$9,086	\$16,436
OPERATING EXPENSES	\$2,080	\$1,608	\$3,594	\$7,282
GRANTS, AIDS AND SUBSIDIES	\$2,995	\$0	\$9,500	\$12,495
USES OF FUNDS	\$11,850	\$2,505	\$22,180	\$36,535

Employment and Economic Development

General Support Services

<http://www.positivelyminnesota.com>

Statewide Outcome(s):

General Support Services supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

Context:

General Support Services directly supports the agency's operating divisions by providing leadership and the critical infrastructure necessary to operate programs, develop policies, and provide assistance to individuals, businesses, and communities. The division is funded by the general, federal, and special revenue funds.

Strategies:

Services are provided through the following activities:

The **Governor's Workforce Development Council (GWDC)** works to strengthen the skills of Minnesota's greatest asset — its workforce. Made up of leaders from business, education, labor, community organizations, and state and local governments, the GWDC forges practical solutions to Minnesota's workforce challenges and provides leadership on projects that are of strategic importance to the state.

The **Office of Innovation and Strategic Alliances (OISA)** serves as a vital catalyst for partnerships necessary to spur innovation and support job creation and a skilled workforce. The OISA serves as a convener for joint ventures with both economic and workforce development issues. It works with a variety of public entities at the federal, state, and local level as well as with private organizations including businesses, association, and philanthropic entities.

Communications, Analysis, and Research provides data and information for informed decision making by Minnesota businesses, job seekers, workforce, economic development and education planners, policy makers, and the general public. It provides centralized services in the areas of communications and marketing. It also includes the department's business/economic development analysis, program measures and evaluation, and labor market information office.

Administrative and Financial Services provides accounting, budgeting, financial reporting, payroll, and purchasing services. It provides general oversight to ensure compliance with state and federal laws, regulations, and guidelines for sound fiscal management. Additional responsibilities include facilities management, business continuity planning, and printing and mailroom operations.

Human Resources provides leadership through expert consultation, guidance, and direction. It manages the agency's personnel, labor relations, employee development, and equal opportunity systems. Included are compensation/classification, benefits, recruitment and selection, performance management, union contract bargaining and administration, workforce planning, internal/external complaint investigations, and accessibility for employees and consumers.

The **Commissioner's Office**, in addition to its traditional leadership role, includes key activities such as legislative relations, strategic planning, and continuous improvement.

Results:

The number of new continuous improvement activities initiated in SFY 2012 declined as more time was spent completing improvement activities that were initiated in the prior year.

The timeliness of invoice payments declined from SFY 2011 to SFY 2012 due to challenges with the implementation of the state's new financial system in July of 2011. Performance has improved in more recent months.

Performance Measures	Previous	Current	Trend
Number of continuous improvement activities initiated	43	14	Decreasing
Percentage of employees with disabilities	6%	7%	Improving
Percentage of invoices paid promptly	98.61%	89.77%	Decreasing
DEED website page views	7.9 million	7.7 million	Decreasing
Percentage of GWDC recommendations from <i>All Hands on Deck</i> implemented or in progress.	56%	81%	Improving

Performance Measures Notes:

Note 1: Performance measures are comparing state fiscal year 2011 to 2012.

Note 2: The *All Hands on Deck* report can be found at http://www.gwdc.org/policy/all_hands_on_deck.html.

Program: General Support Services
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,927	\$33,483	\$7,405	\$42,815
Current Law Expenditures (FY 2014-15)	\$1,936	\$34,146	\$6,957	\$43,039
Governor's Recommended Expenditures (FY2014-15)	\$1,936	\$34,146	\$6,957	\$43,039
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Program: General Support Services

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$34,146	\$6,957	\$41,103
APPROPRIATION	\$2,036	\$0	\$0	\$2,036
SOURCES OF FUNDS	\$2,036	\$34,146	\$6,957	\$43,139
TRANSFERS OUT	\$100			\$100
EXPENDITURES	\$1,936	\$34,146	\$6,957	\$43,039
PAYROLL EXPENSE	\$1,187	\$16,277	\$4,074	\$21,538
OPERATING EXPENSES	\$749	\$17,869	\$2,883	\$21,501
USES OF FUNDS	\$2,036	\$34,146	\$6,957	\$43,139

Department of Employment & Economic Development
Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes / No	State-wide Outcome
Federal Fund - Agency Total			\$252,868	\$302,015	\$291,597	\$283,881			
Program Total		Business and Community Development	\$29,276	\$39,425	\$29,793	\$24,536			
Small Cities Community Development Block Grants		For the benefit of eligible non-entitlement local units of government for community development needs.	\$21,980	\$29,725	\$20,736	\$20,736	Yes		Communities
Small Business Development Centers		Financing small business development center services.	\$2,163	\$2,597	\$1,800	\$1,800	Yes		Economy
Brownfield/Petroleum Cleanup		Provide loans to public or private entities for clean-up of contaminated property.	\$30	\$2,000	\$2,000	\$2,000			Economy
State Small Business Credit Initiative		To provide portfolio insurance for business loans also collateral support programs, loan participations programs, venture capital programs, and loan guarantee programs	\$5,103	\$5,103	\$5,257	\$0			Economy
Program Total		Minnesota Trade Office	\$240	\$500	\$123	\$0			
State Trade and Export Promotion (STEP)		A pilot program of the SBA to provide grants to states to carry out export programs that assist eligible small businesses.	\$240	\$500	\$123	\$0			Economy
Program Total		Unemployment Insurance	\$56,739	\$62,249	\$64,150	\$62,392			
Unemployment Insurance		Provides a temporary, partial wage replacement to those who become unemployed through no fault of their own.	\$56,739	\$62,249	\$64,150	\$62,392			Economy
Program Total		Workforce Development	\$104,430	\$135,143	\$135,117	\$134,674			
Employment Services Wagner-Peyser		Provides labor exchange services to individuals seeking employment and to businesses seeking workers.	\$11,636	\$14,000	\$14,000	\$14,000			Economy
Career One-Stop		Provides a wide array of information and interactive tools for job seekers, students and other career planners.	\$4,875	\$8,736	\$8,250	\$8,250			Economy
WOTC and Foreign Labor		Provides federal tax credit to employers hiring members of targeted groups who have difficulty finding jobs. Enables businesses to hire foreign workers. Provide analysis of job market conditions and outlook, economic indicators and workforce trends.	\$340	\$395	\$395	\$395			Economy
Senior Community Service Employment Program		Provides people age 55 and older to receive on the job training and current work experience they need to return to work.	\$2,227	\$2,400	\$2,450	\$2,450			Economy
Trade Adjustment Assistance		Serves workers displaced by foreign trade and provides workers reentering the workforce with work search, relocation, job training and weekly cash benefits	\$12,406	\$18,000	\$18,000	\$18,000			Economy
Veterans Programs		Provide specialized employment and training services to veterans using the workforce center system.	\$2,735	\$3,041	\$3,115	\$3,115			Economy
Disability Determination		Provides determinations on social security disability insurance eligibility, verification information to rehabilitation agencies and resources for customers eligible for Ticket to Work program.	\$26,068	\$26,317	\$27,579	\$27,579			Economy
Workforce Investment Act Programs		Provides year round employment training services to disadvantaged youth and adults and provides employment and training services to workers who have been laid off through no fault of their own.	\$43,862	\$61,884	\$61,178	\$60,885			Economy
Blandin - MN Rural Intelligent Communities		To increase use of broadband based technology by business, schools, health care organizations and government organizations.	\$281	\$370	\$150	\$0		Yes	Economy
Program Total		Vocational Rehabilitation	\$48,071	\$49,426	\$47,778	\$47,778			
Independent Living Services		Provides independent living skills training, information and referral, systems advocacy, and peer support services to persons with disabilities.	\$4,551	\$3,266	\$2,919	\$2,919	Yes		Communities

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match		Required State MOE		State-wide Outcome
							Yes / No	Yes / No	Yes / No	Yes / No	
Basic Support/Supported Employment		Provides assessment, vocational evaluations, counseling, training, and job placement services for persons with significant disabilities.	\$43,520	\$46,160	\$44,859	\$44,859	Yes	Yes	Yes	Yes	Economy
Program Total		Services for The Blind	\$11,352	\$10,628	\$11,090	\$11,090					
Independent Living Services		Provides assistance to older blind persons with disabilities to live independently.	\$54	\$60	\$60	\$60	Yes				Communities
Basic Support/Supported Employment		Provides assessment, vocational evaluations, counseling, training, Braille, and job placement services.	\$11,298	\$10,568	\$11,030	\$11,030	Yes	Yes	Yes	Yes	Economy
Program Total		General Support	\$2,760	\$4,644	\$3,546	\$3,411					
Labor Force Statistics		Collects, edits analyze and disseminate employment and economic data.	\$2,150	\$2,119	\$1,862	\$1,727					Economy
Analyst Resource Center		Development, maintenance and dissemination of the Workforce Information Database to all states for mandated use as the repository of labor marker data.	\$0	\$1,905	\$1,054	\$1,054					Economy
Workforce Information Grant		Provide analysis of job market conditions and outlook, economic indicators and workforce trends.	\$610	\$620	\$630	\$630					Economy

Narrative:

DEED receives funding from a variety of federal agencies including the Departments of Labor, Education, and Housing and Urban Development, Social Security Administration, Environmental Protection Agency, and Small Business Administration. Federal funds represent a significant portion of DEED's budget, consisting of over 70% of expenditures. For planning purposes, it is assumed that federal award amounts for ongoing programs will remain constant over the biennium. If federal sequestration were to occur, DEED would expect to see at least an 8% reduction across the board. This would result in a significant disruption in services throughout the agency. The Basic Support program requires a 21.3% match and the Independent Living programs require a 10% match. The Small Business Development Center program requires a 50% match. The state contributes approximately \$500,000 towards the match, with the remainder provided by the grantees. The Small Cities Community Development Block Grant program requires a 50% match for administrative funds, after the first \$100,000 is paid. The Brownfields program requires a 22% match, which is provided by the loan recipients. The Blandin grant requires a 20% match.

Grants Funding Detail

Program Name (Indicate Federal, State or Both) Legal Citation	Purpose	Recipient Type (s) Eligibility Criteria	Recipient Type (s)	
			2012	2013
Adult Competitive Grant Program (State) <i>Laws of 2011, 1st Special Session, Chapter 4</i>	Provides occupational training and/or employment opportunities for adults	Public agencies or nonprofit organizations	\$0	\$2,599,000
Advocating Change Together (State) <i>Laws of 2011, 1st Special Session, Chapter 4</i>	Provides training, technical assistance and resource materials to persons with developmental disabilities	Advocating Change Together	\$128,000	\$0
BioBusiness Alliance (State) <i>Laws of 2011, 1st Special Session, Chapter 4</i>	Bioscience business development programs to promote and position the state as a global leader in bioscience business activities	BioBusiness Alliance of Minnesota	\$338,000	\$0
Blandin Foundation (Federal)	To increase use of broadband-based technology by business, schools, health care organizations and government organizations and general public	Public agencies or nonprofit organizations	\$158,000	\$305,000
Business Development Competitive Grant Program (State) <i>Laws of 2011, 1st Special Session, Chapter 4</i>	Business development assistance and services, but not limited to: minority, women's, rural, bioscience, entrepreneur development, and services to inventors	Public agencies or nonprofit organizations	\$0	\$1,041,000
Construction Mitigation Pilot Program (State) <i>Laws of 2009, Chapter 78</i>	Grants to local government units to mitigate the impacts of transportation construction on local small business	Local governments units	\$0	\$14,000
Contaminated Site Grants (State) <i>M.S. 115J.554</i>	Investigation and cleanup of contaminated sites for private or public redevelopment	Cities/Counties, Port Authorities, EDA, HRA	\$15,650,000	\$12,547,000
Dislocated Worker Program (State) <i>M.S. 116L.17</i>	Provide career assessment, training, and job placement assistance for individuals in transition	Workforce Service Areas	\$17,959,000	\$42,596,000
Displace Homemaker Program (State) <i>M.S. 116L.96</i>	Pre-employment services that empower participants to enter or re-enter the labor market after having been homemakers	Private and nonprofit organizations	\$1,076,000	\$1,299,000
Employment Support Services for Persons with Mental Illness (State) <i>M.S. 268A.13</i>	Provides ongoing employment support services to persons with significant mental health disabilities who require ongoing support to maintain employment	Rehabilitation facilities	\$1,539,000	\$1,756,000
Enterprise Minnesota (State) <i>Laws of 2011, 1st Special Session, Chapter 4</i>	Small business growth acceleration programs under M.S. 116O.115	Enterprise MN Inc	\$238,000	\$238,000
Entrepreneur & Small Business Grants (State) <i>Laws of 2011, 1st Special Session, Chapter 4</i>	Assist in the development of entrepreneurs and small businesses	Riverbend Center for Entrepreneurial Facilitation and two other organizations serving Faribault and Martin counties	\$180,000	\$0
Extended Employment Program (State) <i>M.S. 268A.15</i>	Provides employment services and support to people with severe disabilities	Rehabilitation facilities	\$11,951,000	\$12,317,000

Program Name (Indicate Federal, State or Both) Legal Citation	Purpose	Recipient Type (s) Eligibility Criteria	2012		2013	
			2012	2013	2012	2013
Independent Living Services (Both) M.S. 268A.11	Provides assistance to persons with disabilities to live independently, function in their homes and within their families, and participate in their communities	Independent Living Centers	\$5,150,000	\$6,269,000		
Interpreters Program (State) Laws of 2011, 1st Special Session, Chapter 4	Provide interpreters for regional transition program that specializes in providing culturally appropriate services leading to employment for deaf, hard-of-hearing and deaf-blind students	School districts	\$323,000	\$0		
Job Skills Partnership Program (State) M.S. 116L.02	Provide grants to educational institutions partnering with one or more businesses to develop and deliver training specific to business needs for new or existing employees	Educational or other nonprofit institutions	\$6,551,000	\$4,850,000		
Job Training Program Grant (Both) Laws of 2011, 1st Special Session, Chapter 4	Provide training to hard-to-train individuals	Twin Cities Rise	\$399,000	\$0		
Lake County Ice Storm (State) Laws of 2009, Chapter 78	Ice storm damage	Lake County	\$0	\$12,000		
Lifetrack Resources (State) Laws of 2011, 1st Special Session, Chapter 4	Immigrant and refugee collaborative programs, including those related to job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site Job coaching	Lifetrack Resources	\$273,000	\$0		
Metropolitan Economic Development Association (State) Laws of 2011, 1st Special Session, Chapter 4	Continuing minority business development programs in the metropolitan area	Metropolitan Economic Development Association	\$123,000	\$0		
Minnesota Alliance of Boys and Girls Club (State) Laws of 2011, 1st Special Session, Chapter 4	Administer a statewide project to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job site knowledge through coaching	Minnesota Alliance of Boys and Girls Club	\$713,000	\$0		
Minnesota Diversified Industries (State) Laws of 2011, 1st Special Session, Chapter 4	To provide progressive development and employments opportunities for people with disabilities	Minnesota Diversified Industries, Inc	\$148,000	\$0		
Minnesota Employment Center for People Who are Deaf or Hard-of-Hearing (State) Laws of 2011, 1st Special Session, Chapter 4	Provides ongoing employment services and support to people who are deaf or hard-of-hearing	Rise, Inc.	\$290,000	\$0		
Minnesota Family Investment Program (Both)	Provides work experience and job placement assistance to adults and teen parents who have been receiving MFIP benefits	Workforce Service Areas	\$157,000	\$268,000		
Minnesota Inventors Congress (State) Laws of 2011, 1st Special Session, Chapter 4	Host the annual inventors' expositions	Minnesota Inventors Congress/Student Inventors Congress	\$35,000	\$0		
Minnesota Investment Fund (State) M.S. 116J.8731	Provides financial assistance for the creation of new employment or to maintain existing employment, and for business start-up, expansions, and retention	Cities/Counties	\$3,792,000	\$1,701,000		
Minnesota Investment Fund – Flood (State) M.S. 12A.07	Provides financial assistance for the creation of new employment or to maintain existing employment, and for business start-up, expansions, and retention	Cities/Counties	\$1,058,000	\$12,169,000		

Program Name (Indicate Federal, State or Both) Legal Citation	Purpose	Recipient Type (s) Eligibility Criteria	2012	2013
Minnesota State Energy Sector Partnership (Federal)	To forge an integrated and demand-driven system of education, training, and support services in energy efficient and renewable energy industries that anticipates and advances skill attainment and sustainable career pathways for Minnesota's workforce	Workforce Services Areas/Private Sector	\$1,256,000	\$3,640,000
Minnesota Youth (State) M.S. 116L.561	Provides short-term, job readiness preparation for at-risk youth	Public agencies or nonprofit organizations	\$3,325,000	\$3,325,000
Northern Connections (State) Laws of 2011, 1st Special Session, Chapter 4	Implement and operate a pilot workforce program that provides one-stop supportive services to individuals as they transition into the workforce	Northern Connections	\$176,000	\$0
Opportunities Industrial Centers (State) Laws of 2011, 1st Special Session, Chapter 4	Provide employment and training services	MN State Council of OICs	\$1,306,000	\$0
Redevelopment Site Grants (State) M.S. 115J.575	Investigation and cleanup of contaminated sites for private or public redevelopment	Cities/Countries, Port Authorities, EDA, HRA	\$1,504,000	\$496,000
Rural Policy and Development Center (State) Laws of 2011, 1st Special Session, Chapter 4	Research and policy analysis on emerging economic and social issues in rural Minnesota	Rural Policy and Development Center	\$95,000	\$0
Rural Rehabilitation (State) M.S. 116J.955	Assists small business growth in Greater MN.	Early stage/small businesses	\$350,000	\$250,000
Senior Community Service Employment Program (Federal)	Provides work experience in community service for unemployed, low-income persons who are 55 years of age and older to transition into employment	Local organizations	\$2,127,000	\$2,246,000
Small Business Development Centers (Both) M.S. 116J.68	Financing small business development center services	Small Business Development Centers	\$2,325,000	\$2,764,000
Small Cities Community Development Block Grants (Federal) M.S. 116J.980	Provides grants to non-entitlement local units of government for community development needs	Cities/Countries	\$21,464,000	\$29,254,000
Supplemental Nutrition Assistance Program (SNAP) (Federal)	Assists SNAP participants to transition from public assistance to self-sufficiency by preparing for and obtaining employment.	Workforce Service Areas/Community Action Agencies	\$237,000	\$300,000
State Trade Export Promotion (Federal)	Provides grants to assist small businesses participate in trade missions.	Small Businesses	\$93,000	\$213,000
Summer Youth Employment – Minneapolis (State) Laws of 2011, 1st Special Session, Chapter 4	Provides up to 500 jobs for youth each summer	City of Minneapolis	\$1,140,000	\$0
Summer Youth Employment – St. Paul (State) Laws of 2011, 1st Special Session, Chapter 4	Provides up to 500 jobs for youth each summer	City of St. Paul	\$530,000	\$0
Vocational Rehabilitation (Both) M.S. 268A.03	Assists people with significant disabilities to secure and maintain employment	Public agencies or nonprofit organizations	\$1,294,000	\$1,332,000
Women Venture (State) Laws of 2011, 1st Special Session, Chapter 4	Create women's business development programs	Women Venture	\$143,000	\$0
Workforce Investment Act (Federal) M.S. 116L.86	Youth, adult and dislocated workers programs which prepare and/or assist individuals in finding a job	Workforce Service Areas	\$30,416,000	\$47,776,000
Youth Competitive Grant Program (State) Laws of 2011, 1st Special Session, Chapter 4	Provides job readiness preparation and occupational skills training to youth for employment	Public agencies or nonprofit organizations	\$0	\$2,706,000

**Program Name (Indicate Federal,
State or Both)**

Recipient Type (s)

Legal Citation

Purpose

Eligibility Criteria

2012

2013

Youthbuild (State) M.S. 116L.361	Trains and employs young adults in construction	Public agencies or nonprofit organizations	\$869,000	\$950,000
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Mission:

The mission of Explore Minnesota Tourism is to promote and facilitate travel to and within the state of Minnesota.

Statewide Outcome(s):

Explore Minnesota Tourism supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Context:

Remaining competitive in state tourism marketing is critical, especially during this period when the tourism industry is still recovering from the recession. Attracting new visitors is important to growing tourism business once again in Minnesota. To promote and facilitate travel to and within the state of Minnesota, Tourism works to:

- maximize the impact of its marketing dollars, by extending its reach through public and private partnerships and by developing highly targeted, cost-efficient marketing programs;
- link potential travelers to the industry, providing thousands of tourism businesses and organizations with a presence on the state tourism website, and providing avenues for consumers to link to the business and organizations on our website; and
- ensure that the tourism industry evolves and adapts to take advantage of the latest consumer and marketing trends.

The travel industry in Minnesota and across the country was impacted by the recession as consumers cut back on travel and spending. The industry has now begun to slowly recover. Explore Minnesota Tourism has adjusted its marketing programs to address recent tourism trends, including closer-to-home vacations, last-minute trip planning, shorter getaways, and demand for deals. It has also adjusted its marketing to take advantage of the great increase of online travel planning and social marketing. In spite of this focused marketing, key indicators such as lodging performance suggest that Minnesota tourism may be growing at a slower pace this year than last.

The primary customers of Explore Minnesota Tourism are the traveling public (travelers and potential travelers) and the tourism industry that serves them. Current target markets are neighboring states and Minnesota residents. Travelers are reached through a variety of marketing programs, and are served by our staffed contact center, highway Travel Information Centers and affiliated centers across the state, and through our website. The travel industry includes tourism-related businesses, such as lodging and campgrounds; a wide range of attractions, from museums to amusement parks; community organizations such as chambers of commerce and visitors and convention bureaus; and travel trade businesses such as group tour operators.

Explore Minnesota Tourism receives \$8.4 million annually from the state's general fund. This includes \$500,000 in supplemental state funding available when private sector support generated by Explore Minnesota Tourism is at least \$1.5 million. The agency routinely exceeds this level of cash and in-kind match. In FY12, this match included \$2 million in cash and \$3 million in in-kind services, for a total of \$5 million. (Note: Explore Minnesota also manages \$337,000 in pass-through funds for Minnesota's film industry.)

Strategies:

Explore Minnesota Tourism emphasizes several strategies to deliver its mission and purpose. The agency:

- Develops results-driven advertising and coordinate promotions that market Minnesota as a travel destination.
- Develops local, regional and statewide marketing partnerships to leverage resources and expand marketing reach.
- Provides quality travel information and services that meet consumers' needs and interests.
- Promotes Minnesota as a travel destination for international, group, package and sports travel markets.
- Provides timely tourism research on economic impact, customers, travel trends and marketing effectiveness.

- Provides leadership and unify the industry and state agencies on marketing and tourism initiatives in the state.

The complete strategic plan is available at <http://www.exploreminnesota.com/download.aspx?id=3149>.

The programs of Explore Minnesota Tourism are targeted at generating tourism business in the state, supporting jobs and generating sales in communities throughout Minnesota, both urban and rural. A key sector of Minnesota’s economy, tourism in the state is an \$11 billion industry, supporting 235,000 leisure and hospitality jobs, which represents 11 percent of private-sector employment. In addition, it generates more than \$730 million in state sales tax revenues, which is 17 percent of Minnesota’s sales tax revenues. From 2003 to 2010, state sales tax revenues from leisure and hospitality grow 34.7 percent, while those from all other industries grow just 10.7 percent. A snapshot of the most recent travel and tourism economic impact highlights for the state of Minnesota, and its tourism regions and counties, is available at <http://www.exploreminnesota.com/download.aspx?id=2964>.

Explore Minnesota Tourism works closely with tourism businesses and promotional organizations across the state to attract travelers to Minnesota communities, and leverages its resources by generating \$5 million in cash and in-kind partnerships with tourism businesses and corporations. Explore Minnesota Tourism promotes an integrated approach to tourism marketing with other state agencies with a tourism interest, including the DNR, the Minnesota Historical Society, the Minnesota Department of Transportation, IRRRB, the Minnesota Zoo and others. One example of this approach is Pedal Minnesota, a collaborative effort to promote Minnesota bicycling developed by five state and federal agencies, two cycling-related community groups, and corporate sponsors.

Results:

Performance is tracked by both external and internal measures (see chart for examples). The slow economy and strong competition from destinations with large promotional budgets are two major factors impacting tourism growth in Minnesota. Employment, in particular, has been slower to grow as the economy slowly recovers. Explore Minnesota Tourism focuses on cost-efficient, strategic marketing, leveraging its resources to have more impact and link consumers with Minnesota’s tourism businesses and destinations.

Another factor impacting Minnesota tourism is strong competition among states, and even globally, as consumers consider destinations around the world. Currently, Minnesota’s tourism office budget of \$8.4 million ranks 30th nationally. Results show that every \$1 invested in state tourism marketing generates \$53 in gross sales.

Explore Minnesota’s most recent annual report is available online. <http://www.exploreminnesota.com/download.aspx?id=3148>

Performance Measures	Previous	Current	Trend
Gross sales, leisure and hospitality sector	\$11.0 billion	\$11.3 billion	Increasing
State sales tax generated, leisure and hospitality sector	\$699 million	\$732 million	Increasing
Jobs, leisure and hospitality sector	235,000	240,000	Increasing
# of users of ExploreMinnesota.com website	2.3 million	2.9 million	Increasing

Performance Measures Notes:

Data on the leisure and hospitality sector is the latest available; the “current” sales and tax figures are for 2010, and “previous” is for 2009. Jobs data is for 2010 and preliminary for 2011. Graphs with more complete historical data are available at <http://www.exploreminnesota.com/download.aspx?id=3192>.

The website numbers shown as “previous” are for FY 2011, “current” are for FY 2012.

Explore Minnesota Tourism**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$18,385	\$3,577		\$21,963
Current Law Expenditures (FY 2014-15)	\$17,450	\$2,788		\$20,238
Governor's Recommended Expenditures (FY2014-15)	\$32,450	\$2,788		\$35,238
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$15,000	\$0		\$15,000
% Change from FY 2014-15 Current Law to Governor's Rec	86%	0%		74%

Explore Minnesota Tourism
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$2,788		\$2,788
APPROPRIATION	\$32,450	\$0	\$0	\$32,450
SOURCES OF FUNDS	\$32,450	\$2,788	\$0	\$35,238
EXPENDITURES	\$32,450	\$2,788		\$35,238
PAYROLL EXPENSE	\$6,945			\$6,945
OPERATING EXPENSES	\$24,163	\$2,788		\$26,951
OTHER FINANCIAL TRANSACTIONS	\$71			\$71
GRANTS, AIDS AND SUBSIDIES	\$1,271			\$1,271
USES OF FUNDS	\$32,450	\$2,788		\$35,238

Explore Minnesota Tourism

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Car Rental Tax Funding Proposal

The Governor recommends that Explore Minnesota expand marketing activities so that tourism and related economic activity within the state increases. An existing tax on rental cars will be increased from 6.2% to 9.05% to generate the additional revenue needed to cover the increase in funding.

Performance Measures:

This proposal will increase tourism-related economic activity.

General Fund	Expenditure	7,500	7,500	15,000	7,500	7,500	15,000
	Net Change	7,500	7,500	15,000	7,500	7,500	15,000
Net All Change Items	General Fund	7,500	7,500	15,000	7,500	7,500	15,000
	Net Change	7,500	7,500	15,000	7,500	7,500	15,000

**Explore Minnesota Tourism
All Funds FTE by Program**

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Explore Minnesota Tourism	45.5	45.5	45.5
Explore Minnesota Tourism	45.5	45.5	45.5

Explore Minnesota Tourism

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	DEPARTMENTAL EARNINGS		2,632		2,632
	ALL OTHER		156		156
	Subtotal		2,788		2,788
	Total		2,788		2,788

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Mission:

The Gambling Control board regulates lawful (charitable) gambling in Minnesota, so that citizens are assured of the integrity of the operations and nonprofit organizations may continue to raise funds for charitable contributions.

Statewide Outcome(s):

Gambling Control Board supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

The board regulates the largest charitable gambling activity in the country with over \$1 billion in annual gross receipts reported by approximately 1,200 licensed non-profit organizations operating at 2,800 locations in Minnesota. The five forms of lawful gambling include: pull-tabs, raffles, bingo, paddlewheels, and tip boards. Licensed charitable organizations involved in the conduct of lawful gambling include veterans posts (VFW/American Legions), youth athletics, fraternal, fire relief associations, civic and festival groups, wildlife/outdoor conservationists and religious congregations.

The board also licenses manufacturers, distributors, and linked bingo providers. Dedicated license and regulatory fees cover 100% of the operating expenses for the board. For every dollar spent on lawful gambling in Minnesota, only a fraction of one penny goes for regulation.

Strategies:

The board is comprised of seven citizens and is currently supported by 30 full-time equivalent staff. It regulates and provides education and guidance to the lawful gambling industry.

- Administration Division provides accounting, procurement, human resources and administrative support for the board
- Compliance Division conducts compliance audits of licensed organizations and educates the industry
- Investigation Division monitors for theft and fraud by inspecting gambling products and sites, investigating irregularities found during compliance audits and responding to allegations made by players
- Licensing Division issues licenses and permits.

Through efficient regulation the board helps nonprofit organizations maximize operations that result in funding opportunities to support the primary mission of the charity.

The Board works closely with the Department of Revenue, Public Safety's Gambling Enforcement, and the industry to ensure the integrity of the games and licensees are compliant with laws.

Results:

The Gambling Control Board has reduced paperwork and increased efficiencies allowing charitable organizations to focus on contributions to fund programs helping Minnesotans.

Performance Measures	Previous	Current	Trend
Lawful Gambling Gross Sales	\$989,906,000	\$1,050,000,000	Improving
Lawful Gambling Net Receipts	\$181,734,000	\$ 190,702,000	Improving
Gambling sites operated by licensed organizations	2767	2788	Stable
Exempt permits issued to unlicensed nonprofit organizations	2340	2385	Stable
Compliance Reviews/Investigations completed	856	702	Worsening

Performance Measures Notes:

Previous = FY 2011, Current = FY 2012 data, FY 2012 included three week shutdown and reduced staff levels due to retirements.

Gambling Control Board
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$6,351		\$6,351
Current Law Expenditures (FY 2014-15)		\$7,038		\$7,038
Governor's Recommended Expenditures (FY2014-15)		\$7,038		\$7,038
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Gambling Control Board
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$0	\$581		\$581
REVENUE		\$3,300		\$3,300
TRANSFERS IN		\$13,414		\$13,414
SOURCES OF FUNDS	\$0	\$17,295		\$17,295
BALANCE FORWARD OUT		\$959		\$959
TRANSFERS OUT		\$9,298		\$9,298
EXPENDITURES		\$7,038		\$7,038
PAYROLL EXPENSE		\$6,084		\$6,084
OPERATING EXPENSES		\$924		\$924
OTHER FINANCIAL TRANSACTIONS		\$30		\$30
USES OF FUNDS		\$17,295		\$17,295

Gambling Control Board
All Funds FTE by Program

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Lawful Gambling Control	33.9	42.5	42.5
Gambling Control Board	33.9	42.5	42.5

Gambling Control Board

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	ALL OTHER	100			100
	Subtotal	100			100
Dedicated	DEPARTMENTAL EARNINGS		3,300		3,300
	Subtotal		3,300		3,300
	Total	100	3,300		3,400

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Mission:

The Office of the Governor and Lieutenant Governor represents all Minnesotans. The office focuses on advancing the Governor's goals of creating jobs and improving Minnesota's economic competitiveness, delivering better government services at a better price, and creating a state budget and tax system that are fair, balanced, and contribute to Minnesota's competitiveness.

Statewide Outcome(s):

Office of the Governor supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Sustainable options to safely move people, goods, services and information.

Efficient and accountable government services.

Context:

The Governor and Lieutenant Governor, along with their staff:

- Oversee and lead the executive branch of state government.
- Represent over 5.2 million Minnesota residents across the state, the nation and internationally, through meetings, interviews, events, travel and international trade missions.
- Oversee the implementation of state laws.
- Develop a state budget of over \$59 billion every two years for consideration by the legislature.
- Respond to more than 100,000 citizen calls and contacts.

Strategies:

The Office is organized to advance the goals and priorities of the Governor and Lieutenant Governor and to administer the duties of the chief executive. Major duties of the Governor include:

- Appoint state department heads, members of state boards and commissions, and judges to the state's ten judicial districts, the Court of Appeals, and the Supreme Court when vacancies occur. The Governor appoints 1,300 citizens to approximately 140 state boards and commissions;
- Chair the State Executive Council, the State Board of Investment, the Land Exchange Board, and the Board of Pardons;
- Serve as Commander-in-Chief of the Minnesota National Guard, and oversee emergency responses;
- Issue extradition papers, proclamations, and writs of special elections;
- Inform the legislature of the general condition of the state; review, veto, or sign into law legislation and rules; call special sessions of the legislature when needed; and consult with 201 state legislators during annual legislative sessions.
- Perform all other duties as specified by the laws of the state.

The Lieutenant Governor's chief duty is to assist the Governor in carrying out the functions of the executive branch and is prepared to act in the Governor's place in the event of the Governor's absence or disability. The Lieutenant Governor's official duties also include:

- Chairing the Capitol Area Architectural Planning Board (CAAPB).
- Serving as a member of the State Executive Council.

Results:

The Dayton Administration is committed to delivering results to the citizens of the state. The Administration uses the Minnesota Dashboard to track progress on improving the quality of life in Minnesota. The Dashboard helps us measure, improve and report on progress toward achieving statewide outcomes.

Performance Measures Notes:

The Dashboard will be available on Minnesota Management & Budget's website at:

<http://www.beta.mmb.state.mn.us/>.

**Governor, Office of the
Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$6,388	\$1,866		\$8,254
Current Law Expenditures (FY 2014-15)	\$6,386	\$1,440		\$7,826
Governor's Recommended Expenditures (FY2014-15)	\$6,386	\$1,440		\$7,826
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

**Governor, Office of the
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$70		\$70
TRANSFERS IN	\$0	\$1,370		\$1,370
APPROPRIATION	\$6,386	\$0		\$6,386
SOURCES OF FUNDS	\$6,386	\$1,440		\$7,826
EXPENDITURES	\$6,386	\$1,440		\$7,826
PAYROLL EXPENSE	\$4,710	\$1,282		\$5,992
OPERATING EXPENSES	\$1,676	\$158		\$1,834
USES OF FUNDS	\$6,386	\$1,440		\$7,826

**Governor, Office of the
All Funds FTE by Program**

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Governor's Office	36.5	36.5	36.5
Governor, Office of the	36.5	36.5	36.5

**Governor, Office of the
Revenue Summary**
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	ALL OTHER		70		70
	<u>Subtotal</u>		70		70
	Total		70		70

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Mission:

The mission of the State Guardian ad Litem (GAL) Board is to provide a well-trained, highly effective guardian ad litem to advocate for the best interests of abused, neglected and maltreated children who come before Minnesota's Juvenile and Family Courts.

Statewide Outcome(s):

Guardian Ad Litem Board supports the following statewide outcome(s).

Strong and stable families and communities.

Context:

In supporting the statewide outcome of strong and stable families and communities, the key issues listed below are continually addressed by the GAL Board.

- The program provides a guardian ad litem for every abused, neglected or maltreated child as required by federal and state law.
- The guardian ad litem performs three primary duties: gathering information on the child; making recommendations to the court; and, advocating for decisions in the best interest of the child.
- Cultural, educational and special needs of children are addressed in individual cases.
- The program assists the court with custody cases especially cases where the parties have no money and are representing themselves.
- Guardians ad litem are adequately trained for the cases to which they are appointed.

The priorities of the State Guardian ad Litem Board are to:

- Deliver qualified guardian ad litem services for each child as required by law.
- Obtain the resources needed to ensure quality guardian ad litem services statewide.
- Encourage new approaches that may lead to early settlement of cases.

The agency's primary customers are the children we represent, the courts we serve, and the Minnesota citizens represented by the Minnesota Legislature.

The State Guardian ad Litem Board is 100 percent state funded.

Strategies:

The State Guardian ad Litem Board addresses the key issues identified above by utilizing the following strategies:

- Providing information to the court about what has happened to the child and the child's current situation.
- Making recommendations to the court about what the child needs to be safe; what services and treatment should be ordered for the family; and what permanent plans would be in the best interests of the child.
- Advocating for each child so the child obtains a safe, nurturing and permanent home as quickly as possible.
- Ensuring that the guardian ad litem is an independent voice that is not influenced by any other party's interests or position.

The State Guardian ad Litem Board contributes to the statewide outcome of strong and stable families and communities by giving abused and neglected children a strong and independent voice in our court system and working to provide better outcomes for children.

The key partners the State Guardian ad Litem Board works with are judges, county attorneys, parents' attorneys, family law attorneys, foster parents, county social service agencies, schools, tribes and communities.

Results:

In order to assess whether the key issues are being addressed and the strategies working, the State Guardian ad Litem Board utilizes the following: stakeholder surveys, file reviews, and performance reviews using information from the parties in the case.

The factors driving the performance trends include:

- Numbers and types of case filings in juvenile and family courts.
- Social services agencies' resources that impact decisions regarding child protection cases.
- Lack of available services and resources for children and families.
- Growing immigrant communities and relations with Minnesota's Native American and other diverse communities.
- Increased cases where parents do not have money to pay for attorneys or services for the family.

Performance Measures	Previous	Current	Trend
Compliance with federal and state laws to appoint a guardian ad litem.	99%	99.91%	Stable
Cases promptly assigned to a guardian ad litem.	84% assigned within 3 days	83.4% assigned within 3 days	Stable
The work of the guardian ad litem is significant in making the best interest decisions in juvenile and family law cases.	NA	85% agree or strongly agree	Not applicable
Concerns and/or complaints about guardians ad litem are addressed in a prompt and professional manner.	NA	82% agree or strongly agree	Not applicable

Performance Measures Notes:

The program case management system provided the information for the first two performance measures. The GAL board is currently in the process of completing its first stakeholder survey which provided the information for the third and fourth performance measures.

Guardian ad Litem Board**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$24,134	\$4,546		\$28,680
Current Law Expenditures (FY 2014-15)	\$24,134	\$1,060		\$25,194
Governor's Recommended Expenditures (FY2014-15)	\$25,170	\$1,060		\$26,230
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$1,036	\$0		\$1,036
% Change from FY 2014-15 Current Law to Governor's Rec	4%	0%		4%

Guardian ad Litem Board**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$1,060		\$1,060
APPROPRIATION	\$25,170	\$0		\$25,170
SOURCES OF FUNDS	\$25,170	\$1,060		\$26,230
EXPENDITURES	\$25,170	\$1,060		\$26,230
PAYROLL EXPENSE	\$19,941	\$0		\$19,941
OPERATING EXPENSES	\$5,166	\$1,060		\$6,226
OTHER FINANCIAL TRANSACTIONS	\$33			\$33
CAPITAL OUTLAY-REAL PROPERTY	\$30			\$30
USES OF FUNDS	\$25,170	\$1,060		\$26,230

Guardian ad Litem Board

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Maintain Core Functions of the Guardian ad Litem Board

The Governor recommends funding to maintain current guardian ad litem operations, including compensation increases for board staff and partial funding of anticipated cost increases for employee health insurance.

Performance Measures:

The program is expected to maintain close to 100% compliance with state and federal mandates to appoint a guardian ad litem.

General Fund	Expenditure	347	689	1,036	689	689	1,378
	Net Change	347	689	1,036	689	689	1,378
Net All Change Items	General Fund	347	689	1,036	689	689	1,378
	Net Change	347	689	1,036	689	689	1,378

**Guardian ad Litem Board
All Funds FTE by Program**

Program	Current	Forecast Base	Governor's Recommendation
	FY 2013	FY 2015	FY 2015
Program: Gal	177.2	169.7	177.2
Guardian ad Litem Board	177.2	169.7	177.2

Guardian ad Litem Board

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	ALL OTHER		1,060		1,060
	<u>Subtotal</u>		1,060		1,060
	Total		1,060		1,060

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Mission:

To protect, maintain and improve the health of all Minnesotans..

Statewide Outcome(s):

The Minnesota Department of Health (MDH) supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context:

MDH is the state's lead public health agency, responsible for operating programs that prevent infectious and chronic diseases and promote clean water, safe food, quality health care and healthy living. The department also plays a significant role in making sure that Minnesota is ready to effectively respond to serious emergencies, such as natural disasters, emerging disease threats and terrorism. The department carries out its mission in close partnership with local public health departments, tribal governments, the federal government, foreign countries and many health-related organizations. The department's priorities are to make Minnesota a place where communities support healthy living, and the health system is prepared to prevent poor health as well as to treat illness. Advancing those priorities requires enhancing public health capacity at the state and local levels, eliminating the significant disparities in health between different racial and cultural groups, giving children a healthy start in life, and adopting health reforms that focus on prevention and primary care as well as a better integration of medical care, public health and other needed services.

Much of Minnesota's state and local public health services are funded by the federal government. More than half of MDH funding comes from federal sources. Less than one-fifth of the budget for MDH is supported by state tax dollars through the general fund, the cigarette tax, or the health care access fund. The remaining budget comes from private grants and fees for licenses and inspections.

Strategies:

MDH's Strategic Plan has six framework goals which focus on preventing health problems before they occur. Embedded in each strategy is the overarching goal of eliminating health disparities and achieving health equity.

- **Prevent the occurrence and spread of diseases:** to ensure that individuals and organizations in Minnesota understand how to prevent diseases and practice disease prevention and disease threats are swiftly detected and contained.
- **Prepare for and respond to disasters and emergencies:** to ensure that emergencies are rapidly identified and evaluated, resources for emergency response are readily mobilized and Minnesota's emergency planning and response protects and restores health.
- **Make physical environments safe and healthy:** to ensure that Minnesotans' food and drinking water is safe, Minnesota's air, water and soils are safe and non-toxic, and the built environment in Minnesota supports safe and healthy living for all.
- **Help all people get quality health care services:** to ensure that health care in Minnesota is safe, family and patient-centered, effective and coordinated; that health care services are available throughout Minnesota and that all Minnesotans have affordable coverage for the health care they need.

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- **Promote health throughout the lifespan:** to ensure that all Minnesotans are given a healthy start in life, Minnesotans make healthy choices and Minnesotans create social environments that support safe and healthy living at all ages.
 - **Assure strong systems for health:** to ensure that Minnesota's infrastructure for health is strong, people-centered and continues to improve, that Minnesota's health systems are transparent, accountable and engage many diverse partners and that government policies and programs support health.

More information about these framework goals can be found at: <http://www.health.state.mn.us/about/goals.pdf>

Measuring Success:

MDH first identifies high priority health issues by measuring health outcomes for the entire population and for targeted subgroups. Then, MDH uses scientific data and methods available to guide programs and policies that most effectively promote the health of all Minnesotans. By relying on evidence-based strategies, MDH can generate the greatest return on the state's investment in public health.

The significant return on investment for public health programs is well-documented. The average lifespan of persons in the United States has increased by more than 30 years since 1900, and 25 years of this gain is attributable to advances in public health. Further, a person's health is largely determined by healthy behaviors (50 percent), genetics (20 percent), the environment (20 percent), and access to appropriate care (ten percent). Yet, 88 percent of our national health-related expenditures are targeted at medical services and only four percent is targeted at supporting healthy behaviors. Compared to other industrialized countries, the United States spends twice the per capita average on health care yet lags behind other countries in life expectancy and productivity loss. Therefore, targeting investments more toward programs that promote healthy behaviors, reduce environmental health risks, and improve access to quality health care will yield the highest impact on Minnesotans' health.

Each program at MDH measures specific health outcomes for Minnesotans and the effectiveness of MDH's efforts to improve those outcomes. In addition, there are a few composite measures that show whether Minnesotans' overall health is improving. For example:

- Minnesota has long been considered one of the healthiest states in the nation, but the state's health ranking has been falling relative to other states in recent years. Minnesota was consistently first or second in the nation for overall health from 1999 to 2006, but the state's ranking has dropped steadily since then, landing at sixth place in 2011. Minnesota's ranking is dropping because of declines in the factors that predict future health outcomes, such as obesity, poverty, and immunization rates—which means the state's overall health ranking can be expected to decline further in the future without major interventions (America's Health Rankings, United Health Foundation, 2011).
- Between 2010 and 2012, Hennepin County's health outcomes ranking dropped from 52nd to 42nd and Dakota County's health factors ranking dropped from second to sixth relative to other Minnesota counties, demonstrating that some of our largest and most diverse counties are struggling to keep pace with demographic shifts and factors like obesity and lack of physical activity, which lead to a variety of poor health outcomes (County Health Rankings, University of Wisconsin, 2012).

Although these measures do not reflect the diversity of public health issues and programming, and many factors affecting health are outside the control of MDH and its partners, these measures are still a useful gauge of whether Minnesota is moving in the right direction. These measures reflect that while significant progress has been made, significant challenges remain in improving the health of all Minnesotans.

Health**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$144,137	\$386,792	\$496,299	\$1,027,228
Current Law Expenditures (FY 2014-15)	\$148,701	\$396,692	\$488,844	\$1,034,237
Governor's Recommended Expenditures (FY2014-15)	\$150,501	\$453,903	\$488,844	\$1,093,248
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$1,800	\$57,211	\$0	\$59,011
% Change from FY 2014-15 Current Law to Governor's Rec	1%	14%	0%	6%

Health**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$124		\$124
REVENUE	\$0	\$273,791	\$488,842	\$762,634
TRANSFERS IN		\$10,848		\$10,848
APPROPRIATION	\$150,521	\$177,059	\$0	\$327,580
SOURCES OF FUNDS	\$150,521	\$461,822	\$488,842	\$1,101,186
BALANCE FORWARD OUT		\$124		\$124
TRANSFERS OUT	\$20	\$7,798		\$7,818
EXPENDITURES	\$150,501	\$453,903	\$488,844	\$1,093,248
PAYROLL EXPENSE	\$24,095	\$115,560	\$70,212	\$209,867
OPERATING EXPENSES	\$27,742	\$161,378	\$77,965	\$267,084
OTHER FINANCIAL TRANSACTIONS	\$2,123	\$74	\$2,357	\$4,554
GRANTS, AIDS AND SUBSIDIES	\$96,541	\$176,804	\$338,311	\$611,656
CAPITAL OUTLAY-REAL PROPERTY		\$87		\$87
USES OF FUNDS	\$150,521	\$461,825	\$488,844	\$1,101,190

Health

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Increase funding for Statewide Health Improvement Program (SHIP)

The Governor recommends funding to implement strategies that support healthier choices through the Statewide Health Improvement Program (SHIP). Strategies will focus on community level practices to improve health by changing behaviors to prevent chronic diseases before they start. SHIP will focus on four everyday behaviors: lack of exercise, poor nutrition, tobacco use, and excessive alcohol consumption. In partnership with businesses, schools, and local governments, this increased funding will allow the program to have a broader statewide reach and will help the state move more rapidly towards achieving statewide health improvement goals.

Performance Measures:

This change is expected to increase healthy eating in adults and children; increase physical activity in adults and children; reduce the percentage of adults who are overweight or obese; and reduce smoking rates in young adults.

Other Funds	Expenditure	20,000	20,000	40,000	20,000	20,000	40,000
	Net Change	20,000	20,000	40,000	20,000	20,000	40,000

Increase Core Public Health Activities

The Governor recommends funding for four core public health activities. This funding will (1) support a Healthy Homes initiative by increasing state support for lead surveillance; (2) increase investments in the public health lab to maintain and expand its capacity to rapidly and accurately identify public health threats in the state; (3) develop a second-generation statewide cancer data collection system that will meet changing state and federal requirements and provide more detailed cancer information at the local level; and (4) provide specialized expertise to local health departments to ensure all Minnesotans have access to world-class public health services at reasonable cost regardless of where they live. These changes will focus on the factors that are the most significant determinants of a person's health, those which occur upstream from medical interventions.

Performance Measures:

This change is expected to maintain the number of children screened for elevated blood lead levels. It will also enable the state to continue to meet national standards of performance for state cancer registries and increase the proportion of cancer reports received electronically. This change will also increase access to public health services in greater Minnesota.

General Fund	Expenditure	1,000	1,000	2,000	1,000	1,000	2,000
	Net Change	1,000	1,000	2,000	1,000	1,000	2,000

Lead Abatement Enforcement Penalty

The Governor recommends implementing a \$5,000 per day penalty to be assessed against those in violation of lead paint abatement regulations. This statutorily defined penalty is a requirement of the federal Environmental Protection Agency (EPA).

Performance Measures:

This change is expected to improve compliance with lead abatement standards, which in turn will reduce lead exposure. This will be measured by the number of rule violations and enforcement actions taken related to lead abatement.

Other Funds	Expenditure	0	0	0	0	0	0
Other Funds	Revenue	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0

Health

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Health Care Facility Blueprint Review

The Governor recommends creating a new fee to recover the cost of reviewing blueprints prior to construction or renovation projects involving health care facilities. These reviews will ensure that health and Life Safety Code building standards are met. These fees will be based on the project cost, and will allow the department to better recover actual costs incurred.

Performance Measures:

As a result of this change, the actual costs of these activities will be better recovered through fees.

Other Funds	Revenue	390	390	780	390	390	780
	Net Change	(390)	(390)	(780)	(390)	(390)	(780)

Protecting Groundwater from Geothermal Heat Systems

The Governor recommends closing a loophole in the current regulation of geothermal heat systems. State law requires geothermal systems to be installed by licensed professionals who use approved materials and methods. However, changes in technology have created a legal loophole that allows contractors to avoid state standards if they install geothermal systems in angled rather than vertical holes in the ground. This is problematic because when geothermal heat systems are installed incorrectly, they can contaminate groundwater and drinking water. This proposal would clarify state law to close the loophole and extend the current fees for vertical installations to angled installations.

Performance Measures:

This change is expected to help ensure the quality of all wells and borings (including geothermal heat systems) constructed in the state by increasing the percentage that are regulated.

Other Funds	Expenditure	152	149	301	149	149	298
Other Funds	Revenue	150	150	300	150	150	300
	Net Change	2	(1)	1	(1)	(1)	(2)

Strengthen Newborn Screening Program

The Governor recommends strengthening the newborn screening program by adding new tests to the screening program for infants. This change will also require a fee increase. This increase will enable the program to test for two additional congenital conditions - Severe Combined Immunodeficiency Disease (SCID) and Critical Congenital Heart Defects (CCHD) - that affect approximately 100 infants annually in Minnesota. Educational efforts to health care providers will also be increased.

Performance Measures:

The goal of this proposal is to increase the number of children with a congenital or hereditary disorder that are identified early enough in life to improve medical outcomes. This will be measured by the number of affected children found through the Newborn Screening System.

Other Funds	Expenditure	2,148	2,154	4,302	2,160	2,166	4,326
Other Funds	Revenue	2,300	2,450	4,750	2,460	2,504	4,964
	Net Change	(152)	(296)	(448)	(300)	(338)	(638)

Health

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Cost Recovery for Lab Testing

The Governor recommends a change to statute that will allow the agency to negotiate rates and contracts for lab testing to better recover their actual costs. This proposal impacts the public health lab's enterprise operations, which is funded by fees, and does not impact general fund lab activities. The goal of this change is to allow for better cost recovery of actual testing costs incurred by the clinical lab.

Performance Measures:

This change is expected to help ensure that testing services remain available. The number of diagnostic tests completed by the Infectious Disease Lab will be used as a measure of success.

Other Funds	Expenditure	153	153	306	153	153	306
Other Funds	Revenue	160	160	320	160	160	320
	Net Change	(7)	(7)	(14)	(7)	(7)	(14)

Environmental Lab Accreditation Program

The Governor recommends a change to statutory language regarding environmental lab accreditation. This change will establish partnerships with individuals, organizations, and other state agencies - for example, the Minnesota Pollution Control Agency - to perform more efficient assessments of environmental laboratories, thereby reducing overall costs for regulated entities.

Performance Measures:

The goal of this change is to increase efficiency while maintaining the quality of environmental labs in Minnesota at a lower cost.

Other Funds	Expenditure	(290)	(290)	(580)	(290)	(275)	(565)
Other Funds	Revenue	(290)	(290)	(580)	(290)	(290)	(580)
	Net Change	0	0	0	0	15	15

Home Health Care Licensing Reform

The Governor recommends streamlining the current licensing system for Home Health Care providers, and restructuring the fees paid by these providers. These changes will include simplifying the system by reducing the number of license types from four to two. Changes will also include requirements for on-site inspections of newly licensed providers to ensure compliance, and will also increase the frequency of inspections once a provider's license is established. These changes are the result of the department's work with the Homecare Regulatory Framework Work Group.

Performance Measures:

This change is expected to result in improved health and safety for clients of home health care services. An increased number of inspections will be used as one way to measure success.

Other Funds	Expenditure	1,857	2,415	4,272	2,395	2,395	4,790
Other Funds	Revenue	1,062	1,880	2,942	2,153	2,425	4,578
	Net Change	795	535	1,330	242	(30)	212

Health

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Assistance for Well Sealing Activities

The Governor recommends continued funding to support well sealing activities. Well sealing can be very expensive for a private well owner to undertake, which deters owners from sealing wells properly. Minnesota has an estimated 500,000 unused, unsealed wells. These funds will help ensure that wells are sealed properly.

Performance Measures:

This change will help maintain safe drinking water for all Minnesotans. This is expected to be accomplished by reducing the number of unused, unsealed wells in the state.

Other Funds	Expenditure	250	250	500	0	0	0
	Net Change	250	250	500	0	0	0

Water Contaminants of Emerging Concern

The Governor recommends funding to assess the potential health effects of contaminants of emergency concern (CECs). CECs can include pharmaceuticals, personal care products, and industrial chemicals. This funding will support research to determine the levels at which these chemicals pose a health risk, provide information to government agencies working to control exposure, and educate the public on how to keep CECs out of drinking water. Funding will also support laboratory capacity for analyzing new chemicals, and will provide grants to community-based organizations for outreach and education.

Performance Measures:

This change will help maintain safe drinking water for all Minnesotans. This will be accomplished by increasing the number of contaminants of emerging concern that are identified, tracked, and monitored.

Other Funds	Expenditure	1,170	1,170	2,340	0	0	0
	Net Change	1,170	1,170	2,340	0	0	0

Source Water Protection

The Governor recommends funding to assist those local communities that use groundwater for drinking to develop and implement source water protection plans. These plans reduce risks associated with land and water uses that may contaminate public drinking water. This funding will accelerate progress toward the goal of all 935 community water supply systems implementing a source water protection plan by 2020.

Performance Measures:

This change will help maintain safe drinking water for all Minnesotans. This will be accomplished by having source water protection plans in place for all 935 community water suppliers that use groundwater by the year 2020.

Other Funds	Expenditure	1,615	1,615	3,230	0	0	0
	Net Change	1,615	1,615	3,230	0	0	0

Health

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Upgrade County Well Index

The Governor recommends funding to improve data accuracy, expand public access, and incorporate new datasets into the County Well Index. This database is the only source of water well construction records and associated geologic information that is readily available to both the public and private sectors. Activities funded by this change will build on work already completed to update the technology infrastructure, eliminate a backlog in entering well records, and develop user requirements for the system.

Performance Measures:

This change will help maintain safe drinking water for all Minnesotans. This will be achieved by eliminating the backlog of well records and updating current records to eliminate errors and better reflect subsurface conditions.

Other Funds	Expenditure	390	390	780	0	0	0
	Net Change	390	390	780	0	0	0

Private Well Protection

The Governor recommends funding for a study of private well water quality. Guidance will be developed for well contractors to ensure that new well placement and construction minimizes potential risks to well owners. Education and outreach efforts will be developed to increase the capacity of owners to identify and address potential well issues and ensure safe drinking water for their families.

Performance Measures:

This change will help maintain safe drinking water for all Minnesotans. This will be achieved by studying and identifying the magnitude of contaminants in private wells.

Other Funds	Expenditure	325	325	650	0	0	0
	Net Change	325	325	650	0	0	0

Lake Superior Beach Monitoring

The Governor recommends funding to monitor and evaluate the swimming beaches along Lake Superior. 80 beaches will be evaluated, and based on the results, 40 beaches will be selected for further monitoring. The information gathered will be used to inform the public, determine sources of bacterial contamination, and address polluted runoff from improper waste disposal.

Performance Measures:

This proposal is expected to increase awareness of health hazards at beaches. This goal will be measured by the increase of notices issued regarding the safety of beaches.

Other Funds	Expenditure	105	105	210	0	0	0
	Net Change	105	105	210	0	0	0

Health

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Rent Savings

The Governor recommends relocating some department staff in order to reduce the rent costs of the department.

Performance Measures:

This proposal provides savings to the overall budget solution through agency efficiencies.

General Fund	Expenditure	(100)	(100)	(200)	(100)	(100)	(200)
	Net Change	(100)	(100)	(200)	(100)	(100)	(200)

Modify Mortuary Science Regulations

The Governor recommends two regulatory changes regarding the practice of mortuary science. The first change is to establish regulations for new, alkaline based cremation techniques. The second change will modify current regulations to eliminate the requirement that all funeral homes have an embalming room. Instead, funeral homes will be allowed to have branch locations that do not have an embalming room on site.

Performance Measures:

As a result of this change, it is expected that owners of multiple funeral homes may operate more efficiently through centralizing operations. Also there will be added clarity of requirements for this new alkaline option for final disposition. To measure these changes, the number of branch locations which do not maintain their embalming rooms will be tracked; in addition, feedback will be sought from alkaline hydrolysis facilities to determine if the new regulations have added clarity to the requirements.

Other Funds	Expenditure	50	50	100	50	50	100
Other Funds	Revenue	50	50	100	50	50	100
	Net Change	0	0	0	0	0	0

Environmental Health Risk

The Governor recommends a collaboration between the Minnesota Pollution Control Agency (MPCA) and the Minnesota Department of Health (MDH) to investigate asthma incidence rates in the metro area and mercury levels detected in children. This item reflects a transfer from MPCA to MDH to fund this collaborative effort.

Performance Measures:

The agencies will use investigative tools to better understand asthma incidences and their relationship to air quality, and mercury levels found in children. The ultimate goal is to reduce environmental exposure and engage in preventative steps.

Other Funds	Expenditure	400	400	800	400	400	800
Other Funds	Transfers In	400	400	800	400	400	800
	Net Change	0	0	0	0	0	0

Net All Change Items	General Fund	900	900	1,800	900	900	1,800
	Other Funds	24,103	23,696	47,799	19,544	19,249	38,793
	Net Change	25,003	24,596	49,599	20,444	20,149	40,593

Health
All Funds FTE by Program

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Health Improvement	268.2	261.3	280.8
Program: Policy Quality & Compliance	288.8	288.8	306.8
Program: Health Protection	564.2	564.2	585.2
Program: Administrative Support Service	150.5	150.5	150.5
Health	1,271.7	1,264.8	1,323.3

Health**Revenue Summary**

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	1,628	89,330		90,958
	ALL OTHER	424	52		476
	Subtotal	2,052	89,382		91,434
Dedicated	FEDERAL GRANTS		1,359	488,842	490,202
	DEPARTMENTAL EARNINGS		600		600
	ALL OTHER	0	271,832	0	271,832
	Subtotal	0	273,791	488,842	762,634
Total		2,052	363,173	488,842	854,068

Health

Community and Family Health

<http://www.health.state.mn.us/divs/cfh/connect>

Statewide Outcome(s):

Community and Family Health Division supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

The Community and Family Health Division works to protect and improve the health of families. It is focused on making sure that infants have a healthy start in life and that children are ready for school. It supports families in their efforts to provide stability, good food and safe homes for their children. It monitors birth defects and serves families who have children with special health needs, such as heart defects, cerebral palsy, or children with developmental delays in their ability to learn, speak, or play. It helps families access public health, primary care providers and community resources. The Community and Family Health Division helps these children grow and thrive at home, in school, and as they enter their adult lives.

In addition, the division strives to lower health care costs and improve the quality of life for children and adults with diabetes, heart disease, depression, or other chronic or disabling conditions. The division works with primary care clinics in adopting the health care home model, which is a team approach to primary care that is an effective way to improve patient experience, improve health and reduce costs.

Historically, Minnesota has scored at the top of family health measures. This success has masked the fact that families with less money, American Indian families, and those from populations of color consistently have had less opportunity for health in Minnesota and have experienced worse health outcomes. This is a pressing challenge for Minnesota, as the state becomes more diverse. This year about 30 percent of Minnesota's children under age 5 come from communities of color and, in the last five years, the number of children living in poverty in our state has increased by 25 percent.

In summary, the division works to impact those factors which best predict a child's success, such as getting a healthy start at birth, thriving in the early years, doing well in school, avoiding teen pregnancy and substance abuse, staying out of trouble, and becoming connected to their community. The division does much of its work through partnerships with local public health, tribal governments, community groups and health care providers. Its efforts are supported mostly by federal funds, with only about 16 percent of funds coming from state taxes and fees.

Strategies:

The division contributes to the statewide outcome in the following ways.

- Managing the Woman, Infants and Children (WIC) program, which is a nutrition program that helps eligible pregnant women, new mothers, infants and young children eat well, learn about nutrition, and stay healthy. Under the program, counties and tribes provide nutrition education and counseling, breastfeeding support, and health and social service referrals to low income families. The Minnesota WIC program also regulates the grocery stores and other retailers that participate in the program. Healthy eating early in life promotes brain development and healthy growth, while also helping to prevent obesity and other chronic conditions such as high blood pressure.
- Providing funds, oversight and technical assistance to community based organizations, to assure that quality pre-pregnancy family planning services are available for low-income and high risk individuals. These efforts reduce unintended pregnancies and improve pregnancy outcomes.
- Working with health care providers and local public health agencies to improve health and development screenings and follow-up services for children and infants. Children have better outcomes if their health problems or developmental delays are identified early.

- Setting standards for primary care clinics and certifying providers as Health Care Homes improves the health of individuals, their experience with their clinics and works to reduce overall health care costs.
- Supporting evidenced-based home visiting programs reduces child abuse and neglect, improves maternal and child health, helps kids be ready for school, and improves economic stability and self-sufficiency of the family.
- Collecting, analyzing and reporting data, sharing best practices with providers, local public health agencies and other stakeholders, offering training, and developing standards and protocols improves the health of women of child bearing years and their infants. These efforts encourage early access to prenatal care, provide necessary support services to high risk women and increase knowledge of healthy behaviors to reduce premature birth and infant and maternal mortality.

Results:

- Efforts related to promoting breastfeeding for the first six months of life, access to nutritious foods within the community and nutrition counseling appear to have been successful in reducing obesity in WIC enrolled young children. Breastfed babies are less likely to suffer from serious illnesses and are less likely to be obese later in life. There is a 15-30 percent reduction in adolescent and adult obesity rates if any breastfeeding occurred in infancy compared to no breastfeeding. While obesity in children receiving WIC services in Minnesota increased steadily each year from 1990 reaching a peak of 13.8 percent in 2004, the rate of obesity in 2010 was 12.7 percent indicating success in changing the trajectory of this trend.
- Home visiting is an effective method of preventing child abuse and neglect. The burden of child maltreatment is substantial to both the developing child and to society. Abusive and neglectful environments can have significant impact on brain development, with increased cost burden to the child welfare, education, mental health and juvenile justice systems. Between 2007 and 2010 child abuse has declined in Minnesota.
- Minnesota clinics have made significant progress toward becoming health care homes. The early experience in Minnesota indicates that clinics which are certified as health care homes deliver higher quality care. Since July of 2010, over 180 primary care clinics have been certified as health care homes. This means more than two million Minnesotans are now receiving care in innovative clinics that have the capacity to help their patients achieve their health goals. Evaluations are underway to see whether health care homes are improving patient satisfaction and lowering costs as anticipated.

Performance Measures	Previous	Current	Trend
Percent of infants who are breastfed exclusively through 6 months. ¹	16.1%	16.1%	Stable
Rate per thousand of children for whom a report of child abuse or neglect was substantiated. ²	4.9/1000	3.5/1000	Improving
Percent of Minnesota clinics who are certified as a Health Care Home. ³	18.5%	23.5%	Improving

Performance Measures Notes:

1. National Immunization Survey, Centers for Disease Prevention and Control. Compares 2004 to 2009.
2. Child Welfare Report, Minnesota Department of Human Services. Compares 2007 to 2010.
3. Health Care Homes, Minnesota Department of Health. Compares 2011 to 2012.

Budget Activity: Community & Family Health
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$68,221	\$6,549	\$312,801	\$387,571
Current Law Expenditures (FY 2014-15)	\$73,746	\$7,323	\$315,170	\$396,240
Governor's Recommended Expenditures (FY2014-15)	\$73,746	\$7,323	\$315,170	\$396,240
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Community & Family Health**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$1,820	\$315,169	\$316,989
APPROPRIATION	\$73,747	\$5,504	\$0	\$79,251
SOURCES OF FUNDS	\$73,747	\$7,324	\$315,169	\$396,240
EXPENDITURES	\$73,746	\$7,323	\$315,170	\$396,240
PAYROLL EXPENSE	\$3,922	\$3,005	\$11,878	\$18,805
OPERATING EXPENSES	\$1,312	\$4,161	\$19,611	\$25,083
OTHER FINANCIAL TRANSACTIONS	\$2,120	\$16	\$1,697	\$3,833
GRANTS, AIDS AND SUBSIDIES	\$66,392	\$142	\$281,985	\$348,519
USES OF FUNDS	\$73,746	\$7,323	\$315,170	\$396,240

Health

Health Promo & Chronic Disease

<http://www.health.state.mn.us/divs/hpcd/index.html>

Statewide Outcome(s):

The Health Promotion and Chronic Disease Division supports the following statewide outcome(s).

Minnesotans are healthy.

People in Minnesota are safe.

Strong and stable families and communities.

Context:

The purpose of the Health Promotion and Chronic Disease Division (HPCD) is to reduce the burden of suffering disability and death from injuries, such as falls, violent traumas, workplace injuries, and poisonings, and chronic diseases, such as asthma, cancer, arthritis, diabetes, diseases of the mouth, and heart disease. The division provides leadership in the prevention of diseases and injuries by tracking and addressing these health threats, which are among the most common and prevalent health problems facing Minnesotans today.

In the last 50 years, chronic diseases and injury have emerged as the greatest threat to the overall health and well-being of people in Minnesota. Chronic diseases and injuries accounted for Minnesota's seven leading causes of death and loss of potential life in 2010. Treating chronic disease costs more than \$5 billion a year, and more than \$17 billion a year is lost due to missed workdays and lower employee productivity.

These diseases and injuries also contribute significantly to long-term disability and poor quality of life. In 2010, they accounted for the seven leading causes of death in Minnesota. They shorten people lives, and they impact some Minnesotans more than others with effects varying by gender, socioeconomic status, race and ethnicity, age, insurance status, geography, and sexual orientation. Cancer, heart disease, and unintentional injuries accounted for more than half of the potential years of life lost up to age 75 years in Minnesota in 2010. About 15 percent of the division's funding comes from the state with the remainder coming from federal funds, grants and foundations.

Strategies:

HPCD helps hospitals, clinics, doctors, nurses, dentists and other health care providers to implement changes benefiting all patients and especially those most likely to be disabled or die from a chronic disease and injury, by:

- Facilitating collaboration among public health, health systems, and primary care clinics to improve the delivery of cancer screening and other clinical preventive services;
- Developing and promoting the adoption of proven tools for managing chronic diseases, such as the interactive asthma action plans in clinics and health systems;
- Supporting guidelines and quality measures for identifying and managing chronic disease risk factors, such as obesity, asthma, pre-diabetes, diabetes, hypertension, and high cholesterol in health and clinic systems;
- Providing grants to improve health care, such as school-based dental sealant programs, clinic-based cancer screening, and poison control; and
- Recruiting and paying health care providers to offer free breast, cervical and colorectal cancer screening, follow-up cancer diagnostic services, and cardiovascular risk factor screening, referral, and counseling to low-income, uninsured Minnesotans.

HPCD facilitates links between communities and health care providers to improve the management of chronic conditions, by:

- Disseminating statewide education programs relating to self-care and disease management, such as the diabetes prevention, chronic disease self-management, and matter of balance programs;
- Developing curriculum to train community health workers to work effectively with underserved and at-risk populations to prevent and manage chronic diseases;

- Supporting health care providers, hospitals, clinics, health systems, public health agencies, and community-based organizations to implement statewide plans for heart disease, stroke, cancer, diabetes, asthma, arthritis, oral health, and injury and violence prevention; and
- Providing a grant for medical follow-up, employment, education, and family counseling sessions to Minnesotans with a traumatic brain or spinal cord injury.

HPCD develops, collects, and disseminates data, including data on health disparities, to inform chronic disease and injury prevention and management initiatives, by:

- Operating a statewide registry of all newly-diagnosed cancer cases in the state;
- Analyzing and reporting on the prevalence, disparities between different Minnesotans, and death, disability, and other trends related to heart disease, stroke, cancer, asthma, arthritis, diabetes, oral diseases, injuries, violence, and poisoning;
- Collecting, analyzing, and reporting on occupational health, to identify rates and trends of workplace hazards, illnesses, and injuries and establishing priorities for educational and intervention programs; and
- Using environmental public health tracking and biomonitoring technologies, such as analyzing human tissues of fluids, to identify possible links between chronic diseases and exposure to substances in the environment.

Results:

The 2003 Milken Institute State Chronic Disease Index ranked Minnesota 11th best among all 50 states on the cases of chronic disease per capita. The efforts of many partners across the state, including HPCD, contribute to relatively successful prevention, detection, treatment, and management of chronic diseases and injuries, but much work remains to be done. Since the increase in chronic conditions is an inevitable result of the aging of the population, the challenge for public health is to prevent the onset as long as possible and once it begins, to manage the condition for optimal well-being.

The population indicators below were taken from the draft “Healthy Minnesota 2020: Chronic Disease and Injury Framework.” The performance measures represent the broad range of programs in HPCD.

Performance Measures	Previous	Current	Trend
Years of potential life lost from chronic disease and injuries ¹	171,213	169,870	Improving
Cancer mortality disparity ratio ²	1.27	1.34	Worsening
Number of poison exposure calls funded by HPCD ³	49,632	45,756	Improving
Patients in HPCD’s stroke registry hospitals receiving appropriate therapy ⁴	35%	77%	Improving
Days of school missed per year by children with asthma in HPCD’s RETA program ⁵	7	1	Improving

Performance Measures Notes:

- ¹ Minnesota Center for Health Statistics, 2005 and 2010, combined YPLL to age 75 for cancer, heart disease, unintentional injury, suicide, stroke, diabetes, chronic lower respiratory disease, and Alzheimer’s
- ² Minnesota Cancer Surveillance System, 2000-2004 and 2004-2008, mortality rate for all cancers combined for African Americans divided by the mortality rate for all cancers combined for non-Hispanic whites
- ³ Hennepin Regional Poison Center (MDH grantee), 2002 and 2010, number of calls involving an exposure to a potentially harmful substance
- ⁴ Minnesota Stroke Registry, 2008 and 2011, percent of eligible patients treated at participating hospitals and receiving tPA therapy
- ⁵ Reducing Environmental Triggers of Asthma program evaluation data, average number of days of school missed by children in the program before participation in the program and at the 12-month follow-up visit

Budget Activity: Health Promo & Chronic Disease
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$9,094	\$2,442	\$35,568	\$47,104
Current Law Expenditures (FY 2014-15)	\$8,659	\$2,677	\$35,680	\$47,016
Governor's Recommended Expenditures (FY2014-15)	\$9,359	\$2,677	\$35,680	\$47,716
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$700	\$0	\$0	\$700
% Change from FY 2014-15 Current Law to Governor's Rec	8%	0%	0%	1%

Budget Activity: Health Promo & Chronic Disease**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE	\$0	\$2,677	\$35,679	\$38,356
APPROPRIATION	\$9,358	\$0	\$0	\$9,358
SOURCES OF FUNDS	\$9,358	\$2,677	\$35,679	\$47,714
EXPENDITURES	\$9,359	\$2,677	\$35,680	\$47,716
PAYROLL EXPENSE	\$4,942	\$484	\$11,068	\$16,494
OPERATING EXPENSES	\$1,114	\$2,181	\$8,741	\$12,036
GRANTS, AIDS AND SUBSIDIES	\$3,303	\$12	\$15,871	\$19,186
USES OF FUNDS	\$9,359	\$2,677	\$35,680	\$47,716

Health

Minority and Multicultural Health

<http://www.health.state.mn.us/ommh>

Statewide Outcome(s):

The Office of Minority and Multicultural Health supports the following statewide outcome(s).

Minnesotans are healthy

Strong and stable families and communities

Context:

The Office of Minority and Multicultural Health (OMMH) provides leadership within MDH to strengthen the health and wellness of Minnesota's communities by engaging populations of color and American Indians in actions essential to eliminating health disparities.

While Minnesota continues to be among the healthiest states in the nation, it also continues to have some of the greatest disparities or differences in health outcomes between whites and populations of color and American Indians for a host of conditions, such as breast and cervical cancer, diabetes, heart disease, and infant mortality. These differences are having an increasingly significant impact on Minnesota as the state becomes more diverse. In 2010, nearly 15 percent of Minnesotans were populations of color and American Indians compared to less than 5 percent in 1990. The majority of this population growth has been from immigrant and refugee populations with limited English or literacy skills.

Minnesota has also seen an increase in the number of families lacking the economic resources that a family needs to stay healthy. The number of Minnesota children living in poverty increased by 53 percent between 2000 and 2009. The state's children of color and American Indian children are more likely to live in poverty than whites, and they are much more likely to be uninsured. In 2011, Hispanic/Latino Minnesotans having the highest uninsured rate at 26 percent compared to blacks (17.9 percent), American Indian (14.3 percent), Asians (11.8 percent), compared to whites at (7.6 percent).

These trends indicate an increasing need for Minnesota to focus on creating opportunities for all Minnesotans to be healthy. The office strives to do this by working with its key partners, such as other divisions and bureaus within the department of health, other state agencies, including the Minnesota Department of Human Services, local public health agencies, community organizations, policy makers and researchers. Approximately two-thirds of the OMMH budget comes from the state general fund with the remainder coming from the federal Temporary Assistance for Needy Families (TANF) fund.

Strategies:

In its work toward eliminating health disparities, the Office of Minority and Multicultural Health focuses on the following activities:

- Works to collect racial, ethnic, and language data necessary to inform state, local public health, policy makers, and communities about the health of populations of color and American Indians. It also develops appropriate indicators to measure progress;
- Connects populations of color and American Indian community experts with MDH and local public health experts to identify and address actions essential to eliminating health disparities;
- Administers the Eliminating Health Disparities Initiative (EHDI) grant program, which was created by the 2001 Minnesota Legislature (MS 145.928) to close the gap in the health status of African-Americans/Africans, American Indians, Asian Americans, and Latinos in Minnesota compared with whites in the following priority health areas: breast and cervical cancer screening, diabetes, heart disease and stroke, HIV/AIDS and sexually transmitted infections, immunizations for children and adults, infant mortality, teen pregnancy, and unintentional injury and violence; and
- Holds biennial community meetings to disseminate data, obtain community recommendations on how to use data in future planning, and identify gaps in data and community input and outreach (particularly concerning limited English-proficiency populations).

Results:

There has been more attention to race, ethnicity, and language data collection within MDH and in the broader community. Reports from the MDH Center for Health Statistics on the health status of populations of color and American Indians support the ongoing need to continue to focus efforts in eliminating disparities in the eight priority health areas identified in the Eliminating Health Disparities Initiative. These include breast and cervical cancer screening, diabetes, heart disease and stroke, HIV/AIDS and sexually transmitted infections, immunizations for children and adults, infant mortality, teen pregnancy, and unintentional injury and violence. Because of the work of OMMH and its partners, there is a more widespread interest and understanding of the need to focus on health disparities in vulnerable populations, especially in populations of color and with American Indians, in order to achieve health equity.

MDH has defined and standardized the race, ethnicity, and language data to be collected agency-wide and in partnering with our community partners statewide to adopt definitions, collection standards, and to improve sharing and disseminating of data. OMMH has identified EHD priority health areas with ongoing or growing disparities in specific populations of color and American Indians in order to focus efforts on building capacity in communities to address these disparities in a culturally competent manner through EHD grants.

OMMH has issued three requests for proposals since 2010 to increase the number of community minority-led, minority-focused nonprofits able to address our health disparities with support from EHD funds. It has resulted in more than 40 new grantees during 2010-2012 with some ongoing support and partnerships with the original 52 grantees from the first EHD grants in 2001.

Performance Measures	Previous	Current	Trend
Infant mortality disparity difference between African Americans/Africans and population with the lowest rate	7.7	6.4	Improving
Infant mortality disparity difference between American Indians and population with the lowest rate	8.0	5.9	Improving
Percent of Eliminating Health Disparities Initiative grantees receiving evaluation, technical assistance and support. Goal=100%	90% of 29 grantees received technical assistance	100% of 24 grantees received technical assistance	Improving
Percent of grants given to minority-led, minority-focused organizations during each grant cycle. Goal=50%	54%	55%	Improving

Performance Measures Notes:

Infant mortality disparity difference above is the arithmetic difference between two infant mortality rates. For Measure 1 for 1995-1999, it is the African Americans/Africans infant mortality rate (13.2) - Whites rate (5.5). For 2004-2008, it is African Americans/Africans rate (10.8) – Latinos rate (4.4). For Measure 2, the disparity difference for 1995-1999 is the American Indians rate (13.5) – Latinos rate (5.5). For 2004-2008, it is the Americans Indians rate (10.3) – Latinos rate (4.4).

Data on infant mortality is for the periods 1995-1999 and 2004-2008.
Data on grantees receiving technical assistance is for FY 2011 and FY 2012
Data on grants awarded to minority organizations is for 2009 and 2011.

Budget Activity: Minority Multicultural Health
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$7,548	\$130	\$4,042	\$11,720
Current Law Expenditures (FY 2014-15)	\$7,496	\$27	\$5,612	\$13,135
Governor's Recommended Expenditures (FY2014-15)	\$7,496	\$27	\$5,612	\$13,135
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Minority Multicultural Health**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$27	\$5,612	\$5,639
APPROPRIATION	\$7,496	\$0	\$0	\$7,496
SOURCES OF FUNDS	\$7,496	\$27	\$5,612	\$13,135
EXPENDITURES	\$7,496	\$27	\$5,612	\$13,135
PAYROLL EXPENSE	\$1,140	\$18	\$100	\$1,258
OPERATING EXPENSES	\$72	\$9	\$34	\$115
GRANTS, AIDS AND SUBSIDIES	\$6,284		\$5,478	\$11,762
USES OF FUNDS	\$7,496	\$27	\$5,612	\$13,135

Health

Statewide Health Improvement Initiatives

<http://www.health.state.mn.us/divs/oshii/about.html>

Statewide Outcome(s):

The Office of Statewide Health Improvement Initiatives supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities

Context:

The Office of Statewide Health Improvement Initiatives (OSHII) supports all Minnesotans in leading healthier lives, raising healthier families and building healthier communities by preventing chronic disease before it starts. Chronic diseases such as diabetes, stroke, heart disease, and cancer are among the most common, costly and preventable of all health problems in the U.S. The effects of these diseases are staggering:

- Nearly two-thirds of Minnesota adults are overweight or obese, and childhood obesity has tripled in just 30 years;
- Chronic diseases like diabetes, cancer, and heart disease are estimated to cause 35 percent of all deaths and 75 percent of all health care spending in the U.S each year; and
- Minnesota spends \$2.9 billion in annual medical costs as a result of tobacco (2007). The economic cost associated with obesity in Minnesota is \$2.8 billion (2006) and \$5.06 billion for alcohol (2007).

Research shows that four everyday behaviors – lack of exercise, poor nutrition, tobacco use, and excessive alcohol consumption – are responsible for much of the suffering and early death related to chronic diseases. But changing these behaviors can be difficult without changing everyday places – such as worksites, schools, and communities – to better support healthier choices.

To reduce the harmful effects of chronic disease, OSHII works in partnership with communities, including local and tribal public health agencies, child care sites, health systems, schools, and worksites, to:

- Increase the percentage of Minnesotans who eat more healthy foods and are more physically active;
- Reduce the percentage of Minnesotans who misuse or are harmed by alcohol and other drugs; and
- Reduce the percentage of Minnesotans who use commercial tobacco products or are exposed to second-hand smoke.

Approximately ten percent of this work is funded by the state general fund, with the remaining funding split about equally between the health care access fund and federal grants.

Strategies:

In partnership with the U.S. Centers for Disease Control and Prevention (CDC) and other leaders in public health, MDH has developed a nation-leading set of strategies for supporting healthier living. Instead of focusing on individual behavior change that may be hard to maintain over time, OSHII helps communities make sustainable, systemic changes that create widespread and lasting results. OSHII operates a number of programs including the State Health Improvement Program (SHIP).

For example, instead of trying to convince people to walk more, OSHII-funded communities may design safer, more accessible routes so people can walk more. Instead of encouraging people to eat healthier, a school or worksite may decide to work with local farmers to incorporate fresh produce into the meal plans. Instead of asking people to quit smoking, communities may ask owners of multi-unit housing to make their buildings smoke-free or work with health care providers to refer more people to tobacco quitlines.

OSHII accomplishes this by:

- Supporting change: providing grants and technical assistance for communities to create policy, system, and environmental changes that support healthier living;

- Effectively meeting local needs: helping local public health professionals and their community partners chose what will work best for them from a menu of evidence-based, proven strategies;
- Sustaining success: building public-private partnerships to create more lasting change than government can accomplish alone; and
- Measuring progress: monitoring health trends and conducting rigorous evaluation of improvement efforts.

Results:

OSHII funded programs:

- Increase the percentages of Minnesotans who are practicing healthier behaviors, leading to prevention and better control of chronic diseases;
- Contribute to the containment of health care costs through prevention and/or delay of onset of chronic diseases;
- Contribute to stronger and more stable families and communities because of the impact of healthier behaviors on improved academic achievement, worker performance, social connectedness in communities, community empowerment, and economic vitality of communities; and
- Demonstrate the value of investing in the health of the community and how this leverages the assets of individuals, families, and organizations to become more thriving communities.

During its first two years, as examples, the Statewide Health Improvement Program (SHIP):

- Supported 870 employers in implementing worksite wellness initiatives serving over 138,000 employees across the state;
- Provided healthier food options for 26 percent of all Minnesota K-12 students through Farm to School nutrition initiatives; and
- Created safe walking and/or biking routes to schools for 14 percent of all K–8 schools in the state.

Research shows that over time and with sustained statewide resources and coverage, these efforts will increase the behaviors that prevent chronic disease. For example, a recent article in the journal *Pediatrics* found that adolescents gained less weight in states that have enacted strong laws regulating the nutrition content of foods and beverages sold in schools outside of meal programs

Population Indicators and Performance Measures	Previous	Current	Trend
Healthy eating: Youth who eat the recommended number of fruits and vegetables daily – 9th grade students ¹	18.4%	18.1%	Stable
Physical Activity: Youth who meet physical activity guidelines – 9th grade students ²	47.6%	47.5%	Stable
Tobacco Use: Young adults who smoke – ages 18 to 24 ²	28.4%	27.8%	Stable
Alcohol Abuse: Adult binge drinking – age 18 and older ³	20.2%	17.2%	Improving
Farm to School initiatives in K-12 schools: Percent of students enrolled that were served by the initiative ⁴	N/A	26%	N/A
Safe Routes to School initiatives in K-8 schools: Percent of students enrolled that were served by the initiative ⁵	N/A	14%	N/A

¹ Minnesota Student Survey 1992-2010 Trends, page 38. Data is for 2007 and 200

² Minnesota Adult Tobacco Survey Tobacco Use in Minnesota: 2010 Update, page 2-18. Data is for 2007 and 2010

³ Behavioral Risk Factor Surveillance System Survey Data. Atlanta, Georgia: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, 2010. Data is for 2007 and 2010

⁴ Grantee reports, K-12 enrollment data. Current data is for 2009-11

⁵ Grantee reports, K-8 enrollment data. Current data is for 2009-11

Budget Activity: Statewide Health Improvement
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$6,696	\$15,458	\$16,695	\$38,849
Current Law Expenditures (FY 2014-15)	\$6,696	\$26	\$13,292	\$20,013
Governor's Recommended Expenditures (FY2014-15)	\$6,696	\$40,026	\$13,292	\$60,013
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$40,000	\$0	\$40,000
% Change from FY 2014-15 Current Law to Governor's Rec	0%	156,017%	0%	200%

Budget Activity: Statewide Health Improvement**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$26	\$13,292	\$13,318
APPROPRIATION	\$6,696	\$40,000	\$0	\$46,696
SOURCES OF FUNDS	\$6,696	\$40,026	\$13,292	\$60,014
EXPENDITURES	\$6,696	\$40,026	\$13,292	\$60,013
PAYROLL EXPENSE	\$234	\$1,790	\$4,976	\$7,000
OPERATING EXPENSES	\$20	\$4,876	\$4,244	\$9,139
GRANTS, AIDS AND SUBSIDIES	\$6,442	\$33,360	\$4,072	\$43,874
USES OF FUNDS	\$6,696	\$40,026	\$13,292	\$60,013

Health Compliance Monitoring

<http://www.health.state.mn.us/cm>

Statewide Outcome(s):

The Compliance Monitoring Division supports the following statewide outcome(s).

Minnesotans are healthy

People in Minnesota are safe

Context:

The Compliance Monitoring Division monitors compliance with laws and rules designed to protect the health and safety of Minnesota's nursing home residents, home care clients, hospital patients, developmentally disabled clients, enrollees of health maintenance organizations (HMOs) and county based purchasing plans, patients of birth centers, clients of body art establishments, and clients of certain allied health professional groups.

This activity serves patients, consumers, and providers of health care services, as well as state and local policy makers. The work involves protecting the health and safety of consumers of all ages. However, a great deal of the division's work is especially important for older Minnesotans. The need for services to support Minnesota's vulnerable adult population will increase as Minnesota's population ages. Baby boomers started turning age 65 years old in 2011, and Minnesota ranks second nationally with a life expectancy of about 79 years. The number of Minnesotans older than 65 years will increase 40 percent faster than the under-65-year-old population between 2010 and 2030, and the number of Minnesotans 85 years or older is expected to double to 250,000. Compliance monitoring is funding almost entirely by cost sharing with Medicare and Medicaid (63 percent) and fees (37 percent).

Strategies:

Compliance monitoring uses the following strategies to achieve desired outcomes.

- Monitor compliance with federal and state laws and rules designed to protect health and safety, through unannounced inspections and surveys.
- Investigate reports of maltreatment in accordance with the Vulnerable Adult Act and other complaints of abuse, neglect, or maltreatment; investigate complaints against HMOs filed by enrollees and providers.
- Conduct reviews of requests for set-asides of criminal /maltreatment cases; in limited cases, this allows persons to work even though they were found to have neglected a vulnerable adult.
- Approve architectural and engineering plans for all new construction or remodeling of health care facilities to assure that the facilities' physical plants meet life safety and health standards.
- Conduct annual reviews of at least 15 percent of Medicaid and private pay residents in certified nursing facilities to verify that payment classification matches acuity needs.
- Regulate funeral service providers to ensure the proper care and disposition of the dead.
- Regulate individuals who want to practice as audiologists, hearing instruments dispensers, speech language pathologists, occupational therapists, and body art technicians.
- Regulate body art establishments to ensure adequate health and safety standards.
- Regulate HMOs and County Based Purchasing entities to ensure compliance with statutes and rules governing financial solvency, quality assurance, and consumer protection.
- Respond to several thousand calls annually seeking information and assistance from the health information clearinghouse.
- Provide information to regulated entities regarding current standards.

Results:

The three performance measures listed below contribute to the goal that all vulnerable adults in Minnesota are safe.

Performance Measures	Previous	Current	Trend
Compliance Monitoring staff will visit each Skilled Nursing Facility and each Intermediate Care Facility for the Intellectually Disabled at least once per year. See Note 1.	Not achieved	On track to achieve	Improving
Compliance Monitoring staff handle complaints concerning vulnerable adults on a timely and accurate basis. See Note 2.	Not achieved	On track to achieve	Improving
Compliance Monitoring staff will increase the number of visits to currently licensed home care providers and visit every newly licensed home care provider within the first year of licensure. See Note 3.	Not achieved	On track to achieve	Improving

Performance Measures Notes:

Note 1: The division is on track to complete all required visits in federal fiscal year 2012. There are 384 federally certified nursing homes, and 100 percent of them were surveyed in federal fiscal year 2011; there are 212 intermediate care facilities for the intellectually disabled in Minnesota, and the division surveyed 211 of them, or 99.5 percent, in fiscal year 2011.

Source: Centers for Medicare and Medicaid Services Federal Fiscal Year 2012 mid-year performance measures and Final Fiscal Year 2011 State Performance Measures Review.

Note 2: Due to a change in federal triage interpretations, the number of investigations requiring a two-day turnaround time have increased, resulting in decreased resources available to conduct lower priority investigations within the required timeframes. However, in FY 2012, the division is on track to meet this performance measure due to a reallocation of resources.

Source: Centers for Medicare and Medicaid Services Federal Fiscal Year 2012 mid-year performance measures.

Note 3: The division had previously not been able to achieve these measures due to resource limitations. However, the department is working with stakeholders to develop a new licensure and fee structure that would enable the division to devote more resources to conducting site visits of home care providers.

Source: Compliance Monitoring Division inspection and investigation data.

Budget Activity: Compliance Monitoring
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$5,601	\$48,667	\$8,722	\$62,990
Current Law Expenditures (FY 2014-15)	\$5,806	\$65,974	\$534	\$72,315
Governor's Recommended Expenditures (FY2014-15)	\$5,806	\$70,346	\$534	\$76,687
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$4,372	\$0	\$4,372
% Change from FY 2014-15 Current Law to Governor's Rec	0%	7%	0%	6%

Budget Activity: Compliance Monitoring**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$46,830	\$534	\$47,364
APPROPRIATION	\$5,806	\$23,670	\$0	\$29,476
SOURCES OF FUNDS	\$5,806	\$70,500	\$534	\$76,840
TRANSFERS OUT		\$154		\$154
EXPENDITURES	\$5,806	\$70,346	\$534	\$76,687
PAYROLL EXPENSE	\$122	\$36,598	\$320	\$37,040
OPERATING EXPENSES	\$5,684	\$33,719	\$214	\$39,618
CAPITAL OUTLAY-REAL PROPERTY		\$29		\$29
USES OF FUNDS	\$5,806	\$70,500	\$534	\$76,841

Health Health Policy

<http://www.health.state.mn.us/divs/hpsc/>

Statewide Outcome(s):

The Health Policy Division supports the following statewide outcome(s).

Minnesotans are healthy

Context:

Keeping Minnesotans healthy is a team effort, involving public health, the health care system, and the public. When the health care system is not performing as effectively as possible, it diminishes the health of Minnesotans in two ways: the cascading, adverse impacts of illness and injury are more pronounced; and it consumes scarce resources that are needed for wages, jobs, education, the environment and other determinants of overall health.

Like the nation overall, Minnesota has unsustainable rates of health care spending growth. In the past ten years, health care spending more than doubled, reaching \$37.7 billion in 2010. Without any changes to the underlying trends, spending is projected to double again in ten years, consuming about \$1 out of every \$5 of the state's economy. At the same time, the quality and safety of health care in Minnesota markedly varies between different clinics, hospitals, and health care providers. Many providers are still working towards adoption and effective use of health information technology. Minnesota faces potential workforce shortages that may worsen due to population trends and new demands associated with health reform initiatives. These challenges present unique opportunities to implement thoughtful, data-driven policy solutions to meet the state's current and future health and health care needs.

The Division of Health Policy (DHP) is an important part of the team that helps keep Minnesotans healthy. The health policy division provides credible, objective policy research, analysis, design, and implementation of programs and reforms to improve population health and health care value, quality, efficiency and accessibility. Its products – data, analysis, recommendations, alternatives, standards, and reports – are used by policy makers, consumers, health professionals, payers, and purchasers. The division's work focuses on the following policy areas:

- Healthcare cost/spending and utilization, access to healthcare, insurance coverage, and cost drivers;
- Healthcare workforce supply/demand, workforce projections, and support for workforce development;
- Measurement of provider quality, cost and safety;
- Administrative simplification;
- Adoption/use of health information technology;
- Maintenance of the state's vital records system;
- Trends in health behaviors, health status, and health disparities; and
- Federal/state health reform issues, including payment reform and care delivery innovation.

The health policy division's work helps slow the growth of health spending while increasing affordable access to quality health care for all Minnesotans. Its work to support local public health helps to ensure that local agencies are able to appropriately plan for and implement interventions to improve population health and to reduce health disparities between different groups of Minnesotans. Approximately 60 percent of the division's budget comes from a fund that supports medical education (which includes both state and federal dollars), 15 percent comes from federal grants and the remaining amount comes from a mix of state funding and fees.

Strategies:

- Collect data and perform research to inform policy makers; analyze data to monitor and understand health care access and quality, market conditions and trends, health care spending, capital investments, health status and disparities, health behaviors and conditions, impact of state/federal health and payment reform initiatives, and prevalence of disease and risk behaviors.
- Collaborate with providers, payers, consumers and other stakeholders to develop standards and best practices for exchange of business and clinical data.

- Provide leadership and technical assistance to health care organizations and consumers on statutory mandates for use of health information technology, such as electronic medical records, and simplifying administrative processes, such as billing.
- Provide technical assistance to local public health, consumers, and other stakeholders about using data effectively for planning and taking steps and actions to improve local health.
- Administer the statewide hospital trauma system, collect and analyze trauma data for system improvement and interagency coordination, and provide technical expertise to hospitals caring for trauma patients.
- Award \$30-\$40 million in MERC funds each year to clinical training sites for doctors and other clinicians.
- Strengthen Minnesotans' access to quality health care services by directing state and federal assistance to safety net health care providers, including community clinics and rural providers.
- Analyze and report on Minnesota's rural and underserved urban health care delivery system and health workforce in order to focus planning for future needs.
- Collect information on adverse health events in Minnesota hospitals and ambulatory surgical centers, and provide information about patient safety in Minnesota to providers, health plans, patients, and others.
- Administer a secure, integrated web-based vital records system so that health care providers can enter accurate birth and death information, citizens can obtain birth and death records and health researchers have timely information that will help improve response to public health issues and emergencies.

Our key partners in performing this work include other state agencies (particularly the Departments of Human Services and Commerce), providers, payers, consumers, non-profit organizations such as Minnesota Community Measurement and Stratis Health, academic organizations, and numerous state/national organizations.

Results:

In large part as a result of work led by DHP, Minnesota has made great strides in achieving adoption and meaningful use of electronic health records and expanding use of e-prescribing, with significant potential to reduce medical errors and improve patient care; in establishing a robust, statewide trauma system that helps to ensure that trauma patients get to the appropriate level of care as quickly as possible in order to save lives; in processing birth and death records efficiently using a secure, web-based system, and in reducing health care administrative costs an estimated \$40- \$60 million, among other goals. The indicators below were chosen to illustrate a cross-section of the work that DHP performs, though they do not cover all areas of DHP's work.

Much of DHP's work focuses on providing high-quality, reliable research, policy and data analysis, and standards development work for legislators, policymakers, providers, payers, and consumers. DHP's work creates an environment in which these entities have the information they need to improve healthcare quality/safety, reduce costs and improve population health. Seeing changes in statewide indicators related to these efforts will be difficult in the short term, given that many factors outside of MDH's control may influence the outcomes, but they are critical in order to achieve MDH's – and the state's – long term goals.

Performance Measures	Previous	Current	Trend
<i>Percent of prescriptions routed electronically</i>	3.6%	61%	Improving
<i>Statewide uninsured rate</i>	6.1%	9.1%	Worsening*
<i>Number of designated trauma centers in MN</i>	0	124	Improving
<i>Percent of MN death registrations collected entirely electronically</i>	47%	61%	Improving

Performance Measures Notes:

* DHP staff provides advice to the Governor's health reform task force on coverage options that will link more Minnesotans with affordable health care coverage options. HP staff also closely monitor progress to ensure that policies have the intended outcomes or can be appropriately revised.

Sources: Minnesota Department of Health

Data for percentage of prescriptions routed electronically is for 2008 and 2011

Data for state wide uninsured rate is for 2001 and 2011

Data on trauma centers is for 2006 and 2011

Data for death registrations is for 2010 and 2012

Budget Activity: Health Policy Quality & Comp
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$13,124	\$149,427	\$10,547	\$173,098
Current Law Expenditures (FY 2014-15)	\$12,956	\$167,025	\$10,900	\$190,882
Governor's Recommended Expenditures (FY2014-15)	\$12,956	\$167,025	\$10,900	\$190,882
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Health Policy Quality & Comp**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$124		\$124
REVENUE		\$132,118	\$10,900	\$143,018
TRANSFERS IN		\$7,574		\$7,574
APPROPRIATION	\$12,976	\$34,906	\$0	\$47,882
SOURCES OF FUNDS	\$12,976	\$174,722	\$10,900	\$198,598
BALANCE FORWARD OUT		\$124		\$124
TRANSFERS OUT	\$20	\$7,574		\$7,594
EXPENDITURES	\$12,956	\$167,025	\$10,900	\$190,882
PAYROLL EXPENSE	\$1,688	\$12,546	\$2,162	\$16,396
OPERATING EXPENSES	\$1,472	\$15,415	\$4,984	\$21,872
GRANTS, AIDS AND SUBSIDIES	\$9,796	\$139,064	\$3,754	\$152,614
USES OF FUNDS	\$12,976	\$174,723	\$10,900	\$198,600

Health

Environmental Health Division

<http://www.health.state.mn.us/divs/eh/index.html>

Statewide Outcome(s):

Environmental Health Division supports the following statewide outcome(s).

Minnesotans are healthy.

People in Minnesota are safe.

Context:

Environmental health programs are an integral part of Minnesota's public health system, working to educate, prevent, control, mitigate and respond to health hazards in the environment. We assure that Minnesotans have safe drinking water and food, and are protected from hazardous materials in their homes, workplace, and communities. We identify and respond to emerging environmental health threats and public health emergencies. As a result of research on environmental hazards and greater awareness of the environment's impact on overall health, the public increasingly looks toward the environmental health community for its expertise and leadership.

This activity serves the entire population of Minnesota by ensuring that all Minnesotans have clean drinking water, safe food, sanitary lodging, and are protected from hazardous materials in their homes and the environment. In the event of natural disasters, such as floods, drinking water contamination, chemical spills and nuclear power plant emergencies, the affected area is directly served. Water systems, the hospitality industry, water well contractors, the health care industry, construction firms, public and private building owners, homeowners and associated customers as well as disaster victims are the primary customers of our programs.

Factors that affect the work of this division include the housing market, natural disasters, chemicals in the environment and in consumer products, and changes in related federal program regulations where we have parallel authority.

This activity is funded from a variety of sources: state government special revenue fund; general fund; clean water legacy funding. In addition, the division also receives federal funds, special revenue funds, drinking water revolving funds and resources from other miscellaneous funds. Funding sources are divided into the following categories: fees and contracts – 66 percent; federal grants – 26 percent and state general fund – eight percent.

Strategies:

Prevent health risks by protecting the quality of water.

- Monitor public drinking water systems.
- Inspect water well construction and sealing.
- License professions impacting drinking water.
- Educate citizens about safe drinking water.

Prevent health risks by protecting the safety of food.

- Inspect food establishments to ensure safe food handling and certify professionals in food safety.
- Monitor and assist community-based delegated programs for food, beverage and lodging establishments.
- Educate citizens and professionals regarding the safe handling of food.
- Develop guidelines for the safe consumption of fish.

Prevent health risks by protecting the quality of indoor environments and public swimming pool safety.

- License and inspect public swimming pools and spas. Educate owners and operators in safe pool operations.
- Develop standards for safe levels of contaminants in air and abatement methods for asbestos and lead.
- Monitor the exposure of citizens to lead and issue guidelines on screening and treatment.
- Ensure that the provisions of the MN Clean Indoor Air Act are equitably enforced.
- Inspect and monitor lodging, manufactured home parks, and recreational camping areas.

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- Educate citizens, communities, and medical professionals.
 - Collaborate with partners to promote healthy homes and healthy schools.

Respond to emerging health risks.

- Focus attention on children to ensure they are protected from harmful chemicals and other hazards.
- Evaluate human health risks from chemical and physical agents in the environment.
- License and inspect the use of radioactive materials and x-ray equipment.
- Assess and prevent possible human health risks from accidental spills, waste disposal, and agricultural and industrial activities.
- Integrate health impacts into the assessment of policies and projects.
- Evaluate and strategize responses to the potential impact of climate change on public health.
- Develop health education programs and information materials for communities.

See <http://www.health.state.mn.us/divs/eh/topics.html> for more specific information about these topics.

Results:

Minnesota's first public health laws, passed in 1872, focused on environmental health threats – the provision of safe drinking water, sewage disposal, wastewater treatment, and milk sanitation. Since 1900, the average lifespan of people in the United States has lengthened by 25 years due to advances in public health, many of which involved environmental health protection. Clean water and improved sanitation have resulted in the control of infectious diseases. Improvement in food preparation procedures and a decrease in food and environmental contamination have resulted in safer and healthier foods. Today, the department continues prevention efforts to ensure the environmental health and safety of Minnesotans is protected at home, at work, and in public places.

Prevent ground water contamination sealing unused, abandoned wells. Unused, unsealed wells, can pose a threat to groundwater quality and public health by providing a direct conduit from the surface to groundwater allowing contaminants to travel deep into the ground, bypassing the natural protection usually provided by layers of clay, silt, and other geologic materials. Although Minnesota leads the nation in sealing unused wells (MDH was awarded the Groundwater Protection Award in 2006 by the National Ground Water Association), and has sealed 250,000 wells in the past 25 years, an estimated 500,000 unused wells remain unsealed.

Assure safe food. Safe food handling is critical to ensure the public is safe from food related diseases. Through education and compliance activities prevention is emphasized in order to reduce the risk to the population and the burden on the health care system. In our global economy, the potential sources of food poisoning are increasing. At the same time, our knowledge and educational approaches to safe food handling are improving. Training programs for certified food managers are continually updated to incorporate the latest knowledge. When food poisoning occurs it can be devastating to an individual, families and a community. In one example it is estimated that 3,468 healthy hours were lost to a community when 51 people became ill with vomiting and diarrhea after attending a community meal. Seven people were taken to the hospital, four were taken by ambulance and five of the ill were hospitalized with an average of a three night stay. The length of illness averaged 68 hours.

Reduce health disparities by decreasing the percent of children with elevated blood lead levels. Since 1994, the CDC has funded the Childhood Lead Poisoning Prevention Program to test for elevated blood leads in children. In 2012, the federal funding has been eliminated but the need has not gone away. In fact, the CDC has recently determined that there is no safe level of blood lead for children. At the same time, the CDC, HUD, and EPA have moved to a Healthy Homes approach, rather than the focus on just lead paint. This evolution makes sense because approximately 90 percent of time is spent indoors, with the largest amount spent in homes.

Health-based guidance values. In Minnesota, health-based guidance for drinking water is developed for chemicals found in groundwater in the state, typically in response to identified contamination. There is health-based guidance available for only a few hundred chemicals. There are over 84,000 chemicals in use, with 700 new chemicals being introduced every year. Studies are finding unexpected chemicals in lakes, rivers, and drinking water. These are often chemicals that we know little about. They may or may not be “new” contaminants, but their presence in our water may be new or unexpected. The Contaminants of Emerging Concern program (<http://www.health.state.mn.us/cec>) allows for proactive assessment of the potential health effects (screening and guidance development) of these chemicals, including pharmaceuticals and personal care products in both groundwater and surface water.

Communities in the wellhead protection program. The Drinking Water Protection Section has accelerated the rate at which the 935 community public water supply systems that use groundwater are being brought into the source water protection program. Approximately 2.5 million Minnesotans obtain their drinking water from 3,000 community water supply wells. MDH has set a goal to have all of community water supply systems implementing wellhead protection plans by the year 2020.

Performance Measures	Previous	Current	Trend
70% of the state population receives their drinking water from ground water. Prevent ground water contamination by sealing unused, abandoned wells – number of wells sealed (cumulative).	149,000	250,000	Improving
Assure safe food through registration and training of certified food managers (11,000 renewed each year)	0	55,000	Improving
Reduce health disparities by decreasing the percent of children with elevated blood lead levels	2.7%	0.6%	Improving
Expand Drinking Water protection activities. -Health-based guidance values (# of values established): <i>Characterize health risks from drinking water exposures to contaminants of emerging health concern.</i>	3	17	Improving
-Communities in the wellhead protection program (# of communities): <i>Accelerate the development and implementation of community-based wellhead protection plans, with all communities in the process of implementing plans by 2020</i>	357	579	Improving

Performance Measures Notes:

- First PM-Housing sales and floods influence the first performance measure. Source: MDH Well Program. See: <http://www.health.state.mn.us/divs/eh/wells/sealing/abandwel.html#Law> Data is for 2000 and 2012
- Second PM-Prior to 2000 there was not a requirement for certification of food managers. Source: MDH Food, Pools, Lodging Services Program. See: <http://www.health.state.mn.us/divs/eh/food/fmc/index.html> Data is for 1998 and 2011
- Third PM-Includes influence from renovation of old homes and rental properties, plus child and teen check-ups. Source: MDH Lead Surveillance Program. See: <http://www.health.state.mn.us/divs/eh/lead/reports/index.html#surv> Data is for 2003 and 2010
- Fourth and Fifth PM-Source water protection planning activities are influenced by local zoning activities. Source: MDH Clean Water Fund Activities. See: <http://www.health.state.mn.us/divs/eh/cwl/index.html> Data is for 2010 and 2012

Budget Activity: Environmental Health
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$5,885	\$52,915	\$21,675	\$80,476
Current Law Expenditures (FY 2014-15)	\$5,584	\$49,470	\$23,646	\$78,700
Governor's Recommended Expenditures (FY2014-15)	\$5,784	\$58,281	\$23,646	\$87,711
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$200	\$8,811	\$0	\$9,011
% Change from FY 2014-15 Current Law to Governor's Rec	4%	18%	0%	11%

Budget Activity: Environmental Health**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$1,567	\$23,646	\$25,213
TRANSFERS IN		\$3,274		\$3,274
APPROPRIATION	\$5,784	\$53,439	\$0	\$59,223
SOURCES OF FUNDS	\$5,784	\$58,280	\$23,646	\$87,710
EXPENDITURES	\$5,784	\$58,281	\$23,646	\$87,711
PAYROLL EXPENSE	\$3,883	\$30,155	\$10,048	\$44,087
OPERATING EXPENSES	\$942	\$23,811	\$9,944	\$34,697
OTHER FINANCIAL TRANSACTIONS	\$1	\$31	\$300	\$332
GRANTS, AIDS AND SUBSIDIES	\$958	\$4,226	\$3,354	\$8,538
CAPITAL OUTLAY-REAL PROPERTY		\$58		\$58
USES OF FUNDS	\$5,784	\$58,281	\$23,646	\$87,711

Health

Infectious Disease Epidemiology, Prevention and Control

<http://www.health.state.mn.us/divs/idepc/index.html>

Statewide Outcome(s):

The Infectious Disease Epidemiology, Prevention and Control Division supports the following statewide outcome(s).

Minnesotans are healthy.

People in Minnesota are safe.

Context:

The Infectious Disease Epidemiology, Prevention and Control Division (IDEPC) assures the health and safety of Minnesotans by maintaining strong public health systems and capabilities to protect the public from infectious diseases and to save lives during infectious disease outbreaks and other unusual public health events.

Today's infectious disease challenges are broader and more complex than ever. The diversity of organisms and their ability to evolve and adapt to changing populations, environments, practices, and technologies creates ongoing threats to health as well as challenges to disease prevention and control activities.

- Food safety, respiratory infections, vaccine-preventable diseases, zoonotic and vector borne diseases, HIV/AIDS, sexually transmitted disease, chronic viral hepatitis, healthcare associated infections and antimicrobial resistance continue to be infectious disease issues of special concern.
- Infectious diseases such as SARS and H1N1 underscore the importance of developing a "One Health" approach which advocates for a better understanding of the linkages between human, animal, and environmental factors on infectious disease.
- Changes in the way we live, eat, travel, etc. all contribute to infectious disease illness and death.
 - The aging population is more susceptible to infectious disease, and youth, females, African-Americans and Hispanics are disproportionately impacted by Chlamydia, which is reaching epidemic levels in Minnesota.
 - International travel has created the potential for rapid transmission of infectious diseases like pandemic influenza;
 - Immigration of world populations increases the potential for introduction of diseases such as measles or tuberculosis;
 - Changes in climate can cause infectious diseases to emerge in new areas; and human encroachment on wilderness areas increases the contact with zoonotic and vectorborne diseases such as Lyme disease and West Nile virus.
 - Also, international political and social unrest has created the urgent need to be prepared to detect and respond to potentially devastating biological terrorism.

All Minnesota residents are served by the work of IDEPC. Specific populations who are served include infants and children, adolescents, high-risk adults, older adults, those with chronic disease, refugees, immigrants and other foreign-born individuals, patients in hospitals and long-term care facilities, and health care workers.

Minnesota's infectious disease control system is funded almost entirely by federal grants, with only 15 percent of funding coming from state taxes and fees.

Strategies:

IDEPC protects the health and safety of Minnesotans and addresses the many challenges of disease control and prevention through a broad array of strategies:

- Assures early and rapid detection, investigation, and mitigation of infectious disease health threats by maintaining a 24/7 response capability to identify and respond to infectious disease threats;
- Conducts real-time statewide monitoring for infectious disease health threats;
- Detects and investigates infectious disease outbreaks, identifies newly emerging health threats, such as Powassan virus, as well as rare and highly dangerous health threats, such as *Naegleria fowleri*, the organism that causes primary amebic meningoencephalitis (PAM);

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- Continuously looks for emerging infectious disease trends and recommends evidence-based policy for infectious disease prevention measures;
 - Recommends evidence-based and cost-effective policies to reduce infectious diseases, and collaborates with public and private partners to improve prevention, detection, and control of infectious diseases;
 - Promotes vaccine to prevent disease, and provides vaccines for children whose families can't afford them; and

Collaborates with a variety of federal, state, and local partners to prevent and control infectious disease.

Significant IDEPC activities that serve to carry out these strategies include:

- Maintain the 24/7 Epidemiology On-call Disease Reporting Line to assure early detection and response to disease outbreaks and public health threats;
- Maintain the Foodborne Illness Hotline (1-877-FOOD-ILL) to receive reports of foodborne illness;
- Analyze disease reports to detect outbreaks, identify the source, and implement control measures;
- Alert health care providers, local public health, and the public about outbreaks and preventive measures;
- Continuously monitor for unusual patterns of infectious disease;
- Prevent the spread of infectious disease by providing HIV prevention grants to community groups for screening and testing, by promoting and distributing vaccines for children and adults, by providing medications for tuberculosis (TB) patients, and by coordinating refugee health screenings to identify and treat health problems;
- Notify federal and state officials, hospitals and clinics, and the general public about products that present a public health threat and should be removed from the market;
- Help medical professionals managing persons ill with, or exposed to, infectious disease; and
- Locate epidemiologists in eight regions in outstate Minnesota to provide technical assistance to local public health and health care providers on infectious disease issues.

Key Partners

IDEPC collaborates with a variety of partners including: local, state, and federal public health officials including local public health agencies and the Centers for Disease Prevention & Control; local, state public safety officials including emergency preparedness personnel, Homeland Security Emergency Management, and the Federal Bureau of Investigation; local veterinarians and the Board of Animal Health; and other state agencies including Agriculture, Human Services, and the Minnesota Pollution Control Agency; community organizations; and infection control specialists, public and private health care facilities, and laboratories.

Results:

Although tuberculosis (TB) cases reported in Minnesota declined from 238 in 2007 to 137 in 2011, TB remains a significant health problem in MN. The total number of cases can fluctuate from year to year, depending on a number of factors outside the control of MDH. Making sure patients complete their therapy prevents the spread of TB and reduces the development of resistant strains of the disease. State funding provides access to medication and reduces barriers to the completion of therapy.

Minnesota is well-known nationally for its ability to identify and trace the source of foodborne disease outbreaks. In 2008 it correctly identified jalapeno peppers as the source for an outbreak that sickened more than a thousand people in 43 states. In 2009, it identified a certain brand of peanut butter as the source for a major national outbreak of salmonella. Identifying and tracking the source of foodborne disease outbreaks helps to identify steps needed to prevent the spread of disease, including food recalls, or changes to food handling practices.

Screening of newly arrived refugees is an effective public health tool used to identify and treat health problems and prevent the spread of infectious disease.

The Minnesota Immunization Practices Advisory Committee has identified adolescent vaccination as a priority. Rates of vaccination are impacted by a variety of partners and factors.

Performance Measures	Previous	Current	Trend
Percent of tuberculosis (TB) patients who complete therapy in 12 months. (1)	89%	88%	Stable
Percent of foodborne disease outbreaks in which the source of the outbreak was identified. (2)	68%	54%	Worsening
Percent of newly arriving refugees in MN who initiate a health screening within three months of arrival. (3)	96.8%	98.3%	Stable
Percent of Adolescents Receiving >1 Tdap vaccination. (4)	40.7%	70.3%	Improving

Performance Measures Notes:

1. MDH TB Program Data. Data is from 2008 and 2010
2. MDH Foodborne Outbreak Data. Data is from 2005 and 2011
3. MDH Refugee Health Program Data. Data is from 2010 and 2011
4. National Immunization Survey-Teen, 2010. Data is from 2008 and 2010

Budget Activity: Infect Disease Epid Prev Cntrl
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$8,281	\$10,417	\$40,973	\$59,671
Current Law Expenditures (FY 2014-15)	\$8,280	\$7,519	\$40,714	\$56,513
Governor's Recommended Expenditures (FY2014-15)	\$8,680	\$7,519	\$40,714	\$56,913
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$400	\$0	\$0	\$400
% Change from FY 2014-15 Current Law to Governor's Rec	5%	0%	0%	1%

Budget Activity: Infect Disease Epid Prev Cntrl**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$7,091	\$40,714	\$47,805
APPROPRIATION	\$8,680	\$428	\$0	\$9,108
SOURCES OF FUNDS	\$8,680	\$7,519	\$40,714	\$56,913
EXPENDITURES	\$8,680	\$7,519	\$40,714	\$56,913
PAYROLL EXPENSE	\$4,106	\$872	\$16,692	\$21,670
OPERATING EXPENSES	\$1,208	\$6,647	\$17,694	\$25,549
GRANTS, AIDS AND SUBSIDIES	\$3,366		\$6,328	\$9,694
USES OF FUNDS	\$8,680	\$7,519	\$40,714	\$56,913

Health

Public Health Laboratory

<http://www.health.state.mn.us/divs/phl/index.html>

Statewide Outcome(s):

The Public Health Laboratory supports the following statewide outcome(s).

Minnesotans are healthy.

Context:

The Minnesota Public Health Laboratory (PHL) focuses on surveillance for early detection of disease outbreaks and other public health threats, identification of rare chemical, radiological and biological hazards, emergency preparedness and response, and assurance of quality laboratory data through collaborative partnerships with clinical and environmental laboratories throughout the state. The PHL relocated to a new laboratory building in 2005.

The PHL conducts analyses on clinical and environmental samples to provide chemical, bacterial (infectious disease), and radiological data of known and documented quality to partner state and federal programs. The data provided by the PHL is used for the purposes of assessment, intervention, and making science-based policy decisions. In addition, the PHL screens babies born in the state for rare, life-threatening congenital and hereditary disorders that are treatable if detected soon after birth. The PHL also accredits laboratories that conduct regulated environmental testing in Minnesota.

The PHL collaborates with local, state, and federal officials; public and private hospitals; laboratories; and other entities throughout the state to analyze environmental samples, screen newborns, provide reference testing for infectious disease agents, and analyze specimens for diagnosing rare infectious diseases (e.g., rabies, polio, anthrax). These activities ultimately benefit all Minnesotans.

New technologies, maintaining existing technologies, and staff expertise, along with variable funding sources are important factors that impact the laboratory. The impact of national and state health reform on the laboratory is uncertain.

The laboratory is funded by a combination of federal grants, fees and reimbursements for its services, and general fund appropriations.

Strategies:

Environmental Health

- Analyze air, water, wastewater, sludge, sediment, soil, wildlife, vegetation, and hazardous waste for chemical, bacterial, and radiological contaminants in partnership with local and state government agencies.
- Accredit public and private environmental laboratories that conduct testing for the federal safe drinking water, clean water, resource conservation and recovery, and underground storage tank programs in Minnesota.
- Test reference and confirmatory environmental samples using scientific expertise and state-of-the-art methods not available in other laboratories.
- Develop analytical methods for emerging environmental health threats (e.g. perfluorochemicals, pharmaceuticals) and the human body burden of environmental chemical contamination (biomonitoring).

Infectious Disease

- Perform surveillance, reference and confirmatory testing of clinical specimens for infectious bacteria, parasites, fungi, and viruses, including rare, emerging, and re-emerging diseases.
- Provide for early detection of infectious disease outbreaks, and identification of infectious agents through the use of classical techniques and sophisticated molecular methods such as DNA fingerprinting, amplification, and sequencing.
- Characterize pathogens to describe trends in type, virulence, and resistance to treatment.
- Communicate of laboratory data to epidemiologists and healthcare providers to inform treatment, prevention and control of infectious disease pathogens.

Newborn Screening

- Screen all Minnesota newborns for over 50 treatable congenital and hereditary disorders, including hearing loss.

Emergency Preparedness and Response

- Emergency readiness activities to assure early detection and rapid response to all hazards, including agents of chemical, radiological, and biological terrorism.
- Participation on Minnesota's radiochemical emergency response team, which responds in the event of a release of radioactive chemicals at Minnesota's nuclear power plants.
- Operate the "Minnesota Laboratory System" to assure that public and private laboratories are trained for early recognition and referral of possible agents of chemical and biological terrorism, as well as other public health threats.
- Help ensure the safety of the public by hosting the federal BioWatch air-monitoring program.
- CDC Designated PHL as a LRN Level 1 Chemical Terrorism preparedness laboratory to serve to provide surge capacity in response to a mass casualty event involving chemical agents.

Results:

Timely identification and DNA fingerprinting of pathogens ensures rapid recognition, investigation and control of outbreaks thereby preventing additional cases of illness. The ability to generate the data quickly is dependent on resource allocation, which has been relatively stable, but is being impacted by changes in testing performed by the clinical labs that provide the PHL with the bacterial isolates. These labs are increasingly using non-culture based methods that necessitate that PHL do an additional step to obtain the isolate necessary for fingerprinting.

Novel test methods are developed to assess new threats to public health as these threats are identified. These new tests require advanced instrumentation and workforce expertise. PHL demonstrates readiness to respond to public health threats by successfully completing proficiency testing and maintaining quality in the analysis of chemical and biological terrorism agents. Corrective actions are written and implemented based on the results of these proficiency tests. This measure will assess the effectiveness of those actions.

Screening all babies shortly after birth for treatable congenital and hereditary disorders including hearing loss ensures that these babies receive follow up assessment, resulting in improved clinical outcomes and quality of life for these babies and their parents.

Accreditation of environmental laboratories by the Minnesota Environmental Laboratory Accreditation Program (ELAP) helps ensure that data provided for purposes of assessing the quality of Minnesota's water is of known and documented quality. New quality standards were implemented in late 2010 requiring that ELAP conduct an on-site laboratory assessment every 24 months instead of the previous requirement of every 36 months. The trend in the performance measures reflects the transition from a 36 month to 24 month assessment interval.

Performance Measures	Previous	Current	Trend
Percent of <i>E. coli</i> O157 and <i>Listeria monocytogenes</i> fingerprint results reported within four days of arrival at the PHL. ¹	95%	97%	Improving
Percent of proficiency tests successfully completed for chemical (CT) and biological (BT) terrorism agents of public health concern. ²	CT: 100% BT: 100%	CT: 94.3% BT: 100%	CT: Worsening BT: Stable
Percent of newborns screened that are identified with hereditary disorders (including hearing loss) that have the opportunity to benefit from treatment. ³	0.57% or 400 of 69,636	0.57% or 385 of 67,872	Stable
Percent of environmental laboratory assessments completed within 24 months of previous assessment. ⁴	22%	88%	Improving

Performance Measures Notes:

¹. Data is from the PHL for fiscal year 2011 (Previous) and 2012 (Current).

² Data is from the PHL for fiscal year 2011 (Previous) and fiscal year 2012 (Current). This data is a measure of readiness to perform sample analysis for the 11 validated CT methods for 36 compounds, and 14 validated BT methods.

³. Data is from the PHL for fiscal years 2010 (Previous) and 2011 (current).

⁴. Data are from fiscal year 2011 (previous) and 2012 (current).

Budget Activity: Public Health Laboratory
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$4,299	\$25,194	\$7,755	\$37,248
Current Law Expenditures (FY 2014-15)	\$4,241	\$24,014	\$6,934	\$35,190
Governor's Recommended Expenditures (FY2014-15)	\$4,241	\$28,042	\$6,934	\$39,218
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$4,028	\$0	\$4,028
% Change from FY 2014-15 Current Law to Governor's Rec	0%	17%	0%	11%

Budget Activity: Public Health Laboratory**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$8,931	\$6,934	\$15,865
APPROPRIATION	\$4,242	\$19,112	\$0	\$23,354
SOURCES OF FUNDS	\$4,242	\$28,043	\$6,934	\$39,219
EXPENDITURES	\$4,241	\$28,042	\$6,934	\$39,218
PAYROLL EXPENSE	\$3,084	\$8,964	\$5,300	\$17,348
OPERATING EXPENSES	\$1,156	\$19,078	\$1,634	\$21,868
OTHER FINANCIAL TRANSACTIONS	\$2			\$2
USES OF FUNDS	\$4,241	\$28,042	\$6,934	\$39,218

Health Emergency Preparedness

<http://www.health.state.mn.us/macros/topics/emergency.html>

Statewide Outcome(s):

The Office of Emergency Preparedness supports the following statewide outcome(s).

Minnesotans are healthy

People in Minnesota are safe.

Context:

The Office of Emergency Preparedness (OEP) ensures local, tribal, and state public health and healthcare partners have the personnel, plans, training, communication tools and expertise to prevent or respond to public health emergencies, pandemic influenza, infectious disease outbreaks, bioterrorism, chemical exposures, natural disasters, and other incidents. This activity serves all residents of the State of Minnesota.

Emergencies are happening with increasing frequency, and the role of public health officials in response and recovery activities has expanded as emergency managers and other partners have observed the breadth of health issues and the capabilities of public health and healthcare partners.

The Office is responsible for continuity of operations planning, training and exercising to determine how to maintain facilities and reassign resources to support priority services identified by individual programs in the event of a business continuity interruption.

The Office of Emergency Preparedness is funded approximately 97 percent by federal grants and three percent from the general fund.

Strategies:

Examples of program efforts have included preparation for, response to, and recovery from the H1N1 pandemic influenza outbreak, seasonal flooding along the Red River, recent flash floods in Northeastern and Southeastern Minnesota, power interruptions, the Minneapolis tornado and other weather-related emergencies. OEP provides the infrastructure to support all other parts of the agency in protecting Minnesotans during emergencies, and in ensuring the ability of the department to continue operations should there be a loss of facilities, technology, or staff.

Effective and timely response and recovery requires coordination between public safety officials, healthcare providers, voluntary and non-profit organizations, public health officials at the federal, state, local and tribal level, multiple state agencies, elected officials, media organizations, and many others. This involves extensive planning, training, exercising, communication systems development, acquisition and replenishment of supplies, and administrative preparedness for legal and procurement issues.

The Office is responsible for development and maintenance of the Minnesota Department of Health's All-Hazard Response and Recovery Plan and the MDH portion of the Minnesota Emergency Operations Plan so roles and responsibilities are clear to all responders.

Specific activities include development of and practicing plans for managing federal pharmaceutical and other supplies, updating statutes and regulations to assure needed authority for implementing emergency health measures, supporting a web-based system to monitor healthcare system capacity and support the rapid expansion of healthcare services in an emergency, and assuring compliance with requirements of grants from the Centers for Disease Control and Prevention and the Assistant Secretary for Preparedness and Response of the Department of Health and Human Services.

In addition to the extensive coordinating role, the Office administers about \$6 million in grants to community health boards and tribes, and about \$5 million in grants to regional healthcare coalitions to build public health and health care preparedness statewide.

Results:

It is difficult to measure emergencies that don't happen because people or systems were prepared, or disasters that weren't as bad as they could have been because response was swift and effective, or people whose suffering from an emergency was lessened by work to build resilience. Efforts in preparedness, response, and recovery do, however, have some measureable indicators.

The number of times partners work together to develop, test, and improve their plans indicates coordination and improved capacity and capability. The Office conducts exercises with staff department-wide, and assists local, tribal, and healthcare partners with their exercise programs. Exercises follow a progression to build capability to respond to emergencies—moving from seminars, tabletop discussions, drills, and functional exercises to full-scale exercises. An important component is the after-action report and improvement plan, where the lessons learned are examined, modifications to plans or procedures are made, and components are re-tested in subsequent exercises. Local and Tribal Health Departments and Healthcare Coalitions submit exercise plans and After Action Reports to the Office to meet the federal grant requirements and allow MDH to learn and share best practices.

Minnesota's Health Alert Network (HAN) connects the Centers for Disease Control and Prevention, MDH, state agency partners, local health departments, and tribal governments by disseminating time sensitive health threat information when needed. Every local health department has developed a local HAN that they may use independently for local issues or to cascade on federal or state alerts to clinics, hospitals, long term care, specific medical providers, veterinarians, emergency managers and others within their jurisdictions. In addition to its use during major emergencies, HAN is used frequently to quickly distribute information throughout the state regarding food-borne and infectious disease outbreaks, and environmental health threats.

The Office coordinates recruitment and registration of Medical Reserve Corps volunteers through local chapters. The chapters conduct training and exercises to ensure the Medical Reserve Corps will be ready and able to respond to disasters by providing needed care and intervention services. Medical Reserve Corps volunteers include a wide variety of clinicians and support personnel—physicians, nurses, dentists, veterinarians, morticians, pharmacists, counselors, logistics experts, supply chain staff, etc. A critical feature of this program is to continually confirm that volunteers remain interested and eligible, and to increase their number. MDH also focuses on broadening the number of disciplines represented—for example, the recent collaboration with Environmental Health staff to add a Radiation Emergency Volunteers group to provide the specialty expertise of health physicists and others in the event of a large-scale radiological incident.

Performance Measures	Previous	Current	Trend
Number of exercises conducted by state, tribal, and local health departments	261	387	Improving
Percent of local and tribal health departments completing the two required Health Alert Network notifications annually	78.4%	89.8%	Improving
Number of currently active, credentialed volunteers registered in the Minnesota Responds Medical Reserve Corps to assist state and local officials in caring for Minnesotans	9200	9831	Improving

Performance Measures Notes:

Exercise data from Office tracking of state, local, and tribal

Health Alert Network data from MDH performance tracking database.

Medical Reserve Corps data from the Minnesota Responds Medical Reserve Corps database.

(All performance measures compare data from FY 2012 to FY 2013)

Budget Activity: Office Emergency Preparedness
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$431	\$504	\$29,134	\$30,068
Current Law Expenditures (FY 2014-15)	\$192	\$93	\$29,408	\$29,693
Governor's Recommended Expenditures (FY2014-15)	\$192	\$93	\$29,408	\$29,693
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Office Emergency Preparedness**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$94	\$29,408	\$29,502
APPROPRIATION	\$192	\$0	\$0	\$192
SOURCES OF FUNDS	\$192	\$94	\$29,408	\$29,694
EXPENDITURES	\$192	\$93	\$29,408	\$29,693
PAYROLL EXPENSE	\$182	\$72	\$5,422	\$5,676
OPERATING EXPENSES	\$10	\$21	\$6,157	\$6,188
OTHER FINANCIAL TRANSACTIONS			\$360	\$360
GRANTS, AIDS AND SUBSIDIES			\$17,469	\$17,469
USES OF FUNDS	\$192	\$93	\$29,408	\$29,693

Health Administrative Services

<http://www.health.state.mn.us/>

Statewide Outcomes:

Administrative Services supports the following statewide outcome(s).

- Minnesotans are healthy.
- Efficient and accountable government services.

Context:

The Administrative Services divisions provide stewardship of MDH human, capital, and technology resources through the following services:

- **Financial Management** ensures resources are properly tracked, budgets are well-planned and communicated, and financial activities meet standards set by federal, state, and private funders.
- **Human Resource Management** attracts, develops, and serves the department's highly-qualified, diverse workforce while fostering a respectful, safe, and inclusive work environment.
- **Facilities Management** provides the facilities and support services needed for MDH programs to operate efficiently.
- **MN.IT @ MDH** provides and supports agency-wide and specialized technology systems and services through leadership, strategic planning, management, administration, and technical support.

The Administrative Services division is funded through special revenue funds financed by other divisions' budgets, because they support all MDH programs and 1,500 MDH employees in successfully fulfilling the agency mission. Important factors that continue to impact the divisions' work are:

- The evolving deployment of the Statewide Integrated Financial Tools (SWIFT) system; including the need to redesign related business processes and technology systems.
- Our aging workforce (one-third of staff are 55+) signaling a large number of coming retirements and resulting loss of substantial subject matter expertise and leadership.
- Significant challenges in recruiting and hiring in an increasingly competitive labor market, particularly for high-level jobs requiring specialized degrees or leadership experience, due in part to the inability to offer compensation levels that applicants expect and the statewide compression of salaries.
- The recent consolidation of IT services, which will result in new processes, standards and policies.

Strategies:

The Administrative Services divisions promote efficient and accountable government services by using business systems optimally and by listening to and working with management and staff to ensure that MDH's program needs are fully understood and properly addressed.

Financial Management provides stewardship of MDH financial resources through:

- Centralized accounting, cash management, and procurement of goods and contract services;
- Monitoring, financial reporting, and technical assistance required for federal grants;
- Coordinated budget planning and reporting for all department resources; and
- Guidance to MDH employees on financial best practices and how to comply with financial laws, policies, and procedures.

Human Resource Management facilitates strategic personnel management and development by:

- Managing staffing, labor relations, health and safety activities;
- Ensuring accurate administration of compensation, benefits, and payroll services;
- Offering training programs to strengthen current leadership capacity and to develop future leaders;

- Promoting an inclusive workplace with equal opportunity and affirmative action programs; and
- Addressing complex employment issues by consulting with employees, supervisors, and managers.

Facilities Management supports efficient operations through:

- Space planning, physical security, lease management, and operations support for nearly 490,000 square feet of space at five metro and eight greater Minnesota locations; and
- Centralized delivery, shipping/receiving, warehousing, fleet, and duplicating services in metro locations as well as shared administrative support in district offices.

MN.IT @ MDH ensures that technology meets business needs by:

- Administering memoranda of understanding with 11 MDH divisions and offices that define partnerships and clarify budgets, roles and responsibilities;
- Providing expertise, planning and development of technology systems and data architectures;
- Supplying high-level security for all departmental data, systems, and communications;
- Managing communications networks and telecommunications systems;
- Administering networks and infrastructure connecting all employees and 11 building connections; and
- Providing user support, training, and problem resolution.

Results:

The value of a top performer is two to three times that of an average employee so the ability to retain stellar employees profoundly impacts productivity and the department's salary budget. HRM's succession planning strategy is to develop identified employees' leadership skills in order to build an engaged workforce with opportunities and abilities to advance.

Minnesota is still in the early stages of consolidating all agencies' IT staff into a single agency. Timely resolution of help desk requests and client satisfaction are key indicators that show how consolidation is affecting customer service.

Efficient finance and facilities services allow MDH programs to focus energy and resources on fulfilling the department's mission. Cost effective space and quick purchasing are essential to MDH programs.

Performance Measures	Previous	Current	Trend
Successfully identified and trained potential/future leaders in Everyday Leaders Program, measured as percent of participants at six months and two years after graduation who were: retained as an employee at MDH and promoted to a leadership position.	2010-2011 class: 75% retained as employees; 22% promoted	2011-2012 class: 96% retained as employees, 4%	Stable
Successfully met information technology service expectations as measured by the percent of request tickets resolved on time and the percent of staff satisfied with the resolution.	87% tickets closed on time; 96% satisfaction	88% tickets closed on time; 95% satisfaction	Stable
Provided a safe, efficient amount of facilities space to support health programs, measured as number of accidents in the workplace and square footage per person. ¹	FY 2010: 32 workers comp claims; 314 sq ft per person	FY 2012: 17 workers comp claims; 293 sq ft per person	Improving
Provided quick, efficient purchasing services to support health programs, measured as the average time from request to purchase order and average number of requisitions per purchasing staff person.	FY 2010: 4.29 days; 45,263 requisitions/person	FY 2011: 4.86 days; 60,008 requisitions/person	Stable/ Improving

Notes

¹ Excludes warehouse space for materials storage/transfer and hangar space for mobile medical/morgue units

Budget Activity: Administrative Services-Health
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$14,449	\$67,091	\$4,470	\$86,010
Current Law Expenditures (FY 2014-15)	\$14,428	\$64,707	\$4,594	\$83,729
Governor's Recommended Expenditures (FY2014-15)	\$14,228	\$64,707	\$4,594	\$83,529
\$ Change from FY 2014-15 Current Law to Governor's Rec	(200)	\$0	\$0	(200)
% Change from FY 2014-15 Current Law to Governor's Rec	(1%)	0%	0%	0%

Budget Activity: Administrative Services-Health**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$64,706	\$4,594	\$69,300
APPROPRIATION	\$14,228	\$0	\$0	\$14,228
SOURCES OF FUNDS	\$14,228	\$64,706	\$4,594	\$83,528
EXPENDITURES	\$14,228	\$64,707	\$4,594	\$83,529
PAYROLL EXPENSE		\$14,947		\$14,947
OPERATING EXPENSES	\$14,228	\$49,748	\$4,594	\$68,570
OTHER FINANCIAL TRANSACTIONS		\$12		\$12
USES OF FUNDS	\$14,228	\$64,707	\$4,594	\$83,529

Health Executive Office

www.health.state.mn.us/

Statewide Outcome(s):

The Executive Office supports the following statewide outcome(s).

Minnesotans are healthy

Efficient and accountable government services

Context:

The Executive Office provides the vision and strategic leadership for creating effective public health policy for the state of Minnesota. It also oversees the management of the entire agency, including administrative functions and oversight of the department's seven program divisions and three offices. It carries out its mission in partnership with a wide range of external organizations that help to promote and protect the health of all Minnesotans.

Several key functions take place through the commissioner's office, including planning, policy development, legislative relations, internal and external communications and legal services.

The department's 1,500 employees work to protect and promote the health of all Minnesotans. The department carries out its mission in close partnership with local public health departments, other state agencies, elected officials, health care and community organizations, and public health officials at the federal, state, local and tribal levels.

The office is funded from special revenue funds.

Strategies:

Commissioner's Office

- The commissioner's office develops and implements department policies and provides leadership to the state in developing public health priorities.
- The commissioner's office directs the annual development of a set of public health strategies to provide guidance for agency activities and to more effectively engage the department's public health partners.
- The commissioner's office also directs the strategic planning and implementation of department-wide initiatives.

Legislative Relations

- The legislative relations office leads and coordinates state legislative activities and monitors federal legislative activities to advance the departments' priorities and mission. It works closely with the governor's office, department divisions, legislators, legislative staff, and other state agencies on the department's strategies and priorities.
- Throughout the legislative session and during the interim, legislative relations is a contact for the public, other departments, legislators, and legislative staff.

Communications

- The communications office is responsible for leading and coordinating communications on statewide public health issues and programs. This includes coordinating public awareness activities and community outreach and managing more than 30,000 pages of information on the department's website.
- The office works closely with the news media, ensuring that accurate and timely information on a wide range of public health topics is shared with the general public.

Legal Services

- The MDH Legal Unit serves the Commissioner in a general counsel capacity, while providing overall direction to and oversight of legal services provided to MDH by in-house counsel and the attorney general's office.
- While the Legal Unit will respond to any legal need, its primary focus is in the areas of emergency preparedness, rulemaking, data practices and privacy, contracts, records management, delegations of authority, and HIPAA. The Legal Unit also acts as a liaison with the AG's Office for MDH litigation and other legal services requested by MDH.

Results:

Since the Executive Office's primary function is to provide leadership and support for the work of all program areas, the effectiveness of the Executive Office can be measured in large part by the results and performance measures of the divisions and offices of MDH. However, a number of distinct measures (below) can serve to help gauge the performance of the EO.

Performance Measures	Previous	Current	Trend
Total subscribers to MDH website bulletins through GovDelivery	42,692	54,659	Improving
Total messages sent from MDH website through GovDelivery	2,747,064	3,068,848	Improving
Number of news releases completed and issued per year*	72	81 (projected)	Stable
Number of fiscal notes completed	95	72	Stable
Average days to complete fiscal notes	10.4	4.2	Improving
Percent of fiscal notes completed on time	47%	78%	Improving

Performance Measures Notes:

*The number of news releases issued can depend on factors such as the number of foodborne or other illness outbreaks that need to be reported, so a decline in needed news releases could be a sign of fewer outbreaks, better prevention or improved h2food safety systems, etc. Also, some instances in which news releases previously were issued are now handled through more routine GovDelivery subscriber notices.

Data on bulletin subscribers and message delivery through the MDH Web site is from 2010 and 2012 (as of 6/30)

Data new releases is from 2005 and (projected) 2012 (as of 6/30)

Data on fiscal notes is 2007 and 2010

Budget Activity: Executive Office
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$508	\$7,999	\$3,917	\$12,423
Current Law Expenditures (FY 2014-15)	\$616	\$7,836	\$2,360	\$10,812
Governor's Recommended Expenditures (FY2014-15)	\$1,316	\$7,836	\$2,360	\$11,512
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$700	\$0	\$0	\$700
% Change from FY 2014-15 Current Law to Governor's Rec	114%	0%	0%	6%

Budget Activity: Executive Office**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$7,905	\$2,360	\$10,265
APPROPRIATION	\$1,316	\$0	\$0	\$1,316
SOURCES OF FUNDS	\$1,316	\$7,905	\$2,360	\$11,581
TRANSFERS OUT		\$70		\$70
EXPENDITURES	\$1,316	\$7,836	\$2,360	\$11,512
PAYROLL EXPENSE	\$792	\$6,109	\$2,246	\$9,147
OPERATING EXPENSES	\$524	\$1,710	\$114	\$2,349
OTHER FINANCIAL TRANSACTIONS		\$16		\$16
USES OF FUNDS	\$1,316	\$7,906	\$2,360	\$11,582

Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required		State-wide Outcome
							State Match / No	MOE Yes /No	
Federal Fund - Agency Total			276,517	270,829	265,405	261,930			
Health Improvement Bureau									
Community and Family Health									
Women, Infants and Children (WIC)		Provides nutrition education and healthy foods to low-income pregnant women and young children. (CFH)	134,237	112,274	114,000	114,000	N	N	Health
Temporary Assistance for Needy Families (TANF): Promotes family health and self-sufficiency through family home visiting programs. (CFH)		Promote family health and self-sufficiency.	8,557	8,557	8,557	8,557	N	N	Health
Maternal, Infant, and Early Childhood Home Visiting (MIECHV)		Supports efforts to improve the health and developmental outcomes for at-risk children through voluntary evidenced-based home visiting programs.	10,000	10,000	8,000	6,000	N	N	Health
Maternal and Child Health Block Grant		Supports public health services to low-income, high-risk mothers and children, including children with special health needs.	8,939	8,939	8,939	8,939	N	N	Health
Early Childhood Home Visiting		Evidence-based home visiting program targeting high-risk communities.	150	8,000	8,000	8,000	N	N	Health
Young Student Parents		Supports pregnant and parenting women and men (under age 26) to accomplish their higher education/post-secondary education goals.	2,000	2,000	2,000	2,000	N	N	Health
Universal Newborn Screening and Hearing Program		Supports efforts to detect hearing impairments in infants and reduce or eliminate negative impacts through early intervention.	270	270	300	300	N	N	Health
American Recovery Reinvestment Act Women Infants and Children (SAM) Transfer Project		Supports WIC data system development.	2,471	1,270	1,270	1,270	N	N	Health
Commodity Supplemental Food Program (CSFP)		Provides nutrition information and supplemental foods to elderly and age 5 children.	1,115	1,115	1,115	1,115	N	N	Health
WIC Breastfeeding Peer Counsel		Promotes and supports breastfeeding among WIC recipients.	1,022	1,022	1,022	1,022	N	N	Health
Abstinence Education		Reduce the teen pregnancy and sexually transmitted infections rates among 15-17 year olds.	262	262	328	262	N	N	Health
Minnesota Birth Defects Information System		Supports surveillance of birth defects in Minnesota.	190	190	190	190	N	N	Health

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required		State-wide Outcome
							Match Yes / No	State MOE Yes /No	
Pregnancy Risk Assessment Monitoring System (PRAMS)		Monitors maternal experiences and behaviors just before, during and after pregnancy.	145	145	145	145	N	N	Health
Preventive Block Grant		Flexible funds that can be targeted to fill funding gaps in programs that deal with leading causes of death and disability, as well as the ability to respond rapidly to emerging health issues including outbreaks of foodborne infections and water borne diseases.		37	37	37	N	N	Health
Community Integrated Services System		Supports efforts to integrate community services to effectively respond public health needs.	-	300	-	-	N	N	Health
Minnesota State System Development Initiative		Supports efforts to align early childhood service system priorities and integrate their funding streams in order to maximize health, mental health, early care and education, parenting education and family support benefits to the children, families, and communities served.		65	100	100	N	N	Health
Personal Responsibility Education Program		Supports efforts to decrease teen pregnancy/STIs in high-risk adolescent populations.		875	875	875	N	N	Health
Health Promotion and Chronic Disease									
Cancer Prevention & Control Programs		Supports 1) comprehensive cancer planning & implementation, 2) breast and cervical cancer screening, and 3) a statewide population-based cancer registry.	6,906	7,469	7,250	7,073	Y	Y	Health
Environmental Public Health Tracking		Supports a tracking system to integrate data about environmental hazards with data about diseases that are possibly linked to the environment, and provide public access via a data portal.	875	875	875	875	N	N	Health
Minnesota Arthritis Program		Supports statewide activities to promote self-management, education and physical activity to improve the quality of life for those affected by arthritis		118	-	-	N	N	Health
WISEWOMAN		Supports services to low-income women to prevent cardiovascular disease.	888	888	888	888	N	N	Health
Oral Health Workforce		Supports statewide oral health workforce activities and expands community-based prevention programs.	500	500	500	500	N	N	Health
Diabetes		Supports statewide activities to prevent diabetes and reduce the complications, disabilities, and burden associated with diabetes.	1,452	1,452	1,452	1,452	N	N	Health
Colorectal Cancer		Supports promotion and provision of colorectal cancer screening.	908	908	908	908	N	N	Health
Heart Disease and Stroke Prevention		Supports statewide activities to address heart disease, stroke, and related risk factors.	350	350	350	350	N	N	Health

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required		State-wide Outcome
							State Match / No	Yes / No	
Sexual Violence Prevention		Supports statewide prevention and education programs that address sexual violence.	591	591	566	57	N	N	Health
Addressing Asthma		Supports statewide activities to train health professionals, educate individuals with asthma and their families, and explain asthma to the public.	528	528	600	528	N	N	Health
Stroke Registry		Supports a hospital-based stroke registry that is used to improve care for stroke patients.	381	381	381	381	N	N	Health
Injury Prevention and Control Program		Supports comprehensive injury prevention and control activities, with a focus on traumatic brain injury.	246	246	246	246	N	N	Health
Oral Health Program		Supports the development of state-level infrastructure to improve oral health in the state.	300	330	330	330	N	N	Health
Comprehensive Cancer Control Policy		Supports policy, systems, and environmental changes for cancer control.	175	175	175	175	Y	N	Health
Asthma Environmental Triggers		Supports activities to reduce or eliminate environmental triggers of asthma for children who reside in public and assisted multi-family housing.	380	409	0	0	N	N	Health
Occupational Health and Safety Surveillance		Determines rates, trends, and causes of work-related injury and illness.	120	120	120	120	N	N	Health
Coordinated Chronic Disease and Health Promotion		Strengthen chronic disease prevention and management programs by providing leadership and coordination.	651	1	651	0	N	N	Health
MCSS Early Case Capture		Supports enhancements to the cancer surveillance system to increase the rapidity of reporting for pediatric cancer cases.	200	267	267	267	N	N	Health
Sudden Unexplained Infant Deaths		Identify and analyze all cases of SUID in Minnesota to prevent further deaths.	107	107	65	65	Y	N	Health
Minnesota SAGE Screening Program		Breast and cervical cancer screening		231	231	231	N	N	Health
Healthcare System Preparedness		Supports healthcare systems and providers for readiness to respond to emergencies that require health care, including rapidly treating large numbers of patients.		41	41	41	Y	Y	Health
Cancer Demonstration Project		Creates a demonstration project to increase breast, cervical and colorectal cancer screening rates in Minnesota's Medicaid and Medicare populations.	0	1,800	1,800	1,800	N	N	Health
Supplemental breast and cervical cancer screening		Provides one year of funding to pay for tests for additional women	0	308	0	0	N	N	Health

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required		State-wide Outcome
							State Match / No	Yes / No	
Suicide Prevention Demonstration Projects.	X	Demonstrate innovate, community-based models to prevent suicides	300	300	300	300	N	N	Health
Preventive Block Grant		Flexible funds that can be targeted to fill funding gaps in programs that deal with leading causes of death and disability, as well as the ability to respond rapidly to emerging health issues including outbreaks of foodborne infections and water borne diseases.		373	373	373	N	N	Health
National Violent Death Reporting System (NVDRS).	X	Identify, report and study violent deaths (in MN, this is predominantly suicide) in a nearly real-time manner. HPCD	175	175	175	175	N	N	Health
Office of Minority and Multi-Cultural Health									
Temporary Assistance for Needy Families (TANF) Eliminating Health Disparities		Provides statewide grants to community organizations to promote the reduction disparities in health outcomes for populations of color.	2,000	2,000	2,000	2,000	N	N	Health
Preventive Block Grant		Flexible funds that can be targeted to fill funding gaps in programs that deal with leading causes of death and disability, as well as the ability to respond rapidly to emerging health issues including outbreaks of foodborne infections and water borne diseases.		67	67	67	N	N	Health
Office of State Health Improvement Initiatives									
American Recovery Reinvestment Act Communities Putting Prevention to Work - Category A		Plan and implement evidence-based policy, systems, and environmental changes that support reducing obesity	541	541	541	541	N	N	Health
CDC - Tobacco Control Program		Funding continues programmatic Efforts to reduce morbidity and its related risk factors and to reduce premature death associated with tobacco use. It also continues surveillance efforts to measure the public health impact of these programs.	1,242	1,242	1,242	1,242	N	N	Health
Preventive Block Grant		Flexible funds that can be targeted to fill funding gaps in programs that deal with leading causes of death and disability, as well as the ability to respond rapidly to emerging health issues including outbreaks of foodborne infections and water borne diseases.		317	317	317	N	N	Health
Minnesota Nutrition, Physical Activity and Obesity Program		Promote healthy eating, active living and prevent obesity and chronic disease.	646	646	646	646	N	N	Health
Community Transformation Grant (CTG):		Supports tobacco-free communities, active living, healthy eating, and quality clinical and other preventive services, by providing grants to local public health agencies and Indian tribes in rural northern Minnesota, and funding the development of regional systems and state-level coordination efforts. The grant builds off of the community health improvements of SHIP, promoting health equity, controlling health care spending, and improving quality of life in Minnesota.	3,604	3,604	3,604	3,604	N	N	Health

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required		State-wide Outcome
							State Match Yes / No	State MOE Yes /No	
Cessation Grant		- This grant is enhances stop smoking opportunities for Minnesotans through health systems change. MDH will work with health plans, health systems and other state agencies to better integrate tobacco cessation delivery and referrals into routine health care visits. Work in this area will include increasing provider referrals to existing cessation programs, incorporating referral cues into electronic medical records, and developing quality measures related to tobacco dependence treatment into private and publicly funded health care systems.		296	296	296	N	N	Health
Policy Quality and Compliance Bureau									
Compliance Monitoring									
Medicare Survey and Certification		Certify health care facilities and perform surveys and investigations of those facilities	20,552	20,552	20,529	20,529	N	N	Health
Case mix review		Review level of care determinations	2,244	2,244	2,244	2,244	N	N	Health
Coordinated School Health Program (CSHP)		Builds the capacity of the Minnesota Department of Education and the Minnesota Department of Health CSHP staff to provide leadership to schools, communities and governmental/non-governmental agencies on policies, practices and programs to ensure that Minnesota youth are safe, healthy and engaged in learning.	0	250	250	250	N	N	Health
Health Policy									
American Recovery Reinvestment Act Health Information Technology, E-health Connect Project (HITECH)		Develop and implement strategic and operational plans for health information exchange, including the development of technical infrastructure to enable secure, electronic movement of health information among Minnesota health care stakeholders.	2,405	2,405	2,405	2,405	Y	N	Health
Primary Care Cooperative Agreement		The grant funds will target site development for clinics interested in participating in National Health Service Corps programs.	535	535	535	535	N	N	Health
Small Rural Hospital Improvement Program		-- Supports small hospital Health Insurance Portability and Accountability Act (HIPAA) compliance, patient safety, quality improvement, and Prospective Payment System (PPS) costs. (HP)	816	816	816	816	N	N	Health
Rural Hospital Flexibility Program		Strengthen Critical Access Hospitals and rural health systems; improve quality, safety and access.	730	730	730	730	N	N	Health
Eliminating Health Disparities		To improve data collection and analysis of race/ethnicity data, support activities to prevent infant mortality, and strengthen community connections to eliminate health disparities	139	140	140	140	N	N	Health

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required		State-wide Outcome
							State Match / No	Yes State MOE Yes /No	
Grants to states for loan repayment		To encourage more medical professionals to practice in underserved areas	100	100	100	100	N	N	Health
Clinical Lab Improvement Act Program (CLIA)		Continuous improvement in laboratory testing quality and service delivery.	267	267	267	267	N	N	Health
Behavioral Risk Factor Surveillance		Enhancement of the quality of data collected through the BRFSS survey.	1,014	1,015	1,015	1,015	N	N	Health
Office of Rural Health		This grant provides information and assistance to rural health care provider so that health services are available where needed, and to recruit and retain health professionals.	180	180	180	180	N	N	Health
e-Vital Records Initiative		Project under existing contract with NCHS to connect hospital electronic health records to state vital records system	0	346	346	346	N	N	Health
Health Protection Bureau									
Environmental Health									
Safe Drinking Water Program		This program supports protecting public health by ensuring a safe drinking water supply	2,694	2,694	2,694	2,694	N	N	Health
Drinking Water Revolving Fund		This program supports protecting public health by providing low interest loans for public water system improvements.	4,191	4,191	4,191	4,191	N	N	Health
Biomonitoring of Great Lakes		Work with the Fond du Lac tribe to determine the potential for tribal members in the Lake Superior Basin to be exposed to various contaminants.	2,084	2,084	436	436	N	N	Health
Childhood Lead Poisoning		Statewide data collection and analysis, education and technical assistance on lead exposure.	590	590	590	590	N	N	Health
Agency for Toxic Substance and Disease Registry (ATSDR)		To prevent or reduce exposures to hazardous sites and toxic substances through assessment, investigation and education.	437	437	437	437	N	N	Health
EPA Indoor Radon Grant		Provides education and technical assistance on reducing radon exposure primarily in residences.	775	775	933	933	N	Y	Health
Drinking Water Quality in Supply Wells		Funding to support efforts to maintain drinking water quality in supply wells	67	67	67	67	N	Y	Health
State Fish Advisory Consortium		Work with eight states on evaluating fish consumption advisories and improve the deliver of information to the public.	1,207	1,207	1,207	1,207	N	Y	Health

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required		State-wide Outcome
							State Match Yes / No	State MOE Yes /No	
Small Cities Lead Hazard Reduction		Grants to small cities to support lead hazard reduction efforts	581	581	581	581	N	N	Health
Public Health Emergency Preparedness		Supports state, local and tribal public health preparedness and response to emergencies that affect the public's health	163	163	163	163	Y	Y	Health
EPA Lead Cooperative Agreement		Provides education and compliance assistance to the public and businesses that impact lead in residences.	240	240	286	286	N	Y	Health
Climate Change		To protect, maintain and improve public health through preparation and adaptation to climate change.	290	290	238	238	N	N	Health
Infectious Disease Epidemiology Prevention and Control									
Emerging Infections Program (ACA, PPHF, Base)		Minnesota is one of 10 states serving as a sentinel site for emerging infectious disease surveillance. Supports state operations for specialized studies of emerging infections.	2,990	2,991	2,991	2,991	No	No	Health
Preventive Block Grant		Flexible funds that can be targeted to fill funding gaps in programs that deal with leading causes of death and disability, as well as the ability to respond rapidly to emerging health issues including outbreaks of foodborne infections and water borne diseases.		307	307	307	N	N	Health
Immunization		Supports promotion of immunizations across the lifespan thru state operations, vaccine-preventable disease surveillance, immunization information systems, implementation of the federal Vaccines for Children program, and grants to Community Health Boards (CHBs).	5,408	5,408	5,408	5,408	N	N	Health
AIDS/HIV Prevention		Supports AIDS/HIV prevention activities including state operations and grants to community-based organizations (CBOs). This grant also supports linking individuals living with HIV into care to reduce risk of transmission and susceptibility to other infections.	5,178	5,178	5,178	5,178	N	N	Health
Epidemiology & Laboratory Capacity		Supports public health infectious disease infrastructure for surveillance, laboratory capacity and IT capacity. Categorical funds for West Nile, Lyme, influenza, hepatitis, measles, and electronic disease reporting.	2,606	2,606	2,606	2,606	N	N	Health
Prevention of Sexually Transmitted Diseases		Supports prevention and control of STDs including state operations for partner services and Chlamydia and gonorrhea testing and treatment.	1,077	1,077	1,077	1,077	N	N	Health
Tuberculosis Cooperative Agreement		Supports TB prevention and control activities including state operations and grants to CHBs.	1,029	1,029	1,029	1,029	N	N	Health
American Recovery Reinvestment Act Interoperability of Electronic Health Records (EHR) and Immunization Information Systems (IIS)		Supports state operations to enhance and standardize the exchange of immunization data from EHR systems to the state IIS.	115	115	115	115	N	N	Health

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required		State-wide Outcome
							State Match Yes / No	Required State MOE Yes /No	
Public Health Emergency Preparedness		Supports state, local and tribal public health preparedness and response to emergencies that affect the public's health.	7,967	7,967	7,967	7,967	Y	Y	Health
Preventive Block Grant		Flexible funds that can be targeted to fill funding gaps in programs that deal with leading causes of death and disability, as well as the ability to respond rapidly to emerging health issues including outbreaks of foodborne infections and water borne diseases.		775	775	775	N	N	Health
Healthcare System Preparedness		Supports healthcare systems and providers for readiness to respond to emergencies that require health care, including rapidly treating large numbers of patients.	5,963	5,962	5,962	5,962	Y	Y	Health
Administrative Support Services									
Public Health Emergency Preparedness		Supports state, local and tribal public health preparedness and response to emergencies that affect the public's health	187	186	186	186	N	N	Health
Public Health Emergency Preparedness		Supports state, local and tribal public health preparedness and response to emergencies that affect the public's health	2,297	2,297	2,297	2,297	Y	Y	Health
Performance Improvement		Strengthening Public Health Infrastructure for improved health outcomes	994	994	994	994	N	N	Health

Narrative:

The Department of Health receives over \$270 million per year in federal funding, which represents roughly half of the agency's operating budget. Federal funders include the U.S. Centers for Disease Control and Prevention (CDC), the Department of Health and Human Services, the Department of Homeland Security and the Environmental Protection Agency. Federal funding is critical to helping the department achieve its mission. It enables the department to provide nutrition services and products to an average of 131,000 women and young children each month through the Women, Infants and Children program. Federal funding from the Safe Drinking Water Program helped to fund over 22,000 tests on community water system to ensure that Minnesotans have safe drinking water. Funding through the Cancer Prevention and Control program helps support cancer screening services for low-income, at-risk populations.

Federal funding to MDH has declined in recent years and Congress is considering further cuts that would greatly impact MDH. Examples of MDH programs impacted or potentially impacted by federal funding cuts include:

- \$1.7 million to ensure that the health care system has the capacity to respond to emergencies that protect the public's health
- \$1.875 million for the Preventive Block Grant that is used to address public health needs throughout the state. Activities that have been funded through the PBG include services for victims of sexual assault, suicide prevention and minority and multi-cultural health.
- \$600,000 for addressing lead exposure for young children.

The impact of sequestration required under the Budget Control Act of 2011, could have significant consequences for public health programs in the state. A report from the Association of State and Territorial Health Officials (ASTHO) estimates that in federal Fiscal Year 2013, sequestration would result in a loss of \$16.7 million in federal public health funding to the state. Sequestration would impact MDH programs that support WIC, vaccinations for low-income children, HIV testing and investigations into public health threats.

Federal funding is critical to MDH's work, and actual and proposed budget cuts present a significant challenge to MDH as it works to protect, maintain and improve the health of all Minnesotans. MDH continues to develop strategies to make limited resources go further and better prioritize its efforts to maintain key services that have the greatest impact on the health of Minnesotans. The FY 2014-15 biennial budget embodies those efforts.

Grant Funding Detail

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Actual FY 2012	Budgeted FY 2013
Program: Health Improvement Budget Activity: Community and Family Health				
Fetal Alcohol Spectrum Disorders Grant (State) <i>M.S. 145.9265</i>	Provide prevention and intervention services related to fetal alcohol spectrum disorder.	Statewide non-profit organization (1 grantee)	\$2,000	\$2,000
Local Public Health Grants to CHBs (State) <i>M.S. 145A.131</i>	Develops and maintains an integrated system of community health services under local administration and within a system of state guidelines and standards.	Community Health Boards (53 grantees)	\$20,771	\$20,771
Local Public Health Grants to Tribal Governments (State) <i>M.S. 145A.14, subd. 2a</i>	Develops and maintains an integrated system of American Indian tribal health services under tribal administration and within a system of state guidelines and standards.	Tribal Governments (9 grantees)	\$1,060	\$1,060
Maternal and Child Health Block Grant (Federal) <i>Title V, SSA and M.S. 145.88 – 145.883</i>	Supports public health services to low-income, high-risk mothers and children.	Community Health Boards (53 grantees); Statewide SIDS program (1 grantee)	\$5,551	\$5,975
Family Home Visiting Program (Federal TANF funds) <i>M.S. 145A.17</i>	Promote family health and self-sufficiency.	Community Health Boards (53 grantees) and Tribal Governements (9 grantees)	\$7,827	\$7,827
Family Planning Special Projects (State and Federal TANF funds) <i>M.S. 145.925</i>	Provide pre-pregnancy family planning services to high risk low income individuals.	Government and non-profit organizations (26 grantees)	\$4,862	\$4,862
Family Planning Grants Greater Minnesota (State) <i>M.S. 145.925</i>	Support family planning clinics serving out state Minnesota that are experiencing financial need.	Government and non-profit organizations serving out state Minnesota (14 grantees)	\$491	\$491
Positive Alternative Grants (State) <i>M.S. 145.4235</i>	Provide support encouragement, and assistance to pregnant women and caring for their babies after birth.	Non-profit organizations (3 3grantees)	\$2,357	\$2,357
Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV) I (Federal)	Promotes evidence-based home visiting in high risk communities	Community Health Boards and Tribal Governements (18 grantees)	\$1,200	\$1,200
Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV) II Expansion Grant	Expands evidence-based home visiting to additional communities	Community Health Boards	0	\$6,100

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Actual FY 2012	Budgeted FY 2013
Young Student Parents (Federal) Public Law 111-148	Support pregnant and parenting young women and men (under age 26) to accomplish their higher education/post secondary education goals.	Minnesota Institutions of Higher Education/Post Secondary Education (16 grantees)	\$1,329	\$1,321
Children with Youth with Special Health Needs Clinics (State)	Provide specialty diagnostic services in underserved regions of the state.	Government and non-profit organizations (1 grantees)	\$160	\$160
Hearing Aid Loan Bank (State)	Support statewide hearing aid and instrument loan bank to families with children newly diagnosed with hearing loss from birth to the age of ten.	Government and non-profit organizations (1 grantee)	\$69	\$69
Families with Deaf Children (State)	Parent to parent support for families with young children who are deaf or have a hearing loss.	Non-profit organizations (1 grantee)	\$241	\$241
Universal Newborn Hearing/Screening (Federal) Title III, Sec. 399M of Public Health Services Act	Support for local public health agencies to reduce the number of infants lost to follow-up after a failed newborn hearing screening.	Community Health Boards and Tribal Governments	\$36	\$60
Commodity Supplemental Food Program (CSFP) <i>Agriculture Appropriation Act</i>	Provide nutrition information and supplemental foods to elderly and age 5 children.	Government and non-profit organizations (5 grantees)	\$ 839	\$ 825
WIC (Federal)	Provides nutrition education and healthy foods to low-income pregnant women and young children.	Community Health Boards, non-profit organizations and tribal governments (57 grantees)	\$112,274	\$114,000
WIC Breastfeeding Peer Counsel (Federal)	Promote and support breastfeeding among WIC recipients.	Community Health Boards, non-profit organizations and tribal governments who provide WIC services (13 grantees)	\$ 693	\$650
Personal Responsibility Education Program (PREP) (Federal) Section 513 of the Social Security Act	Promote personal responsibility and educate high risk adolescents regarding prevention of pregnancy and STIs utilizing evidence based curricula.	Non-profit organizations, community health boards and tribal governments	0	\$521
Abstinence Education (Federal) Section 510 of the Social Security Act	Promote healthy youth development through education, community activities and parent support.	Community Health Boards (1 grantee)	\$173	\$173
Abstinence Education (State) M.S. 145.9255	Promote healthy youth development through education, community activities and parent support	Community Health Boards (1 grantee)	\$71	\$71
Birth Defects Information System (State) M.S. 144.2215	Prevention of birth defects through preconception educational efforts	Community Health Boards, Tribal Governments and non-profit organizations (6 grantees)	0	\$290

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Actual FY 2012	Budgeted FY 2013
Birth Defects Information System (State) M.S. 144.2215	Support and linkage to community resources for infants born with a birth defect and their families	Community Health Boards (48 grantees)	\$150	\$150
Program: Health Improvement Budget Activity: Health Promotion and Chronic Disease				
Minnesota Poison Control System (Both) M.S. 145.93	Identify appropriate home management or referral of cases of human poisoning; provide statewide information and education services.	Government, non-profit and for-profit organizations; competitive (1 grantee)	\$1,229	\$1,210
Arthritis Program (Federal) M.S. 144.05	Promote self-management education and physical activities to improve the quality of life for those affected by arthritis.	Non-government organizations and health care providers; noncompetitive	\$71	\$0
Comprehensive Cancer (Federal) M.S. 144.05	Support development and implementation of the comprehensive cancer plan.	Cancer centers; non-profit organizations; noncompetitive	\$87	\$65
Colorectal Cancer (Federal) M.S. 144.05	Promote and provide colorectal cancer screening.	Private and community clinics, other health care providers and Community Health Boards; noncompetitive	\$420	\$327
Sage Screening Program (Both) M.S. 144.671 and M.S. 145.928	Provide breast and cervical cancer screening, diagnostic and follow-up services. Recruitment/outreach activities to increase and provide breast and cervical cancer screening.	Private and community clinics, other health care providers and Community Health Boards; noncompetitive	\$3,094	\$3,099
Comprehensive Cancer Control Policy (Federal) M.S. 144.05	Support policy, systems, and environmental changes for cancer control.	Cancer centers; non-profit organizations; noncompetitive	\$40	\$18
WISEWOMAN Screening (Federal) M.S. 144.05	Heart disease risk factor screening and lifestyle counseling for age-eligible Sage Screening Program clients.	Private and community clinics, other health care providers and Community Health Board; noncompetitive	\$481	\$209
Rape Prevention and Education (Federal) M.S. 144.05	Build primary prevention capacity of Minnesota's sexual assault coalition.	Non-profit, statewide sexual assault coalition; noncompetitive (1 grantee)	\$275	\$220

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Actual FY 2012	Budgeted FY 2013
Heart Disease and Stroke Prevention (Federal) <i>M.S. 144.05</i>	Support activities that reduce the risk and burden of heart disease and stroke.	Local public health, non-profit organizations, health care providers; noncompetitive	\$15	\$25
Sexual Assault Prevention (Federal)	Prevent sexual assault, provide services to victims of sexual assault, and provide public education regarding sexual assault.	1 noncompetitive grantee with competitive sub-grants to government organizations, schools, non-profit organizations	\$23	\$108
Stroke Registry (Federal) <i>M.S. 144.05</i>	Support Minnesota hospitals to improve the quality of care to stroke patients by developing and using the stroke registry.	Minnesota hospitals; noncompetitive	\$58	\$0
Addressing Asthma (Federal) <i>M.S. 144.05</i>	Implement strategies that support the "Strategic Plan for Addressing Asthma in Minnesota."	Tribal organizations and Indian Health Service noncompetitive	\$57	\$71
Asthma Environmental Triggers (Federal) <i>M.S. 144.05</i>	Reduce or eliminate environmental triggers of asthma for children who reside in public and assisted multi-family housing.	Local public health, tribal governments; noncompetitive	\$316	\$0
Traumatic Brain Injury Support & Information Services (State Special Revenue) <i>(M.S. 144.661-665)</i>	Provide information and support for injured persons and their family members in order to improve life quality and outcomes.	One grant contract; non-competitive.	\$997	\$1,000
Oral Health Workforce (Federal) <i>M.S. 144.05</i>	Evidence based prevention: School Based Sealant Programs, community water fluoridation and Workforce support	Dental service providers and public schools, municipalities, dental students	\$522	\$103
Oral Disease Prevention (Federal) <i>M.S. 144.05</i>	Oral health infrastructure	Providers, dental students, improved communications	\$30	\$6
Program: Health Improvement Budget Activity: Office of Statewide Health Improvement Initiatives				
Statewide Health Improvement Program (State) 145.986	Increase healthy behaviors and prevent the leading causes of illness and death. Tobacco & obesity. Improve the health of Minnesotans by reducing the burden of chronic disease through evidence based policy, systems, and environmental change strategies.	Community Health Boards and Tribes. Competitive.	\$12,500	\$192
MN Nutrition Physical Activity & Obesity (Federal)	Minnesota Nutrition, Physical Activity and Obesity Program: promote healthy eating, active living and prevent obesity and chronic disease.	Local public health and non-profit organizations	\$0	\$0

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Actual FY 2012	Budgeted FY 2013
American Recovery Reinvestment Act Communities Putting Prevention to Work (Federal)	Plan and implement evidence-based policy, systems, and environmental changes that support healthy behaviors related to obesity, physical activity, and nutrition.	Community Health Boards	\$1,665	\$0
Tobacco Use Prevention (State) 144.395-396	Grant program to reduce youth tobacco use and secondhand smoke exposure by creating tobacco-free environments.	Tribes, Community Health Boards (CHB), Nonprofit Organizations, health care organizations and local units of government. Competitive	\$3,221	\$3,221
Community Transformation Grant (Federal)	Supports tobacco-free communities, active living, healthy eating, and quality clinical and other preventive services, by providing grants to local public health agencies and Indian tribes in rural northern Minnesota, and funding the development of regional systems and state-level coordination efforts. The grant builds off of the community health improvements of SHIP, promoting health equity, controlling health care spending, and improving quality of life in Minnesota.	Community Health Boards (CHB), Tribes, RDC's, Higher Education, and non-profit organizations.	\$2,208	\$1,872
American Recovery Reinvestment Act Community Mentoring (Federal)	Provide technical assistance to other CPPW/ARRA funded communities interested in expanding the breadth and depth of their local level efforts to reduce obesity.	Counties, Non-Governmental.	\$177	\$13
Program: Health Improvement Budget Activity: Office of Minority & Multicultural Health				
Eliminating Health Disparities Initiative Grants (Both)	Improves the health of the four minority racial/ethnic groups in MN (American Indians, Asian Americans, African Americans, Latinos/Hispanics). Grants focus on 7 health priorities.	Eligible applicants are local/county public health agencies, community based organizations, faith-based, and tribal governments.	\$5,142	\$5142
Program: Policy Quality and Compliance Budget Activity: Health Policy				
Patient Safety Mini-Grants (State – 144.7063-144.7069)	Support facilities in developing system/process improvements to prevent reportable adverse health events	Hospitals and ambulatory surgical centers licensed in MN and subject to MN adverse health events reporting requirements	\$26	\$25

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Actual FY 2012	Budgeted FY 2013
e-Health Connectivity Grants (Federal – ARRA)	Expand community-based collaborative HIE efforts	Community health information exchange collaboratives or pharmacies not able to accept electronic prescriptions.	\$452	\$3,500
Medical Education and Research Cost Trust Fund (Both) <i>M.S. 256B.69; M.S. 297F.10; M.S. 62J.692</i>	The MERC trust fund was established to address the increasing financial difficulties of Minnesota's medical education organizations.	Eligible applicants are accredited medical education teaching institutions, consortia, and programs operating in Minnesota (22 sponsoring institutions pass through grants to several hundred training sites)	\$52,109,614	\$52,103,360
OMH Partnership Grant	To improve data collection and analysis of race/ethnicity data, support activities to prevent infant mortality, and strengthen community connections to eliminate health disparities.	Nonprofit working with youth at community organizations (1 Grant)	\$38	\$20
OMH-Eliminating Health Disparities (Federal)	To improve data collection and analysis of race/ethnicity data, support activities to prevent infant mortality, and strengthen community connections to eliminate health disparities.	Nonprofit working with youth at community organizations (1 Grant)	\$0	\$48
Dental Innovations Grants (Both) <i>M.S. 62J.692</i>	To promote innovative clinical training for dental professionals and programs that increase access to dental care for underserved populations.	Eligible applicants are sponsoring institutions, training sites, or consortia that provide clinical education to dental professionals	\$1,122	\$1,122
Indian Health Grants (State) <i>M.S. 145A.14, Subd. 2</i>	Provides health service assistance to Native Americans who reside off reservations.	Community Health Boards (5 grantees)	\$164	\$174
Rural Hospital Capital Improvement Grant Program (State) <i>M.S. 256B.195</i>	Update, remodel, or replace aging hospital facilities and equipment necessary to maintain the operations of small rural hospitals.	Rural hospitals with 50 or fewer beds (21 grantees)	\$1,755	\$1,755
Small Hospital Improvement Program (Federal)	Supports small hospital Health Insurance Portability and Accountability Act (HIPAA) compliance, patient safety, quality improvement, and Prospective Payment System (PPS) costs.	Rural hospitals of 50 or fewer beds (89 grantees)	\$723	\$774

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Actual FY 2012	Budgeted FY 2013
Community Clinic Grant Program (State) <i>M.S. 145.9268</i>	Assist clinics to serve low-income populations, reduce uncompensated care burdens or improve care delivery infrastructure.	Nonprofit community clinics (14 grantees)	\$561	\$561
Rural Hospital Planning & Transition Grant (State) <i>M.S. 144.147</i>	Assist with strategic planning; transition projects.	Rural hospitals with 50 or fewer beds (15 grantees)	\$300	\$300
National Health Service Corp (Both) <i>M.S. 144.1487</i>	Health education loan forgiveness for physicians in rural and urban underserved areas.	Physicians (4 grantees per year)	\$100	\$100
Rural Hospital Flexibility (Federal)	Strengthen Critical Access Hospitals and rural health systems; improve quality, safety and access.	Critical Access Hospitals, ambulance services, other rural providers (20 Grantees)	\$492	\$487
Federally Qualified Health Center (State) <i>M.S. 145.9269</i>	Support Minnesota FQHCs to continue, expand and improve services to populations with low incomes.	HRSA designated FQHCs and FQHC Look Alikes operating in Minnesota	\$2,250	\$2,250
Comprehensive Advanced Life Support System (State) <i>M.S. 144.6062</i>	Training rural medical personnel, including physicians, physician assistants, nurses and allied health care providers, to anticipate, recognize and treat life threatening emergencies before serious injury or cardiac arrest occurs.	Nonprofit Organization	\$408	\$408
American Recovery Reinvestment Act State Loan Repayment Program (Federal)	Increase access to primary care by providing educational loan repayment for health care providers willing to practice in rural and underserved communities.	Nurse Practitioner (4), Physician Assistant (2), Dentist (1), LICSW (1), and Family Practice Physician (1)	\$246	\$0
Program: Health Protection Budget Activity: Environmental Health				
Drinking Water Technical Assistance (Federal) <i>M.S. 144.383</i>	Provides technical assistance to owners and operators of public water systems.	Minnesota Rural Water Association	\$300	\$300
Drinking Water (State)	Bridges federal funding for the Drinking Water Technical Assistance funds	Minnesota Rural Water Association	\$110	\$113

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Actual FY 2012	Budgeted FY 2013
Constitutional Amendment (State) <i>Minnesota Constitution, Article XI, section 15</i>	Strengthens drinking water source water protection by 1) determine physical and chemical characteristics of the untreated water that is used by public water suppliers; 2) accelerate development and implementation of wellhead or surface water protection plans for public water suppliers; 3) provide technical assistance to the public and local governments to protect their drinking water; and 4) improve access to drinking water data.	Local units of government	\$699	\$1,563
Counter Terrorism Coordination (Federal)	Provides support for implementation of security measures for public water systems	Providers of technical assistance to public water systems such as universities and non-profit organizations	\$6	\$0
Wellhead Protection (Federal)	Provide technical assistance to small public water systems to initiate their wellhead protection plan.	Minnesota Rural Water Association	\$0	\$200
Lead Base Program Grants (State) <i>M.S. 119A.46</i>	For lead training to workers and property owners, and to provide lead cleaning services in housing for residential properties.	Eligible applicants include: qualified lead professionals; cities; local public health agencies; community action groups	\$479	\$479
Small Cities Lead Hazard Reduction (Federal)	For lead hazard reduction in child-occupied residential units	Eligible applicants including: local housing agencies and small city development organizations	\$	\$
Health Homes/Childhood Lead Poison Prevention (Federal) <i>M.S. 144.9507</i>	For Healthy Homes planning and development to create education or research activities aimed at improving housing.	Eligible applicants include local public health agencies and non-profit organizations	\$280	\$0
State Indoor Radon Grant (SIRG) (Federal)	For Public education and targeted outreach on radon testing, mitigation, and radon resistant new construction.	Educational grants to local non-profit organizations.	\$0	\$15
Program: Health Protection Budget Activity: Infectious Disease Epidemiology, Prevention, and Control				
Tuberculosis Program (Both)	Outreach Grants for TB case management services and medication purchase	Hennepin, Olmstead, and Ramsey counties; others as TB caseload need & funding allow	\$157	\$157
Eliminating Health Disparities—Refugee Health (State)	Health screening and follow-up services for foreign-born persons with TB proportionally based on legislative formula.	All Community Health Boards (CHBs) are eligible	\$245	\$245

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Actual FY 2012	Budgeted FY 2013
Refugee Health (Federal)	Coordination of Refugee Health Assessments.	Counties resettling the largest number of refugees (5 grantees)	\$41	\$37
Perinatal Hepatitis B (Federal)	Case management for perinatal hepatitis B.	Community Health Boards	\$73	\$75
Immunization Practices Improvement (Federal)	Clinic site visits by local public health staff to check vaccine storage and handling, review immunization practices, and audit pediatric immunization records.	Community Health Boards	\$95	\$110
Immunizations (Federal)	Support for Regional Immunization Information Services for the continued statewide deployment of our registry system. Case management for perinatal hepatitis B in Hennepin and Ramsey Counties.	Community Health Boards to support regional immunization information service providers. Saint Paul/Ramsey, Hennepin counties receive perinatal hepatitis B case management awards from this source	\$720	\$696
New Refugee Disease Surveillance (Federal)	Establish tracking systems for refugees referred for acute care follow-up by Hennepin County Public Health Clinic (HCPHC) and St Paul Ramsey County Department of Public Health (SPRCDPH)	Hennepin County Public Health Clinic and St Paul Ramsey County Department of Public Health	\$10	\$0
Pandemic Influenza Competitive (Federal)	Promoting use of IISs for pandemic influenza response	Community Health Boards to support regional immunization information service providers. Olmsted County Public Health	\$20	\$0
Emerging Infections (Federal)	Supports the work of Infection Preventionists with a grant to their professional organization	APIC Minnesota (Minnesota chapter of the Association of Professionals in Infection Control)	\$10	\$10
AIDS Prevention Grants (Both) <i>M.S. 145.924</i>	Health education/risk reduction and AIDS/HIV testing for high-risk individuals.	Community-based organizations, clinics (16 grantees)	\$1,384,718	\$1,281
Prevention and Treatment of Sexually Transmitted Infections (Federal) <i>M.S. 144.065</i>	Test high risk individuals for STDs.	Community-based organizations and clinics	\$212,010	\$212,010
HIV Counseling and Testing (Federal)	Testing high-risk individuals for HIV.	Clinical facilities (7)	348,284	348,284
Program: Health Protection Budget Activity: Office of Emergency Preparedness				
Local Public Health Preparedness Grants (Federal) <i>(PAHPA, P.L. 109-417)</i>	Plan, exercise and prepare local health departments and communities to respond to and recover from events that affect the public's health. Includes one time funds for H1N1 preparedness and response.	Community health boards (53 grantees) and tribal health departments	\$4,640	\$5,302

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Actual FY 2012	Budgeted FY 2013
OEP Hospital Preparedness (Federal) (PAHPA, P.L. 109-417)	Plan, exercise, and prepare individual hospitals and hospital regions to provide health care during emergencies and events that affect the public's health.	Regional Hospital Resource Centers designated in each of the 8 regions	\$4,163	\$4,186
Flood Disaster Relief (State 2012)	Funds behavioral health activities for community recovery from 2012 floods in NE MN	Communities, Counties, Non Profits	0	\$364
Tribal Preparedness Grants (Federal) (PAHPA, P.L. 109-417)	Plan, exercise and prepare tribal governments and tribal communities to respond to and recover from events that affect the public's health. Includes one time funds for H1N1 preparedness and response.	Tribal governments (11 grantees)	\$143	\$250
Pandemic Influenza Healthcare Preparedness (Federal) P.L. 111-8	One time funds for H1N1 preparedness and response.	Regional Hospital Resource Centers designated in each of the 8 regions	\$1,479	\$0
Postal Grant (Federal)	One-time funds for a full-scale exercise to test delivering medications in the metro area	Metro public health, law enforcement, and one non-profit	\$21	\$5

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Health Insurance Exchange

<http://mn.gov/commerce/insurance/topics/medical/exchange/>

Statewide Outcome(s):

Health Insurance Exchange supports the following statewide outcome(s).

Minnesotans are healthy.

Context:

The Health Insurance Exchange is responsible for carrying out the planning, design and development of a Minnesota Health Insurance Exchange. The state-based Exchange will allow for a new marketplace to compare, choose, and obtain more affordable health insurance. The Exchange will assist individuals and small businesses in making health care coverage decisions, showing apples to apples comparisons on coverage cost and quality starting with open enrollment in October 2013 for calendar year 2014 coverage. The Exchange will offer streamlined eligibility for Medicaid and federal Advanced Payment Tax Credits as well as streamlined options for small businesses to provide affordable health care coverage to their workers.

State-based Exchanges must be certified by the federal Health and Human Services agency in January of 2013. Certification is based on the state meeting certain milestones in design and development. Federal funding is available for the design, development, and operation of an Exchange through calendar year 2014. State-based Exchanges must be self-sustaining beginning in calendar year 2015.

Strategies:

The Exchange is working collaboratively with the following state agencies: Minnesota Department of Administration, Minnesota Department of Commerce, Minnesota Department of Health, Minnesota Department of Human Services, Mn.IT, Minnesota Management and Budget. These interagency relationships provide the Exchange an opportunity to leverage existing resources into the design and development of the Exchange.

In September 2011, an Exchange Advisory Task Force was established. This Advisory Task Force was created under authority granted in Minnesota Statutes §15.014. The Advisory Task Force provides guidance on issues related to the design and development of an Exchange for Minnesota. Task Force members were appointed in October 2011 via an open appointments process. Task Force membership includes consumers, employers, health care providers, health insurers, insurance brokers/agents, organizations with experience assisting people with public programs, health care market experts, legislators, and commissioners of State agencies. In addition, a number of work groups were created to provide technical assistance on the design and development of a Minnesota Exchange. These work groups are comprised of a variety of stakeholders and are tasked with developing, discussing and providing technical assistance on options for consideration by the Health Insurance Exchange Advisory Task Force.

On July 13, 2012, the Department of Commerce, Health Insurance Exchange signed a contract with Maximus, Inc for the IT infrastructure of the Exchange business solution. Minnesota is working collaboratively with other states employing similar vendors to again leverage existing work and streamline the process as much as possible.

Results:

Under Federal law, Exchanges must be operational in each state by January 1, 2014. By January 1, 2013, a state must be certified or conditionally certified by the U.S. Department of Health and Human Services (HHS) to be able to operate an Exchange for open enrollment starting on October 1, 2013 for a coverage start date of January 1, 2014 or HHS will operate the federal Exchange in the state for 2014. A state must meet several design and development milestones for certification that are outlined in the federal Blueprint for Exchange Approval of Affordable State-Based and submit this blueprint by November 16, 2012 if they wish to operate an Exchange in their state (see the following: <http://www.cciio.cms.gov/resources/files/hie-blueprint-081312.pdf>).

Operational metrics for the Exchange are part of the current design and development work.

Performance Measures	Previous	Current	Trend
Percent of Minnesotans lacking health insurance	9.0%	9.1%	Stable

Performance Measures Notes:

Current and previous uninsured rates are based on the March 2012, Health Insurance Coverage in Minnesota, Early Results from the 2011 Minnesota Health Access Survey from the Minnesota Department of Health.

Based on analysis of impacts of the Affordable Care Act (ACA) by Dr. John Gruber (professor of economics) and Bela Gorman (health care actuary) the number of uninsured by 2016 in Minnesota is anticipated to drop from 500,000 under a no Health Care Reform scenario to 210,000 under a ACA implementation scenario.

Health Insurance Exchange
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$48,452	\$81,413	\$129,866
Current Law Expenditures (FY 2014-15)		\$0	\$69,938	\$69,938
Governor's Recommended Expenditures (FY2014-15)		\$79,230	\$69,938	\$149,168
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$79,230	\$0	\$79,230
% Change from FY 2014-15 Current Law to Governor's Rec		0%	0%	113%

Health Insurance Exchange

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$0		\$0
REVENUE		\$106,312	\$69,938	\$176,250
SOURCES OF FUNDS		\$106,312	\$69,938	\$176,250
BALANCE FORWARD OUT		\$27,082		\$27,082
EXPENDITURES		\$79,230	\$69,938	\$149,168
PAYROLL EXPENSE		\$4,787	\$11,410	\$16,197
OPERATING EXPENSES		\$31,085	\$58,528	\$89,613
GRANTS, AIDS AND SUBSIDIES		\$43,358		\$43,358
USES OF FUNDS		\$106,312	\$69,938	\$176,250

Health Insurance Exchange

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Health Insurance Exchange Financing

The Governor recommends funding resources to fully support ongoing operations of a state based health insurance exchange (HIX) starting in calendar year 2015. This includes funding for IT infrastructure, HIX systems maintenance and updates, call center operations, eligibility operations, premium processing operations, appeals operations, quality measurement and reporting, marketing, outreach and general administration. Revenues to support the operations of the Exchange are proposed to start in CY 14 in order to fund payments to insurance producers and create a reserve. This includes a maximum 3.5% assessment on premiums and an allocation to Medicaid to fund the operations of the Health Insurance Exchange. An additional premium assessment would be used to fund current payments to insurance producers and create a cash flow reserve. Federal grants will fund other implementation and operation costs during CY 2014.

Performance Measures:

This proposal will increase the percent of Minnesotans who have health insurance.

Federal Funds	Expenditure	0	0	0	0	0	0
Federal Funds	Revenue	0	0	0	0	0	0
General Fund	Expenditure	0	0	0	0	0	0
General Fund	Revenue	0	0	0	0	0	0
Other Funds	Expenditure	16,464	62,765	79,229	113,396	123,059	236,455
Other Funds	Revenue	26,883	79,429	106,312	117,186	121,395	238,581
	Net Change	(10,419)	(16,664)	(27,083)	(3,790)	1,664	(2,126)
Net All Change Items	Federal Funds	0	0	0	0	0	0
	General Fund	0	0	0	0	0	0
	Other Funds	(10,419)	(16,664)	(27,083)	(3,790)	1,664	(2,126)
	Net Change	(10,419)	(16,664)	(27,083)	(3,790)	1,664	(2,126)

Health Insurance Exchange
All Funds FTE by Program

Program	Current	Forecast Base	Governor's Recommendation
	FY 2013	FY 2015	FY 2015
Program: Health Insurance Exchange	74.0	80.0	83.0
Health Insurance Exchange	74.0	80.0	83.0

Health Insurance Exchange

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	FEDERAL GRANTS			69,938	69,938
	ALL OTHER		106,312		106,312
	Subtotal		106,312	69,938	176,250
	Total		106,312	69,938	176,250

Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges		To continue Minnesota's efforts in the planning, design and development of a state Health Insurance Exchange. The Health Insurance Exchange is a marketplace for individuals and business to compare, choose and purchase affordable health insurance. The Health Insurance Exchange will also provide eligibility determination for Medical Assistance and federal tax credits.	2,160	79,253	47,580	22,358	Yes	No	Health
Federal Fund - Agency Total			2,160	79,253	47,580	22,358			
Program Total			2,160	79,253	47,580	22,358			
Budget Activity Total			2,160	79,253	47,580	22,358			

Narrative: Federal Funds are available through calendar year 2014 for design and development of an exchange. States pursuing a state based Exchange will need to have a long term financing plan to ensure the sustainability for the exchange beginning in calendar year 2015. There are no maintenance of effort requirements associated with this grant. Currently received and applied for grants are not anticipated to be affected by federal sequestration. Future applications will likely be required to meet stronger budget restrictions and funding justification

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Mission:

The mission of the Minnesota Higher Education Facilities Authority is to assist eligible institutions of higher education in the State of Minnesota in financing their capital needs in an efficient and cost-effective manner (see M.S.136A.25-136A.42).

Statewide Outcome(s):

Higher Education Facilities Authority supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

MHEFA was created by the state legislature in 1971 to assist nonprofit institutions of higher education throughout Minnesota with financing or refinancing capital construction projects by issuing tax exempt revenue bonds (M.S. 136A.25-136A.42). Access to capital improvement funds is essential to the long-term viability of institutions dedicated to educating Minnesota’s workforce.

MHEFA receives no general fund tax dollars or any other legislative appropriations. The operating funds come from fees charged to the institutions that benefit from the bonds. MHEFA operates with the advice and leadership of a board of ten people, eight of whom are appointed by the Governor, and two are ex officio members. The staff size was three employees, until three years ago, when it was reduced to two. With greater technological advances, the staff reduction has proved to be sustainable.

Strategies:

MHEFA is authorized to issue tax-exempt bonds for private post-secondary institutions in Minnesota. In 1988, the legislature gave MHEFA the authority to issue bonds for very limited projects at public higher education institutions. MHEFA is authorized to have up to \$1.3 billion of outstanding bonds. The outstanding principal as of June 30, 2012 is approximately \$966 million. MHEFA issues tax exempt revenue obligations and enters into agreements with higher education institutions to be responsible for the use of the loan proceeds and to repay the bond holders. MHEFA or the State of Minnesota has no liability to repay the bondholders.

MHEFA also provides education for its constituents on the process of issuing tax exempt bonds and provides support on secondary market disclosure and post issuance compliance requirements, but the primary outcome is that the nonprofit colleges and universities of Minnesota have facilities that can offer an education that can compete with other educational institutions in the nation. Many of the students that are educated in Minnesota stay in the State after graduation and allow us to have a well-educated workforce.

Results:

MHEFA has issued 190 bond issues since 1971. There has never been a default in payment on any bonds issued. We practice operational efficiencies to keep our expense budget low and that has kept our fees low. MHEFA has been able to provide a consistent and efficient process for obtaining tax-exempt financing and has educated the institutions through newsletters, one-on-one information sessions, and an annual educational conference on market, legal and accounting considerations of tax-exempt debt financing. There are currently 64 bond issues outstanding for a total of \$966 million.

Performance Measures	Previous	Current	Trend
N/A	N/A	N/A	N/A

Performance Measures Notes:

N/A.

Higher Education Facilities Authority
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$492		\$492
Current Law Expenditures (FY 2014-15)		\$544		\$544
Governor's Recommended Expenditures (FY2014-15)		\$544		\$544
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Higher Education Facilities Authority

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$544		\$544
SOURCES OF FUNDS		\$544		\$544
EXPENDITURES		\$544		\$544
PAYROLL EXPENSE		\$544		\$544
USES OF FUNDS		\$544		\$544

Higher Education Facilities Authority
All Funds FTE by Program

Program	Current FY 2013	Forecast Base FY 2015	Governor's Recommendation FY 2015
Program: Higher Ed Facilities Auth	1.8	1.8	1.8
Higher Education Facilities Authority	1.8	1.8	1.8

Higher Education Facilities Authority

Revenue Summary

(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	ALL OTHER		544		544
	<u>Subtotal</u>		544		544
	Total		544		544

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Mission:

The Minnesota Historical Society uses the power of history to transform lives by preserving and sharing evidence and stories of our state's past.

The Minnesota Historical Society's full Mission, Vision and Values statements can be found at: <http://www.mnhs.org/about/mission/index.html>

Statewide Outcome(s):

Historical Society supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context:

As an educational organization, since its founding in 1849, the Minnesota Historical Society has served learners of all ages, including schoolchildren, seniors, families with children, scholars and tourists. The Society delivers Minnesota history in a variety of methods, including museum exhibits, historic sites, public programs, publications, and on-line resources.

By telling the stories of our state's past, our goal is to create community for all Minnesotans, whether new arrivals, or citizens whose families have been in Minnesota for generations. We support the goal of having a well-informed citizenry that understands how people and events of the past have shaped the Minnesota of today.

All Minnesotans are potential customers – today, our primary customer groups are schoolchildren, families with children, seniors and tourists. We serve nearly one million in-person customers each year and in the most recent fiscal year, hosted 2,353,720 “unique visitors” online.

Strategies:

Our **vision** of how we serve Minnesotans is to be:

- An effective leader and partner in **educational initiatives** that use history to improve academic achievement and provide opportunities for life-long learning.
- A service-oriented and accessible repository of state archival, documentary, photographic, archaeological, and museum collections and **center for research**;
- The State's premier presenter of history exhibitions and programs;
- The preserver and presenter of a compelling statewide network of historic sites that make history meaningful for visitors and are supported by their local communities;
- A partner in expanding historic preservation and in providing professional field services, increasing the capacity of history and heritage organizations statewide; and
- A leading publisher of Minnesota and historical content in traditional and digital media for a variety of audiences.

A full listing of the Society's functions and departments can be found at: <http://www.mnhs.org> and further information on the Society's financial information and programs can be found at: <http://www.mnhs.org/about/publications/index.html>

Measuring Success:

As part of its strategic planning process, the Society will use the six strategic priority areas described in the Historic Operations and Programs budget activity narrative as the starting point for work plan development and specific measurement for each department for the upcoming and subsequent fiscal years. Departments will describe how their ongoing work will fit in with the strategic priority areas and quantify results that help to fulfill these priorities.

Historical Society**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$55,168	\$57,929		\$113,097
Current Law Expenditures (FY 2014-15)	\$48,331	\$31,090		\$79,421
Governor's Recommended Expenditures (FY2014-15)	\$48,331	\$31,090		\$79,421
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Historical Society
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$31,090		\$31,090
APPROPRIATION	\$48,331	\$0		\$48,331
SOURCES OF FUNDS	\$48,331	\$31,090		\$79,421
EXPENDITURES	\$48,331	\$31,090		\$79,421
PAYROLL EXPENSE	\$24,688	\$16,841		\$41,529
OPERATING EXPENSES	\$14,700	\$13,871		\$28,571
OTHER FINANCIAL TRANSACTIONS	\$1,214	\$0		\$1,214
GRANTS, AIDS AND SUBSIDIES	\$7,729	\$378		\$8,107
USES OF FUNDS	\$48,331	\$31,090		\$79,421

Historical Society
All Funds FTE by Program

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Operations and Programs	427.2	359.0	359.0
Historical Society	427.2	359.0	359.0

Historical Society
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	ALL OTHER		31,090		31,090
	<u>Subtotal</u>		31,090		31,090
	Total		31,090		31,090

Historical Society

Historical Operations and Programs

<http://www.mnhs.org>

Statewide Outcome(s):

Historical Operations and Programs supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context:

The Historical Operations and Programs activity provides resources for the main mission-related activities carried out by the Minnesota Historical Society. Further information about these activities can be found in the agency profile section of the budget document, as well as on the Society's website at: <http://www.mnhs.org>.

Strategies:

In its recent strategic planning effort, the Minnesota Historical Society's board, staff and stakeholders have identified six focus areas for the next five years. These activities reflect an examination of the organization's own work and the needs of Minnesota as a state and as a society. These strategic priorities are:

Educational Achievement - The Society is engaged in partnerships that leverage historical resources and educational expertise to make a difference in the lives of more Minnesota youth, with special focus on underachieving students.

Diversity & Inclusiveness - The Society is continuously engaged with communities of color and American Indian nations, and the diversity of Minnesotans is reflected in the Society's collections, programs, staffing and governance.

Lifelong Learning - The Society is deeply engaged in cultivating meaningful relationships with adult audiences as lifelong learners, members, donors, volunteers and supporters.

Historic Sites/Oliver Kelley Farm and Historic Fort Snelling - The Society is successfully addressing the major preservation and interpretive needs of Minnesota's statewide network of historic sites and museums, with special focus on Oliver Kelley Farm and Historic Fort Snelling.

Content Development & Production - The Society develops and shares great content about our state's past that informs, engages, and inspires. All content is produced with a deep knowledge of the constituency that cares deeply about the subject, is edited, rich in metadata, packaged for optimal consumption, and sustained for relevance as long as possible.

Sustainability & Stewardship - The Society develops and manages its resources to ensure the long-term sustainability of the programs it provides in service to the people of Minnesota. It provides good stewardship of all resources—financial, human capital, and collections.

The Minnesota Historical Society's work addresses the following **Statewide Outcomes**:

Minnesotans have the education and skills needed to achieve their goals is the primary statewide outcome addressed by the Society's work. We serve schoolchildren, educators and families with a variety of services and products, including, but not limited to: Northern Lights, Minnesota's state history textbook, along with a variety of supplemental products; the National History Day program, serves over 30,000 students each year; we provide in-classroom instruction via interactive distance learning; History Center and historic sites

exhibits and interpretive programs; teacher training programs. Further information about educational programs can be found at: <http://education.mnhs.org> including how MHS programs can help fulfill requirements of state-mandated academic standards for social studies. In addition, the Society serves the life-long learning needs of seniors, family historians, and scholars through innovative public programs, the History Center Library and on-line resources.

In addition, other segments of the MHS work to fulfill several additional **Statewide Outcomes**, including:

A thriving economy that encourages business growth and economic opportunities – history and cultural tourism is a very important component of the state’s \$11 billion tourism economy. Visitors to Minnesota want authentic educational experiences, which are provided by historic sites and museums. In addition, as the co-administrator of the state’s new Historic Rehabilitation Tax Credit and Grant program, the State Historic Preservation Office has played an important role in this initiative that has created thousands of new, quality construction jobs. Additional information about this beneficial incentive can be found at: <http://www.mnhs.org/shpo/grants/MNHistoricStructureRehabilitationStateTaxCredit.htm>.

Strong and stable families and communities – an important element that creates strong and healthy families and communities is an awareness of how we got to where we are today. The Society provides opportunities for individuals to learn about their own family histories through genealogy resources; citizens can become aware of the history of the larger Minnesota community, through public programs and outreach initiatives. <http://www.mnhs.org/genealogy> <http://www.mnopedia.org>.

A clean, healthy environment with sustainable uses of natural resources – according to state statute and long-time tradition, historic and cultural resources are included in the definition of natural resources. The Society works through the State Historic Preservation Office, its Historic Sites Division and other areas to preserve these irreplaceable, non-renewable resources. <http://www.mnhs.org/places/index.htm>.

Efficient and accountable government services- the Society strives to deliver efficient service to the people of Minnesota in all aspects of its work, from timely historic preservation reviews to quality visitor experiences at historic sites and museums.

Results:

As part of its ongoing work, and as emphasized by our recent strategic planning process, the Society has worked to strengthen its evaluation program. The result of this effort will be an institutional dashboard, which will be available on the Minnesota Historical Society’s website: www.mnhs.org or <http://www.mnhs.org/about/index.html>.

For many years, the Society has collected data on its programs. This information on visitation, number of items in the collections, number of historic preservation reviews, etc. could be considered “output” data. As the Society continues to develop its capacity for evaluation throughout the institution, we will move to measure and report on “outcome” measures, to reflect the impact that programs and activities are having on people’s lives.

The Minnesota Historical Society is committed to using evaluation results for organizational decision-making as well as to improve the public’s experience with the Society. Logic models, which provide a visual depiction of the connection among activities, outputs and outcomes, have been completed for the institution as a whole, in addition to departments and projects. Subsequent evaluation plans outline a systematic approach to data collection and reporting. An institutional dashboard will report on aggregate output and outcome data.

Performance Measures	Previous FY11	Current FY12	Trend
History Center Museum Visitation	169,550	184,238	Increasing
Historic Sites Visitation	562,574	511,274	Decreasing
Website Visitation (unique visitors)	2,200,000	2,353,720	Increasing
Library patronage	23,463	21,161	Stable

Performance Measures Notes:

‘Previous’ indicates FY 2011 and ‘current’ indicates FY 2012.

Program: Operations and Programs

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$40,842	\$57,910		\$98,752
Current Law Expenditures (FY 2014-15)	\$40,822	\$31,090		\$71,912
Governor's Recommended Expenditures (FY2014-15)	\$40,822	\$31,090		\$71,912
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Program: Operations and Programs

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$31,090		\$31,090
APPROPRIATION	\$40,822	\$0		\$40,822
SOURCES OF FUNDS	\$40,822	\$31,090		\$71,912
EXPENDITURES	\$40,822	\$31,090		\$71,912
PAYROLL EXPENSE	\$24,688	\$16,841		\$41,529
OPERATING EXPENSES	\$14,700	\$13,871		\$28,571
OTHER FINANCIAL TRANSACTIONS	\$1,214	\$0		\$1,214
GRANTS, AIDS AND SUBSIDIES	\$220	\$378		\$598
USES OF FUNDS	\$40,822	\$31,090		\$71,912

Historical Society Historic Preservation

<http://www.mnhs.org>

Statewide Outcome(s):

Historic Preservation supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context:

Under Minnesota Statutes (M.S.), Section 290.0681, the Minnesota Historical Society's State Historic Preservation Office (MHS/SHPO), along with the Minnesota Department of Revenue (DOR), administers the Historic Rehabilitation Tax Credit program, as a means to preserve Minnesota's most significant historic structures, create quality construction jobs and encourage revitalization of our communities.

Strategies:

Under this law, enacted in 2010, the state credit parallels an existing Federal historic preservation tax credit, which is administered by the National Park Service. The MHS/SHPO reviews state and federal tax credit projects in order to determine whether they have met historic preservation architectural standards. In order to carry out its review responsibilities for the state tax credit program, the MHS/SHPO is permitted to charge a fee (290.0681, subdivision 3) to help support the costs of administering the state program and the preparation of an economic impact report required by the law.

For the state program, developers are given a choice of claiming a tax credit or a grant in lieu of credit. MN DOR administers the tax credit funds, and the MHS administers the grant in lieu of credit funds, which are contained in this budget activity. Actions under this budget activity include administering the Historic Rehabilitation Tax Credit program, including reviews of proposed historic preservation projects; and the financial activities related to the grant in lieu of credit segment of the program (grant agreements and payment of grants).

Further information about the Minnesota Historic Rehabilitation Tax Credit program can be found at: <http://www.mnhs.org/shpo/grants/MNHistoricStructureRehabilitationStateTaxCredit.htm>

Results:

As required by the law, the Minnesota Historical Society, with assistance from the University of Minnesota Extension Center for Community Vitality, prepared an economic impact report: "Economic Impact of Projects Leveraged by the Minnesota Historic Rehabilitation Tax Credit" submitted in November 2011. A copy of this report can be found at: http://www.mnhs.org/shpo/grants/docs_pdfs/Economic_Impact-Historic_Tax_Credit_2011.pdf

Since this is a new program, information from the November 2011 economic impact report establishes baseline data on the historic rehabilitation tax credit program. This report included the following information:

- Number of projects receiving preliminary approval for the credit/grant in lieu of credit
- Number of direct jobs created

Performance Measures	Previous	Current	Trend
Number of projects receiving preliminary approval	N/A	14	New program
Number of <i>direct</i> jobs created by program	N/A	1,808	New program

Performance Measures Notes:

Program: Historic Preservation
Current, Base and Governor's Recommended Expenditures
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$13,528	\$19		\$13,547
Current Law Expenditures (FY 2014-15)	\$6,961			\$6,961
Governor's Recommended Expenditures (FY2014-15)	\$6,961			\$6,961
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Program: Historic Preservation

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$6,961	\$0		\$6,961
SOURCES OF FUNDS	\$6,961	\$0		\$6,961
EXPENDITURES	\$6,961			\$6,961
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$6,961			\$6,961
USES OF FUNDS	\$6,961			\$6,961

Historical Society

Fiscal Agent

<http://www.mnhs.org>

Statewide Outcome(s):

Fiscal Agent supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

At the request of the Minnesota legislature, the Minnesota Historical Society handles funds for legislatively-designated appropriations to a number of cultural organizations. These appropriations are not part of the Society's operating budget.

Strategies:

Minnesota International Center (MIC)

The Minnesota International Center (MIC) is a nonprofit, member-supported organization promoting international understanding and engagement by educating, inspiring and providing enriching interactive experiences to our community. MIC was founded in 1953 as a welcoming organization for the international students, scholars and visitors who came to Minnesota to study at our colleges and universities. In the past 60 years, the organization has evolved from its direct service roots into providing globally-focused educational opportunities for people of all ages statewide.

Last year, MIC's program outreach took place in homes, classrooms, workplaces and community venues. 370 international professionals and students were welcomed into the homes of MIC members to share a meal. 134 international speakers shared stories about their cultures and countries with classrooms across the state. 481 international visiting professionals met with their Minnesota counterparts to exchange knowledge, ideas and best practices. 57 community groups met regularly throughout the state to discuss timely foreign policy topics. Our diverse public programs brought dignitaries, world leaders and international newsmakers to Minnesota to go beyond the headlines on the critical global issues of our day. All these programs fostered awareness about international issues and cultivated effective cross-cultural relationships built on mutual respect and understanding.

MIC programming increases Minnesota's engagement with the world by strengthening connections to the international communities within our state and bringing national and international recognition to Minnesota.

The Minnesota International Center is the sixth largest of the 95 World Affairs Councils of America, a member of the National Council for International Visitors (NCIV), the nonprofit arm of the U.S. State Department's International Visitors Leadership Program, and an affiliate of the Foreign Policy Association.

Minnesota Air Guard Museum

The Minnesota Air Guard Museum serves as a community resource for the preservation of Minnesota's rich aviation history, especially military. The Museum offers activities and education for all ages. The private, nonprofit Minnesota Air National Guard Historical Foundation, Inc. has the funding responsibility for the museum. The museum is located on the Minnesota Air National Guard Base at the Minneapolis/St. Paul International Airport. Currently 21 aircraft are displayed in an air park next to the museum.

The principal sources of financial support are: 1) the \$16,000 state biennial Grant (which represents eight percent of our income); 2) membership dues from approximately 500 members Plus Donations from museum visitors and tour groups and organizations that hold events at the Museum (30 percent) and 3) private gifts and grants (ten percent).

US Hockey Hall of Fame

The United States Hockey Hall of Fame Museum is America's hockey showcase. Since 1973, the Hall has honored and recognized outstanding coaches, players, builders and administrators who have contributed to the success and promotion of American Hockey.

Visitors to the United States Hockey Hall of Fame Museum can experience the thrilling game action and inspiring achievements via physical displays, exhibits, video, theater and memorabilia.

Eveleth, Minnesota has been designated "The Capital of American Hockey," and is known as the home of the United States Hockey Hall of Fame Museum because of its rich hockey traditions. No community the size of Eveleth has produced as many quality players or has contributed more to the development of the sport in the United States. Furthermore, the Iron Range and Minnesota in general have had significant impact on US Hockey.

Minnesota Military Museum

The Minnesota Military Museum, located at Camp Ripley, is operated by the Military Historical Society of Minnesota. Its mission is to document, preserve, and explain the stories and contributions of Minnesotans who have served in all branches of military service and on the home front, in time of peace and war, from Minnesota's early years to the present. State support is essential because the museum receives no operational funding from the federal government, the military, or local government. Self-funding represents roughly 75 percent of our operating revenue, coming primarily from gift shop sales, small grants, and contributions from individuals, organizations and businesses.

A Summary of the Minnesota Military Museum's activities:

- 14,000 visitors per year
- 65 tours per year
- 15,000 photographs
- 50,000 artifacts
- 2,000 volunteer hours year
- 12,000 books in reference library
- 180 linear feet of archives

Minnesota Agricultural Interpretive Center (MAIC) also known as Farmamerica

Agency Vision and Mission Statement:

The governor and Minnesota state legislature commissioned the Minnesota Agricultural Interpretive Center in 1978 to preserve and promote the rich rural agricultural heritage of the state and its people. The Minnesota Agricultural Interpretive Center is a not-for-profit educational institution administered by a 15-member volunteer board of directors.

The vision of the MAIC is that it will be the destination and primary resource where people and organizations can experience and learn about the history and the future of Minnesota Agriculture. The mission of the Minnesota Agricultural Interpretive Center is to create opportunities for children and adults to learn about Minnesota's agricultural and environmental systems and how these systems provide food, fiber and energy for the people of Minnesota and the world. MAIC maintains a 120-acre interpretive site and facilities located four miles west of Waseca on Waseca County Road 2 and within two miles of the newly completed US HWY 14 (Owatonna to Mankato).

Trends, Policies, and Other Issues Affecting the Demand for Services:

To 'preserve and promote the rich agricultural heritage of Minnesota' is a daunting task. The board of directors is intent upon increasing its engagement with agricultural organizations and businesses that also have a stake in that the central purpose. The newly adopted vision and mission statements will help clarify that intent and, along with the 'rebranding' initiative (logo and collateral materials), help those interests and others view MAIC-Farmamerica as a statewide resource for Minnesota agricultural education and agricultural literacy education beyond the classroom.

More generally, with each passing year the direct link between agriculture, one of the state's principal economic drivers, and food and the environment, becomes less distinct. The distance between having 'grown up on the farm' and the dinner plate is becoming more remote. Even in rural communities it is unusual for more than ten per cent of those who attend the School Tours program at Farmamerica to say they live on a farm. That proportion is declining, even among the teachers and parents who attend with them. The kids from the local 4-H club and charter school with gardens at Farmamerica are experiencing for the first time planting, care, and harvesting. We were particularly thrilled with the response to a first-ever Farm Camp Minnesota event at Farmamerica this past summer. With a waiting list, more than 100 third through sixth graders were participants in an immersion in modern Minnesota agriculture hosted by representatives of major commodity and agribusiness organizations in the region. This test of interest has prompted consideration of additional days next year.

At Farmamerica, the story of agriculture is being told through guided tours, hands-on learning experiences, festivals, and exhibitions. Visitors travel on a one-mile timeline road and become involved in activities as they move thru the new Prairie Interpretive Center, through the pond/marsh to the settlement farm of the 1850s. The handicap accessible walking path continues past the one-room schoolhouse, the country church, the 1920/1930s depression-era family dairy farm, the feed mill, and the blacksmith shop/town hall. Visitors can also stop at the Agri-Hall Museum and the 1970s farmstead.

The wonderful Visitor's Center is where tours start and stop and is used for a number of exhibit and educational purposes. In its 34 years Farmamerica has hosted hundreds of thousands of visitors. It is not uncommon to host 20,000 people each year through the school and group tours programs, outreach activities, and festivals during throughout the year.

MAIC (Farmamerica) is Working to Expand Its Support Base:

With limited funds, MAIC has accomplished much through the help of thousands volunteers over the years from dozens of communities in the region to conduct programs and events. Farmamerica is also working aggressively to expand its funding base. It is continuing to develop new revenue sources including expanded membership, program, sponsorships, naming rights, annual fundraisers, and expanded user-fee-based programs and services. Gifts of artifacts, equipment, financial donations and grant funds continue to be pursued as well. We are pleased to be starting our first small grant with Legacy funds to develop an interpretive plan in one of our most important subject areas: food preservation. We expect to grow the support for this with a completed first phase in July 2013 and increased funding from state and private support in subsequent years. This will be the model we expect to pursue for programmatic growth wherever possible.

Results:

Results are described in each organization's narrative, as submitted by the organizations.

Performance Measures Notes:

Program: Fiscal Agents

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$548			\$548
Current Law Expenditures (FY 2014-15)	\$548			\$548
Governor's Recommended Expenditures (FY2014-15)	\$548			\$548
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0			\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Program: Fiscal Agents

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$548			\$548
SOURCES OF FUNDS	\$548			\$548
EXPENDITURES	\$548			\$548
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$548			\$548
USES OF FUNDS	\$548			\$548

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Mission:

The Minnesota Housing Finance Agency (Minnesota Housing) finances affordable housing for low- and moderate-income households while fostering strong communities.

Statewide Outcome(s):

Minnesota Housing supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

Context:

Minnesota Housing works to provide access to safe, decent and affordable housing and to build stronger communities. In 2011, Minnesota Housing served more than 70,000 low to moderate income households throughout the state. The agency's investments support job growth, with 11.8 jobs created for every one million dollars of investment. In 2012, Minnesota Housing adopted a new Strategic Plan, which helps to guide the agency as it works toward its mission. The agency identified five strategic priorities in the plan:

1. Preserve federally-subsidized rental housing
2. Promote and support successful homeownership
3. Address specific and critical needs in rental housing markets
4. Prevent and end homelessness
5. Prevent foreclosures and support community recovery

Management and control of the agency is vested in the board of directors. The board is comprised of six citizen members appointed by the governor and one ex-officio member, the state auditor. The board directs the policies of the agency and adopts the agency's Strategic Plan and Affordable Housing Plan, approves funding decisions, adopts finance policies, and selects the finance team. The board meets monthly in public meetings. Meeting dates and board packets are available on the agency's website

(http://www.mnhousing.gov/about/MHFA_005167.aspx).

Minnesota Housing's program budget comes from four sources: state appropriations, federal funds, private activity bond proceeds, and agency resources. The program budget is outlined in the agency's annual Affordable Housing Plan. In 2012, the budget was divided among the four sources as follows: state appropriations, 8.9 percent; federal funds, 32.1 percent; private activity bond proceeds, 44 percent; agency resources, 14.9 percent.

Strategies:

In order to meet its mission of financing affordable housing for low and moderate income households, Minnesota Housing engages in strategies to deliver a wide range of programs that meet both the rental and home ownership needs of the population it serves. It offers products and services to help Minnesotans buy and fix up their homes and to stabilize neighborhoods, communities and families. It also supports the development and preservation of affordable rental housing through both financing and long term asset management. It has pioneered a successful model for supportive housing that helps stabilize the lives of some of the state's most vulnerable citizens. Minnesota Housing also provides organizational support to nonprofit organizations and facilitates regional development efforts throughout the state.

Minnesota Housing's assistance is delivered through a statewide network of local lenders, community action programs, local housing and redevelopment authorities, and for-profit and nonprofit developers. Minnesota Housing joins with other public and private funders to make available development and redevelopment funds in a comprehensive, single application, one-stop selection process. In order to provide local partners with information about the housing needs in their communities, Minnesota Housing has developed detailed Community Profiles that have demographic indicators to identify housing needs in each of the state's 87 counties.

Minnesota Housing's investments in new and existing housing developments create jobs and ensure that low and moderate income workers have access to affordable housing opportunities, contributing to the state's economic growth. The agency's efforts to provide housing to the state's most vulnerable populations help create strong and stable families and communities across the state.

Measuring Success:

Minnesota Housing measures success by tracking how well its programs serve low to moderate income households in Minnesota. In 2011, more than half of the homebuyers served by Minnesota Housing earned less than \$45,000 per year, and 84.2 percent of the renters assisted by Minnesota Housing earned less than \$20,000 per year. The statewide median income in 2011 was \$72,900. The foreclosure rates for Minnesota Housing's single family first mortgage loan programs are significantly lower than the statewide foreclosure rate. In 2011, the foreclosure rate for the agency's Minnesota Mortgage Program was 1.14 percent compared to the Minnesota Bankers Association benchmark statewide foreclosure rate 1.72 percent.

See the 2011 Program Assessment report for additional results information:

http://www.mnhousing.gov/idc/groups/administration/documents/document/mhfa_012258.pdf

Another important measure of success for the agency is its bond performance. As of June 2012, Minnesota Housing's bond issuer ratings were "AA+" and "Aa1" from Standard and Poor's Rating Services and Moody's Investor Service, Inc., respectively. Minnesota Housing's credit ratings are separate from, and are not directly dependent on, ratings on debt issued by the State of Minnesota.

Housing Finance

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$589,678		\$589,678
Current Law Expenditures (FY 2014-15)		\$534,743		\$534,743
Governor's Recommended Expenditures (FY2014-15)		\$547,743		\$547,743
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$13,000		\$13,000
% Change from FY 2014-15 Current Law to Governor's Rec		2%		2%

**Housing Finance
Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$141,186		\$141,186
REVENUE		\$441,156		\$441,156
TRANSFERS IN		\$98,296		\$98,296
APPROPRIATION	\$89,096	\$0		\$89,096
SOURCES OF FUNDS	\$89,096	\$680,638		\$769,734
BALANCE FORWARD OUT		\$132,855		\$132,855
TRANSFERS OUT	\$89,096	\$40		\$89,136
EXPENDITURES		\$547,743		\$547,743
PAYROLL EXPENSE		\$41,267		\$41,267
OPERATING EXPENSES		\$18,088		\$18,088
OTHER FINANCIAL TRANSACTIONS		\$60,660		\$60,660
GRANTS, AIDS AND SUBSIDIES		\$427,727		\$427,727
USES OF FUNDS	\$89,096	\$680,638		\$769,734

Housing Finance

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Housing and Job Growth Initiative

The Governor recommends a one-time investment in the Housing and Job Growth initiative. The additional funding for the Economic Development and Housing Challenge Program would facilitate housing in areas where job growth is occurring but existing affordable housing stock is not sufficient to meet the needs of the workers. Funding will become available when employers or a consortium of employers makes meaningful contributions to address a shortage of affordable housing in their community. Minnesota Housing and the Department of Employment and Economic Development will collaborate to identify areas of need.

Performance Measures:

This initiative will result in housing that is affordable to the local workforce in areas of job growth.

General Fund	Transfers Out	10,000	0	10,000	0	0	0
Other Funds	Expenditure	10,000	0	10,000	0	0	0
Other Funds	Transfers In	10,000	0	10,000	0	0	0
	Net Change	10,000	0	10,000	0	0	0

Rental Assistance for Highly Mobile Students Initiative

The Governor recommends short-term and time-limited rental assistance and supportive services for families with school-aged children who move frequently. The goal of this initiative is to allow for children to attend the same school without interruption through the school year. Research shows that students who move frequently have low attendance rates, which impacts student achievement, leads to truancy, and is a precursor to dropping out. Minnesota Housing and the Department of Education will collaborate on this initiative.

Performance Measures:

Increased housing stability and increased school attendance are two measures of the short-term benefits of this initiative. The long-term goal is for educational achievement to improve.

General Fund	Transfers Out	2,000	0	2,000	0	0	0
Other Funds	Expenditure	2,000	0	2,000	0	0	0
Other Funds	Transfers In	2,000	0	2,000	0	0	0
	Net Change	2,000	0	2,000	0	0	0

Housing Finance

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Re-Entry Rental Assistance Initiative

The Governor recommends funding rental assistance for ex-offenders. This assistance would help ex-offenders to secure stable housing in communities with access to jobs, transportation and other services. Rental assistance is part of a comprehensive approach to helping persons who are formerly incarcerated on the path to safe, stable and productive lives. Minnesota Housing and the Department of Corrections will collaborate on this initiative.

Performance Measures:

The goal of this initiative is to support successful reintegration into the community and to reduce recidivism. The extent to which the participants remain in housing and the rate of employment or participation in education or training are additional measures of success.

General Fund	Transfers Out	1,000	0	1,000	0	0	0
Other Funds	Expenditure	1,000	0	1,000	0	0	0
Other Funds	Transfers In	1,000	0	1,000	0	0	0
	Net Change	1,000	0	1,000	0	0	0

Reallocation from PARIF to Rehabilitation Loan Program

The Governor recommends a technical realignment among existing resources. The realignment would reallocate state resources to housing rehabilitation, both rental and homeownership, and reallocate federal resources to housing preservation. The realignment provides more efficient use of federal resources.

Performance Measures:

Preservation of existing federally subsidized rental housing remains a priority for Minnesota Housing. This is measured by the number of rental units preserved.

General Fund	Expenditure	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0

Net All Change Items	General Fund	13,000	0	13,000	0	0	0
	Other Funds	0	0	0	0	0	0
	Net Change	13,000	0	13,000	0	0	0

Housing Finance
All Funds FTE by Activity

	Current	Forecast Base	Governor's Recommendation
Activity	FY 2013	FY 2015	FY 2015
Budget Activity: Administration - Housing	227.7	227.7	227.7
Housing Finance	227.7	227.7	227.7

Housing Finance
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	FEDERAL GRANTS		377,696		377,696
	INVESTMENT INCOME		2,400		2,400
	ALL OTHER		61,060		61,060
	Subtotal		441,156		441,156
	Total		441,156		441,156

Housing Finance Development & Redevelopment

<http://www.mnhousing.gov>

Statewide Outcome(s):

Development and Redevelopment supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

Context:

The Development and Redevelopment activity funds the new construction and rehabilitation of housing, both rental and homes for ownership, needed to sustain economic growth and vitality. According to the 2010 U.S. Census, the median age of all residential housing stock in Minnesota, both single family and multifamily, is 38 years. Rehabilitating existing housing stock is essential for preserving affordable housing as well as for retaining existing employers and related economic activity. The development of new housing stock is critical for economic recovery and job creation.

Homeowners, homebuyers, and tenants of rental housing are served by this program. Additionally, communities receive assistance to stabilize and revitalize neighborhoods impacted by the foreclosure crisis through the Development and Redevelopment activity. Funding for this activity comes from state appropriations to the Economic Development and Housing Challenge Program (Minnesota Statutes (M.S.) section 462A.33), as well as through federal funding, federal tax credits and internal agency resources.

Strategies:

The Development and Redevelopment activity funds a range of activities and services for the development and redevelopment of both single family and multifamily housing. The key program goals are to finance new affordable housing opportunities, preserve existing affordable housing, support foreclosure recovery, and improve energy efficiency and access to transit.

Economic Development and Housing Challenge Program: Through this program, assistance is provided in the form of no-interest, deferred loans to local units of government, for-profit and non-profit developers. The income maximum for owner-occupied housing is set at 115 percent of the greater of state or area median income, and for rental housing it is set at 80 percent of the greater of state or area median income. These income guidelines allow for a range of workforce housing to be developed or rehabilitated. At least 50 percent of the Economic Development and Housing Challenge Program funds must be used only for housing projects in which there is a financial contribution from non-state resources. This policy helps to reduce the need for deferred loan or grant funds from state resources. Creating a range of workforce housing options for low to moderate income individuals and families is essential to a thriving economy that encourages business growth and employment opportunities.

Foreclosure Recovery: Minnesota Housing has been a substantial funder of foreclosure recovery and has focused on the acquisition and rehabilitation of foreclosed homes. The agency has made available more than \$70 million since 2007 in revolving loans, subsidies, and federal funds. Minnesota Housing has worked with local governments and nonprofits to concentrate funds in neighborhoods that were especially hard hit by the foreclosure crisis. Local entities are also devoting their own resources to foreclosure recovery. These efforts promote strong and stable communities throughout the state.

Green Housing Standards: In recognition of the role that energy efficiency plays in contributing to a healthy environment, Minnesota Housing has adopted Green Housing Standards (http://www.mnhousing.gov/housing/architects/MHFA_007963.aspx), based on the Enterprise Institute's National Green Communities Criteria, as mandatory criteria for all new construction and applicable rehabilitation improvements.

Transit-Oriented Development: Transportation costs are increasingly a burden to low and moderate income households in Minnesota. Housing is considered affordable when it makes up no more than 30 percent of income. The Chicago-based Center for Neighborhood Technology (CNT) maintains a nation-wide index that tracks both housing and transportation costs as a percentage of income. CNT classifies housing and transportation costs as affordable when combined they make up no more than 45 percent of income. Below are housing and transportation costs as a percentage of income in several Minnesota regions. This information comes from CNT's index.

- Minneapolis-St.Paul-Bloomington – 46.97 percent
- Duluth – 51.8 percent
- Fergus Falls – 54.9 percent
- Rochester – 45.3 percent
- Marshall – 51.62 percent
- St. Cloud – 51.42 percent
- Brainerd – 58.61 percent

In an effort to address rising housing and transportation costs, Minnesota Housing continued its support of Transit Oriented Development (TOD) in both the Twin Cities metropolitan area and Greater Minnesota in its [2013 Housing Tax Credit Qualified Allocation Plan \(QAP\)](#). Organizations applying for federal tax credits in the Twin Cities Metropolitan area receive additional points for housing projects located within one half mile of planned or existing light rail transit, bus rapid transit, or commuter rail stations. Projects also receive points for being accessible to public transportation. In Greater Minnesota, applicants receive points for access to fixed route transit, dial-a-ride services, or proximity to jobs. Access to transit is critical to connecting people with employment opportunities and for giving businesses the ability to recruit and retain workers. Investments in TOD contribute to a thriving economy that encourages business growth and employment opportunities.

Results:

Minnesota Housing measures its performance in meeting the goal of providing affordable workforce housing by examining the level of affordability at which the properties are financed, the incomes of the resident's of the properties financed, the extent to which the agency has invested in transit oriented development (TOD) and in housing that is located in a top job area. Housing that is affordable to the local workforce is generally housing that is affordable to households earning between \$30,000 and \$50,000 annually. This range varies from county to county, with some counties having average household incomes below \$30,000 annually. Minnesota Housing bases its calculations on wage data from the Department of Employment and Economic Development (DEED). The Agency just began tracking TOD measures, so does not have trend data at this point. The number of foreclosure properties acquired and returned to the community declined from FY 2010 to FY 2011 due to a significant decrease in federal funds from the Neighborhood Stabilization Program. Despite the loss of this federal resource, the agency continues to assist communities with foreclosure recovery.

See the 2011 Program Assessment report for additional results information:
http://www.mnhousing.gov/idc/groups/administration/documents/document/mhfa_012258.pdf

Performance Measures	Previous	Current	Trend
Number of foreclosed properties acquired to be rehabilitated & returned to the community.	828	455	Decreasing
Percentage of rental developments funded that are located in the top areas with job growth or absolute job numbers (top workforce housing communities.)	68.8%	83.3%	Improving
Percentage of new construction that meets Minnesota Housing's TOD definition.	NA	15%	NA
Number of units financed that are affordable at: 1.) 30% of area median income or less, 2.) 50% of area median income, and 3.) 80% of area median income or less.	1.)20% 2.)78% 3.)100%	1.)20% 2.)75% 3.)100%	Stable

Performance Measures	Previous	Current	Trend
Percentage of agency financed multifamily rental units occupied by households with incomes below 30% of area median income.	56%	57%	Stable

Performance Measures Notes:

All previous measures in this program are from FY 2010 and current measures are from FY 2011.

Program: Development And Redevelopment
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$54,148		\$54,148
Current Law Expenditures (FY 2014-15)		\$23,920		\$23,920
Governor's Recommended Expenditures (FY2014-15)		\$33,920		\$33,920
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$10,000		\$10,000
% Change from FY 2014-15 Current Law to Governor's Rec		42%		42%

Program: Development And Redevelopment
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$19,278		\$19,278
REVENUE		\$1,200		\$1,200
TRANSFERS IN		\$28,310		\$28,310
APPROPRIATION	\$23,910	\$0		\$23,910
SOURCES OF FUNDS	\$23,910	\$48,788		\$72,698
BALANCE FORWARD OUT		\$14,868		\$14,868
TRANSFERS OUT	\$23,910			\$23,910
EXPENDITURES		\$33,920		\$33,920
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS		\$16,620		\$16,620
GRANTS, AIDS AND SUBSIDIES		\$17,300		\$17,300
USES OF FUNDS	\$23,910	\$48,788		\$72,698

Housing Finance

Supportive Housing

<http://www.mnhousing.gov>

Statewide Outcome(s):

Supportive Housing supports the following statewide outcome(s).

Strong and stable families and communities.

Context:

Supportive Housing provides funding for permanent housing with support services. This budget activity is an essential element of efforts to achieve Minnesota Housing's strategic goal of ending long-term homelessness and the statewide [Business Plan to End Long-Term Homelessness](#). In 2003, leaders from the public, private and nonprofit sectors launched an effort to create the business plan with the goal of ending long-term homelessness by 2010. One of the primary strategies in the plan was to create 4,000 units of permanent supportive housing.

Supportive housing programs serve individuals and families with multiple barriers to obtaining and maintaining housing, including persons who are homeless or at risk of becoming homeless, and persons with mental illness, substance abuse disorders, or persons with HIV/AIDS. Supportive housing stabilizes housing for the poorest households or households with special needs so they can successfully address barriers to employment, complete school or training, and/or achieve independent living.

The Business Plan was recalibrated in both 2007 and 2009, based on experience under the plan. Due to the recent economic downturn, the goal of reaching 4,000 supportive housing units was extended until 2015. With 3,695 units complete as of October 2012, Minnesota Housing anticipates it will reach this goal during the 2014-2015 Biennium.

Funding for this activity comes from state appropriations to the Housing Trust Fund Program (Minnesota Statutes (M.S.) section 462A.201) and Bridges (M.S. section 462A.2097) programs, as well as the Federal Housing Opportunities for Persons with AIDS (HOPWA) program.

Strategies:

Three programs help Minnesota Housing work toward its goal of ending long-term homelessness:

Housing Trust Fund Program: The Housing Trust Fund Program provides zero percent interest, deferred loans for the financing of affordable permanent and supportive rental housing and limited equity cooperative housing for very low-income households. It also provides grants and loans for operating costs that are unique to the operation of low-income rental housing and for rental assistance. Seventy-five percent of the program funds must be used for housing for households with incomes that do not exceed 30 percent of the metropolitan area median income. The current funding level is sufficient to sustain existing rental assistance levels only; funding is not available for capital costs.

Bridges Program: The Bridges Program provides rent assistance for households in which at least one adult member has a serious and persistent mental illness. Eligibility for the program is limited to households with incomes below 50 percent of area median income. This activity links housing with social services through a partnership between a housing agency and a social service agency. The rental assistance is intended to stabilize the household in the community until a Section 8 certificate or voucher becomes available.

Federal Housing Opportunities for Persons with AIDS (HOPWA) Program: The HOPWA Program provides grants that can be used to meet the housing needs of persons with Acquired Immune Deficiency Syndrome (AIDS), HIV-positive status or related diseases, and their families. The program authorizes grants for both housing assistance and services. Minnesota Housing's HOPWA funds are used for rental subsidies.

The Housing Trust Fund Program, the Bridges Program, and the Federal HOPWA program all help the state's most vulnerable populations gain access to rental housing and avoid homelessness. The Minnesota Departments of Human Services and Corrections, as well as many nonprofit service providers and foundations are essential

partners in implementing these programs. Ending long-term homelessness is critical to strengthening families and communities across the state.

Results:

The programs under this budget activity provide a variety of resources for creating supportive rental housing to serve the long-term homeless and for keeping some of Minnesota’s most vulnerable citizens out of homelessness and institutions. In addition to the number of new rental housing opportunities created under these programs, Minnesota Housing tracks outcomes, housing stability, changes in income levels, and re-institutionalization rates to measure its performance under this budget activity. All of these measures have been steady or improving since 2010. Income changes are reported as the percent change in median income of households served. This measure does not necessarily measure the same households from year to year. The agency considers it to be stable because households continue to see an increase in income on average.

See the 2011 Program Assessment report for additional results information:

http://www.mnhousing.gov/idc/groups/administration/documents/document/mhfa_012258.pdf

Performance Measures	Previous	Current	Trend
Percentage of people who remained in rental housing for at least a year.	87%	88%	Stable
Percent increase in monthly median household income of families served.	16%	8%	Stable
Percentage of people served who did not return to institutions.	88%	90%	Improving

Performance Measures Notes:

Previous measures are from FY 2010 and current measures are from FY 2011. Data on homelessness comes from the Homeless Management Information System (HMIS).

Budget Activity: Supportive Housing
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$41,695		\$41,695
Current Law Expenditures (FY 2014-15)		\$32,517		\$32,517
Governor's Recommended Expenditures (FY2014-15)		\$35,517		\$35,517
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$3,000		\$3,000
% Change from FY 2014-15 Current Law to Governor's Rec		9%		9%

Budget Activity: Supportive Housing**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$8,973		\$8,973
REVENUE		\$2,486		\$2,486
TRANSFERS IN		\$32,186		\$32,186
APPROPRIATION	\$27,386	\$0		\$27,386
SOURCES OF FUNDS	\$27,386	\$43,645		\$71,031
BALANCE FORWARD OUT		\$8,128		\$8,128
TRANSFERS OUT	\$27,386			\$27,386
EXPENDITURES		\$35,517		\$35,517
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS		\$1,750		\$1,750
GRANTS, AIDS AND SUBSIDIES		\$33,767		\$33,767
USES OF FUNDS	\$27,386	\$43,645		\$71,031

Housing Finance Homelessness Prevention

<http://www.mnhousing.gov>

Statewide Outcome(s):

Homeless Prevention supports the following statewide outcome(s).

Strong and stable families and communities.

Context:

Homelessness Prevention funds programs that provide housing and other assistance to households that are at risk of becoming homeless due to a crisis situation, extremely low-incomes, or physical or mental health problems. This budget activity also assists households in moving out of emergency shelter and other temporary settings so that they do not become long-term homeless. Funding comes from state appropriations for the Family Homeless Prevention and Assistance Program (Minnesota Statute (M.S.) section 462A.204).

Strategies:

The Family Homeless Prevention and Assistance Program (FHPAP) provides flexible grants to counties and nonprofit organizations to assist families, single adults or youth who are homeless or at imminent risk of homelessness. Grant recipients are required to design or redesign an emergency response system to shift the focus to prevention of homelessness and a more rapid move to transitional or permanent housing. By providing tools to address the needs of populations that are at-risk of homelessness, and to help these populations avoid homelessness, this budget activity contributes to the statewide outcome of creating strong and stable families and communities.

Results:

In FY 2011, more than 9,000 households were served by FHPAP statewide. In addition to tracking the number of people served by FHPAP, Minnesota Housing monitors the success of this budget activity through a set of performance measures. These measures include the number of people who were identified as at risk of homelessness and avoided it because of services received through FHPAP as well as the number of individuals and families have had a reduced length of stay in shelter as a result of FHPAP.

See the 2011 Program Assessment report for additional results information:

http://www.mnhousing.gov/idc/groups/administration/documents/document/mhfa_012258.pdf

Performance Measures	Previous	Current	Trend
Percentage of people who were identified as at risk for homelessness or were homeless, were served, and didn't return to shelter within 12 months.	95%	97%	Improving

Performance Measures Notes:

Previous measures are from FY 2009 and current measures are from FY 2010. Data on homelessness comes from the Homeless Management Information System (HMIS). Only about 60 percent of shelters contribute data to HMIS.

Budget Activity: Homelessness Prevention
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$15,243		\$15,243
Current Law Expenditures (FY 2014-15)		\$14,930		\$14,930
Governor's Recommended Expenditures (FY2014-15)		\$14,930		\$14,930
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Budget Activity: Homelessness Prevention**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
TRANSFERS IN		\$14,930		\$14,930
APPROPRIATION	\$14,930	\$0		\$14,930
SOURCES OF FUNDS	\$14,930	\$14,930		\$29,860
TRANSFERS OUT	\$14,930			\$14,930
EXPENDITURES		\$14,930		\$14,930
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES		\$14,930		\$14,930
USES OF FUNDS	\$14,930	\$14,930		\$29,860

Housing Finance Homeownership Assistance

<http://www.mnhousing.gov>

Statewide Outcome(s):

Homeownership assistance supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

Context:

The Homeownership Assistance activity provides some of the upfront funds needed by moderate-income households to obtain a mortgage to purchase their first home. Moderate-income households often have sufficient income to make the monthly mortgage payments, but lack the wealth necessary to meet the standard downpayment and closing costs requirements which are typically at least 6.5 percent of the purchase price. The lack of funds necessary for the entry costs is one of the barriers leading to a significant gap in the homeownership rate between white households and emerging markets. More information about the homeownership gap and efforts to remedy it can be found at:

http://www.mnhousing.gov/idc/groups/homes/documents/webcontent/mhfa_002552.pdf First-time homebuyers with incomes at or below 60 percent of median income are the customers for this assistance. This activity is funded through general fund appropriations to the Homeownership Assistance Fund program (Minnesota Statute (M.S.) section 462A.21, subd.8) and through federal HOME funds for the HOME Homeowner Entry Loan Program (HOME HELP).

Strategies:

To overcome the downpayment and closing cost barrier to homeownership, the homeownership activity provides between \$3000 and \$15,000 as a second mortgage. Repayment of the loan is deferred and in some cases may be forgiven, depending of the length of time the home is occupied. In order to help communities recover from the foreclosure crisis, larger amounts of assistance are available to households purchasing a home in an area distressed by foreclosures. Successful homeownership creates stronger communities. Homeowners tend to move less frequently than renters, their children are more likely to remain in school, they tend to stay involved with the same neighborhood leading to social connections and stronger communities. Access to stable, affordable housing positively impacts job retention and productivity which contributes to a thriving economy. Financial institutions, along with the homeownership counseling network and realtors are key partners in delivering this assistance.

Results:

The lack of wealth necessary to meet standard entry cost requirements is not the sole explanation for the gap in homeownership rates between white households and households of color, non-English speaking households, and households in which English is the second language ("emerging markets"). Other factors including credit and lending practices, cultural factors, discrimination, marketing and outreach and homebuyer counseling contribute to the gap. Overcoming the lack of wealth and downpayment resources is a factor that Minnesota Housing can address. According to Home Mortgage Disclosure Act (HMDA) data, from 2005 to 2010, private market lending to emerging markets fell by 61 percent. Meanwhile, Minnesota Housing's production to emerging markets remained relatively steady. The percentage fluctuates somewhat from year to year based on trends in the overall market.

See the 2011 Program Assessment report for additional results information:

http://www.mnhousing.gov/idc/groups/administration/documents/document/mhfa_012258.pdf

Performance Measures	Previous	Current	Trend
Percentage of Minnesota Housing loans issued to emerging markets compared to percentage of homeowners of color.	31%	23%	Worsening
Percentage of downpayment assistance provided to emerging markets.	42%	30%	Worsening

Performance Measures Notes:

Previous measures are from FY 2010 and current measures are from FY 2011.

Budget Activity: Homeownership Assistance
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$10,151		\$10,151
Current Law Expenditures (FY 2014-15)		\$11,794		\$11,794
Governor's Recommended Expenditures (FY2014-15)		\$11,794		\$11,794
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Budget Activity: Homeownership Assistance**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
REVENUE		\$10,200		\$10,200
TRANSFERS IN		\$1,594		\$1,594
APPROPRIATION	\$1,594	\$0		\$1,594
SOURCES OF FUNDS	\$1,594	\$11,794		\$13,388
TRANSFERS OUT	\$1,594			\$1,594
EXPENDITURES		\$11,794		\$11,794
PAYROLL EXPENSE				
OPERATING EXPENSES		\$150		\$150
OTHER FINANCIAL TRANSACTIONS		\$11,644		\$11,644
USES OF FUNDS	\$1,594	\$11,794		\$13,388

Housing Finance

Preservation/ Rental Preservation and Rehabilitation

<http://www.mnhousing.gov>

Statewide Outcome(s):

The rental rehabilitation activity supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

Context:

This activity assists with the rehabilitation, repair, and stabilization of aging federally assisted rental housing and naturally affordable, unsubsidized rental housing. The majority of the federally assisted rental housing in Minnesota was developed 30- 40 years ago. These properties are in need of infusions of capital for rehabilitation and repairs. The housing cannot be adequately maintained with the housing assistance payment levels set by the federal government. Additional information about subsidized rental housing preservation needs, see <http://www.mnhousing.gov/news/reports/index.aspx#bipartisan>. Similarly, a significant portion of the naturally affordable housing stock in Greater Minnesota struggles to finance major capital improvements and repairs because the market rents are too low to generate adequate reserves for capital repairs. Tenants in federally subsidized rental housing generally have extremely low incomes: the median annual income of tenants in these developments is under \$14,000. Naturally affordable, unsubsidized rental housing receiving assistance from Minnesota Housing for capital repairs serves tenants with median annual incomes under \$12,000. Housing options for households at these income levels are limited. Access to decent, affordable housing for employees is necessary ingredient for sustaining a vibrant business climate. This activity is funded with general fund appropriations for the Rental Rehabilitation Deferred Loan program (Minnesota Statutes (M.S.) section 462A.33 and 462A.05, subd. 14a), the Affordable Rental Investment Fund – Preservation (PARIF, M.S. section 462A.21, subd. 8b) and federal HOME funds for the HOME Affordable Rental Preservation program (HOME HARP). .

Strategies:

Deferred loan to stabilize properties and address capital improvement needs are made available to:

- Private owners of federally assisted rental housing that is determined to be at risk of losing federal assistance.
- Private owners of naturally affordable, unsubsidized housing that cannot support amortizing debt.

Maintenance of the existing supply of affordable and decent housing supports the statewide outcome of strong and stable families and communities and a thriving economy that encourages business growth and employment opportunities. The agency works with local non-profit organizations, local units of government and owners and developers of affordable rental housing to assemble the most appropriate package of assistance that will lead to long-term affordability and stability.

Results:

The terms of the loan provided by Minnesota Housing require maintenance of rent affordability. Owners of federally assisted housing must agree to continue participation in the federal program for the maximum term available. Owners of naturally affordable, unsubsidized rental housing must agree to maintain rents at affordable levels. Properties are monitored for compliance with the affordability requirements. Factors such as increasing operating costs, market rents, estate planning considerations, owner's willingness to make further investments in their rental properties and the availability of resources impact the number of housing units the agency can assist with preservation and stabilization. The results increased significantly from FY 2010 to FY 2011. This is due to the rehabilitation of Riverside Plaza, which is an extremely large multifamily development in Minneapolis (1300 units). The measure for average median income demonstrates that through the PARIF program, the Agency preserves housing for very low income individuals and families whose income is less than 30 percent of area median income (AMI). Although the income level increased from FY 2010 to FY 2011, the trend is considered to be stable because it remains under the federal definition of extremely low-income (30 percent of AMI).

See the 2011 Program Assessment report for additional results information:
http://www.mnhousing.gov/idc/groups/administration/documents/document/mhfa_012258.pdf

Performance Measures	Previous	Current	Trend
Number of federally assisted rental units preserved.	388	2,232	Improving
Average median income of households served.	\$10,320	\$13,845	Stable

Performance Measures Notes:

Previous measures are from FY 2010 and current measures are from FY 2011.

Budget Activity: Rental Perservation And Rehab
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$31,418		\$31,418
Current Law Expenditures (FY 2014-15)		\$24,590		\$24,590
Governor's Recommended Expenditures (FY2014-15)		\$13,504		\$13,504
\$ Change from FY 2014-15 Current Law to Governor's Rec		(11,086)		(11,086)
% Change from FY 2014-15 Current Law to Governor's Rec		(45%)		(45%)

Budget Activity: Rental Perservation And Rehab**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$10,542		\$10,542
REVENUE		\$7,500		\$7,500
TRANSFERS IN		\$3,540		\$3,540
APPROPRIATION	\$3,540	\$0		\$3,540
SOURCES OF FUNDS	\$3,540	\$21,582		\$25,122
BALANCE FORWARD OUT		\$8,078		\$8,078
TRANSFERS OUT	\$3,540			\$3,540
EXPENDITURES		\$13,504		\$13,504
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS		\$24,590		\$24,590
GRANTS, AIDS AND SUBSIDIES		(11,086)		(11,086)
USES OF FUNDS	\$3,540	\$21,582		\$25,122

Housing Finance Preservation/ Homeownership Rehabilitation

<http://www.mnhousing.gov>

Statewide Outcome(s):

Homeownership rehabilitation supports the following statewide outcome(s).

Strong and stable families and communities.

Context:

The homeownership rehabilitation activity helps maintain or restore owner-occupied housing to decent and safe conditions. Many aspects of housing have an impact on residents' health, including lead paint, radon, mold, ventilation and deferred maintenance. According to the American Housing Survey, 5.8 million homes nationally have severe or moderate hazards. Assistance is provided to homeowners whose incomes are generally too low to qualify for loans from the private sector. This activity is funded through general fund appropriations.

Strategies:

No interest forgivable loans of up to \$ 27,000 are provided through the Rehabilitation Loan program (Minnesota Statutes (M.S.) section 462A. 05, subd.14a) for households with incomes generally below \$25,200. The loans are forgivable after 15 years if the property remains the owner's primary residence. The program assists elderly homeowners to avoid or delay costly institutionalization by addressing the safety or accessibility housing needs and helps extremely low-income homeowners retain homeownership by providing funding to maintain their home, conserve energy and reduce utility costs by improving the energy efficiency of the home. Local units of government and non-profit organizations, including community action programs, deliver this program to homeowners.

Results:

Successful homeownership contributes to strong and stable families and communities. Successful homeownership is more than purchasing a home; a successful homeowner is able to maintain the home in a decent and safe condition. A safe living environment is one of the factors that helps aging adults remain in their home. Minnesota Housing's rehabilitation loan program serves the highest percentage of seniors among the Agency's single family loan programs.

See the 2011 Program Assessment report for additional results information:

http://www.mnhousing.gov/idc/groups/administration/documents/document/mhfa_012258.pdf

Performance Measures	Previous	Current	Trend
Number of households most in need that received rehabilitation loans	66%	70%	Improving
Percentage of rehabilitation loans provided to seniors.	27%	34%	Improving

Performance Measures Notes:

Households most in need are defined as households with 30 percent of HUD area median income. The previous measures in this program are from FY 2010 and current measures are from FY 2011.

Budget Activity: Homeowner Rehabilitation
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$11,885		\$11,885
Current Law Expenditures (FY 2014-15)		\$6,631		\$6,631
Governor's Recommended Expenditures (FY2014-15)		\$17,717		\$17,717
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$11,086		\$11,086
% Change from FY 2014-15 Current Law to Governor's Rec		167%		167%

Budget Activity: Homeowner Rehabilitation**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$983		\$983
REVENUE		\$1,500		\$1,500
TRANSFERS IN		\$15,984		\$15,984
APPROPRIATION	\$15,984	\$0		\$15,984
SOURCES OF FUNDS	\$15,984	\$18,467		\$34,451
BALANCE FORWARD OUT		\$750		\$750
TRANSFERS OUT	\$15,984			\$15,984
EXPENDITURES		\$17,717		\$17,717
PAYROLL EXPENSE				
OPERATING EXPENSES		\$575		\$575
OTHER FINANCIAL TRANSACTIONS		\$6,056		\$6,056
GRANTS, AIDS AND SUBSIDIES		\$11,086		\$11,086
USES OF FUNDS	\$15,984	\$18,467		\$34,451

Housing Finance

Preservation/ Project-Based Rental Assistance

www.mnhousing.gov

Statewide Outcome(s):

Project-based rental assistance supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

Context:

The project-based rental assistance activity helps strategically preserve the existing affordable housing stock by effectively administering the housing assistance payment contracts for nearly 32,000 units of Section 8 housing and 500 units of Section 236 housing. In order to ensure that federal rental subsidies are made for low- and moderate-income tenants, certain administrative function must be performed in a timely and accurate manner. Tenants and owners of federally subsidized housing are the beneficiaries of this activity. These tenants have among the lowest incomes of any of the populations served by Minnesota Housing and cannot afford market rents. This activity is funded with federal Section 8 and Section 236 appropriations.

Strategies:

Three distinct federal subsidy programs (Section 8 performance based contract administration, Section 8 traditional contract administration, and Section 236) with similar, but not identical administrative requirements must be managed.

The functions include:

- providing tenant data necessary to determine subsidy levels;
- processing annual rent adjustments;
- performing annual management and occupancy reviews; and
- responding to tenant concerns.

These activities are required in order for property owners to receive the federal subsidy. Timely receipt of the full amount of the contracted federal subsidy facilitates the proper maintenance of the housing while keeping the rents affordable to the lowest income Minnesotans. Preservation of subsidies for existing housing units provides decent housing for households at starting wages as well as housing stability that contribute to a family's economic stability. A stable workforce encourages business growth. Private owners of the federally subsidized rental housing developments, both for-profit and non-profit are the key partners in this.

Results:

The agency monitors various elements of a development's performance such as vacancy rates, reserve levels, physical conditions, loan repayments and operating costs to evaluate the long-term viability. The agency works with properties determined to be at risk of losing the federal subsidy to improve performance and ensure that the full amount of federal subsidy payments is made. The extent to which the agency is able to preserve those developments as part of the federal assistance programs is one indication of the effectiveness of the agency's contract administration. Success in preserving at-risk properties is dependent on a number of factors including the owner's cooperation, the level of federal subsidies as compared to operating costs and debt payments and overall economic conditions.

See the 2011 Program Assessment report for additional results information:

http://www.mnhousing.gov/idc/groups/administration/documents/document/mhfa_012258.pdf

	Previous	Current	Trend
Percentage of Section 8 rental (PBCA) at risk of converting to market-rate rents that renewed.	99%	100%	Stable

Performance Measures Notes:

Previous measures are from FY 2010 and current measures are from FY 2011.

Budget Activity: Project Based Rental Assistanc
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$362,571		\$362,571
Current Law Expenditures (FY 2014-15)		\$359,680		\$359,680
Governor's Recommended Expenditures (FY2014-15)		\$359,680		\$359,680
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Budget Activity: Project Based Rental Assistanc**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$359,680		\$359,680
SOURCES OF FUNDS		\$359,680		\$359,680
EXPENDITURES		\$359,680		\$359,680
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES		\$359,680		\$359,680
USES OF FUNDS		\$359,680		\$359,680

Housing Finance

Resident and Organization Support

<http://www.mnhousing.gov>

Statewide Outcome(s):

Resident and Organization Support supports the following statewide outcome(s).

Strong and stable families and communities.

Context:

The Resident and Organization Support activity provides support for some of the organizational infrastructure necessary to effectively deliver affordable housing throughout the state. Minnesota Housing relies on a robust network of partners to deliver many of the programs. This activity contributes to Minnesota Housing's ability to preserve existing affordable housing by ensuring that homeowners at risk of foreclosure receive intervention and counseling assistance. It also provides regional planning and coordinating activities and assistance to nonprofits for operating costs. This activity serves homeowners faced with foreclosure and low and moderate income first-time homebuyers, nonprofit development organizations, and regional planning networks.

Funding for this program comes from state appropriations to the Homeownership, Education, Counseling and Training Program (M.S. 462A.209), the Nonprofit Capacity Building Grant Program (M.S. 462A.21, Subd. 3b), and the Manufactured Home Relocation Trust Fund (M.S. 462A.35).

Strategies:

Through this activity, Minnesota Housing works with strategic partners throughout the state to create the infrastructure to preserve affordable housing.

Homebuyer Training and Foreclosure Prevention Counseling: Minnesota Housing has worked in collaboration with many other organizations to design a comprehensive statewide delivery network for homebuyer training and education, overseen by the Minnesota Home Ownership Center, which is a nonprofit organization based in St. Paul. The homebuyer training network is supported not only by the state, but also by lending institutions and their foundations. Experienced nonprofit organizations receive grants to provide both pre-purchase and post-purchase homebuyer counseling for low and moderate income first-time homebuyers. Foreclosure prevention counseling has increased due to the surge in home foreclosures and delinquencies in recent years. In collaboration with the counseling network, Minnesota Housing provides funding for foreclosure prevention counseling to help homeowners avoid foreclosure whenever possible.

Regional Planning and Coordination: Through the Nonprofit Capacity Building Grant Program Minnesota Housing funds the development of regional Continuum of Care plans for the coordination and implementation of housing and service systems to meet the needs of homeless households, identification of funding and service gaps, and establishment of priorities for state and federal funding.

Operating Support for Nonprofit Developers: Using both state general fund appropriations and federal funds, Minnesota Housing maintains an operating support program to provide multi-year ongoing operating funds to build nonprofit capacity through a system of intermediaries.

Manufactured Home Relocation Trust Fund: The Minnesota Manufactured Housing Relocation Trust Fund (Trust Fund) was created in 2007 by the Minnesota Legislature to provide participating homeowners in manufactured home parks compensation in the event that all or part of their manufactured home park closes. Each manufactured park owner is assessed \$12.00 per licensed lot. Park owners are authorized to recoup the \$12.00 fee from residents in either a lump sum or as part of the monthly rent. The Act requires park owners to make payments to the Trust Fund when a manufactured housing park is being closed or the land will no longer be used as a manufactured housing park. Payments are made to Minnesota Management and Budget. Minnesota Housing is responsible for processing requests and payments to homeowners.

Each of these activities helps to preserve affordable housing and improve coordination among Minnesota Housing's private, nonprofit, and local government partners, creating stronger communities across the state.

Results:

The activities under this program are an important part of creating the infrastructure necessary to preserve affordable housing. Minnesota Housing tracks its performance under this program by measuring indicators that track the effectiveness of foreclosure prevention activity and regional planning. Minnesota continues to be a national leader in foreclosure prevention counseling. The June 7, 2010 report to Congress on National Foreclosure Mitigation Counseling showed that Minnesota delivered 3.4 percent of housing counseling units nationwide, despite only having 1.18 percent of foreclosures nationwide. By comparison, the state of Florida delivered 7.5 percent of housing counseling units, but has 24.22 percent of the nation's foreclosures.

One goal of foreclosure prevention counseling is to help homeowners who are facing foreclosure avert it when possible. Minnesota Housing measures its performance based on foreclosures prevented as a percentage of closed counseling cases. This information is tracked by Minnesota Housing's partner organization, the Minnesota Home Ownership Center. The Homeownership Center updates those percentages on an ongoing basis because many counseling cases carry over from year to year. Although the percentage decreased slightly from FY2010 to FY 2011, the agency considers it to be stable because not all of the FY 2011 counseling cases were complete as of the date the report was published.

Regional Continuum of Care planning is an essential component of applying for federal funds for homelessness assistance and prevention. Minnesota Housing's goal in supporting the Continuum of Care planning process is to maximize the amount of federal funding that are awarded to the state for homelessness prevention, housing and services.

See the 2011 Program Assessment report for additional results information:

http://www.mnhousing.gov/idc/groups/administration/documents/document/mhfa_012258.pdf.

Performance Measures	Previous	Current	Trend
Foreclosures prevented as a percentage of closed counseling cases.	66%	60%	Stable
Federal money leveraged for Continuum of Care organizations per dollar of state money spent on technical assistance.	\$109	\$114	Improving

Performance Measures Notes:

Previous measures in this program are from FY 2010 and current measures are from FY 2011.

Budget Activity: Resident And Organization Supp
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$11,201		\$11,201
Current Law Expenditures (FY 2014-15)		\$4,642		\$4,642
Governor's Recommended Expenditures (FY2014-15)		\$4,642		\$4,642
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Budget Activity: Resident And Organization Supp
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$1,174		\$1,174
REVENUE		\$2,690		\$2,690
TRANSFERS IN		\$1,752		\$1,752
APPROPRIATION	\$1,752	\$0		\$1,752
SOURCES OF FUNDS	\$1,752	\$5,616		\$7,368
BALANCE FORWARD OUT		\$974		\$974
TRANSFERS OUT	\$1,752			\$1,752
EXPENDITURES		\$4,642		\$4,642
PAYROLL EXPENSE				
OPERATING EXPENSES		\$2,592		\$2,592
GRANTS, AIDS AND SUBSIDIES		\$2,050		\$2,050
USES OF FUNDS	\$1,752	\$5,616		\$7,368

Housing Finance Administration

<http://www.mnhousing.gov>

Statewide Outcome(s):

Administration supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

Context:

Minnesota Housing works to finance affordable housing for low and moderate income households while fostering strong communities. In 2012, Minnesota Housing created a new [Strategic Plan](#) that includes five strategic priorities: preserve federally-subsidized rental housing, promote and support successful homeownership, address specific and critical needs in rental housing markets, prevent and end homelessness, prevent foreclosures and support community recovery. Homebuyers, homeowners, and tenants with low to moderate incomes benefit from the administration of the agency's programs.

Strategies:

Minnesota Housing staff engages in a number of activities to ensure that state-appropriated, federal and other funds are well invested and that the investments are well managed. Minnesota Housing has two primary business divisions that conduct a variety of tasks in order to meet these objectives. The agency also has a finance division that oversees the agency's assets, and several support divisions that help the agency meet its goals and support strong and stable families and communities throughout the state.

Single Family: The single family division implements the various homeownership assistance programs provided by Minnesota Housing. Activities include: processing loan reservations and disbursements, compliance monitoring of funds used for homeownership assistance, monitoring of loan servicers, and provision of delinquency assistance and cost mitigation tools.

Multifamily: The multifamily division conducts review and oversight of multifamily rental properties. Activities include: underwriting, construction, marketing/initial rent-up, long-term management, and oversight for troubled properties. The division also does monitoring to ensure compliance with its federal programs, including: Section 8, Section 236, Low-Income Housing Tax Credits, and the HOME Investment Partnership program. The multifamily division is the contract administrator for many Section 8 housing developments. Minnesota Housing administers 87.3 percent of the state's Section 8 units, or more than 30,000 units of affordable rental housing.

Finance: The finance team is responsible for managing the agency's investments and debt, and for overseeing the agency's bond sales. As of June 30, 2012, Minnesota Housing had approximately \$3.2 billion in assets and its bond issuer ratings were "AA+" and "Aa1" from Standard and Poor's Rating Services and Moody's Investor Service, Inc., respectively. Minnesota Housing's credit ratings are separate from, and are not directly dependent on, ratings on debt issued by the State of Minnesota.

Support Divisions: In addition to the two primary business divisions and the finance division, Minnesota Housing has a number of support divisions, including: Business and Technology Support, Policy and Community Development, Planning and Administration, and Legal and Risk Management.

Results:

In setting an administrative budget, the agency seeks to strike an appropriate balance between maximizing agency resources available for housing needs and investing in adequate staff and technology to ensure efficient operations, appropriate oversight, and quality housing. Total operating costs as a percentage of assistance provided typically does not exceed five percent. In the past two years, this number has been under 3.5 percent.

See the 2011 Program Assessment report for additional results information:

http://www.mnhousing.gov/idc/groups/administration/documents/document/mhfa_012258.pdf

Performance Measures	Previous	Current	Trend
Operating costs as a percentage of assistance provided.	3.41%	3.21%	Stable

Performance Measures Notes:

Previous measures are from FY 2010 and current measures are from FY 2011.

Program: Administration

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$51,366		\$51,366
Current Law Expenditures (FY 2014-15)		\$56,039		\$56,039
Governor's Recommended Expenditures (FY2014-15)		\$56,039		\$56,039
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Program: Administration

Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$100,236		\$100,236
REVENUE		\$55,900		\$55,900
SOURCES OF FUNDS		\$156,136		\$156,136
BALANCE FORWARD OUT		\$100,057		\$100,057
TRANSFERS OUT		\$40		\$40
EXPENDITURES		\$56,039		\$56,039
PAYROLL EXPENSE		\$41,267		\$41,267
OPERATING EXPENSES		\$14,771		\$14,771
USES OF FUNDS		\$156,136		\$156,136

Federal Funds Summary

Table

Federal Award Name + Brief Purpose	New grant	Required state match/MOE? Yes/No		SFY 2012 Revenues	SFY 2013 Revenues	Estimated SFY 2014 Revenues	Estimated SFY 2015 Revenues
		Match	MOE				
Emergency Homeownership Loan Program	No	No	No	\$549	\$337	0	0
Energy Rebate	No	No	No	5	0	0	0
HOME	No	No	No	8,888	13,923	8,115	8,115
HOPWA - Housing Opportunities for People With AIDS	No	No	No	150	194	143	143
HUD – Sustainable Communities	No	No	No	140	81	0	0
National Foreclosure Mitigation Counseling	No	No	No	2,995	1,352	0	0
Neighborhood Initiative Grants	No	No	No	113	0	0	0
Neighborhood Stabilization Program	No	No	No	4,245	8,896	0	0
Section 8 – Agency Portfolio	No	No	No	74,983	70,854	71,115	71,115
Section 8 – Contract Administration	No	No	No	106,243	107,100	107,100	107,100
Section 236 Interest Reduction	No	No	No	1,504	1,625	1,625	1,625
Section 1602 Tax Credit Exchange	No	No	No	4,766	0	0	0
Tax Credit Assistance Program	No	No	No	6	0	0	0
Total				204,587	204,362	188,098	188,098

Narrative

Minnesota Housing receives federal funds from the U.S. Department of Housing and Urban Development (HUD) consistently for several programs including Section 8 and Section 236, HOME and the Housing Opportunities for Persons with AIDS Program (HOPWA). The HOME program requires a 25 percent state match; none of the other programs require a match. The Housing Trust Fund and the Bridges program provide the match for HOME. The state-funded Affordable Rental Investment Fund – Preservation (PARIF) program is used for preservation of existing Section 8 and other federally subsidized rental housing, such as Rural Development. This is housing that is at risk of opting out of the federal subsidy program or of losing their rent assistance contracts because the owners cannot afford to rehabilitate the properties.

In FY2012 the Agency received additional federal funds for the Emergency Homeownership Loan Program (EHL), the Neighborhood Stabilization Program (NSP), the National Foreclosure Mitigation Counseling Program (NFMC), Neighborhood Initiative Grants, the Tax Credit Exchange and Tax Credit Assistance Programs, and the Energy Rebate program. The NFMC program and EHL program were also funded for FY2013. These programs were short term federal programs developed in response to the housing crisis. The Agency does not expect to receive additional funding for those programs.

The Agency made estimates of federal funds for the 2014-15 Biennium based on FY2012 Federal appropriations. HUD funding levels could potentially be cut under sequestration, which would impact the level of HOME, HOPWA and Section 8 funds the state receives. The last available estimate of sequestration cuts for discretionary domestic programs from OMB is 8.2%. This estimate may no longer be accurate with recent passage of the American Taxpayer Relief Act of 2012, which delayed sequestration by two months and modified the spending reduction targets.

A trend over recent years has been to reduce funding for the HOME program. The Agency's annual award of HOME funds has been reduced from nearly \$10.5 million in 2010 to less than \$6.2 million in 2012. We anticipate similar funding level in 2013. Similar reductions are experienced by local HOME entitlement communities in Minnesota.

The agency expects that HUD will have some flexibility in managing the effects of sequestration in the short- and medium-term in the Section 8 program, but less in the HOME and HOPWA programs.

Note: on budget reports for Minnesota Housing, federal funds are displayed in "other state funds," not the federal fund.

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Mission:

The mission of the Department of Human Rights (MDHR) is to ensure that people in Minnesota are free from discrimination in education, employment, housing and real property, in public accommodations and in public services because discrimination threatens the rights and privileges of all and undermines our democracy.

Statewide Outcome(s):

Human Rights supports the following statewide outcome(s).

People in Minnesota are safe.

Minnesotans have the education and skills needed to achieve their goals.

A thriving economy that encourages business growth and employment opportunities.

Context:

Human Rights functions in a very fluid environment where the agency has to be responsive to a wide variety of issues, varied substantive areas of law and many different viewpoints as it enforces the Minnesota Human Rights Act, Chapter 363A and develops statewide human rights best practices.

The agency serves a varied customer base. Individuals alleging discrimination, those accused of discrimination, the legal community, and state vendors are the primary customers and/or clientele. The customer base includes individuals, school districts, businesses, attorneys, local government, state agencies, local human rights commissions, and local and federal human rights enforcement agencies, schools, state administrative agencies and individuals.

The Enforcement Unit seeks to ensure all individuals are free from discrimination in areas of public goods and public accommodation by drafting discrimination complaints, investigating discrimination charges and determining whether the allegations of discrimination warrant a formal investigation in a timely manner. If the Department makes a probable cause finding of discrimination and is unable to successfully conciliate the matter, the Commissioner may proceed with legal recourse. Filing a complaint of discrimination can be done by telephone, in person or online. For additional information regarding the Complaint Handling Process, please visit: <http://www.humanrights.state.mn.us/intake/index.html>

The Contract Compliance Unit seeks to ensure that all individuals have an opportunity for gainful employment on state projects by monitoring state contractor compliance with applicable affirmative action provisions for select contracts over \$100,000, by providing technical assistance to state contractors and when appropriate by initiating administrative proceedings to ensure compliance with Minnesota law. In 1985, Minnesota law established that the Commissioner of Human Rights issue goals and timetables for minority and female utilization in state funded construction projects. The hiring goals for the seven county metropolitan area were updated on April 4, 2012, to more accurately reflect Minnesota's increasing diversity.

The Commissioner seeks to ensure that all individuals are not limited in pursuing opportunities by intentional or unintentional acts of discrimination. The Commissioner, through education, negotiation and persuasion, facilitates this work by analyzing practices, policies and customs in collaboration with a variety of stakeholders.

Funding for the agency is through legislative appropriation.

Strategies:

The Enforcement Unit in the past fiscal year made several changes to improve performance and streamline the process of filing and investigating a charge of discrimination. The Department eliminated the practice of mailing questionnaires to people seeking to file charges of discrimination and implemented an initiative to draft charges of discrimination within one week of initial contact with the charging party. As a result of eliminating the use of questionnaires, the Department shortened the length of time of drafting charges of discrimination by

approximately 90 days. The Department also provided training to Enforcement Officers on a variety of topics related to conducting investigations, analyzing claims under the Minnesota Human Rights Act and drafting investigation memoranda. Finally, the Department provided more authority to enforcement officers to make decisions concerning requesting documents and being able to draft no probable cause determination decisions earlier in the process if the charge clearly lacks merit.

During the last quarter of the fiscal year, the Department began to systematically analyze how to improve its processes related to the issuance of certificates of compliance, conducting desk audits and on-site audits and issuing regular technical assistance to contractors and administrative agencies.

The Commissioner has been active in eliminating discriminatory practices and disparate outcomes in education during the past fiscal year by serving on the Governor’s School Bullying Task Force, partnering with the Commissioner of Education Brenda Cassellius to convene the first Native American Education Summit, and to hold an Educational Listening Session with all of the State Councils. The Commissioner has also been active, through service on the Diversity & Inclusion Council, in implementing best practices related to the State’s Affirmative Action Program and Contracting Program.

Results:

The Enforcement Unit is committed to ensuring that charges are processed within one year by improving all aspects of the investigative process. Specifically, the agency is achieving this goal by:

- Empowering Enforcement Officers to draft no probable cause determination decisions early in the process if the charge clearly lacks merit.
- Providing more than ten training opportunities for Enforcement Officers.
- Restructuring the Enforcement Unit

The Contract Compliance Unit is committed to providing meaningful technical assistance and information to contractors and administrative agencies to achieve the goals set forth within their contracts. The Compliance Unit’s goals include:

- 90% of certificates of compliance are issued on a timely basis;

Performance Measures	Previous	Current	Trend
Investigative Memorandums Completed	181	429	Improving
Average number of days to Complete No Probable Cause Determinations	406	336	Improving
Total Charges Filed	835	752	Stable
Compliance – New Contractors Certified	121	114	Stable
Compliance – Contractors Renewed	560	680	Improving
Compliance Audits	50	61	Improving

Performance Measures Notes:

The Department has identified the total charges filed trend as stable due in part to the government shutdown limiting the number of charges that could be drafted during the fiscal year. The Performance Measures reflect FY 2011 (previous) and FY 2012 (current).

Human Rights

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$6,339	\$196	\$3	\$6,538
Current Law Expenditures (FY 2014-15)	\$6,336	\$272	\$0	\$6,608
Governor's Recommended Expenditures (FY2014-15)	\$6,594	\$272	\$0	\$6,866
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$258	\$0	\$0	\$258
% Change from FY 2014-15 Current Law to Governor's Rec	4%	0%	0%	4%

Human Rights
Sources and Uses

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$0	\$522	\$0	\$522
REVENUE		\$462	\$220	\$682
APPROPRIATION	\$6,594	\$0	\$0	\$6,594
SOURCES OF FUNDS	\$6,594	\$984	\$220	\$7,798
BALANCE FORWARD OUT	\$0	\$712	\$0	\$712
TRANSFERS OUT		\$0	\$220	\$220
EXPENDITURES	\$6,594	\$272	\$0	\$6,866
PAYROLL EXPENSE	\$5,346	\$216		\$5,562
OPERATING EXPENSES	\$1,234	\$50	\$0	\$1,284
OTHER FINANCIAL TRANSACTIONS	\$14	\$6		\$20
USES OF FUNDS	\$6,594	\$984	\$220	\$7,798

Human Rights

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Ensure Good Faith Efforts of State Vendors through Contract Compliance

The Governor recommends adding two Enforcement Officers exclusively dedicated for contract compliance. This activity reviews and audits all state contracts over \$100,000 for compliance with required affirmative action plans. Large projects such as the People's Stadium, the St. Croix Lift Bridge, and the Light Rail Project, are included.

Performance Measures:

The department will be able to assure compliance on both larger and smaller contracts with the state in a timely manner.

General Fund	Expenditure	129	129	258	129	129	258
	Net Change	129	129	258	129	129	258

Modify Certificate of Compliance Fee and Renewal Period

The Governor recommends changes to the Certificate of Compliance fee and collection period. The current \$75 fee is charged every two years for firms doing more than \$100,000 business with the state. The change would double the fee to \$150, but it would be collected every four years instead of every two. Firms would only have to apply for the Certificate of Compliance once every four years.

Performance Measures:

The department will be able to streamline and reduce its administrative processes to focus more of its resources on activities that positively impact the employment opportunities of historically disenfranchised groups.

Other Funds	Revenue	55	55	110	(55)	(55)	(110)
	Net Change	(55)	(55)	(110)	55	55	110

Net All Change Items

General Fund	129	129	258	129	129	258
Other Funds	(55)	(55)	(110)	55	55	110
Net Change	74	74	148	184	184	368

Human Rights
All Funds FTE by Program

	Current	Forecast Base	Governor's Recommendation
Program	FY 2013	FY 2015	FY 2015
Program: Human Rights Enforcement	29.6	29.6	31.6
Human Rights	29.6	29.6	31.6

Human Rights
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Dedicated	FEDERAL GRANTS			0	0
	DEPARTMENTAL EARNINGS		220		220
	ALL OTHER		242	220	462
	Subtotal		462	220	682
	Total		462	220	682

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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. Our values are:

- We focus on people, not programs.
- We provide ladders up and safety nets for the people we serve.
- We work in partnership with others; we cannot do it alone.
- We are accountable for results, first to the people we serve and, ultimately, to all Minnesotans.

DHS practices these shared values in an ethical environment where integrity, trustworthiness, responsibility, respect, diversity, justice, fairness and caring are of paramount importance.

Statewide Outcome(s):

Human Services supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

People in Minnesota are safe.

Context:

Minnesota's human services delivery system has a strong tradition of providing services for people in need and helping them live as independently as possible. The Minnesota Department of Human Services (DHS) plays a key role in that effort, along with Minnesota counties and tribes – which administer most direct services – and an array of community partners in the private sector. DHS provides oversight and direction for many health and human services programs, making sure providers meet service expectations. DHS employees also provide direct care and treatment to people with mental illness, chemical dependency and developmental disabilities as well as to individuals civilly committed for sex offender treatment.

Examples of the service administered by DHS include:

- An array of health care programs -- including Medical Assistance, MinnesotaCare, the Healthy Minnesota Contribution Program, and the Chemical Dependency Treatment Fund -- which purchase medical care and related home- and community-based services for children, the elderly and people with low incomes or disabilities.
- Economic support programs -- including the Minnesota Family Investment Program, the Diversionary Work Program, child support enforcement, child care assistance, Minnesota Supplemental Assistance, General Assistance, and the Supplemental Nutrition Assistance Program -- which provide assistance to Minnesotans in poverty or at risk of poverty as they work to re-establish their livelihoods.
- Child safety and well-being services designed to identify children subject to or at risk of abuse or neglect, and to intervene to improve the safety and quality of their home life or, if that isn't possible, to place them with safe and loving foster, relative or adoptive families.
- A number of grant programs to support local delivery of human services for a variety of populations in need, including recent refugee immigrant populations, adults and children with mental illness or substance abuse problems, people who are deaf or hard of hearing, vulnerable adults and the elderly.
- Direct care provided through a statewide array of community-based and residential services for people with mental illness, chemical dependency, developmental disabilities and/or an acquired brain injury, some of whom are civilly committed by the court because they may pose a risk to themselves or others.

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- Inpatient services and treatment to people who are committed by the court as a sexual psychopathic personality or a sexually dangerous person.

Strategies:

DHS emphasizes several strategies across its budget activity and program areas to realize its mission and support the statewide outcomes listed above. The strategies currently emphasized within DHS are organized in four broad categories:

Provide smart care that keeps people healthy and in their homes and communities

- Keep more people fed and healthy by increasing nutrition assistance participation, especially for seniors.
- Better protect vulnerable adults, especially those directly in our care.
- Increase the number of Minnesotans served in their homes and communities rather than in institutions.
- Create pathways to employment.
- Increase access to affordable health care.
- Integrate primary care, behavioral health and long-term care.
- Launch a campaign to encourage people to plan for long-term care.
- Keep more children out of foster care and safely with their families.

Redesign our care delivery systems

- Institute payment reform in health care purchasing.
- Create a new partnership model for our work with counties and tribes.
- Use technology to increase our outreach through online applications, a new website and e-licensing initiatives.
- Develop secure alternatives for a select group of Minnesota Sex Offender Program clients.
- Develop integrated services through smarter use of technology.
- Implement MnCHOICES assessment model to better align services to individual needs.

Narrow disparities and improve outcomes

- Enhance capacity of our tribal partners to assume more direct service delivery
- Decrease the disproportionate number of children of color in out-of-home placements
- Narrow the health care quality gap between clients in publicly funded health care and private enrollees
- Increase enrollment outreach to communities of color
- Improve life expectancy for people with a serious mental illness
- Increase access to high quality child care

Reduce fraud, waste and abuse

- Establish Office of Inspector General to improve fraud prevention and lead to increased prosecutions and collections of overpayments.
- Expand field investigations through Medicaid Recovery Audit Contracts.
- Create new enforcement tools including background study expansion, data analytics and financial integrity standards in licensing.

Measuring Success:

The DHS Dashboard -- <http://dashboard.dhs.state.mn.us/default.aspx> -- provides Minnesotans with a simple way to track the department's progress toward key agency goals. Since June 2011, the DHS Dashboard has outlined and charted progress toward goals in four priority areas: people, innovation, equity and program integrity.

Human Services

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$10,277,752	\$3,308,535	\$12,367,767	\$25,954,054
Current Law Expenditures (FY 2014-15)	\$11,059,682	\$3,824,485	\$14,952,040	\$29,836,206
Governor's Recommended Expenditures (FY2014-15)	\$11,165,096	\$3,719,990	\$14,957,240	\$29,842,325
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$105,414	(104,495)	\$5,200	\$6,119
% Change from FY 2014-15 Current Law to Governor's Rec	1%	(3%)	0%	0%

Human Services
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	\$0	\$73,322	\$31,271	\$104,593
REVENUE	\$0	\$2,604,243	\$14,442,709	\$17,046,952
TRANSFERS IN	\$159,490	\$318,948	\$0	\$478,438
APPROPRIATION	\$11,469,773	\$822,420	\$514,533	\$12,806,726
SOURCES OF FUNDS	\$11,629,263	\$3,818,933	\$14,988,513	\$30,436,709
BALANCE FORWARD OUT		\$61,179	\$31,271	\$92,450
TRANSFERS OUT	\$464,170	\$37,762	\$0	\$501,932
EXPENDITURES	\$11,165,096	\$3,719,990	\$14,957,240	\$29,842,325
PAYROLL EXPENSE	\$527,231	\$319,488	\$35,049	\$881,767
OPERATING EXPENSES	\$168,090	\$441,245	\$332,533	\$941,867
OTHER FINANCIAL TRANSACTIONS	\$1,618	\$1,331,982	\$9,072	\$1,342,672
GRANTS, AIDS AND SUBSIDIES	\$10,468,125	\$1,627,238	\$14,580,587	\$26,675,950
CAPITAL OUTLAY-REAL PROPERTY	\$33	\$37		\$70
USES OF FUNDS	\$11,629,266	\$3,818,931	\$14,988,511	\$30,436,707

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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ACA: MA Eligibility and Enrollment Changes

The Governor recommends making changes to Medical Assistance (MA) processes and eligibility categories to comply with the federal Affordable Care Act. The changes include expanding MA coverage to children leaving foster care until age 26; aligning how income is counted across all insurance affordability programs including MA and premium tax credits; expanding spousal impoverishment protections for people with disabilities in home and community based services; removing the asset test for caretakers; changing enrollment procedures to certify enrollment eligibility annually instead of semi-annually; and permitting hospitals to presume patients' MA eligibility.

Performance Measures:

These eligibility and enrollment process changes will result in an additional average monthly enrollment of 65,000 people in MA. This proposal will reduce Minnesota's rate of uninsurance for persons below 200% of FPG, as measured by the annual Health Access Survey administered by MDH.

General Fund	Expenditure	30,243	136,070	166,313	152,649	165,685	318,334
	Net Change	30,243	136,070	166,313	152,649	165,685	318,334

ACA: Expand MA to Maintain Coverage for Children and Pregnant Women up to 275% FPG

The Governor recommends expanding Medical Assistance (MA) eligibility for children ages 2-18 and pregnant women from 150% FPG to 275% FPG effective January 1, 2014 to maintain the coverage for this population currently available in MinnesotaCare. It uses savings from moving this population from MinnesotaCare to MA to fund a portion of the cost.

Performance Measures:

This eligibility change will result in an additional average monthly enrollment of 106,000 people in MA, 47,000 of which weren't previously covered on any public program. This proposal will reduce Minnesota's rate of uninsurance for persons at or below the MA program income eligibility limits, as measured by the annual Health Access Survey administered by MDH.

General Fund	Expenditure	47,363	141,989	189,352	182,250	184,852	367,102
Other Funds	Expenditure	(26,875)	(73,076)	(99,951)	(84,084)	(87,705)	(171,789)
	Net Change	20,488	68,913	89,401	98,166	97,147	195,313

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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ACA: Implement Optional MA Expansions to 138% of FPG

The Governor recommends the expansion of Medical Assistance (MA) coverage to additional eligibility groups including childless adults with incomes between 75% and 138% of federal poverty guidelines (FPG) and parents and 19 and 20 year olds with incomes between 100% and 138% FPG, which is provided as an option to states under the federal Affordable Care Act (ACA). This proposal assumes the expansion will move 53,000 average monthly enrollees from MinnesotaCare to Medical Assistance in FY 2015 and will add an additional 34,000 average monthly enrollees who are currently uninsured. Going forward in FY 2015, adults without children, 19 and 20 year olds, and legal noncitizens will be covered under the Medical Assistance program in the health care access fund.

Performance Measures:

This proposal will reduce Minnesota's rate of uninsurance for persons at or below 138% of FPG, as measured by the annual Health Access Survey administered by MDH.

General Fund	Expenditure	(257,083)	(5,942)	(263,025)	16,441	(23,262)	(6,821)
Other Funds	Expenditure	141,426	(251,501)	(110,075)	(350,560)	(297,268)	(647,828)
	Net Change	(115,657)	(257,443)	(373,100)	(334,119)	(320,530)	(654,649)

Continued EMA Coverage for Cancer and Dialysis

The Governor recommends continuing Emergency Medical Assistance (EMA) coverage for cancer and dialysis. Such coverage is currently set to expire on June 30, 2013. This proposal removes the sunset date from statute, allowing coverage to continue permanently. Emergency Medical Assistance provides joint federal and state funded health care coverage for non-citizens, regardless of their immigration status.

Performance Measures:

This proposal continues access to services for EMA patients.

General Fund	Expenditure	2,420	2,901	5,321	2,901	2,901	5,802
	Net Change	2,420	2,901	5,321	2,901	2,901	5,802

Managed Care Organization Contract Savings

The Governor recommends capturing savings that occurred as a result of negotiating lower than previously forecast contract rates with managed care providers.

Performance Measures:

This proposal recognizes savings realized through active negotiations with Managed Care Organizations.

General Fund	Expenditure	(58,883)	(30,736)	(89,619)	(30,736)	(30,736)	(61,472)
Other Funds	Expenditure	15,844	14,632	30,476	14,632	14,632	29,264
	Net Change	(43,039)	(16,104)	(59,143)	(16,104)	(16,104)	(32,208)

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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PMAP MERC Investment

The Governor recommends increasing the portion of Medical Education Research Costs (MERC) funding that runs through the Medical Assistance program starting in FY 2014. MERC funding provides grants to health care providers who train medical students. Under current law, the state would spend \$36.7 million on all PMAP MERC programming. This proposal increases that to \$49.5 million or 34%, restores funding to the FY 2011 level, and generates a 50% federal match of these dollars.

Performance Measures:

The Medical Education and Research Costs Fund investment offsets lost patient care revenue for teaching institutions engaged in clinical training key to the health and economic well-being of Minnesotans.

General Fund	Expenditure	6,404	6,404	12,808	6,404	6,404	12,808
	Net Change	6,404	6,404	12,808	6,404	6,404	12,808

MA Rate Increase for Targeted Service Categories

The Governor recommends increasing Medical Assistance rates for specific categories of service to maintain provider access for public program participants. Specifically, this increase applies to inpatient hospital, outpatient, mental health, basic care, and physician and professional services in MA fee for service, and dental services in both fee for service and managed care. The physician and professional services include primary care, podiatry, chiropractic, audiology, vision, radiology, and mental health. This increase is effective January 1, 2014 at a cost of \$27.2 million to the general fund in the 2014-15 biennium.

Performance Measures:

These increases will bring MA rates closer to Medicare rates and industry payment standards.

General Fund	Expenditure	5,848	21,344	27,192	23,195	24,777	47,972
	Net Change	5,848	21,344	27,192	23,195	24,777	47,972

Supplemental Rebates for Diabetic Test Strips

The Governor recommends implementing bulk purchasing for diabetic test strips by deeming certain brands as "preferred", allowing the state to negotiate higher rebates from those preferred brands to create savings to the state.

Performance Measures:

This proposal aligns with other existing department purchasing initiatives and provides savings to the overall budget solution through agency efficiencies.

General Fund	Expenditure	(103)	(421)	(524)	(421)	(421)	(842)
	Net Change	(103)	(421)	(524)	(421)	(421)	(842)

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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SMAC for HCPCS Drug Codes

The Governor recommends expanding SMAC (State Maximum Allowable Cost) pricing to cover drugs administered in a clinical setting. SMAC pricing caps the rates pharmacies receive from Medical Assistance for drugs. Currently SMAC pricing is just available for drugs administered in a pharmacy and does not include those administered in a clinical setting. This would expand those rates to drugs also administered in a clinical setting to create savings to the state.

Performance Measures:

Permitting the use of State Maximum Allowable Cost when paying for drugs administered in a clinical setting creates consistency with payment policies for pharmacist administered drugs.

General Fund	Expenditure	(22)	(25)	(47)	(25)	(25)	(50)
	Net Change	(22)	(25)	(47)	(25)	(25)	(50)

Child and Teen Check-up Rate Change

The Governor recommends recalculating Medical Assistance rates for check-ups for children and teens. The rates, as currently calculated in administrative rule, include reimbursement for vaccines that are free to providers under the "Vaccines for Kids" program administered by the Minnesota Department of Health. This law change is required to override the administrative rule and align the rate calculation to new statute.

Performance Measures:

This rate adjustment is needed to align with the broader context of state law and provides savings to the overall budget solution through agency efficiencies.

General Fund	Expenditure	(349)	(590)	(939)	(714)	(742)	(1,456)
Other Funds	Expenditure	(2)	0	(2)	0	0	0
	Net Change	(351)	(590)	(941)	(714)	(742)	(1,456)

340B Drug Reimbursement

The Governor recommends making changes to drug reimbursement rates for providers enrolled as 340B providers with the United States Department of Health and Human Services to create a more consistent reimbursement methodology. Currently, different reimbursement rates apply to different 340B providers, based on when they negotiated their contract. This would make the methodology used to determine reimbursements consistent across all providers and would create some savings to the state from doing so.

Performance Measures:

This proposal will result in a consistent state policy for pharmacy claims payments to providers participating in the federal 340B pharmacy discount program in accordance with federal guidance.

General Fund	Expenditure	(1,538)	(3,710)	(5,248)	(3,746)	(3,805)	(7,551)
	Net Change	(1,538)	(3,710)	(5,248)	(3,746)	(3,805)	(7,551)

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Reform 2020: Enhance Vulnerable Adult Protection

The Governor recommends increasing protections for vulnerable adults through a multi-prong approach. These include creating a statewide common entry point for reporting suspected abuse, raising awareness of adult maltreatment through expanded public outreach, providing increased support to county adult protection units, and enhancing the state's role in providing quality oversight to the adult protection system. This item is contingent on federal approval.

Performance Measures:

Enhancing Vulnerable Adult Protection in Minnesota will have a direct and highly visible impact on the Framework for the Future goal of better protecting the state's vulnerable adults. The success of this proposal will be measured by an increase in the timeliness and responsiveness of the adult protection system. Proposed performance measures include: 1) percent of reports of suspected maltreatment that are forwarded by the common entry point to the lead investigative agency within required timelines (2 working days); 2) percent of reports assigned for investigation within required timelines (5 working days); and percent of reports where protective services were provided in a timely manner.

General Fund	Expenditure	4,019	4,499	8,518	4,498	4,481	8,979
	Net Change	4,019	4,499	8,518	4,498	4,481	8,979

Reform 2020: Alternative Care and Essential Community Supports FFP

The Governor recommends seeking federal match on two state-only funded programs: Alternative Care (AC) and Essential Community Supports (ECS). This proposal does not alter the eligibility for or services provided through these programs. This item is contingent on federal approval.

Performance Measures:

This proposal will be successful if federal financial participation is obtained for the Alternative Care and Essential Community Supports programs and the resources generated are reinvested into services that support seniors being served in their homes and communities, measured by the percent of elderly who receive home and community based waiver services at home.

General Fund	Expenditure	(10,439)	(11,128)	(21,567)	(13,048)	(13,702)	(26,750)
	Net Change	(10,439)	(11,128)	(21,567)	(13,048)	(13,702)	(26,750)

Reform 2020: Improve Access to HCBS for those Age 65 and Older with Ventilator Dependency

The Governor recommends removing the requirement that individuals on Elderly Waiver who are dependent on a ventilator must stay in a nursing facility for at least 30 days before being eligible for an enhanced budget that is sufficient to support their needs in the community. This item is contingent on federal approval.

Performance Measures:

This proposal allows people with vent dependency to be better served in their homes and communities rather than in institutional settings. Success will be measured by an increase in the percentage of elderly waiver recipients with high needs living at home.

General Fund	Expenditure	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Reform 2020: First Contact – Simplification, Access and Transitions Support

The Governor recommends improving access to services and supports to assist older adults, people with disabilities, and their family members navigate long-term care options. Changes include streamlining the pre-admission screening process and simplifying funding for the MN Choice assessment to flow directly to counties. Additionally, this proposal expands the Return to Community (RTC) model of ongoing follow-up and support to new targeted populations. This item is contingent on federal approval.

Performance Measures:

This proposal will be successful if more people are served in their communities rather than an institution. Proposed performance measures include: 1) the percent of people who receive home and community-based waiver services at home; 2) the percent of people with low needs who receive services in an institutional setting; and, 3) the percent of people with low needs who receive home and community-based waiver services in a residential setting.

General Fund	Expenditure	1,907	(3,437)	(1,530)	(6,748)	(9,845)	(16,593)
	Net Change	1,907	(3,437)	(1,530)	(6,748)	(9,845)	(16,593)

Reform 2020: HCBS Critical Access Study and Service Development

The Governor recommends funding a variety of efforts aimed at better understanding and addressing the critical access needs of older adults and people with disabilities. Efforts include a one-time critical access study, ongoing support for the biennial gaps analysis survey of the Home and Community-Based Services system, and increased capacity at the regional level through ElderCare Development Partnerships. This item is contingent on federal approval.

Performance Measures:

This proposal will assess local capacity and availability of home and community based services. Service gaps will be addressed with enhanced funding to nonprofit, quasi-formal providers, helping older Minnesotans remain in their communities. A key performance indicator for this effort is the percent change in availability of HCBS identified by gaps analysis survey as gaps in critical access areas.

General Fund	Expenditure	2,438	1,868	4,306	2,303	1,868	4,171
	Net Change	2,438	1,868	4,306	2,303	1,868	4,171

Reform 2020: Individual Community Living Support (ICLS) Added to AC and EW

The Governor recommends adding Individual Community Living Support (ICLS) as a service to the Alternative Care program and the Elderly Waiver. The ICLS service offers older adults living in their own homes a coordinated package of services and ongoing awareness of their needs from a single provider of their choice. This allows older adults to remain in their own homes for a longer period of time, delaying use of more expensive long-term care alternatives. This item is contingent on federal approval.

Performance Measures:

Adding ICLS as a service to the Alternative Care and Elderly Waiver will delay using more expensive services and allow seniors to live in their own homes for a longer period of time. The success of this proposal is measured through the following indicators: 1) the percent of people who receive home and community-based waiver services at home; 2) the percent of people with high needs who receive home and community-based waiver services in their own home; and 3) the percent of people with low needs who receive home and community-based waiver services in a residential setting.

General Fund	Expenditure	(65)	(3,338)	(3,403)	(6,944)	(6,944)	(13,888)
	Net Change	(65)	(3,338)	(3,403)	(6,944)	(6,944)	(13,888)

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Reform 2020: Crisis Diversion and Discharge Planning to Reduce Avoidable Costs

The Governor recommends reducing unnecessary hospital admissions by providing more comprehensive support to individuals who meet certain criteria. These support services will be available to individuals on Medical Assistance waivers who have certain behavioral health conditions and have been admitted to a hospital at least twice in the previous year. This item is contingent on federal approval.

Performance Measures:

This proposal will reduce unnecessary admissions and stays at hospitals, preventing utilization of costly health care services. This proposal will be successful if hospital stays and admissions for the target population are reduced.

General Fund	Expenditure	62	(905)	(843)	(1,832)	(1,894)	(3,726)
	Net Change	62	(905)	(843)	(1,832)	(1,894)	(3,726)

Reform 2020: Community First Services and Supports

The Governor recommends reforming the Personal Care Assistance (PCA) program to a new service called Community First Services and Supports (CFSS). CFSS will provide assistance with daily living, health-related tasks and skills acquisition, which enable individuals to stay in their homes. CFSS will be more flexible and responsive to persons served to remain at home, facilitate transition out of institutional care, and prevent or delay future admissions. Additionally, this proposal will test innovative models of service coordination across home, school and community for children receiving CFSS. This item is contingent on federal approval.

Performance Measures:

Reforming the PCA program and testing new models of service coordination will make these services more accessible and flexible, and will facilitate transition out of institutional care and prevent or delay future admissions. This proposal will be successful if the number of people being served in their own home or community rather than an institution increases. Key indicators to measure this include the percent of Long Term Care recipients served at home and the percent of Home and Community Based Services recipients served at home.

General Fund	Expenditure	(1,043)	45	(998)	(498)	(2,346)	(2,844)
	Net Change	(1,043)	45	(998)	(498)	(2,346)	(2,844)

Reform 2020: Work - Empower and Encourage Independence

The Governor recommends funding employment support services to employed individuals with the goal of preventing destabilization and reducing the likelihood of their need for disability benefits. Targeted populations include individuals ages 18 to 26 on Medical Assistance (MA), MA-Expansion group, and MA-Employed Persons with Disabilities. Wrap-around services will be provided by navigators (employed by community organizations) who will offer employment supports and benefits planning services including streamlined access to health insurance benefits information and integrated service delivery. This item is contingent on federal approval.

Performance Measures:

This new service will help contribute to economic stability and increase access to housing. This proposal will be successful if individuals maintain employment and delay or prevent the need to qualify for disability services. A key measure for this is the percent of monthly earnings over \$250/month for people with disabilities.

General Fund	Expenditure	342	57	399	(234)	(309)	(543)
	Net Change	342	57	399	(234)	(309)	(543)

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Reform 2020: Intensive Services for Children with Autism Spectrum Disorder

The Governor recommends funding for a comprehensive intensive intervention benefit for children with Autism Spectrum Disorder (ASD) who are on Medical Assistance. Covered services will seek to improve communication skills, increase social interactions, and reduce maladaptive behaviors for children with ASD at a critical time in their development.

Performance Measures:

This proposal provides services for children with autism that support acquisition of skills for optimal participation in their family, schools, and community life and promote successful integration into adulthood, reducing the need for institutional placements. Success will be measured by an increase in the percent of children with autism receiving the early intensive intervention benefit that show a reduced need for intensive intervention over time and demonstrate greater independence and functional participation in home, school, and community life by the time they reach 18 years of age in preparation for adulthood.

General Fund	Expenditure	3,740	8,260	12,000	8,260	8,260	16,520
	Net Change	3,740	8,260	12,000	8,260	8,260	16,520

Transition Initiatives for Certain Populations

The Governor recommends funding to help ease transitions back to the community for those who do not meet hospital level of care but are still in state-run treatment centers. This funding provides health insurance coverage on Medical Assistance waivers and specialized mental health services.

Performance Measures:

This proposal will be successful if more people are living in home and community based settings rather than institutions. Success of this proposal will be measured by: 1) Percent of Long-Term Care recipients receiving home and community-based services; 2) Percent of people receiving home and community based services.

General Fund	Expenditure	3,322	4,862	8,184	5,404	5,317	10,721
	Net Change	3,322	4,862	8,184	5,404	5,317	10,721

Nursing Facility Rate Increase and Quality Add-On

The Governor recommends increasing rates and establishing a quality add-on payment for nursing facilities. The quality add-on payment rewards facilities that make investments across five quality measures and funds additional improvements. All facilities will receive a general rate increase beginning October 2013.

Performance Measures:

Establishing a quality add-on will promote best practices and positive approaches in service delivery and provide the basis for provider incentives. This proposal will be successful if the Nursing Facility Quality of Life and/or Quality of Care measures tracked by the department improve.

General Fund	Expenditure	5,322	13,645	18,967	15,529	15,893	31,422
	Net Change	5,322	13,645	18,967	15,529	15,893	31,422

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Suspend APS Operating Rate Inflation for Nursing Facilities

The Governor recommends continuing the suspension of automatic operating rate increases for nursing facilities that has been in effect since 1999. This proposal extends the suspension for four more years.

Performance Measures:

This proposal provides savings to the overall budget solution through reduced expenditures.

General Fund	Expenditure	(4,706)	(12,067)	(16,773)	(14,604)	(14,944)	(29,548)
	Net Change	(4,706)	(12,067)	(16,773)	(14,604)	(14,944)	(29,548)

Suspend APS Property Rate Inflation for Nursing Facilities

The Governor recommends continuing the suspension of automatic property rate increases for nursing facilities that has been in effect since 2011. This proposal continues that suspension for four more years.

Performance Measures:

This proposal provides savings to the overall budget solution through reduced expenditures.

General Fund	Expenditure	(616)	(1,578)	(2,194)	(1,911)	(1,955)	(3,866)
	Net Change	(616)	(1,578)	(2,194)	(1,911)	(1,955)	(3,866)

HCBS Pay for Performance Initiative

The Governor recommends creating a performance improvement project program for providers of Home and Community Based Services for older adults and people with disabilities. These "pay for performance" programs will be launched in phases beginning with a two-year planning period followed by the start of the increased payments in FY 2016.

Performance Measures:

The HCBS Pay for Performance Initiative will inform quality measurement of services provided to older Minnesotans and those with disabilities. Future assessment data gathered through the MnCHOICES tool will provide information about a recipient's satisfaction with their services and providers. A key indicator will be the percent of recipients satisfied with their services.

General Fund	Expenditure	2,046	4,589	6,635	48,203	50,654	98,857
	Net Change	2,046	4,589	6,635	48,203	50,654	98,857

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Waiver Management Improvements

The Governor recommends enhancing management flexibility of the disability waivers in the Medical Assistance (MA) program. Changes include shifting waiver allocations between counties if dollars are not being used, managing corporate foster care capacity at the state level, and requiring waiver recipients to access the state MA services before accessing waiver-covered services.

Performance Measures:

This proposal increases the ability of the Department to more effectively manage the home and community-based services disability waiver programs. Success will be measured by an increase in the percentage of people with disabilities who receive Home and Community-Based Services.

General Fund	Expenditure	173	227	400	227	227	454
	Net Change	173	227	400	227	227	454

Quality Initiative: Positive Practice and Behavior Safeguards and Supports

The Governor recommends funding to support the adoption of best practices when addressing challenging behavior and establishing prohibitions on certain practices, such as restraint and seclusion and increasing positive approaches. This proposal will affect DHS-licensed home and community based services and programs for people with developmental disabilities.

Performance Measures:

Updating Minnesota Rules to reflect best practices in addressing challenging behavior will help ensure that all Minnesotans are healthy. This proposal will be successful if there is a reduction in the number of aversive procedures for people with disabilities. The department will measure and monitor the percent reduction of aversive and deprivation procedures for people with disabilities.

General Fund	Expenditure	412	372	784	372	372	744
	Net Change	412	372	784	372	372	744

Quality Initiative: Waiver Provider Standards Phase II

The Governor recommends funding to implement standards for home and community-based services (HCBS) waiver programs to meet federal compliance related to new 245D licensing standards for certain home and community-based service providers. Funding provides training and educational opportunities for providers and lead agencies. This educational effort will help providers understand how to conform to the updated standards to better ensure successful licensure.

Performance Measures:

Waiver Provider Standards will inform quality measurement of services provided to Minnesotans with disabilities. Future assessment data gathered through the MnCHOICES tool will provide information about a recipient's satisfaction with their services and providers.

General Fund	Expenditure	797	1,071	1,868	1,071	1,071	2,142
	Net Change	797	1,071	1,868	1,071	1,071	2,142

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Enhance Audit Activity Resources for Nursing Facilities

The Governor recommends increasing audit activity with the goal of increasing program integrity and reducing incorrect payments. Savings are identified when auditing activities reveal incorrect billings and erroneous payments.

Performance Measures:

Enhanced audit activities maintain integrity of nursing facility spending by reducing errors and irregularities. This proposal will result in decreased Medical Assistance expenditures as audit activities reveal errors in payments or rates. The department will measure the percent change in total Medical Assistance nursing facility spending.

General Fund	Expenditure	(14)	(139)	(153)	(318)	(502)	(820)
	Net Change	(14)	(139)	(153)	(318)	(502)	(820)

Restore Planned Closure Rate Adjustment Authority

The Governor recommends restoring the nursing facility Planned Closure Rate Adjustment (PCRA) program, which was discontinued in 2011. The PCRA program provides incentive payments for the planned closure of nursing home beds in areas of the state where excess bed capacity exists or where a rebalancing of long-term care services is desirable.

Performance Measures:

The Planned Closure Rate Adjustment (PCRA) program provides an incentive for nursing facilities to reduce beds, decreasing the number of people served in institutional settings. The department will measure the percent of long-term care recipients receiving institutional services.

General Fund	Expenditure	(1,167)	(3,526)	(4,693)	(5,532)	(7,246)	(12,778)
General Fund	Revenue	(397)	(1,194)	(1,591)	(1,790)	(2,187)	(3,977)
	Net Change	(770)	(2,332)	(3,102)	(3,742)	(5,059)	(8,801)

HIV Rebate Adjustment

The Governor recommends correcting a double appropriation for supplemental insurance premiums and case management services for people living with HIV/AIDS starting in SFY 2014. This proposal will not impact recipients.

Performance Measures:

HIV/AIDS drug rebate funding will be used instead of the 2012 payback funding and as a result, the proposal will not impact recipients.

General Fund	Expenditure	(4,462)	(2,038)	(6,500)	(2,038)	(2,038)	(4,076)
	Net Change	(4,462)	(2,038)	(6,500)	(2,038)	(2,038)	(4,076)

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Reform 2020: Housing Stability Services Demonstration

The Governor recommends funding a demonstration project that seeks to increase housing stability for low-income individuals with chronic health conditions. This project targets certain groups in General Assistance and Group Residential Housing and provides them coordinated services across multiple systems, tenancy supports, and community living assistance. This item is contingent on federal approval.

Performance Measures:

It is expected that this proposal will increase access to necessary and appropriate levels of health and community living supports, improved housing stability, a reduction to costly emergency medical services and improved consistency of care. Measures include assessment of service utilization and housing stability at enrollment, annually and at termination; and fewer inpatient and psychiatric hospitalizations, emergency room visits and ambulance transports.

General Fund	Expenditure	(480)	(3,216)	(3,696)	(3,799)	(4,821)	(8,620)
	Net Change	(480)	(3,216)	(3,696)	(3,799)	(4,821)	(8,620)

Increase Access to Quality Care for Children with High Needs

The Governor recommends improving access to high quality child care through changes that include simplifying the current rates structure and setting updated rates for some providers. Additionally, it funds a quality add-on to rates for providers with three and four-star ratings through Parent Aware and guarantees child care for eligible teen parents to ensure they receive services.

Performance Measures:

By setting higher maximum rates, families' access to child care will improve. Access is defined as the percent of provider rates that are covered by the CCAP maximum rates. Increasing maximum rates supports families' access to more providers and to providers who offer higher quality care. The percent of children receiving CCAP in high quality programs is expected to increase. This is measured by the percent of families receiving Child Care Assistance who use 3- or 4-star rated child care providers.

General Fund	Expenditure	6,985	13,230	20,215	15,176	15,574	30,750
	Net Change	6,985	13,230	20,215	15,176	15,574	30,750

Northstar Care for Children

The Governor recommends increasing child permanency by equalizing the adoption assistance, relative custody assistance (RCA), and foster care rates. Currently, foster care rates can be more than double adoption assistance and RCA rates creating a financial incentive to not adopt children. This proposal eliminates that incentive by consolidating the three existing programs into a single program to support permanency for children for new placements, effective January 1, 2015.

Performance Measures:

Implementation of Northstar Care should reduce the number of children in out-of-home care; reduce the length of stay in out-of-home care; and, increase the percent of children adopted within 24 months of entry in foster care.

General Fund	Expenditure	378	2,014	2,392	4,989	8,242	13,231
	Net Change	378	2,014	2,392	4,989	8,242	13,231

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Rebuilding an Effective MFIP Program

The Governor recommends improving MFIP program outcomes and simplifying program administration by targeting resources to establish home visiting initiatives for teen parents, increasing benefits for working families, providing additional supports to improve parents' employment outcomes, and suspending the Work Benefit program.

Performance Measures:

Among the outcomes positively impacted by these investments are improved employment outcomes for parents and improved high school graduation rates among teen parents on MFIP.

Federal Funds	Expenditure	3,500	1,700	5,200	2,000	2,000	4,000
General Fund	Expenditure	3,240	5,261	8,501	2,084	1,730	3,814
	Net Change	6,740	6,961	13,701	4,084	3,730	7,814

Expand Parent Support Outreach Program Statewide

The Governor recommends expanding the Parent Support Outreach Program (PSOP) statewide. PSOP is an early intervention response to screened-out reports of child maltreatment that provides early intervention, outreach, and supportive services to families.

Performance Measures:

The department will monitor the rate per thousand of substantiated child abuse and neglect reports. During the first four years of the PSOP pilot project, the Institute of Applied Research conducted an intensive study of the impact of PSOP in the counties where it was instituted. The final report, Minnesota Parent Support Outreach Program Evaluation (<http://iarstl.org/papers/PSOPFinalReport.pdf>) found that families with high levels of need related to poverty or to chemical dependency, who received services targeted to those issues, were less likely to have a subsequent accepted report in the child protection system than families with similar identified problems who received no services. The research also showed that those counties with high levels of PSOP implementation had greater reduction of screened-in child maltreatment reports in the final two years of the pilot program than counties that had a low level of implementation or did not offer PSOP at all.

General Fund	Expenditure	2,250	2,250	4,500	2,250	2,250	4,500
	Net Change	2,250	2,250	4,500	2,250	2,250	4,500

Electronic Benefit Transaction Fee

The Governor recommends eliminating the four cent fee paid to grocers for Electronic Benefit Transfer (EBT) card transactions made under the Supplemental Nutrition Assistance Program. This fee originated during the early years of payment card technology to encourage retailers to adopt the new payment method, but this incentive is now unnecessary given the widespread use of electronic payments.

Performance Measures:

This proposal provides savings to the overall budget solution through agency efficiencies without impacting SNAP recipients.

General Fund	Expenditure	(213)	(213)	(426)	(213)	(213)	(426)
	Net Change	(213)	(213)	(426)	(213)	(213)	(426)

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Adoption Assistance Forecast Adjustment

The Governor recommends capturing surplus dollars in the adoption assistance program that result from reduced caseload projections

Performance Measures:

This proposal will result in savings to the state due to a reduction in projected caseload need, and does not impact services for people.

General Fund	Expenditure	(1,069)	(706)	(1,775)	(706)	(706)	(1,412)
	Net Change	(1,069)	(706)	(1,775)	(706)	(706)	(1,412)

Match Supportive Service Expenditures

The Governor recommends seeking federal match on the Supplemental Nutrition Assistance Employment and Training Program. The federal government provides a 50% match on support services to eligible SNAP recipients. This proposal uses existing state expenditures under the Child Care Assistance Program and the Diversionary Work Program.

Performance Measures:

This proposal provides savings to the overall budget solution by reducing state expenditures, without impacting services for people.

General Fund	Revenue	4,400	4,400	8,800	4,400	4,400	8,800
	Net Change	(4,400)	(4,400)	(8,800)	(4,400)	(4,400)	(8,800)

Expansion of School-linked Grants

The Governor recommends expanding access to mental health services for children with complex, high-cost conditions through increased funding to schools. Schools focus on improving outcomes by integrating services otherwise siloed by requiring comprehensive assessment, care coordination, and integrated treatment and supports planning.

Performance Measures:

Success of this proposal will be measured as follows: 1) An increase in the number of first-time users of mental health services funded by the School-Linked Mental Health Grants; 2) An increase in the number of schools providing mental health services; and, 3) An increase in the number of students of cultural minority groups receiving mental health services funded by the School-Linked Mental Health Grant.

General Fund	Expenditure	2,527	4,907	7,434	4,907	4,907	9,814
	Net Change	2,527	4,907	7,434	4,907	4,907	9,814

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Establish a Clinical Care Coordination Benefit in MA

The Governor recommends expanding provider reimbursement for time spent in clinical consultation with a patient's other clinicians to coordinate their care. Coordination of clinical care for people with complex and chronic conditions remains inadequate for most Minnesotans receiving publicly and privately financed behavioral health care services. This will incent clinicians to coordinate care among providers by reimbursing them for their time spent doing so. This change will be funded by reallocating \$2.15 million currently used to provide targeted case management through a local share grant program.

Performance Measures:

The department will measure the success of this proposal by tracking an expected reduction in the number of children with high-cost mental health conditions ("high cost" is defined as expenditures of \$50,000 or greater in a 12-month period). A Children's Mental Health Care Coordination benefit in MA will create a financial incentive for treatment providers to ensure consistency of care across primary care, social services, schools, probation, and other specialty care providers and, based on treatment outcomes, adjust services as necessary to improve outcomes. Failure to coordinate care has been identified as major cause of high-cost cases.

General Fund	Expenditure	(347)	(347)	(694)	(347)	(347)	(694)
	Net Change	(347)	(347)	(694)	(347)	(347)	(694)

Establish a Family Psycho-education Benefit in Medical Assistance

The Governor recommends repurposing existing funding for the psychotherapy benefit in the Minnesota Health Care Plans (MHCPs) to instead be used for a psychoeducation benefit. The psychoeducation benefit will be used to teach family members skills to deal with a child's mental health illness, allowing them to participate in a child's treatment. Because a child spends more time with family members than with a therapist, this benefit will enlist family members in the child's treatment to provide a more useful and cost effective treatment model.

Performance Measures:

Because the first challenge of implementing a new benefit is to train providers on effective practice and documentation, the initial measures will be to establish a baseline and increase the number of mental health professionals who successfully complete training in the delivery, documentation and billing of the Family Psycho-education benefit.

General Fund	Expenditure	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0

Expand Mental Health Crisis Response Services

The Governor recommends expanding mental health crisis response services to an additional sixteen counties and two tribes. These services help individuals cope with mental health crisis in their own home rather than in a more restrictive and expensive setting. These services are currently available in 59 counties and one tribe.

Performance Measures:

Four new mobile crisis response teams will be developed which will cover sixteen counties and two tribes. Improved access to mental health crisis services is expected to reduce rates of suicide, hospitalizations, and law enforcement involvement.

General Fund	Expenditure	1,000	1,000	2,000	750	750	1,500
	Net Change	1,000	1,000	2,000	750	750	1,500

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Adjust Adult Rehabilitative Mental Health Services Payment Rate and Provisions of Services

The Governor recommends increasing payment rates for the Adult Rehabilitative Mental Health Services (ARMHS) currently provided and expands the range of services offered under ARMHS. ARMHS helps adults with serious mental illness gain emotional stability and learn new coping skills needed when thinking, concentrating or caring for oneself is severely impaired by symptoms of mental illness. Current rates do not cover service costs. This proposal aims to ensure the sustainability of these services.

Performance Measures:

The department expects that on average, individuals receiving ARMHS will have a 25 percent reduction in mental health hospital inpatient days.

General Fund	Expenditure	0	0	0	0	1,041	1,041
	Net Change	0	0	0	0	1,041	1,041

Mental Health Specialty Treatment Service

The Governor recommends establishing a pilot program for a 24 hour a day, seven days a week medically monitored mental health specialty treatment service. This service will serve as a transition from psychiatric hospitalization for individuals with complex treatment needs, and will seek to fill a gap in services for individuals who are ready for hospital discharge, but who for various reasons are not able to transition to non-hospital treatment settings.

Performance Measures:

This change is expected to reduce the total number of non-acute bed days for psychiatric hospital length of stay (excluding rule 20 stays) at Anoka Metropolitan Regional Treatment Center (AMRTC). While this affects a relatively small number of individuals each year, the treatment needs of these individuals have been identified as using the majority of hospital bed days where hospital level-of-care is no longer demonstrated. DHS AMRTC Continued Stay Criteria reports will be used to monitor this performance.

Other Funds	Expenditure	1,000	1,000	2,000	1,000	1,000	2,000
Other Funds	Revenue	1,000	1,000	2,000	1,000	1,000	2,000
	Net Change	0	0	0	0	0	0

Health Workforce – Substance Abuse Screening, Brief Intervention and Referral to Treatment

The Governor recommends funding training for primary care clinicians, so that they can use a screening tool that helps identify people with risky drug or alcohol use. This tool better integrates primary care and substance abuse treatment by enabling clinicians to reach more people who are at risk and connect them with services. This screening tool is known as Screening, Brief Intervention, and Referral for Treatment (SBIRT).

Performance Measures:

There is no current baseline, however the Department will measure the numbers of primary care physicians trained and utilizing the evidence-based practice of SBIRT.

General Fund	Expenditure	300	300	600	0	0	0
	Net Change	300	300	600	0	0	0

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Change County Share of Cost of Care Rate for Anoka Regional Treatment Center

The Governor recommends an increase to the county share of costs for the Anoka Regional Treatment Center. The goal of the proposal is to encourage more timely patient discharge from the treatment center to a less restrictive, less costly setting as soon as it is appropriate for the patient.

Performance Measures:

This change will be successful if the length of stay for clients and the number of non-acute bed days are reduced. When a client can move through the system and return quickly to the community there is a greater chance they will retain their support system and living arrangement.

General Fund	Revenue	946	946	1,892	946	946	1,892
	Net Change	(946)	(946)	(1,892)	(946)	(946)	(1,892)

Change County Share of Cost of Care Rate for Minnesota Security Hospital

The Governor recommends increasing the county share of the cost of care for clients served in the Minnesota Security Hospital (MSH). The goal is to encourage a more timely return of clients to their home communities once a reduction in custody has been received. When clients are not able to quickly return to their home communities, they remain at an inappropriate, more expensive level of care and custody that is no longer conducive to their treatment progress.

Performance Measures:

A key measure of success for this item is a reduction in the length of stay once a client has been deemed appropriate for discharge and the client has been provisionally discharged from the program.

General Fund	Revenue	3,146	3,146	6,292	3,146	3,146	6,292
	Net Change	(3,146)	(3,146)	(6,292)	(3,146)	(3,146)	(6,292)

MN Sex Offender Program Growth

The Governor recommends increasing funding for the Minnesota Sex Offender Program (MSOP) to address current estimates for increases in the number of commitments to MSOP.

Performance Measures:

MSOP treatment is individualized based upon the clinical needs, risk potential, and responsiveness to treatment, for all clients. Consistent with the research and standard clinical practices, MSOP provides integrated treatment including sex-offender-specific treatment, vocational and work opportunities, education, therapeutic recreation, and mental health services. To assess utilization of treatment services, over 80% of the population will be involved in sex offender treatment. Assessment measures and targets are currently being developed to assess participation trends.

General Fund	Expenditure	3,693	6,669	10,362	6,669	6,669	13,338
General Fund	Revenue	923	1,667	2,590	1,667	1,667	3,334
	Net Change	2,770	5,002	7,772	5,002	5,002	10,004

Human Services

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Implement New Fee Schedule for HCBS Providers

The Governor recommends establishing a fee structure to recover the costs of licensing home and community-based services (HCBS) as required by the federal Medicaid program. These licensing standards were passed by the 2012 Legislature, and the corresponding fee structure is now recommended to be implemented. The agency will collect a fee from HCBS providers to cover the costs of licensing all HCBS services and will centrally monitor provider performance and standards.

Performance Measures:

As a result of this change, program integrity will be enhanced through sanctions and recovery of payments for services not provided. Performance measures will identify the number of programs licensed, extent and type of monitoring activities, and enforcement actions taken.

Other Funds	Expenditure	500	2,700	3,200	2,700	2,700	5,400
Other Funds	Revenue	500	2,700	3,200	2,700	2,700	5,400
	Net Change	0	0	0	0	0	0

Application Fee for Provider Screening

The Governor recommends implementing federal provider enrollment requirements to conduct additional screenings, including additional FBI checks for high risk providers. This fee, which is set by the federal government, will be paid by all newly enrolled Medicaid providers at the time of enrollment. The intention of this change is to avoid significant "pay and chase" activity by preventing fraudulent or illegitimate Medicaid providers from enrolling in the first place.

Performance Measures:

The performance measure for this item will be the number of high risk and moderate risk providers that will receive pre and post enrollment visits, and the number of managers and owners identified as high risk providers who will have FBI background study checks.

General Fund	Expenditure	311	290	601	290	290	580
Other Funds	Expenditure	522	533	1,055	533	533	1,066
Other Funds	Revenue	522	533	1,055	533	533	1,066
	Net Change	311	290	601	290	290	580

Child Care Licensing Changes

The Governor recommends changes to child care licensure to address the issue of child mortality in child care settings. This recommendation includes various elements and strategies, including strengthening of child care provider licensing and testing, and both improving and subsidizing training for providers. The goal of these changes is to increase child safety, particularly related to safe sleep practices.

Performance Measures:

It is expected that implementing these changes will reduce the incidence of deaths in licensed family child care homes.

General Fund	Expenditure	1,002	1,298	2,300	1,298	1,298	2,596
	Net Change	1,002	1,298	2,300	1,298	1,298	2,596

Human Services

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Child Care Provider Investigations & Data Analytics

The Governor recommends establishing a team of inspectors to address child care provider fraud. This team will identify provider fraud, investigate negligent or fraudulent providers, and refer cases for criminal or administrative prosecutions as appropriate.

Performance Measures:

The performance measure tracked will be the number of investigations and quantity of program savings and recoveries through fines, penalties and overpayments that result from new investigations of fraudulent and abusive financial conduct by child care providers.

General Fund	Expenditure	572	535	1,107	535	535	1,070
General Fund	Revenue	279	470	749	636	492	1,128
	Net Change	293	65	358	(101)	43	(58)

Expansion of Internal Audits Capacity

The Governor recommends expanding the agency's capacity to conduct internal compliance and financial audits of public programs and operations. The goal is to ensure that these programs are administered in accordance with federal and state laws, rules and regulations, and that program funds are directed to where they are needed most. As the size of human service programs has increased, it has become a challenge to accomplish this goal with existing resources. The increased internal audits capacity would enable the agency to better address known internal control deficiencies and program inefficiencies based on assessed risk, while still providing sufficient resources to respond to emerging high priority incidents.

Performance Measures:

Performance measures for this outcome would include costs savings / cost avoidance from issued audit reports, and also less tangible benefits such as improved internal controls, lower overall business risk, and improved efficiencies.

General Fund	Expenditure	349	318	667	499	499	998
	Net Change	349	318	667	499	499	998

Expansion of Surveillance and Integrity Review

The Governor recommends expanding the capacity to investigate Medical Assistance (MA) providers to prevent fraud and abuse of the MA program. This expansion will increase staff to investigate those providers identified as high risk, as well as allow investigators to cover additional provider types.

Performance Measures:

This change will be successful if the agency is able to expand investigations to more provider types.

General Fund	Expenditure	430	402	832	402	402	804
General Fund	Revenue	750	750	1,500	750	750	1,500
	Net Change	(320)	(348)	(668)	(348)	(348)	(696)

Human Services

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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ACA: New MinnesotaCare Demonstration Waiver

The Governor recommends seeking a new MinnesotaCare demonstration waiver for coverage for adults above 138% FPG that provides more seamless coverage options for individuals and their families above 138% FPG across all insurance affordability programs in Minnesota. This coverage will be partially funded by the reserve funding created by savings generated by the MA expansion option. The Governor and the Department of Human Services will immediately begin negotiations with the Centers for Medicare and Medicaid Services (CMS) on the new waiver and will submit a more detailed plan and fiscal estimate in the Governor's supplemental budget.

Performance Measures:

This proposal will reduce Minnesota's rate of uninsurance for persons above 138% of FPG, as measured by the annual Health Access Survey administered by MDH.

General Fund	Expenditure	0	0	0	0	0	0
Other Funds	Expenditure	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0

Strengthen Newborn Screening Program

The Governor recommends strengthening the state's newborn screening program by adding new tests to the screening program for infants. This program is administered by the Minnesota Department of Health, but will also have an impact on the state's Medical Assistance (MA) program, which is administered by DHS. Only the MA costs are reflected here. The remainder of the change can be found under the Department of Health.

Performance Measures:

The goal of this proposal is to increase the number of children with a congenital or hereditary disorder that are identified early enough in life to improve medical outcomes. This will be measured by the number of affected children found through the Newborn Screening System.

General Fund	Expenditure	296	496	792	496	496	992
	Net Change	296	496	792	496	496	992

Net All Change Items	Federal Funds	3,500	1,700	5,200	2,000	2,000	4,000
	General Fund	(176,686)	263,487	86,801	412,572	383,927	796,499
	Other Funds	103,595	(264,959)	(161,364)	(420,012)	(370,341)	(790,353)
	Net Change	(69,591)	228	(69,363)	(5,440)	15,586	10,146

Human Services
All Funds FTE by Activity

	Current	Forecast Base	Governor's Recommendation
Activity	FY 2013	FY 2015	FY 2015
Budget Activity: Operations	1,051.1	396.0	464.5
Budget Activity: Children & Families	312.5	312.5	316.5
Budget Activity: Health Care	559.0	559.0	563.0
Budget Activity: Continuing Care	260.7	260.7	303.7
Budget Activity: Chemical & Mental Health	92.3	92.3	95.3
Budget Activity: SOS Mental Health	1,178.8	1,105.9	1,106.9
Budget Activity: SOS Enterprise Services	1,455.7	1,391.0	1,391.0
Budget Activity: SOS Mn Security Hospital	752.0	719.1	719.1
Budget Activity: Sex Offender Program	866.2	825.2	894.2
Budget Activity: Fiduciary Activities	0.0	0.0	0.0
Budget Activity: Technical Activities	0.0	0.0	0.0
Human Services	6,528.4	5,661.7	5,854.2

Human Services
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	TAXES	520,137			520,137
	FEDERAL GRANTS	0			0
	DEPARTMENTAL EARNINGS	117,874	9,900		127,774
	ALL OTHER	173,511	19,308		192,819
	Subtotal	811,522	29,208		840,730
Dedicated	TAXES		10	0	10
	FEDERAL GRANTS	0	19,336	14,330,151	14,349,487
	DEPARTMENTAL EARNINGS	0	346,072	28,600	374,672
	INVESTMENT INCOME		1,089	200	1,289
	ALL OTHER	0	2,237,737	83,758	2,321,495
	Subtotal	0	2,604,243	14,442,709	17,046,952
Total		811,522	2,633,451	14,442,709	17,887,682

Human Services Operations

http://www.dhs.state.mn.us/main/id_000261

Statewide Outcome(s):

Operations supports the following statewide outcome(s).

People in Minnesota are safe.

Efficient and accountable government services.

Context:

The Operations administration within the Minnesota Department of Human Services (DHS) provides the agency wide support and infrastructure needed for the effective and efficient delivery of human services. The work done in Operations ensures that federal and state compliance measures are in place and that proper fiscal accounting procedures are used in handling federal and state funds. The department's fraud prevention and detection efforts, which help ensure that public resources go to support those who need them by reducing fraud and abuse, are housed within Operations.

Operations works to ensure the necessary tools and capacity exist for the department's administrative work. Operations staff accomplish this by providing a wide variety of support services that include information and technology, human resource management, financial operations, facilities management and compliance services, as well as facilitating our work with our county and tribal partners. Primary customers for the Operations activities include human services staff, counties, tribes and community service providers.

Operations also provides direct program services that protect children and vulnerable adults as well as ensure fair and equal access to human services programs. Families, children and vulnerable adults need to be assured that the licensed facilities in which they receive care are safe and that people responsible for taking care of these family members, children and vulnerable adults meet service expectations. Operations staff license child and adult care programs, conduct fraud investigations related to human services program payments, and provide appeals processes for those who feel access to public services was wrongly reduced or ended. Primary customers include more than 289,000 individuals receiving care from a licensed service provider, individuals or providers receiving assistance or payments from human service programs and taxpayers.

Most Operations activities are funded through state general, health care access and special revenue funds and federal funds. Licensing activities are funded largely through special revenue fund proceeds from licenses and background study fees.

Strategies:

Operations functions fall generally into two categories: those efforts that support the effective and efficient delivery of human services and those efforts that contribute to keeping Minnesotans safe.

Effective and efficient delivery of human services - Operations provides the agency wide support and infrastructure required for the efficient and accountable delivery of human services. These activities include:

- Reducing fraud, waste and abuse. DHS created the Office of Inspector General (OIG) in August 2011. The OIG works to ensure government resources are going to those who need them by reducing fraud and abuse in the use and distribution of state and federal funds. The office is also using new tools to stop individuals and providers from receiving benefits and funds inappropriately.
- Providing an appeals process that helps ensure accountability and fairness for human services programs. Upon request, fair hearings are conducted for individuals or providers whose services, benefits or payments have been changed.
- Information and technology services, which includes day-to-day network maintenance and support and management of more than 300 system applications and several major statewide computer systems. The major systems, used by 87 counties and thousands of providers, are: (1) "Medicaid Management Information System" (MMIS), which processes Medical Assistance and MinnesotaCare claims; (2)

MAXIS, which is used by state and county workers to determine eligibility for public assistance and health care programs and to make public assistance payments; (3) "Providing Resources to Improve Support in Minnesota" (PRISM), which supports Minnesota's Child Support Enforcement program; and (4) "Social Service Information System" (SSIS), which is a county case management and data collection system for foster care, out-of-home placement, children's mental health, and adoption information.

- Financial operations. Staff develop agency budgets based on sound fiscal policy; provide accounting payment processes that ensure health care providers, child care providers or assistance recipients receive accurate and timely payments, and forecast program enrollment and expenditures to provide federal and state decision makers with sound fiscal estimates.
- Compliance services. Staff conduct operational and program evaluations, county audits, and reviews of grantees and contractors to ensure fiscal and compliance requirements are met.

Keeping people safe - Licensing activities help to ensure individuals receive services that meet accepted standards in safe, healthy environments. Staff conduct background studies to ensure that individuals providing direct care do not have disqualifying characteristics and conduct licensing reviews to ensure applicants and license holders comply with statutes and regulations. Operations licenses more than 23,000 service providers and conducts 252,000 background studies annually. Licensing activities also include conducting maltreatment investigations, removing individuals responsible for maltreatment from providing care services, and applying licensing sanctions when warranted to protect the health and safety of individuals. Licensing staff conduct approximately 950 maltreatment investigation each year.

A new Licensing Information Lookup website enables individuals to learn more about their care providers. In the first half of 2012, there was a 26 percent increase in the monthly number of visits to this website. This resource will continue to provide valuable information to Minnesotans as DHS strives to provide more relevant information about service providers on this website.

Operations supports several strategies in the agency's "Framework for the Future: 2012." <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6464-ENG>

- Establish Office of Inspector General to improve fraud prevention and lead to increased prosecutions and collections of overpayments
- Expand field investigations through Medicaid Recovery Audit Contracts
- Create new enforcement tools including background study expansion, data analytics and financial integrity standards in licensing
- Use technology to increase our outreach through online applications, a new website and e-licensing initiatives
- Create a new partnership model for our work with counties and tribes
- Enhance capacity of our tribal partners to assume more direct service delivery

Results:

Operations monitors and reports on key measures to tell us how well our strategies are working. DHS tracks the amount of funds recovered as a key measure of the effectiveness of OIG efforts. The Appeals Office tracks the timeliness with which appeals are heard and completed. This is important because there has been significant growth in the number of appeals that must be processed. (In FY 2008, the office closed out 6,482 appeals and in FY 2012, the office closed out 9,730 appeals.) Operations has added a performance measure to track usage of the Licensing Information Lookup website. We also track the number of licensing sanctions; these have remained relatively stable over the past four years. Our Minnesota IT Services (MN.IT) staff track the volume of information that is processed by one of the largest of the Department's major systems.

Performance Measures	Previous	Current	Trend
Funds received through recovery and investigation efforts from Medical Assistance (MA) providers ¹	\$50 million	\$68 million	Improving
Appeals cases closed out within statutory timelines ²	91%	82%	Worsening
Use of Licensing Information Lookup website ³	37,000 visits	50,000 visits	Improving

Performance Measures	Previous	Current	Trend
Number of Licensing sanctions ⁴	859	888	Stable
Medicaid Management Information System (MMIS): Number of claims processed each month ⁵	7.5 million	8.28 million	Improving

Performance Measures Notes:

1. Compares FY2008 (Previous) to FY2011 (Current). Source: DHS Dashboard data on Program Integrity – recovered funds: <http://dashboard.dhs.state.mn.us/measure04.aspx>
2. Compares the percentage closed within statutory timelines for FY 2008 (Previous) to FY 2012 (Current). Source: DHS monthly Appeals reports
3. Reports the number of unique visits that separate individuals made to the DHS Licensing Information Lookup website per month. Compares January 2012 (Previous) to July 2012 (Current). Source: DHS Licensing Information Lookup website: <http://licensinglookup.dhs.state.mn.us>
4. Compares 2008 (Previous) to 2011 (Current). Source: License Information System (LIS). The Licensing sanctions reported here include license revocations, suspensions, fines, conditional licenses and order of temporary immediate suspensions.
5. Compares July 2011 (Previous) to July 2012 (Current). Source: MN.ITS @ DHS MMIS reporting

Budget Activity: Operations**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$80,168	\$215,870	\$3,653	\$299,691
Current Law Expenditures (FY 2014-15)	\$79,813	\$265,707	\$4,940	\$350,460
Governor's Recommended Expenditures (FY2014-15)	\$89,229	\$334,732	\$4,940	\$428,901
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$9,416	\$69,025	\$0	\$78,441
% Change from FY 2014-15 Current Law to Governor's Rec	12%	26%	0%	22%

Budget Activity: Operations**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$6,527		\$6,527
REVENUE	\$0	\$174,524	\$4,742	\$179,266
TRANSFERS IN	\$8,084	\$148,242		\$156,326
APPROPRIATION	\$207,641	\$34,986	\$200	\$242,827
SOURCES OF FUNDS	\$215,725	\$364,279	\$4,942	\$584,946
BALANCE FORWARD OUT		\$12,573		\$12,573
TRANSFERS OUT	\$126,498	\$16,974	\$0	\$143,472
EXPENDITURES	\$89,229	\$334,732	\$4,940	\$428,901
PAYROLL EXPENSE	\$54,544	\$27,032	\$2,740	\$84,316
OPERATING EXPENSES	\$34,685	\$307,700	\$2,201	\$344,585
USES OF FUNDS	\$215,727	\$364,279	\$4,940	\$584,946

Human Services

Children & Families

<http://mn.gov/dhs/people-we-serve/children-and-families/>

Statewide Outcome(s):

Children & Families supports the following statewide outcome(s).

Strong and stable families and communities.

People in Minnesota are safe.

Context:

Children & Families provides administrative support for programs serving low-income families, children, and low-income adults. This area includes administration of forecasted programs: the Minnesota Family Investment (MFIP) and Diversionary Work Programs, General Assistance, Group Residential Housing, Minnesota Supplemental Aid, and MFIP Child Care Assistance, as well as non-forecasted grant programs that provide funding for housing, food and child welfare services.

These services help to ensure that low-income people receive the support they need to be safe and help build stable families and communities. Programs administered in this area seek to keep more people fed and healthy by increasing nutrition assistance participation (especially for seniors), to keep more children out of foster care and safely with their families, to decrease the disproportionate number of children of color in out-of-home placements, and to increase access to high quality child care. Statewide administration of these programs ensures that federal funds are used in accordance with federal regulations, resources and services are distributed equitably across the state; and quality standards are maintained.

Funding includes a combination of state and federal dollars. Major federal block grants that support programs in this area include Temporary Assistance for Needy Families, the Child Care and Development Fund, the Social Services Block Grant and the Community Services Block Grants, totaling over \$380 million a year. The Supplemental Nutrition Assistance Program (SNAP) is also administered in this area.

In 2011, an average of 469,904 people per month received help under the Supplemental Nutrition Assistance Program, and there were 17,716 reports of child abuse and neglect, involving 24,962 children.

Strategies:

Children & Families provides administrative direction and support to counties, tribes and community agencies. Support includes:

- Policy development and program implementation
- Grants management
- Training and technical assistance to counties, tribes and grantees
- Evaluation and auditing of service delivery and quality assurance reviews to ensure that effective services are delivered efficiently and consistently across the state.

This administration provides oversight of statewide child welfare services that focus on ensuring children's safety while supporting families, ensuring core safety services focus on preventing or remedying neglect, and providing basic food, housing and other supports to the most at-risk adults and children.

Children & Family Services supports the following strategies in the DHS Framework for the Future: 2012

(<https://edocs.dhs.state.mn.us/lfsrserver/Public/DHS-6464-ENG>):

- Keep people fed and healthy by increasing nutrition assistance participation by seniors through targeted outreach efforts
- Keep more children out of foster care and with their families
- Decrease the disproportionate number of children of color in out of home placements

- Increase access to high quality child care
- Create pathways to employment

Results:

Children & Families provides administrative support to a broad array of programs and services for low-income families and adults, and children. Included below are some key measures related to SNAP and child protection programs.

Performance Measures	Previous	Current	Trend
Percent of Children Not Experiencing Repeated Abuse or Neglect Within six Months of a Prior Report ¹	95.1%	95.6%	Improving
Percent of Children Either Reunified With Parents or Living With Relatives in Fewer than 12 Months from Last Removal from Home ¹	84.5%	85.7%	Improving
SNAP Participation Rate for All People in Poverty ²	51%	56%	Improving

Performance Measures Notes:

1. Child Welfare Report, measurements compare 2010 data (previous) to 2011 data (current). http://www.dhs.state.mn.us/main/id_000152
2. Data on SNAP participation is for the years 2009 (previous) and 2010 (current) and come from the Food Support Access Index.

Budget Activity: Children & Families
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$13,798	\$93,893	\$23,245	\$130,936
Current Law Expenditures (FY 2014-15)	\$14,004	\$43,336	\$24,542	\$81,882
Governor's Recommended Expenditures (FY2014-15)	\$15,108	\$43,336	\$24,542	\$82,986
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$1,104	\$0	\$0	\$1,104
% Change from FY 2014-15 Current Law to Governor's Rec	8%	0%	0%	1%

Budget Activity: Children & Families**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$6,107		\$6,107
REVENUE	\$0	\$43,832	\$19,977	\$63,809
TRANSFERS IN		\$1,084	\$0	\$1,084
APPROPRIATION	\$16,192	\$0	\$4,564	\$20,756
SOURCES OF FUNDS	\$16,192	\$51,023	\$24,541	\$91,756
BALANCE FORWARD OUT		\$7,687		\$7,687
TRANSFERS OUT	\$1,084			\$1,084
EXPENDITURES	\$15,108	\$43,336	\$24,542	\$82,986
PAYROLL EXPENSE	\$12,019	\$19,779	\$17,826	\$49,625
OPERATING EXPENSES	\$3,089	\$23,557	\$6,708	\$33,355
OTHER FINANCIAL TRANSACTIONS			\$7	\$7
USES OF FUNDS	\$16,192	\$51,023	\$24,542	\$91,757

Human Services

Health Care

http://www.dhs.state.mn.us/id_006301

Statewide Outcome(s):

Health Care supports the following statewide outcome(s).

Minnesotans are healthy.

Context:

The Minnesota Department of Human Services (DHS) Health Care Administration is responsible for overseeing the development, operational components and federal and state compliance of Minnesota's public health care programs, including:

- *Medical Assistance* (MA, or Minnesota's Medicaid program), which provides coverage for an average of more than 660,000 low-income people each month, including children and families, people 65 or older, people who have disabilities and adults without children.
- *MinnesotaCare*, which is designed for Minnesotans who do not have access to affordable health care coverage. MinnesotaCare serves an average of 148,000 people each month, and can be critical to helping people leave welfare and go to work without losing health care coverage.
- *Healthy Minnesota Contribution Program*, which began July 1, 2012 and provides a subsidy for adults without children at the upper end of the MinnesotaCare income range to purchase private health care coverage in the individual insurance market.

Through these programs, the state pays all or part of enrollees' medical bills. In FY 2011, about 74 percent of DHS' all-funds (state and federal funds) budget was devoted to these programs. These programs provide a safety net for low-income families, the elderly, disabled and very low-income adults without children. When faced with no coverage, individuals often seek preventative care services in an emergency room setting or choose not to seek preventative care. Uninsured Minnesotans also receive care in an uncoordinated and uncompensated manner in disparate provider settings (as opposed to a primary care setting), and/or delay seeking health care for emerging conditions. All of these choices result in reduced health outcomes for Minnesotans and/or increased cost for taxpayers.

The goals of the DHS Health Care Administration (HCA) are to:

1. Reduce the number of uninsured Minnesotans, by helping eligible people get health care coverage and measuring the quality of this coverage to improve it;
2. Reform the payment and service delivery models for Minnesota's public health care programs, by designing our rates and systems to be transparent and of maximized value for the taxpayer dollar;
3. Utilize research, data and analysis to develop HCA initiatives, support DHS health care programs and evaluate results;
4. Employ technology solutions to reduce costs and improve services for applicants, members and providers; and
5. Encourage stakeholder communication across HCA, to promote understanding and support of Minnesota's public health care programs.

HCA is actively engaged in implementing federal and state health care reform initiatives, to maximize available opportunities and promote health reform.

Strategies:

HCA's operational components include eligibility policy, provider and member enrollment/relations, federal relations (with the Centers for Medicare & Medicaid Services, or CMS, which administers Medicaid federally), managed care enrollment and contracting, project management, purchasing and service delivery, claims processing, benefit recovery, system development and maintenance, performance measurement, and numerous other functions of a public health plan. (HCA shares some MA and MinnesotaCare coverage policy and rates

development functions with the DHS Continuing Care and Chemical and Mental Health Services administrations for those services.) HCA also develops improvements to the way we administer and deliver these programs.

DHS and HCA work with many stakeholders to help us determine how we can improve our health care programs:

Improve health outcomes of public health care recipients while lowering costs for taxpayers

- MA and MinnesotaCare provide coverage of care coordination services for people with chronic illnesses through physician clinics that are certified Health Care Homes.
- DHS, per legislative direction in 2011, is seeking federal approval to reform MA to achieve better outcomes for people with disabilities, seniors and other enrollees through the *Reform 2020* initiative. More information is available online at http://www.dhs.state.mn.us/main/dhs16_166654
- DHS is submitting a grant application for a CMS Innovation Challenge for the “Strong Start for Mothers and Babies” initiative, to decrease disparities in birth outcomes for infants from communities of color.
- DHS is working with many partners to launch the Money Follows the Person Rebalancing Demonstration Program, aimed at increasing the number of Minnesotans with disabilities served in their homes and communities rather than in institutions. (See http://www.dhs.state.mn.us/dhs16_162194)
- DHS is partnering with the Minnesota Department of Health to help MA and MinnesotaCare enrollees prevent diabetes and other chronic disease by participating in the YMCA’s Diabetes Prevention Program and receiving other incentives for healthy behavior. Funded through a five-year grant, this program will help clients improve their health while lowering state health care spending for chronic conditions.

Integrate primary care, behavioral health and long-term care

Minnesota will see large growth in cost and utilization of long-term care services as Minnesota’s population ages. We can save money, reduce duplication of services and improve the health of our recipients if we better integrate our health care services. Some examples include:

- As part of *Reform 2020*, DHS is building on current state initiatives to improve performance of primary care and care coordination models for dual Medicare-Medicaid eligibles. Part of this focus is on primary care payment reform, and the consistent measurement and improvement in clinical outcomes. More information about this component of the overall reform is available at http://www.dhs.state.mn.us/main/dhs16_163573
- DHS is developing a grant project to integrate primary care and behavioral health care.
- DHS is partnering with Hennepin County on an innovative pilot project to test new strategies to better deliver human services to high-needs populations. This new demonstration, Hennepin Health, will provide a system that integrates medical, behavioral health and county human services for up to 10,000 low-income Minnesotans in a patient-centered model of care, improving patient outcomes while reducing overall costs.

Institute payment reform in health care purchasing

HCA is negotiating with potential Health Care Delivery System (HCDS) sites to begin full operation by January 2013. HCDS demonstration projects will contract directly with providers in a new way that allows them to share in savings for improving quality of care and patient experience and reducing the total cost of care for Medicaid enrollees. In this new model, MA enrollees will receive more coordinated care to improve their overall health, and health care providers will be paid based on the quality of care they provide to their patients and their ability to reduce the cost of care.

HCA’s work also supports the following strategies in the DHS Framework for the Future: 2012 <https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-6464-ENG>

- Increase access to affordable health care
- Integrate primary care, behavioral health and long-term care
- Institute payment reform in health care purchasing
- Use technology to increase our outreach through online applications, a new website and e-licensing initiatives
- Narrow the health care quality gap between clients in publicly-funded health care and private enrollees
- Increase enrollment outreach to communities of color.

Results:

Minnesota is consistently a national leader in promoting and implementing policy and payment initiatives that improve access, quality, and cost-effectiveness of services provided through publicly funded health care programs. We monitor performance measures that help us get at key actions and strategies. If DHS can quickly reimburse providers who serve our recipients, these providers may be more apt to serve recipients of Minnesota's public health care programs. Timely disposition of applications greatly improves access to health care coverage for eligible customers. Treating people in emergency rooms is more expensive than keeping them healthy to begin with, so it makes sense to get people the primary care they need. This last performance measure needs improvement, since providing people with insurance offers access to the kind of preventive care that keeps costs down and helps people live better lives.

Performance Measures	Previous	Current	Trend
Percent of electronically submitted claims paid within two days ¹	98.4%	98.5%	Stable
Average number of days to process MinnesotaCare applications ²	32 days	25 days	Improving
Percent of Minnesotans lacking health care insurance ³	9%	9.1%	Stable

Performance Measures Notes:

1. Source: DHS Data Warehouse, measured quarterly. Compares Fiscal year 2012, 2nd Quarter (Previous) to Fiscal year 2012 3rd Quarter (Current). The goal is to continue to pay 98 percent of electronically submitted claims within two days.
2. Source: DHS HCEA Operations, measured quarterly. Compares Fiscal year 2012, 1st Quarter (Previous) to Fiscal year 2012 2nd Quarter (Current). The goal is to process applications for MinnesotaCare within thirty days.
3. Source: Minnesota Department of Health Access Survey (conducted semiannually). Compares 2009 (Previous) to 2011 (Current). Nearly three-fourths of the uninsured have some potential access to coverage but do not take advantage of it.

Budget Activity: Health Care**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$26,039	\$114,679	\$4,008	\$144,726
Current Law Expenditures (FY 2014-15)	\$24,444	\$95,655	\$37,390	\$157,489
Governor's Recommended Expenditures (FY2014-15)	\$25,119	\$95,687	\$37,390	\$158,196
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$675	\$32	\$0	\$707
% Change from FY 2014-15 Current Law to Governor's Rec	3%	0%	0%	0%

Budget Activity: Health Care**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$3,277		\$3,277
REVENUE		\$46,155	\$37,390	\$83,545
TRANSFERS IN	\$154	\$2,982		\$3,136
APPROPRIATION	\$27,347	\$47,236	\$0	\$74,583
SOURCES OF FUNDS	\$27,501	\$99,650	\$37,390	\$164,541
BALANCE FORWARD OUT		\$3,363		\$3,363
TRANSFERS OUT	\$2,382	\$600		\$2,982
EXPENDITURES	\$25,119	\$95,687	\$37,390	\$158,196
PAYROLL EXPENSE	\$15,995	\$63,713	\$384	\$80,092
OPERATING EXPENSES	\$9,124	\$31,974	\$37,006	\$78,104
USES OF FUNDS	\$27,501	\$99,650	\$37,390	\$164,541

Human Services

Continuing Care

http://www.dhs.state.mn.us/main/dhs16_166609#

Statewide Outcome(s):

Continuing Care supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

Continuing Care serves older Minnesotans and Minnesotans with disabilities who need long-term care services, including persons with physical or developmental disabilities, impairment due to chronic illness, deafness or hearing loss, mental illness and HIV/AIDS. These populations have a variety of needs including assistance with activities of daily living such as bathing and dressing, communication assistance, medical needs and behavioral supports, and advocacy and protective services. Continuing care services help support these populations to remain independent in their communities and so avoid costly institutionalization. Minnesota is required by federal law to provide services to eligible seniors and people with disabilities through Medicaid.

The Continuing Care Administration (CCA) is the administration within the Minnesota Department of Human Services (DHS) responsible for long-term care programs and services for people with disabilities and older Minnesotans with a variety of different needs and their families. The CCA mission is to improve the dignity, health and independence of the people we serve.

The Continuing Care Administration has four goals:

- Support and enhance the quality of life for older people and people with disabilities;
- Manage an equitable and sustainable long-term care system that maximizes value;
- Continuously improve how we administer services; and
- Promote professional excellence and engagement in our work.

The Continuing Care Administration is funded with state, federal and special revenue funds. The employees in Continuing Care administer more than \$3.3 billion annually in state and federal funds serving over 400,000 Minnesotans annually.

Strategies:

Continuing Care functions are to:

1. Administer Medical Assistance (MA) long-term care programs (waivers and state plan services), which includes developing, seeking authority for and implementing policies, projects, and research. This includes administering state and federal grants and contracts, including the new Money Follows the Person Rebalancing Demonstration Program
2. Provide information, education, assistance, advocacy and direct service, including overseeing the state's adult protective services system.
3. Manage nursing home, Intermediate Care Facilities for persons with Developmental Disabilities (ICF/DD), and Day Training and Habilitation (DT&H) provider rates.
4. Assure service quality, conduct evaluations and measure results.
5. Staff the Governor-appointed MN Board on Aging (<http://www.mnaging.org>), the Ombudsman for Long-Term Care, numerous stakeholder work groups, and the Commission of Deaf, Deafblind and Hard of Hearing Minnesotans, a state agency housed within DHS (<http://mn.gov/deaf-commission>).
6. Provide administrative, financial, and operational management and support.
7. Provide technical assistance to stakeholders.

In addition to the normal administrative functions, which apply to all people served, Continuing Care staff perform unique specialized activities. Direct service functions include:

- Statewide regional service centers that help deaf, deafblind, and hard-of-hearing people access community resources and the human services system;
- The Telephone Equipment Distribution Program, which helps people with hearing loss or communication disabilities access the telephone with specialized equipment;
- HIV/AIDS programs that help people obtain and maintain needed health care coverage;
- Older Minnesotan ombudsman services, which assist consumers in resolving complaints and preserving access to services; and
- Online education in American Sign Language and advocacy in education, employment, health care, technology, public access, voter engagement and heritage.

Continuing Care supports the following strategies in the DHS Framework for the Future: 2012 <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6464-ENG>

- Keep people fed and healthy by increasing nutrition assistance participation by seniors through targeted outreach efforts
- Better protect vulnerable adults, especially those directly in our care
- Increase the number of Minnesotans served in their homes and communities rather than in institutions
- Implement MnCHOICES assessment model to better align services to individual needs

Results:

Continuing Care utilizes a variety of information sources and data to monitor and evaluate quality outcomes and provider performance to help us see how our strategies are working. Much of the information analyzed is from the DHS Data Warehouse or from various surveys of consumers, providers, and lead agencies.

Performance Measures	Previous	Current	Trend
1. Percent of waiver review follow-up cases corrected after issuance of corrective actions	84%	94%	Improving
2. Average statewide risk-adjusted nursing facility quality of care score out of a possible 100 points	69.6	70.8	Improving
3. Percent of working age consumers on disability waiver programs with earnings	43.9%	43.6%	Stable

Performance Measures Notes:

1. Measure one compares 2010 data (Previous) to 2011 data (Current). 2010 data is earliest available. Source: Waiver review database
2. Measure two compares CY 2008 data (Previous) to CY 2010 data (Current). Source: Minimum Data Set resident assessments.
3. Measure three compares CY 2008 data (Previous) to CY 2011 data (Current). Measure includes all disability waiver programs. Source: DHS Data Warehouse.

More information is available on the DHS Dashboard: <http://dashboard.dhs.state.mn.us/> and the Continuing Care Performance Report: http://www.dhs.state.mn.us/main/dhs16_166609#

Budget Activity: Continuing Care
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$33,785	\$12,069	\$11,336	\$57,189
Current Law Expenditures (FY 2014-15)	\$33,634	\$8,735	\$10,471	\$52,840
Governor's Recommended Expenditures (FY2014-15)	\$51,229	\$8,735	\$10,471	\$70,435
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$17,595	\$0	\$0	\$17,595
% Change from FY 2014-15 Current Law to Governor's Rec	52%	0%	0%	33%

Budget Activity: Continuing Care**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE	\$0	\$7,884	\$10,470	\$18,355
TRANSFERS IN	\$200	\$600		\$800
APPROPRIATION	\$51,230	\$250	\$0	\$51,480
SOURCES OF FUNDS	\$51,430	\$8,734	\$10,470	\$70,635
TRANSFERS OUT	\$200	\$0		\$200
EXPENDITURES	\$51,229	\$8,735	\$10,471	\$70,435
PAYROLL EXPENSE	\$33,826	\$4,962	\$6,953	\$45,740
OPERATING EXPENSES	\$17,403	\$3,773	\$3,519	\$24,695
USES OF FUNDS	\$51,429	\$8,735	\$10,471	\$70,635

Human Services Chemical & Mental Health

http://www.dhs.state.mn.us/main/id_000162;
http://www.dhs.state.mn.us/main/id_000082

http://www.dhs.state.mn.us/main/id_000085;

Statewide Outcome(s):

The Chemical & Mental Health Services Administration supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

In order to meet the shifting needs of adults with mental illness, children with an emotional disturbance or those struggling with substance abuse problems, the Department of Human Services (DHS) Chemical and Mental Health Services Administration (CMHS) works to ensure that the state has an accessible and comprehensive system for delivering treatment and supports for persons with mental illness and/or substance addiction.

The life expectancy of persons with serious mental illness is, on average, 25 years shorter than the general population. The causes of physical illness and death among people with serious mental illness are the same as those in other groups - smoking, obesity, diabetes - and are just as treatable.

About half of persons who have a serious mental illness also have a substance use problem. Research has found that integrating mental health and chemical dependency treatment is more effective than parallel services or completing treatment in one specific area (i.e. mental health) and then receiving treatment in the other area (i.e. chemical dependency).

Finally, the impact of traumatic experiences on the mental, physical and developmental health of children is coming to the forefront as an issue that must be dealt with. Trauma is common in the lives of children, and is ubiquitous across the child welfare population. Unmediated trauma creates toxic stress in the form of increased cortisol level, which interrupts the development of brain architecture in young children and produces chronic health and mental health problems in older children and youth through effects on the immune system. From there, negative life course consequences accrue, including school and employment problems, chronic health conditions, substance abuse, justice system involvement and early mortality and morbidity. The wide distribution of research studies on adverse childhood experiences (ACE) and early brain development has led to national attention on trauma-informed care, spearheaded by the Administration for Children and Families.

Strategies:

The three divisions within CMHS shape and implement state policy around mental health and chemical dependency treatment and prevention services. They work in close partnership with the continuing care, health care and state operated services arms of the department. Collaborative partners within state government include the departments of Health, Economic Development, Housing Finance and Corrections. External partners include tribes, counties, advocacy organizations a large array of treatment and supportive services providers health plans, professional training colleges, universities and research institutions. Among the key strategies now being pursued by CMHS staff are:

- Administering grants for mental health and substance abuse treatment, prevention, ancillary services and capacity development.
- Taking the lead role in coordinating and implementing mental and chemical health policy in the department's health care programs, county human services programs, licensing activities and continuing care programs.
- Working to better integrate chemical and mental health with primary health care and continuing care. One of the concrete goals within this effort is to increase the average lifespan of Minnesotans with Bipolar Disorder or Schizophrenia by ten years within the next ten years, known as the MN 10 by 10 Initiative. CMHS is also partnering with the Department of Health and the Institute for Clinical Systems to expand

training for primary care clinicians, emergency departments and mental health professionals on screening, brief intervention and referral to treatment (SBIRT) of persons with substance use disorders.

- Working to integrate health care for children and schools to improve access to prevention and early intervention services by reaching families in normal, non-stigmatizing environments and, ultimately, improving effectiveness of care by coordinating comprehensive assessment, evidence-based treatment, and outcomes measurement across several child-serving systems.
- Improving access to evidence-based care by providing training and incentives for the provision of treatment and supportive service models that have been proven effective through nationally recognized research, including Integrated Dual Disorders Treatment (IDDT), Assertive Community Treatment (ACT) and Illness Self-management and Recovery. CMHS continues to train clinicians serving children and youth in the use of the Minnesota Evidence-Based Practices Database and to collect individual treatment outcomes using standardized instruments.
- Launching statewide practice changes to implement trauma-informed care—based on the latest research from the University Minnesota, Kaiser Permanente, and the Centers for Disease Control and Prevention. Working with child welfare, public health, schools, and others, to prevent and remediate the lasting effects of adverse childhood experiences, CMHS will develop providers’ capacity to reduce the long-term effects of traumatic events when they occur.
- Finally, Leading the State Substance Abuse Strategy group to implement the 2012 Minnesota State Substance Abuse Strategy Report recommendations related to prevention and treatment for abuse of opioids such as Oxycontin and heroin.

CMHS supports the following strategies in the DHS Framework for the Future: 2012

<https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6464-ENG>

- Increase the number of Minnesotans served in their homes and communities rather than in institutions.
- Integrate primary care, behavioral health and long-term care.
- Improve life expectancy for people with a serious mental illness.

Results:

Performance Measures	Previous	Current	Trend
Percent of Children in the child welfare system who received a mental health screening. ¹	55.3%	56.6%	Improving
The percent of adults in Assertive Community Treatment (ACT) who receive an annual comprehensive preventative physical exam. ²	26.5%	27.8%	Improving
Percent of youth who report using alcohol in the past 30 days in funded communities. ³	33.4%	23.5%	Improving
Number of mental health professionals trained annually in Trauma-Informed Care. ⁴	new	23	Improving

Performance Measures Notes:

1. With parental consent, counties conduct mental health screenings for children in the child welfare and juvenile justice systems who have not had a recent assessment. The Previous measure is Calendar Year 2009; the Current measure is CY 2010. (DHS Public Dashboard)
2. Compares CY 2010 (Previous) and CY 2011 (Current). The measure is based on ACT recipients who are not Medicare eligible and who are enrolled 12 months in MA or MinnesotaCare. (DHS Public Dashboard)
3. Compares state Fiscal Year 2004 (Previous) and SFY 2010 (Current) as reported in the Minnesota Student Survey in communities receiving substance abuse prevention grant funds. The Department goal is to reduce this rate annually. (DHS internal performance tracking.)
4. Establish base measure for a new priority. Current year is CY 2012. Source: DHS Central Office Learning Center

Budget Activity: Chemical & Mental Health
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$7,317	\$4,170	\$9,324	\$20,812
Current Law Expenditures (FY 2014-15)	\$8,278	\$5,587	\$9,629	\$23,494
Governor's Recommended Expenditures (FY2014-15)	\$8,891	\$5,587	\$9,629	\$24,107
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$613	\$0	\$0	\$613
% Change from FY 2014-15 Current Law to Governor's Rec	7%	0%	0%	3%

Budget Activity: Chemical & Mental Health**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$8,328		\$8,328
REVENUE		\$5,273	\$9,629	\$14,902
APPROPRIATION	\$8,891	\$314	\$0	\$9,205
SOURCES OF FUNDS	\$8,891	\$13,915	\$9,629	\$32,435
BALANCE FORWARD OUT		\$8,328		\$8,328
EXPENDITURES	\$8,891	\$5,587	\$9,629	\$24,107
PAYROLL EXPENSE	\$6,298	\$4,226	\$7,146	\$17,669
OPERATING EXPENSES	\$2,593	\$1,361	\$2,478	\$6,433
OTHER FINANCIAL TRANSACTIONS			\$5	\$5
USES OF FUNDS	\$8,891	\$13,915	\$9,629	\$32,435

Human Services

MFIP/DWP Grants

http://www.dhs.state.mn.us/main/id_004112

Statewide Outcome(s):

Minnesota Family Investment Program (MFIP)/Diversionary Work Program (DWP) Grants supports the following statewide outcome(s).

Strong and stable families and communities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

MFIP/DWP Grants provide temporary financial support to help meet the basic needs of low-income families with children and low-income pregnant women. Half the parents enrolled in MFIP or DWP were employed in the quarter before they turned to assistance. Common causes for job losses are layoff, reduced hours, birth of a baby by a parent with no leave time, need to care for an ill or disabled child or spouse, or transportation and child care costs that wages do not cover. MFIP benefits include both financial and nutrition assistance. For those leaving the program with employment, the Work Benefit (WB) provides a small monthly cash payment for a limited time. DWP provides up to four months of financial support designed to meet specific crisis situations and help families move immediately to employment. The goal of these programs is to stabilize families and improve economic outcomes through employment. Without these benefits, families would not have the resources to meet their basic needs.

In FY 2011, an average of 116,428 people per month received help through these programs, 70 percent of whom were children. The average monthly payment per person was \$245, including the food portion of MFIP.

These programs are funded with a combination of state funds and federal Temporary Assistance for Needy Families (TANF) funds. MFIP/DWP Grants are administered by counties and tribes.

Strategies:

MFIP/DWP Grants provides financial assistance to help meet the basic needs of low-income families with children and to improve economic outcomes through employment.

- Parents are required to participate in employment services, to develop the skills necessary to move into the labor market as soon as possible.
- Under MFIP, families receive time-limited cash and food assistance benefits based on family size. The benefits are structured to reward families who work and are gradually reduced as income rises. Participants must engage in work-related activities to continue receiving assistance.
- DWP is focused on rapid entry into employment and provides up to four months of intensive job search assistance.
- WB provides a small cash payment (\$25) for up to 24 months to help working families remain off assistance.

Success for families receiving assistance depends not only on the services delivered by counties, community agencies and tribes, but also on referrals and connections to the social services and health care system. This combination of financial assistance, employment services, and supports for children and adults helps to build on strengths to move families into the labor market and out of poverty. Helping parents become employed is directly related to the health of the economy. During the recession, more focus has been placed on training to develop the skills needed during the continuing recovery.

MFIP/DWP works together with related Department of Human Services (DHS) programs such as Support Services Grants and MFIP Child Care Assistance Grants. Those provide other supports such as employment and training services, transportation, and child care to ensure parents are able to participate in activities and accept employment.

Results:

Success in MFIP is measured in several ways. Two key measures are:

- The Self-Support Index is a Minnesota specific outcome measure that reflects the number of families who leave assistance or who are working at least 30 hours per week, and
- The federal measure for MFIP is the Work Participation Rate (WPR). The WPR is a process measure that reflects the number of hours parents are participating in a small number of approved activities.

Performance Measures	Previous	Current	Trend
Minnesota Self-Support Index	69%	67%	Worsening
Work Participation Rate	29.8%	40.2%	Improving

Performance Measures Notes:

1. The MFIP Self-Support Index compares 2010 (previous) and 2011(current).
2. TANF Work Participation Rate by Federal Fiscal Year, compares 2009 (previous) and 2010 (current).

For more information on these programs:

Minnesota Family Investment Program: <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5830-ENG>

Diversionary Work Program: <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5848-ENG>

Work Benefit: <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5837-ENG>

Budget Activity: MFIP/DWP**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$161,893	\$2,170	\$485,960	\$650,023
Current Law Expenditures (FY 2014-15)	\$151,623	\$2,400	\$489,512	\$643,535
Governor's Recommended Expenditures (FY2014-15)	\$153,614	\$2,400	\$489,512	\$645,526
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$1,991	\$0	\$0	\$1,991
% Change from FY 2014-15 Current Law to Governor's Rec	1%	0%	0%	0%

Budget Activity: MFIP/DWP**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN			\$31,271	\$31,271
REVENUE		\$2,400	\$333,214	\$335,614
APPROPRIATION	\$153,614	\$0	\$156,298	\$309,912
SOURCES OF FUNDS	\$153,614	\$2,400	\$520,783	\$676,797
BALANCE FORWARD OUT			\$31,271	\$31,271
EXPENDITURES	\$153,614	\$2,400	\$489,512	\$645,526
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS	\$1,550			\$1,550
GRANTS, AIDS AND SUBSIDIES	\$152,064	\$2,400	\$489,512	\$643,976
USES OF FUNDS	\$153,614	\$2,400	\$520,783	\$676,797

Human Services

MFIP Child Care Assistance Grants

http://www.dhs.state.mn.us/main/id_008688#

Statewide Outcome(s):

MFIP Child Care Assistance Grants supports the following statewide outcome(s).

Strong and stable families and communities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

About three-quarters of Minnesota households with children ages 12 and younger use child care. These families are challenged to knit together child care that fits their preferences and needs, and is affordable, according to a 2009 study commissioned by the Minnesota Department of Human Services and conducted by Wilder Research. In households with low incomes, 20 percent of parents reported that child care problems interfered with their getting or keeping a job in the past year. Without this program, many low-income families would not be able to pay for child care and would be unable to work or pursue education leading to work.

The Minnesota Family Investment Program (MFIP) Child Care Assistance Grants provide financial subsidies to help low-income families pay for child care so that parents may pursue employment or education leading to employment, and so children are well-cared for and prepared to enter school ready to learn. MFIP child care serves families who currently participate in the MFIP or Diversionary Work Program (DWP), or who have recently done so. In FY 2011, an average of 9,798 families with 17,498 children per month were served with a monthly average payment of \$961 per family. State law determines the maximum rates this program will pay to providers and providers are paid at the rate charged up to this limit. All families who meet eligibility requirements may receive this help. This program is funded with state and federal funds that include the federal Child Care and Development Fund and the Temporary Assistance for Needy Families (TANF) fund. Counties administer the Child Care Assistance Program.

Strategies:

MFIP Child Care Assistance Grants provide supports to help improve outcomes for the most at-risk children and their families by increasing access to high quality child care.

- Receipt of child care assistance helps families with low incomes access quality child care. Families choose their providers in the private child care market. Maximum rates paid through the program are set for each type of care: center-based, family child care and legal non-licensed child care.
- A higher reimbursement rate is paid to child care providers who provide high quality child care. Participation in high quality care increases the likelihood of improved school readiness.

Results:

Maximum rates paid to providers under the child care assistance program may not cover the full cost of care because they are not based on the current market rates. This may be a barrier to parents' access to many of the child care providers in their communities. The percent of child care provider rates that are fully covered by the Child Care Assistance Program is worsening. If maximum rates are held constant or reduced, this trend will continue as rates in the private child care market increase.

High quality early child care and education experiences are associated with better child outcomes, particularly for children from low-income families. Up to a 15 percent higher maximum rate is paid to providers who meet certain accreditation or education standards established in statute. In 2011 and 2012, one-fifth of the children served by the Child Care Assistance Program received care from a provider who met these quality standards.

Performance Measures	Previous	Current	Trend
Percent of Child Care Providers Covered by Maximum Rates –	38.4%	27.6%	Worsening

Performance Measures	Previous	Current	Trend
Family Child Care ¹			
Percent of Child Care Providers Covered by Maximum Rates – Center Child Care ¹	32.5%	20.6%	Worsening
Percent of Children Receiving Child Care Assistance who are in Accredited Programs ²	19.3%	20.0%	Stable

Performance Measures Notes:

¹ Child Care Assistance Program Family Profile, 2010 (Previous), 2011 (Current).

http://www.dhs.state.mn.us/main/groups/economic_support/documents/pub/dhs_id_057781.pdf

² Quality Child Care Assistance Children and Family Services Dashboard, 2011 (Previous), 2012 (Current).

For additional information on the Child Care Assistance Programs see: <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4745-ENG>

Budget Activity: MFIP Child Care Assistance
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$96,012		\$109,880	\$205,892
Current Law Expenditures (FY 2014-15)	\$107,759		\$99,989	\$207,748
Governor's Recommended Expenditures (FY2014-15)	\$122,094		\$99,989	\$222,083
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$14,335		\$0	\$14,335
% Change from FY 2014-15 Current Law to Governor's Rec	13%		0%	7%

Budget Activity: MFIP Child Care Assistance**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$99,990	\$99,990
APPROPRIATION	\$122,094		\$0	\$122,094
SOURCES OF FUNDS	\$122,094		\$99,990	\$222,084
EXPENDITURES	\$122,094		\$99,989	\$222,083
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$122,094		\$99,989	\$222,083
USES OF FUNDS	\$122,094		\$99,989	\$222,083

Human Services

General Assistance Grants

http://www.dhs.state.mn.us/main/id_002558#

Statewide Outcome(s):

General Assistance Grants supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

General Assistance (GA) Grants provide state-funded, monthly cash grants for people without children who have very limited income and are unable to fully support themselves. Without additional income supports these individual would likely fall further into poverty and become homeless. The most common eligibility reason for people at enrollment is illness or incapacity (67 percent). 32 percent of those eligible have applied for other income benefits such as Supplemental Security Income (SSI) or Retirement, Survivors and Disability Income. The GA grant helps meet some of their basic and emergency needs. In SFY 2011, an average of 20,963 people per month received an average monthly payment of \$165. People who become eligible for SSI are no longer eligible for GA and become eligible for Minnesota Supplemental Aid (MSA) to supplement their SSI income.

GA helps to address homelessness and poverty in Minnesota and is funded through the state general fund.

Strategies:

General Assistance is the primary safety net for people without children who are unable to work and do not have enough money to meet their basic needs. Many people receive these benefits while they wait for more stable assistance such as Supplemental Security Income, a federal income supplement program that helps aged, blind and disabled people who have little or no income.

- GA contributes to stabilizing crisis situations, avoiding homelessness, and making connections to other resources, resulting in better outcomes.
- The department works with the Social Security Administration and the state's Disability Linkage Line® to identify possible ways to streamline the disability determination process, and connects recipients with resources to assist in the SSI application process.
- The Department of Human Services works with counties, tribes, homeless service providers and other non-profit advocacy agencies to advise on and administer the GA program.

Results:

Recipients of GA who appear to meet SSI eligibility criteria are required to apply for SSI or Social Security Disability Insurance (SSDI). SSI eligibles must sign an Interim Assistance Agreement which allows the state to recoup some of the GA dollars when the person receives other benefits such as SSI. Approval for SSI results in higher and more stable income for aged, blind and disabled adults. When SSI is approved, the state is reimbursed for GA payments made for the retroactive time period that matches the SSI approval.

Performance Measures	Previous	Current	Trend
Percent of GA Recipients Required to Apply for SSI	33%	31%	Stable

Performance Measures Notes:

"Percent of GA Recipients Required to Apply for SSI" is the number of people receiving GA who signed an Interim Assistance Agreement. Data compares 2010 (Previous) to 2011 (Current).

Budget Activity: General Assistance
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$102,558	\$50		\$102,608
Current Law Expenditures (FY 2014-15)	\$109,825	\$100		\$109,925
Governor's Recommended Expenditures (FY2014-15)	\$109,825	\$100		\$109,925
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: General Assistance**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$100		\$100
APPROPRIATION	\$109,825	\$0		\$109,825
SOURCES OF FUNDS	\$109,825	\$100		\$109,925
EXPENDITURES	\$109,825	\$100		\$109,925
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$109,825	\$100		\$109,925
USES OF FUNDS	\$109,825	\$100		\$109,925

Human Services

Minnesota Supplemental Aid Grants

Website: http://www.dhs.state.mn.us/main/id_004114#

Statewide Outcome(s):

Minnesota Supplemental Aid (MSA) Grants supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

Minnesota Supplemental Aid (MSA) grants help to address homelessness and poverty in Minnesota. MSA Grants provide a state-funded monthly cash supplement to help people who are aged, blind or disabled, and who receive federal Supplemental Security Income (SSI) benefits to meet their basic needs that are not met by SSI alone. Nearly half of MSA recipients are age 60 or older and 79 percent are disabled. MSA grants are intended to cover basic need items and other daily or special necessities. Some recipients who do not receive SSI because their income is too high may still be eligible for MSA if they meet other eligibility criteria.

In SFY 2011, an average of 30,000 people per month received an average monthly MSA supplement of \$91. This supplements a typical monthly SSI benefit is \$698 for an individual living alone.

Minnesota established the MSA program in 1974. Federal maintenance of effort regulations require that states maintain payment levels that were in effect in March 1983 or the state risks losing Medicaid federal financial participation. The program serves as the supplement to Minnesota recipients of the SSI program. People who become eligible for SSI are no longer eligible for GA and become eligible for MSA to supplement their SSI income.

Strategies:

The Department of Human Services works with counties, tribes, the Social Security Administration, service providers, and other non-profit advocacy agencies to identify persons eligible for the program and to advise and administer MSA program policy.

Results:

People who receive SSI are categorically eligible for MSA, but must apply for benefits. While the MSA program has had stable enrollment of around 30,000 individuals over time, the number of adults who receive SSI but do not receive MSA is increasing. This is an indicator that people are not fully accessing the benefits they are eligible to receive. While further analysis is needed, some of the increase may be due to small differences in policies which could be addressed through a change in MSA policy.

Performance Measure	Previous	Current	Trend
Number of Adults on SSI with no MSA	38,870	45,518	Worsening

Performance Measures Notes:

*Social Security Research, Statistics, & Policy Analysis – “SSI Recipients by State and County” data compares 2010 (previous) and 2011 (current), www.ssa.gov/policy/docs/statcomps/ssi_sc/

Budget Activity: MN Supplemental Assistance
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$73,417	\$5		\$73,422
Current Law Expenditures (FY 2014-15)	\$78,456	\$10		\$78,466
Governor's Recommended Expenditures (FY2014-15)	\$78,456	\$10		\$78,466
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: MN Supplemental Assistance**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
REVENUE		\$10		\$10
APPROPRIATION	\$78,456	\$0		\$78,456
SOURCES OF FUNDS	\$78,456	\$10		\$78,466
EXPENDITURES	\$78,456	\$10		\$78,466
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$78,456	\$10		\$78,466
USES OF FUNDS	\$78,456	\$10		\$78,466

Human Services

Group Residential Housing Grants

Website: http://www.dhs.state.mn.us/main/id_002549#

Statewide Outcome(s):

Group Residential Housing Grants supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

Group Residential Housing (GRH) is a state-funded income supplement program that pays for room and board costs for low-income adults who have been placed in a licensed or registered setting. GRH Grants assist individuals who have illnesses or disabilities, including developmental disabilities, mental illnesses, chemical dependency, physical disabilities, advanced age, or brain injuries, to prevent or reduce institutionalization or homelessness. Approximately 16 percent of GRH recipients are seniors, and those who are younger than 65 years of age all have a combination of factors that limit their self-sufficiency. Without GRH, program recipients likely would be in institutional placements or homeless.

In FY 2011, an average of 18,200 people received GRH payments each month. The average monthly GRH payment per person was \$530. The GRH program is funded with state general fund dollars and receives some federal funding for food and nutrition costs.

Strategies:

GRH provides an income supplement used to cover room and board and other necessary housing-related services for aged, blind, ill or disabled individuals to prevent or reduce homelessness and institutional residence. Without this aid, program recipients would likely be in institutional placements or homeless.

- Participants are encouraged to seek earned income opportunities.
- Individuals who also receive General Assistance are required to apply for federal Supplemental Security Income.

The Department of Human Services works with counties, tribes, residential housing service providers, community agencies, and other state agencies, including the Department of Health and the Minnesota Housing Finance Agency to deliver these services. Counties contract with GRH facilities to establish the monthly room & board rate.

Results:

An increase in the number of GRH recipients who are no longer homeless indicates an improvement in the prevention and reduction of homelessness. Performance trends are impacted by the availability of affordable housing in the community, general community economic health, and the availability of employment opportunities.

Performance Measures	Previous	Current	Trend
Number of GRH Recipients Who Are No Longer Homeless	867	1224	Improving

Performance Measures Notes:

Information regarding GRH recipients who are no longer homeless is based on department data on individuals receiving Housing First housing with services. Housing First is a national model that provides housing and support services to maintain an individual's housing. Comparison years are December 2010 (Previous) and December 2011 (Current).

Budget Activity: Group Residential Housing
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$250,083	\$2,546		\$252,629
Current Law Expenditures (FY 2014-15)	\$287,078	\$3,330		\$290,408
Governor's Recommended Expenditures (FY2014-15)	\$277,361	\$3,330		\$280,691
\$ Change from FY 2014-15 Current Law to Governor's Rec	(9,717)	\$0		(9,717)
% Change from FY 2014-15 Current Law to Governor's Rec	(3%)	0%		(3%)

Budget Activity: Group Residential Housing**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$3,330		\$3,330
APPROPRIATION	\$277,361	\$0		\$277,361
SOURCES OF FUNDS	\$277,361	\$3,330		\$280,691
EXPENDITURES	\$277,361	\$3,330		\$280,691
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$277,361	\$3,330		\$280,691
USES OF FUNDS	\$277,361	\$3,330		\$280,691

Human Services

Minnesota Care

http://www.dhs.state.mn.us/main/id_006255

Statewide Outcome(s):

Minnesota Care supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

Many working Minnesotans cannot afford – or do not have – health insurance coverage options available through their employer(s). The MinnesotaCare program provides health care coverage for low-income, working families and adults in Minnesota with higher income levels than the Medical Assistance program, who do not have access to affordable health insurance individually or through their employer. Populations covered under MinnesotaCare include pregnant women, children, parents/caretakers, and adults without children. In FY 2011, MinnesotaCare covered approximately 148,000 people in an average month.

MinnesotaCare covers preventive services and well-child visits, physician services, ambulance and emergency room services, laboratory and x-ray services, prescription drugs, chiropractic services, rehabilitative therapy, vision care, chemical dependency treatment and mental health services, inpatient and outpatient hospital care, immunizations, medical transportation, dental care, and services through rural health clinics, federally qualified health centers, and Indian health. All adults without children and parents at the upper income levels receive some lesser benefits than other populations on MinnesotaCare, most significant of which is a \$10,000 limit to hospital services.

Families and individuals seeking coverage under MinnesotaCare can apply directly to the state (MinnesotaCare state operations) or through their county. DHS contracts with non-profit health plans to provide health care services through their provider networks to MinnesotaCare enrollees. Except for certain low-income children, applicants are not eligible if they have other health insurance (including Medicare), have access to coverage through their employer and the employer's share of the premium is 50 percent or more, have had access to such coverage in the past 18 months, or have had other insurance within the past four months. There are no health condition barriers, but MinnesotaCare applicants must pay a premium, meet income guidelines and other requirements to qualify. Enrollees pay a premium based on income. The average enrollee premium for FY 2011 was \$22 per person per month. The premium for some low-income children was \$4 per month until July 1, 2012, when the premium for those children went down to zero. The full list of MinnesotaCare populations, income and asset limits is online at <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4346-ENG>.

MinnesotaCare is funded with appropriations from the health care access fund, from federal Medicaid funds, and from enrollee premiums.

Approximately 50,000 adults without children on MinnesotaCare moved to the Medical Assistance (MA) program under the MA early expansion that became effective March 1, 2011. As of July 1, 2012, some MinnesotaCare adults without children at the upper end of the income range (above 200 percent of the Federal Poverty Guidelines) moved to the new Healthy Minnesota Contribution Program, which provides a subsidy for adults without children to purchase private health care coverage in the individual market.

Strategies:

DHS works with many stakeholders to determine how we can improve our health care programs. Here are some examples of how DHS is working toward program improvements:

Improving health outcomes of public health care program recipients while lowering costs for taxpayers

- MinnesotaCare provides coverage of care coordination services for people with chronic illnesses through physician clinics that are certified Health Care Homes.

- DHS, per legislative direction in 2011, is seeking federal approval to reform Minnesota's public health care programs to achieve better outcomes for people with disabilities, seniors and other enrollees through the Reform 2020 initiative. More information is available online at http://www.dhs.state.mn.us/main/dhs16_166654
- DHS is submitting a grant application for a CMS Innovation Challenge for the "Strong Start for Mothers and Babies" initiative, to decrease disparities in birth outcomes for infants from communities of color.
- DHS is partnering with the Minnesota Department of Health to help public health care program enrollees prevent diabetes and other chronic disease by participating in the YMCA's Diabetes Prevention Program and receiving other incentives for healthy behavior.

Integrate primary care, behavioral health and long-term care

DHS is developing a grant project to integrate primary care and behavioral health care. This grant project includes the development of a methodology to identify children who are considered "socially complex" and would benefit from medical care coordination.

Institute payment reform in health care purchasing

DHS is negotiating with potential Health Care Delivery System (HCDS) sites to begin full operation by January 2013. HCDS demonstration projects will contract directly with providers in a new way that allows them to share in savings for improving quality of care and patient experience and reducing the total cost of care for public health care program enrollees. In this new model, MinnesotaCare enrollees will receive more coordinated care to improve their overall health, and health care providers will be paid based on the quality of care they provide to their patients and their ability to reduce the cost of care.

Results:

Performance Measures	Previous	Current	Trend
Percent of Minnesotans lacking health insurance ¹	9%	9.1%	Stable
Percent of children receiving well-child visits ²	40.3%	42.1%	Improving
Number of clinics certified as health care homes ³	0	155	Improving

Performance Measures Notes:

1. Measure is the percent of Minnesotans that do not have health insurance. Nearly three-fourths of the uninsured have some potential access to coverage but do not take advantage of it. Source: Minnesota Department of Health, Health Access Survey (measured semi-annually). Compares 2009 (Previous) to 2011 (Current).
2. Measure is the percentage of children who receive six well child visits (e.g. age-specific preventive visits and screenings) by 15 months of age through their health care provider. Source DHS Data Warehouse (measured annually). Compares calendar year 2009 (Previous) and CY 2010 (Current).
3. Measure is the number of physician clinics certified by the Minnesota Department of Health as health care homes that provide care coordination services for people with chronic illnesses. Source: Minnesota Department of Health (measured quarterly). Compares the beginning of CY 2011 (Previous) and CY 2011 fourth quarter (Current).

Budget Activity: MinnesotaCare
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$616,978	\$270,644	\$887,621
Current Law Expenditures (FY 2014-15)		\$988,524	\$408,312	\$1,396,836
Governor's Recommended Expenditures (FY2014-15)		\$346,348	\$408,312	\$754,660
\$ Change from FY 2014-15 Current Law to Governor's Rec		(642,176)	\$0	(642,176)
% Change from FY 2014-15 Current Law to Governor's Rec		(65%)	0%	(46%)

Budget Activity: MinnesotaCare**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$74,234	\$408,312	\$482,546
APPROPRIATION		\$272,114	\$0	\$272,114
SOURCES OF FUNDS		\$346,348	\$408,312	\$754,660
EXPENDITURES		\$346,348	\$408,312	\$754,660
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES		\$346,348	\$408,312	\$754,660
USES OF FUNDS		\$346,348	\$408,312	\$754,660

Human Services GAMC

Statewide Outcome(s):

GAMC supports the following statewide outcome(s).

Minnesotans are healthy.

Context:

GAMC (General Assistance Medical Care) ended on June 1, 2010. GAMC was a state entitlement program that paid for health care services for very low income single adults ineligible for Medical Assistance or other state or federal health care programs. Health care coverage provided through GAMC was 100 percent paid for with state General Fund dollars.

Strategies:

To bring an orderly close to the GAMC program, department staff must properly manage the tails of remaining GAMC financial obligations. In the FY 2012-13 biennium, this work included: making the last managed care withhold payments; making negative accounting adjustments when disability determinations made GAMC recipients retroactively eligible for Medical Assistance; and managing a settle up payment process for hospitals that provided care to GAMC recipients before June 1, 2010.

Moving forward, department staff will continue to appropriately manage any remaining hospital settlement payments relating to the old GAMC program. (Laws 2011, First Special Session Chapter 9, Article 10, Section 2, Subd. 2, <https://www.revisor.mn.gov/data/revisor/law/2011/1/2011-SP1-009.pdf#page=210> rider "Payments for Cost Settlements")

Results:

N/A

Performance Measures	Previous	Current	Trend
N/A			

Performance Measures Notes:

Budget Activity: GAMC

Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,996			\$1,996
Current Law Expenditures (FY 2014-15)				
Governor's Recommended Expenditures (FY2014-15)				
\$ Change from FY 2014-15 Current Law to Governor's Rec				
% Change from FY 2014-15 Current Law to Governor's Rec				

Human Services

Medical Assistance

<http://www.dhs.state.mn.us/MA>

Statewide Outcome(s):

Medical Assistance supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

Medical Assistance (MA) is Minnesota's Medicaid program that provides comprehensive coverage to the lowest-income families and individuals not able to afford coverage. Medical services covered by MA include preventive care, primary and specialty medical care, dental, mental health and chemical dependency services and long-term care coverage. The goal of this joint federal-state program is to avoid impoverishing low income elderly and disabled people due to high health care costs, and to provide basic health care coverage for very low income families and children. These services also help support older people and people with disabilities to function more independently in their homes and communities or in institutional settings. MA has lower income guidelines than MinnesotaCare, does not have premiums or insurance barriers, and pays for previously incurred medical bills. MA is funded with general fund appropriations and federal Medicaid funds. In fiscal year 2011, MA served a monthly average of 665,483 people and had total spending (federal, state and local) of \$7.5 billion, of which \$3 billion was the Minnesota state budget share.

Share of MA Total Enrollment and Payments by Population in FY2011

MA Population	Share of Total Enrollment ¹	Share of Total Payments ²
Families with children ³	70%	30%
Elderly	8%	22%
Disabled	18%	47%
Adults without children ⁴	4%	1%

Notes: ¹ Enrollment figures are based on a 12-month average.

² Payments include withhold payments to health plans in the year paid. Payments do not include an offset for pharmacy rebates.

³ Families with children payments include payments relating to Emergency MA, Family Planning Waiver, and Breast and Cervical Cancer coverage.

⁴ Adults with no children coverage began in March 2011.

The Minnesota Department of Human Services (DHS) partners with all 87 Minnesota counties to administer the MA program, and enrolls or contracts with most health care providers and health plans across the state to deliver care to MA enrollees. MA enrollees fall under one of five general categories:

1. MA Coverage of Basic Health Care for Elderly and Disabled

In FY2011, this segment of MA funds supported an average of 174,491 people per month (many of whom are also enrolled in Medicare as "dual eligibles"). The state budget share of this spending was \$944.28 million. Recipients of these services are low-income elderly (65 years or older) and people who are blind or have a disability, who receive health care coverage or financial assistance to help them pay for their Medicare premiums and cost sharing/copayments (this approach is often cheaper than if the state provided their health coverage).

This segment of the MA program also includes employed persons with disabilities (a monthly average of over 7900 working people), who receive full MA coverage under the Medical Assistance for Employed Persons with Disabilities (MA-EPD) program. This program encourages people with disabilities to work and enjoy the benefits

of being employed by allowing working people with disabilities to qualify for MA under higher income and asset limits than standard MA. More information on MA-EPD is available online at http://www.dhs.state.mn.us/id_004088

2. MA Coverage of Care through Long-Term Care Waivers & Home Care

In FY2011, this segment of MA funds supported an average of 54,780 people per month. The state budget share of spending was \$888.78 million. Recipients of MA LTC waivers and home care services are low-income Minnesotans who are elderly or have disabilities. These long-term care services and health care-related supports enable them to live as independently as possible in their communities.

“LTC waivers” refer to home and community-based services (HCBS) available under a federal Medicaid waiver. These programs are called waivers because they allow states to “waive” the Medicaid rules that require individuals to be served in institutional settings. Waivers are available to people who qualify for MA and who have certain levels of need, within available funding. More information on the HCBS waiver programs is online at http://www.dhs.state.mn.us/id_003726#.

3. MA Coverage of Care in Long-Term Care Facilities

In FY2011, this segment of MA funds supported an average of 19,308 people per month. The state budget share of spending was \$377.44 million. Recipients of these services are elderly or have disabilities, reside in a nursing facility, and receive 24-hour care and supervision in an institutional-based setting, including nursing care, help with activities of daily living and other care needs, including housing, meals, and medication administration. More information on nursing facilities is online at <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5961-ENG>

This segment of the MA program also includes services to persons with developmental disabilities who receive 24-hour care, active treatment in intermediate care facilities (ICFs/DD). ICF/DD residents may also receive day training and habilitation (DT&H) services. DT&H services help people with disabilities develop and maintain life skills, participate in the community, and engage in productive and satisfying activities.

4. MA Coverage of Basic Health Care for Families with Children

In FY 2011, this segment of MA funds supported an average of 463,151 people per month. The state budget share of spending was \$791.21 million. Recipients of this health care coverage are often the poorest Minnesotans, and include low income pregnant women, children, and parents/caretakers.

This segment of the MA program also includes funding for the Minnesota Family Planning Program (MFPP), which provides coverage of family planning and related health care services for people not currently enrolled in MA or MinnesotaCare.

5. MA Coverage for Adults without Children

In the four-month period from March–June 2011, this segment of the MA program served an average of 82,800 people per month. The state budget share of spending was \$50.78 million. Recipients of this health care coverage are single adults with income at or below 75 percent of the federal poverty guidelines (\$8,388 per year). Federal law allows all states to expand MA eligibility to cover adults with no children effective January 2014, and allowed some states to expand coverage to low income adults without children earlier. Minnesota expanded its MA program to this population beginning March 1, 2011.

The full list of Medical Assistance populations, income and asset limits is online at <http://edocs.dhs.state.mn.us/lfserver/Public/DHS-4346-ENG>. For more information on expenditures and enrollment, go to http://www.dhs.state.mn.us/main/id_016358, scroll down to “Background Data Tables for the Expenditure Forecast,” and click on “Background data tables for February 2012.”

Strategies:

DHS works with many stakeholders to determine how we can improve our health care programs. Here are some examples of how DHS is working toward improvements in MA:

Improve health outcomes of Medicaid recipients while lowering costs for taxpayers

- MA provides coverage of care coordination services for people with chronic illnesses through physician clinics that are certified Health Care Homes.

- DHS, per legislative direction in 2011, is seeking federal approval to reform MA to achieve better outcomes for people with disabilities, seniors and other enrollees through the *Reform 2020* initiative. More information is available online at http://www.dhs.state.mn.us/main/dhs16_166654.
- DHS is submitting a grant application for a CMS Innovation Challenge for the “Strong Start for Mothers and Babies” initiative, to decrease disparities in birth outcomes for infants from communities of color.
- DHS is working with many partners to launch the Money Follows the Person Rebalancing Demonstration Program, aimed at increasing the number of Minnesotans with disabilities served in their homes and communities rather than in institutions. (See http://www.dhs.state.mn.us/main/dhs16_162194).
- DHS is partnering with the MN Department of Health to help MA enrollees prevent diabetes and other chronic disease by participating in the YMCA’s Diabetes Prevention Program and receiving other incentives for healthy behavior.

Integrate primary care, behavioral health and long-term care

Minnesota will see large growth in cost and utilization of long-term care services as Minnesota’s population ages. We can control cost growth, reduce duplication of services and improve the health of our recipients if we better integrate our health care services. Some examples include:

- As part of *Reform 2020*, DHS is building on current state initiatives to improve performance of primary care and care coordination models for dual Medicare-Medicaid eligibles. Part of this focus is on primary care payment reform. More information about this component of the overall reform is available online at http://www.dhs.state.mn.us/dhs16_163573
- DHS launched the “*Own Your Future*” public awareness campaign to encourage Minnesotans to plan for aging care needs and increase the number of Minnesotans who take action to address and provide for their future long-term care.
- DHS is developing a grant project to integrate primary care and behavioral health care.
- DHS submitted the Long-Term Care Realignment waiver proposal to CMS in February of 2012 to request federal authority to implement the new nursing facility level of care criteria.
- DHS is partnering with Hennepin County on an innovative pilot project to test new strategies to better deliver human services to high-needs populations by integrating medical, behavioral health and county human services for up to 10,000 low-income Minnesotans.

Institute payment reform in health care purchasing

DHS is negotiating with potential Health Care Delivery System (HCDS) sites to begin full operation by January 2013. HCDS demonstration projects will contract directly with providers in a new way that allows them to share in savings for improving quality of care and patient experience and reducing the total cost of care for Medicaid enrollees. In this new model, MA enrollees will receive more coordinated care to improve their overall health, and health care providers will be paid based on the quality of care they provide to their patients and their ability to reduce the cost of care.

Results:

Performance Measures	Previous	Current	Trend
1. Percent of Minnesotans lacking health insurance	9%	9.1%	Stable
2. Percent of children receiving well-child visits	40.3%	42.1%	Improving
3. Number of clinics certified as health care homes	0	155	Improving
4. Percent of seniors served by home and community-based services	54%	62.4%	Improving
5. Percent of people with disabilities served by home and community-based services	92%	94.5%	Improving

Performance Measures Notes:

1. Measure is the percent of Minnesotans that do not have health insurance. Nearly three-fourths of the uninsured have some potential access to coverage but do not take advantage of it. Source: Minnesota Department of Health, *Health Access Survey*, measured semi-annually. Compares 2009 (Previous) to 2011 (Current).

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2. Measure is the percent of children who receive six well child visits (e.g. age-specific preventive visits and screenings) by 15 months of age through their health care provider. Source: DHS Data Warehouse, measured annually. Compares calendar year 2009 (Previous) and CY 2010 (Current) data
 3. Measure is the number of physician clinics certified by the Minnesota Department of Health as health care homes that provide care coordination services for people with chronic illnesses. Source: Minnesota Department of Health, measured quarterly. Previous measure represents the beginning of CY 2011; current measure is CY 2011 fourth quarter.
 4. Measure is the percent of older adults receiving publicly funded long-term care services who receive home and community-based services (HCBS) through the Elderly Waiver or Alternative Care program instead of services in nursing homes. Source: DHS Data Warehouse. Compares FY 2007 (Previous) and FY 2011 (Current) data.
 5. Measure is the percent of people with disabilities receiving publicly funded long-term care services who receive HCBS services through disability waiver or home care programs instead of services in nursing homes or Intermediate Care Facilities. Source: DHS Data Warehouse. Compares FY 2007 (Previous) and FY 2011 (Current) data.

More information is available on the DHS Dashboard: <http://dashboard.dhs.state.mn.us>.

Budget Activity: Medical Assistance
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$8,279,420	\$110,404	\$8,575,372	\$16,965,195
Current Law Expenditures (FY 2014-15)	\$8,972,221	\$122,361	\$10,999,972	\$20,094,554
Governor's Recommended Expenditures (FY2014-15)	\$9,024,088	\$584,985	\$10,999,972	\$20,609,045
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$51,867	\$462,624	\$0	\$514,491
% Change from FY 2014-15 Current Law to Governor's Rec	1%	378%	0%	3%

Budget Activity: Medical Assistance**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE	\$0	\$122,361	\$10,999,971	\$11,122,332
TRANSFERS IN	\$35,923			\$35,923
APPROPRIATION	\$9,025,556	\$462,624	\$0	\$9,488,180
SOURCES OF FUNDS	\$9,061,479	\$584,985	\$10,999,971	\$20,646,435
TRANSFERS OUT	\$37,391			\$37,391
EXPENDITURES	\$9,024,088	\$584,985	\$10,999,972	\$20,609,045
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$9,024,088	\$584,985	\$10,999,972	\$20,609,045
USES OF FUNDS	\$9,061,479	\$584,985	\$10,999,972	\$20,646,436

Human Services Alternative Care

http://www.dhs.state.mn.us/main/dhs16_137084

Statewide Outcome(s):

Alternative Care supports the following statewide outcome(s).

Strong and stable families and communities.

Minnesotans are healthy.

Context:

Between now and 2030, Minnesota will experience the most profound age shift in its history. Along with the rest of the nation and the world, we will become older not just as individuals but as a society. The baby boomers—1.5 million strong in Minnesota—are leading us into this uncharted territory as they begin to age. By 2030, we will have 1.3 million persons over 65, or one out of every four Minnesotans. Later, in 2050, we will have the largest number ever of people over 85. Over two-thirds of persons age 85 and older have at least one disability. Older persons are more likely to have multiple disabilities, and each of these chronic conditions poses a challenge to the individual's ability to live independently. Therefore, Minnesotans' need for community-based long-term care services, which are usually not covered by Medicare, will continue to increase. Alternative Care services support seniors, their families, caregivers and communities to enable seniors to stay in their homes and communities and avoid costly institutionalization.

The Alternative Care (AC) Program is a state-funded, cost-sharing program that supports certain home- and community-based services for eligible Minnesotans age 65 and over. The program provides services to prevent and delay transitions to Medical Assistance-funded services, such as Elderly Waiver and nursing home care. The program helps prevent the impoverishment of eligible seniors and shares the cost of care with individuals on the program by maximizing use of their own resources. It is available to individuals who need the level of care provided in a nursing home but choose to receive services in the community, and whose income and assets would be inadequate to fund a nursing home stay for more than 135 days.

The AC program served a monthly average of 3,086 older Minnesotans in FY 2011, at an average monthly cost of \$769. The program is funded with state funds along with monthly program participation fees paid by the client. Payments made by the state for AC services are subject to estate recovery.

Strategies:

Alternative Care services are delivered in a person's own home. AC covers the following services: adult day services, caregiver assessment, case management, chore services, companion services, consumer-directed community supports, home health aides, home-delivered meals, homemaker services, environmental accessibility adaptations, nutrition services, personal emergency response system, personal care, respite care, skilled nursing, specialized equipment and supplies, training and support for family caregivers and transportation.

DHS partners with community providers, counties, tribal health entities and the Department of Health in administering and monitoring AC services.

More information is available on the Alternative Care fact sheet:

<https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-4720-ENG>.

Results:

Improvement in the percentage of seniors supported in their own homes rather than institutions contributes to the Statewide Outcome of strong and stable families and communities. We monitor performance measures that help us see how our strategies in this program are working. Measures we track include the percentage of elderly receiving publicly funded long-term care services who receive home and community-based long-term care services through the Elderly Waiver, Alternative Care, or home care programs instead of nursing home services; and the percentage of public long-term care funding for seniors that is spent on Elderly Waiver, Alternative Care or home care services instead of nursing home services. We also measure the proportion of AC spending that is

used for Consumer-Directed Community Supports, which is a newer approach that gives participants more flexibility and responsibility for directing their own services and supports - compared to services provided through the traditional program – including hiring and managing direct care staff.

Performance Measures	Previous	Current	Trend
Percent of elderly served by home and community-based services ¹	54%	62.4%	Improving
Percent of long-term care spending for home and community-based services for elderly ²	34.1%	42.7%	Improving
Percent of AC spending on Consumer-Directed Community Supports (CDCS) ³	1.6%	4.2%	Improving

Performance Measures Notes:

1. Compares FY 2007 (Previous) to FY2011 (Current) data. Source: DHS Data Warehouse
2. Compares 2007 (Previous) to 2011 (Current) data. Source: DHS Data Warehouse
3. Compares FY 2007 (Previous) to FY2011 (Current) data. This is a 197 percent increase over five years. Source: DHS Data Warehouse.

More information is available on the Continuing Care Performance Reports webpage at http://www.dhs.state.mn.us/main/dhs16_166609# and the DHS Dashboard: <http://dashboard.dhs.state.mn.us>.

Budget Activity: Alternative Care
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$51,268	\$3,954		\$55,222
Current Law Expenditures (FY 2014-15)	\$54,737	\$4,163		\$58,900
Governor's Recommended Expenditures (FY2014-15)	\$38,408	\$4,163		\$42,571
\$ Change from FY 2014-15 Current Law to Governor's Rec	(16,329)	\$0		(16,329)
% Change from FY 2014-15 Current Law to Governor's Rec	(30%)	0%		(28%)

Budget Activity: Alternative Care**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$4,163		\$4,163
APPROPRIATION	\$74,331	\$0		\$74,331
SOURCES OF FUNDS	\$74,331	\$4,163		\$78,494
TRANSFERS OUT	\$35,923			\$35,923
EXPENDITURES	\$38,408	\$4,163		\$42,571
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$38,408	\$4,163		\$42,571
USES OF FUNDS	\$74,331	\$4,163		\$78,494

Human Services CD Treatment Fund

<http://www.dhs.state.mn.us/adad>

Statewide Outcome(s):

The CD Treatment Fund supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

Chemical addiction can affect persons of any age, race, religion, or income. According to the 2006 Substance Abuse and Mental Health Service (SAMHSA) National Survey on Drug Use, 22.6 million people, or 9.2 percent, of people in the U.S aged 12 and older were chemically dependent. Chemical dependence broke down as follows: 3.2 million people were dependent on both drugs and alcohol, 3.8 million were dependent on drugs alone, and 15.6 million were dependent on alcohol alone. Of this 22.6 million people, only 1.6 percent received treatment. Without treatment, the consequences of substance use for the individual and society are staggering. It includes unnecessary disability, unemployment, mental illness, homelessness, incarceration, and suicide.

The Consolidated Chemical Dependency Treatment Fund (CCDTF) provides funding for residential and non-residential addiction treatment services for eligible low-income Minnesotans who have been assessed as needing treatment for chemical abuse or dependency. Approximately 50 percent of all CD treatment admissions for Minnesota residents are paid for through the CCDTF. Almost all treatment providers in the state are enrolled as CCDTF providers.

The CCDTF combines otherwise separate funding sources – MA, Minnesota Care, other state appropriations and the federal Substance Abuse, Prevention and Treatment block grant – into a single fund with a common set of eligibility criteria, and a single process for evaluating and placing persons with substance abuse problems in appropriate treatment. Counties also contribute a share toward the cost of treatment, paying 15 percent of treatment costs for Medicaid recipients and 22.95 percent for non-Medicaid recipients. Federal Medical Assistance Percentage (FMAP) is collected on the treatment program services provided to Medicaid recipients.

Minnesota Statutes, section 254B.01 Subd.3 defines chemical dependency services payable by the CCDTF. This definition applies to a wide variety of services applicable within a service continuum of care.

Strategies:

A uniform, statewide process for determining eligibility and evaluating treatment needs is the primary strategy by which the CCDTF allocates its resources. For those eligible for Medicaid, DHS has permission from the Centers for Medicare and Medicaid Services to predicate access to treatment based in the results of a standardized clinical evaluation. Minnesota Indian tribes, counties, and state contracted managed care organizations are defined as *placing authorities*. Counties and Indian tribes assess and place persons who meet both clinical (Rule 25 - Minnesota Rules 9530.6600 through 9530.6655) and financial eligibility (Rule 24 - Minnesota Rules 9530.6800 through 9530.7030). State contracted MCO's are required to use the same assessment tools to provided assessment and placement for their enrollees.

The CCDTF also provides the CD treatment services for all Medical Assistance and Minnesota Care clients enrolled on a fee-for-service basis. Because of this, it is imperative that the CCDTF adapt and align with the ongoing changes in the state's health care programs. Recently, coordination between fee-for-service and state contracted managed health care plans presents a number of challenges.

- Managed Care Organization billing systems do not accommodate the specificity of the current CCDTF rate structure, requiring manual processing by the MCOs.
- CD treatment providers bear the burden of coordinating funding streams when recipients move between managed care and fee-for-service coverage.

- While the fee-for-service and managed care plans have identical benefit sets for CD treatment services, the federal rules for financial participation in MCO capitation payments results in an awkward system where MCO's initially pay residential-non-hospital CD providers for both treatment program services and room and board services, and then must obtain reimbursement for the room and board from the CCDTF.

Results:

Treatment completion has been found to be a strong indicator of continued sobriety after treatment. While there has been a small decrease in the percentage of clients completing treatment, there is also concern as to how trends of reduced authorizations for treatment might reflect emerging barriers to both access to and completion of treatment.

The CCDTF was designed to allow funding to follow clients to clinically appropriate services. Persons who obtain treatment through the CCDTF must obtain placement authorization through their local county or tribal placing authority. For fiscal years (FY) 2010, 2011, and 2012, the number of clients authorized varies by placing authority. Placements tabulated for FY 2012 indicate that 13 counties/tribes authorized an increase in placements over FY 2011. However, across all counties and tribes, there is a 19 percent average reduction in the number of placements. For those same placements, the average dollar amount authorized was also reduced from an average of \$9,245.67 to \$6,258.67. The department plans further analysis to identify and then ameliorate any negative impact of non-clinical considerations on access and provision of treatment.

Performance Measures	Previous	Current	Trend
Percent of persons completing chemical dependency treatment ¹	61.2%	60.3%	Worsening
Reduction from admission to discharge of the percent of clients who report use of alcohol in the past 30 days past use of alcohol ²	33.0%	32.5%	Stable
Number of persons accessing chemical dependency treatment ³	49,610	47,742	Worsening

Performance Measures Notes:

NOTE: Measures in this section are based on reports from all CD treatment admissions, not just those funded through public funds.

- (1) Previous year represents Fiscal Year 2009 and current year represents FY 2010.
- (2) Change in percent of clients who reported alcohol use within the last 30 days at time of admission and then on discharge. Previous figures from calendar year (CY) 2009 (Admit 48.2 percent, Discharge 15.2 percent) Current figures from CY 2010 (Admit 46.7 percent, Discharge 14.2 percent).
- (3) Previous year represents FY 2010 and current year represents FY 2011.

Budget Activity: CD Treatment Fund
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$260,210		\$260,210
Current Law Expenditures (FY 2014-15)		\$278,760		\$278,760
Governor's Recommended Expenditures (FY2014-15)		\$278,760		\$278,760
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Budget Activity: CD Treatment Fund**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$18,188		\$18,188
REVENUE		\$117,784		\$117,784
TRANSFERS IN		\$160,976		\$160,976
APPROPRIATION	\$160,976	\$0		\$160,976
SOURCES OF FUNDS	\$160,976	\$296,948		\$457,924
BALANCE FORWARD OUT		\$0		\$0
TRANSFERS OUT	\$160,976	\$18,188		\$179,164
EXPENDITURES		\$278,760		\$278,760
PAYROLL EXPENSE				
OTHER FINANCIAL TRANSACTIONS		\$400		\$400
GRANTS, AIDS AND SUBSIDIES		\$278,360		\$278,360
USES OF FUNDS	\$160,976	\$296,948		\$457,924

Human Services

Support Services Grants

http://www.dhs.state.mn.us/main/id_004112

Statewide Outcome(s):

Support Services Grants supports the following statewide outcome(s).

Strong and stable families and communities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

Half the parents who apply for the Minnesota Family Investment Program (MFIP) were employed in the quarter they turned to assistance. Common causes for the recent job losses are layoff, reduced hours, illness, birth of a baby to a parent with no leave time, need to care for an ill or disabled child or spouse, or transportation and child care costs that wages do not cover.

Support Services Grants provide funding for job counselors to help parents participate in work activities, including searching for jobs and addressing barriers to employment. Without these funds, families would not receive supports in moving to work and help in meeting emergency needs. Support Services Grants include funding for an array of employment services including job search, job placement, training, education, and other supports such as emergency needs for low-income families with children. These grants fund a portion of county administration of the Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP). Also included are funds for employment supports for adults who receive benefits through the Supplemental Nutrition Assistance Program, or SNAP. (For more information on the SNAP Employment and Training Program, http://www.dhs.state.mn.us/main/id_002556)

Support Services grants are allocated to counties and tribes to provide these services and are funded with a combination of state and federal funds, including Temporary Assistance for Needy Families (TANF). In 2011, on average more than 35,000 people were enrolled in employment services each month.

Strategies:

Support Services Grants covers costs of services to create pathways to employment by addressing barriers, helping stabilize families and adults, and by building skills that ensure participants are prepared to find and retain employment. Services are delivered by Workforce Centers, counties, tribes, and community agencies. Service providers evaluate the needs of each participant and develop an individualized employment plan that builds on strengths and addresses areas of need. Services include:

- Help to stabilize housing and to access child care, medical benefits, chemical and mental health services;
- Basic education, English proficiency training, skill building and education programs to prepare participants for the labor market;
- Job search assistance and job placement services to help participants locate employment that matches skills and abilities; and
- Innovative programs to address special populations or needs such as a single point of contact for teen parents that includes public health home visits, subsidized work experiences, integrated services for families with serious disabilities, and support for the FastTRAC program, which links education and credentials to high demand careers.

Results:

Success for families and adults receiving assistance depends on the services delivered by counties, community agencies and tribes and on referrals and connections to the social service and health care system. Helping parents become employed is directly related to the health of the economy. During the recession more focus has been placed on training to develop the skills that will be needed during the continuing recovery.

Success in MFIP is measured in several ways. Two key measures are:

- The Self-Support Index, which is a Minnesota outcome measure that reflects the number of families who leave assistance or who are working at least 30 hours per week.
- The federal measure for MFIP, which is the Work Participation Rate (WPR). The WPR is a process measure that reflects the number of hours parents are participating in a small number of work activities.

Performance Measures	Previous	Current	Trend
Minnesota Self-Support Index	69%	67%	Worsening
Federal Work Participation Rate	29.8%	40.2%	Improving

Performance Measures Notes:

1. MFIP Self-Support Index, 2010 (Previous), 2011 (Current).
2. TANF Work Participation Rate 2009 (Previous), 2010 (Current).

Budget Activity: Support Services Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$17,414		\$195,243	\$212,658
Current Law Expenditures (FY 2014-15)	\$17,430		\$189,290	\$206,720
Governor's Recommended Expenditures (FY2014-15)	\$21,466		\$194,490	\$215,956
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$4,036		\$5,200	\$9,236
% Change from FY 2014-15 Current Law to Governor's Rec	23%		3%	4%

Budget Activity: Support Services Grants**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$68	\$68
APPROPRIATION	\$21,466		\$194,422	\$215,888
SOURCES OF FUNDS	\$21,466		\$194,490	\$215,956
EXPENDITURES	\$21,466		\$194,490	\$215,956
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$21,466		\$194,490	\$215,956
USES OF FUNDS	\$21,466		\$194,490	\$215,956

Human Services

BSF Child Care Assistance Grants

http://www.dhs.state.mn.us/main/id_008688#

Statewide Outcome(s):

Basic Sliding Fee Child Care Assistance Grants supports the following statewide outcome(s).

Strong and stable families and communities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

About three-quarters of Minnesota households with children ages 12 and younger use child care. These families are challenged to knit together child care that fits their preferences and needs, and is affordable, according to a 2009 study commissioned by the Minnesota Department of Human Services and conducted by Wilder Research. In households with low incomes, 20 percent of parents reported that child care problems interfered with their getting or keeping a job in the past year. Without this program, many low-income families would not be able to pay for child care and would be unable to work or pursue education leading to work.

Basic Sliding Fee (BSF) Child Care Assistance Grants provide financial subsidies to help low-income families who are not participating in the Minnesota Family Investment Program or the Diversionary Work Program pay for child care so that parents may pursue employment or education leading to employment, and so children are well-cared for and prepared to enter school ready to learn. In FY 2011, an average of 10,090 families with 17,978 children per month was served, with a monthly average payment of \$814 per family. State law determines the maximum rates the program will pay to providers. This program is funded with county, state and federal funds that include the federal Child Care and Development Fund and the Temporary Assistance for Needy Families (TANF) fund. Not all families who meet eligibility requirements under this program receive benefits because funding is capped at a specific amount each year. Counties administer the Child Care Assistance Program.

Strategies:

The BSF program provides supports to help improve outcomes for the most at-risk children and their families by increasing access to high quality child care.

- Receipt of child care assistance helps families with low incomes access quality child care. Families choose their providers in the private child care market. Maximum rates paid through the program are set for each type of care: center-based, family child care, and legal non-licensed care.
- A higher reimbursement rate is paid to child care providers who provide high quality child care. Participation in high quality care increases the likelihood of improved school readiness.

Results:

Maximum rates paid to providers under the child care assistance program may not cover the full cost of care because they are not based on the current market rates. This may be a barrier to parents' access to many of the child care providers in their communities. The percent of child care provider rates that are fully covered by the Child Care Assistance Program is worsening. If maximum rates are held constant or reduced, this trend will continue as rates in the private child care market increase.

High quality early child care and education experiences are associated with better child outcomes, particularly for children from low-income families. Up to a 15 percent higher maximum rate is paid to providers who meet certain accreditation or education standards established in statute. In 2011 and 2012, one-fifth of the children served by the Child Care Assistance Program received care from a provider who met these quality standards.

Basic Sliding Fee funds are allocated to counties. Counties sometimes do not have adequate funds to serve all families who apply, in which case they are placed on a waiting list. Other counties do not spend all available funds. This results in unspent funds in some counties while families are being added to a waiting list in other counties.

Performance Measures	Previous	Current	Trend
Percent of Child Care Providers Covered by Maximum Rates – Family Child Care ¹	38.4%	27.6%	Worsening
Percent of Child Care Providers Covered by Maximum Rates – Center Child Care ¹	32.5%	20.6%	Worsening
Percent of Children Receiving Child Care Assistance who are in Accredited Programs ²	19.3%	20.0%	Stable
Basic Sliding Fee Waiting List ³	4,661	7,551	Worsening

Performance Measures Notes:

1. Child Care Assistance Program Family Profile, 2010 (Previous), 2011 (Current).
http://www.dhs.state.mn.us/main/groups/economic_support/documents/pub/dhs_id_057781.pdf
2. Quality Child Care Assistance, Children and Family Services Dashboard, 2011 (Previous), 2012 (Current).
3. Child Care Assistance Program Waiting List; May 2011 (Previous), 2012 (Current). May 2012 link:
http://www.dhs.state.mn.us/main/groups/economic_support/documents/pub/dhs_id_057782.pdf

For additional information on the Child Care Assistance Programs, see:
<https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4745-ENG>

Budget Activity: BSF Child Care Assistance Grts
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$75,822		\$99,157	\$174,979
Current Law Expenditures (FY 2014-15)	\$75,387		\$100,657	\$176,044
Governor's Recommended Expenditures (FY2014-15)	\$82,884		\$100,657	\$183,541
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$7,497		\$0	\$7,497
% Change from FY 2014-15 Current Law to Governor's Rec	10%		0%	4%

Budget Activity: BSF Child Care Assistance Grts**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$100,658	\$100,658
APPROPRIATION	\$82,884		\$0	\$82,884
SOURCES OF FUNDS	\$82,884		\$100,658	\$183,542
EXPENDITURES	\$82,884		\$100,657	\$183,541
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$82,884		\$100,657	\$183,541
USES OF FUNDS	\$82,884		\$100,657	\$183,541

Human Services

Child Care Development Grants

http://www.dhs.state.mn.us/main/id_008689#

Statewide Outcome(s):

Child Care Development Grants supports the following statewide outcome(s).

Strong and stable families and communities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

The first few years of children's lives are key to their intellectual, emotional and social development. Everyone wants to know that children are being well cared for while family members are at work or school. High quality child care that is available and affordable is important to children's safety, healthy development, and families' self-sufficiency.

Child Care Development Grants promote services to improve school readiness, and the quality and availability of child care in Minnesota. These services include consumer education to parents and the public, and activities that help parents choose care for more than 230,000 Minnesota children cared for in licensed child care settings. Services include development and implementation of a an early childhood quality rating and improvement system called Parent Aware, and grants, consultation and financial supports to Minnesota's 13,000 licensed child care providers to improve quality. These grants are funded primarily with federal Child Care and Development Funds with additional federal support from Minnesota's Race to the Top-Early Learning Challenge grant and some state funds.

It is important that all children and their families have access to high-quality child care and education programs. These grants provide leadership and support to programs working to increase the availability of quality care and education in Minnesota.

Strategies:

The Department of Human Services works with public and private agencies and individuals to promote school readiness through education and training. Grants are used to improve the quality of early childhood and school-age care, and increase access to high quality care, especially for high-need children. Grants help parents support their children's success through information about child care by providing:

- Information to families and communities through Minnesota's Child Care Resource & Referral parent referral services and Parent Aware;
- Grants and financial supports to providers for quality improvement;
- Training, coaching, consultation and other workforce supports for early childhood and school-age care providers to increase their knowledge and skills in child development, instructional practices and ways to meet the needs of individual children; and
- Reimbursements to child care programs and providers to cover some of the fees associated with completing accreditation with a nationally recognized child care accreditation program.

Results:

Performance Measures	Previous	Current	Trend
Referrals to Parents Made by Child Care Resource & Referral Agencies ¹	22,181	22,427	Stable
Number of Child Care Centers Receiving Reimbursement for Accreditation Fees ²	28	49	Improving
Number of Family Child Care Programs Receiving Reimbursement for Accreditation Fees ²	2	16	Improving

Performance Measures Notes:

1. Data is from a report produced by Wilder Research, "Results of Referral Outcomes Follow-up Surveys, July 2009 through June 2010" (Previous) and "Results of Referral Outcomes Follow-up Surveys, July 2010 through June 2011" (Current).
2. Family child care and center-based programs are reimbursed for one-half of the direct cost of accreditation fees, upon successful completion of accreditation with a nationally recognized child care accreditation program. Compares 2011 (Previous) and 2012 (Current), as tracked by the Department of Human Services.

Budget Activity: Child Care Development Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,515	\$1,286	\$21,166	\$23,967
Current Law Expenditures (FY 2014-15)	\$2,974	\$5,107	\$18,564	\$26,645
Governor's Recommended Expenditures (FY2014-15)	\$3,724	\$5,107	\$18,564	\$27,395
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$750	\$0	\$0	\$750
% Change from FY 2014-15 Current Law to Governor's Rec	25%	0%	0%	3%

Budget Activity: Child Care Development Grants**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$5,107	\$18,564	\$23,671
APPROPRIATION	\$3,724	\$0	\$0	\$3,724
SOURCES OF FUNDS	\$3,724	\$5,107	\$18,564	\$27,395
EXPENDITURES	\$3,724	\$5,107	\$18,564	\$27,395
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$3,724	\$5,107	\$18,564	\$27,395
USES OF FUNDS	\$3,724	\$5,107	\$18,564	\$27,395

Human Services

Child Support Enforcement Grants

http://www.dhs.state.mn.us/main/id_000160#

Statewide Outcome(s):

Child Support Enforcement Grants supports the following statewide outcome(s).

Strong and stable families and communities.

Context:

Every child needs financial and emotional support, and every child has the right to support from both parents. Minnesota's child support program benefits children by enforcing parental responsibility for their support. According to *Custodial Mothers and Fathers and Their Child Support: 2009*, a report released by the U.S. Census Bureau in December 2011, Americans who pay child support provide an average of \$430 per month to custodial parents of those children. Child support represents a high proportion of income for lower income custodial parents. Among custodial parents below the poverty level who received the full amount of ordered payments in 2009, child support represented an average of 62.6 percent of their annual individual income. Conversely, among custodial parents of all income levels, child support payments received represented 16.1 percent of their average annual individual income in 2009. In 2010, 26.8 percent of all custodial parents sought government assistance in collecting child support.

Child Support Enforcement Grants help strengthen families by providing concrete financial supports. Child Support is an important component to help families be self-sufficient. Child support enforcement is administered by counties acting under state direction and supervision. These grants assure that assistance in obtaining basic support, medical support and child care support is available to children through locating parents, establishing paternity and support obligations. Without these supports, many custodial families would not have the financial resources to become self-sufficient. Additional grants provide federal funding to improve non-custodial parents' access to their children. Funding is a mix of federal grants, state general fund and fees.

County and state child support offices provide services to more than 395,000 custodial and non-custodial parents and their 268,000 children. In 2011, the child support program collected and disbursed \$602 million in child support. Access and visitation funds served 347 families in FY 2011.

Strategies:

Working with counties and tribes, the following activities help to support and stabilize families:

- Establish paternity: Establish legal parentage through genetic testing, Recognition of Parentage or other means;
- Establish and modify court orders: Establish court orders for child support, medical support and child care support, based on statutory guidelines;
- Enforce court orders: Assure payment of court-ordered support through remedies established in federal regulation and state law, such as income withholding, driver's license suspension, and passport denial; and
- Collect and disburse child support payments: Collect and process payments from employers, parents, counties and other states, credit support obligations and issue support funds to families.

Results:

The federal government funds the child support program at the state level in part through performance incentives. Incentives are calculated by measuring the state program's performance in core program activities: paternity establishment, order establishment, collection of current support and collection of arrears (past due support). States are ranked by their scores on the performance measures. Minnesota ranks among the top five states on the collections measures, and among the top 20 on paternity and order establishment measures.

Performance Measures	Previous	Current	Trend
Child Support Current Collection Rate ¹	69%	70%	Improving
Paternity Establishment Rate - percent of children who were born outside of marriage for whom paternity was established in open child support cases for the year ^{1,2}	91%	92%	Improving
Order Establishment Rate – percent of open cases within the year that have orders established by year's end ^{1,2}	85%	86%	Improving
Arrears Collection Rate – percent of cases with arrears due within the year that had a collection on that arrears ^{1,2}	70%	70%	Stable

Performance Measures Notes:

- 1 Measurements compare 2010 data (Previous) to 2011 data (Current). Each measurement has a threshold of 80 percent. This represents the point at which states begin earning and maximizing federal incentives.
- 2 Federal measures may be found in the 2011 Minnesota Child Support Performance Report, <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4252L-ENG>.

Budget Activity: Child Support Enforcement Grts
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$3,499	\$330	\$3,828
Current Law Expenditures (FY 2014-15)		\$2,990	\$268	\$3,258
Governor's Recommended Expenditures (FY2014-15)		\$2,990	\$268	\$3,258
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%	0%	0%

Budget Activity: Child Support Enforcement Grts**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$118		\$118
REVENUE		\$2,850	\$268	\$3,118
TRANSFERS IN		\$100		\$100
APPROPRIATION	\$100	\$0	\$0	\$100
SOURCES OF FUNDS	\$100	\$3,068	\$268	\$3,436
BALANCE FORWARD OUT		\$78		\$78
TRANSFERS OUT	\$100			\$100
EXPENDITURES		\$2,990	\$268	\$3,258
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES		\$2,990	\$268	\$3,258
USES OF FUNDS	\$100	\$3,068	\$268	\$3,436

Human Services

Children's Services Grants

http://www.dhs.state.mn.us/main/id_000152

Statewide Outcome(s):

Children's Services Grants supports the following statewide outcome(s).

People in Minnesota are safe.

Strong and stable families and communities.

Context:

Having strong families and communities is an effective first line of defense for keeping children safe, especially in times of stress. Children who have been abused and neglected are more likely to perform poorly in school, get involved in criminal activities and abuse or neglect their own children. Programs and services that cultivate the factors shared by strong families and communities actually minimize long-term costs, such as intervention for crime, corrections, truancy, hospitalization, special education and mental health care.

Research provides compelling evidence that strength-based child welfare interventions such as those funded with Children's Services Grants, result in safer children and more stable families. Without these services, children and families remain at risk.

Children's Services Grants seek to ensure the safety, permanency and well-being of children involved in the child protection system. In 2011, 17,716 reports of child abuse and neglect were assessed involving 24,962 children. Of these, 4,589 children were determined to be victims of child maltreatment. In the same year, 11,368 children experienced an out-of-home placement and 1,133 were either adopted or had a permanent transfer of legal custody to a relative.

Grants in this activity are funded through a combination of state and federal dollars, including federal foster care, state and federal Adoption Assistance, and federal Family Preservation and Family Support Grants.

Strategies:

Children's Services grants fund a continuum of statewide child welfare services including adoption assistance, Indian Child Welfare services, child protection, homeless youth services, and child abuse and neglect services through counties, tribes, and community based providers. Grants provide supports to help keep more children out of foster care and safely with their families, and to decrease the disproportionate number of children of color in out-of-home placements. Most recently these grants have been used to:

- Reform the child welfare system to focus on ensuring children's safety while supporting families;
- Improve the Minnesota Child Welfare Training System;
- Work with tribes to design and develop tribal approaches that ensure child safety and permanency; and
- Transfer responsibilities from counties to tribes to deliver a full continuum of child welfare services to American Indian children and families on two reservations.

These services are essential in keeping children safe and families stable.

Results:

The Department of Human Services monitors the performance of counties and tribes in delivering child welfare services. Minnesota outcomes match or exceed most federal standards. Efforts to engage families early and collaboratively, and provide evidenced-based services with a focus on safety and timely permanency, have resulted in improving or maintaining outcomes.

Performance Measures	Previous	Current	Trend
Percent of Children Not Experiencing Repeated Abuse or Neglect Within 6 Months of a Prior Report	95.1%	95.6%	Improving
Percent of Children Reunified With Parents or Living With Relatives in Less than 12 Months from Latest Removal from Home	84.5%	85.7%	Improving
Percent of Children Adopted in Less than 24 Months from Latest Removal from Home	48.2%	48.1%	Stable

Performance Measures Notes:

All measures are from Minnesota's Child Welfare Report. Measurements compare 2010 data (Previous) to 2011 data (Current). Child protection statistical reports are posted on the DHS Child protection Publications page: http://www.dhs.state.mn.us/main/id_003712.

See also Child Welfare Dashboard:

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs16_148137

Budget Activity: Children's Services Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$95,920	\$7,006	\$93,733	\$196,660
Current Law Expenditures (FY 2014-15)	\$94,051	\$6,841	\$100,162	\$201,054
Governor's Recommended Expenditures (FY2014-15)	\$99,062	\$6,841	\$100,162	\$206,065
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$5,011	\$0	\$0	\$5,011
% Change from FY 2014-15 Current Law to Governor's Rec	5%	0%	0%	2%

Budget Activity: Children's Services Grants**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$507		\$507
REVENUE		\$4,048	\$99,881	\$103,929
TRANSFERS IN	\$74,906	\$2,964		\$77,870
APPROPRIATION	\$102,025	\$0	\$280	\$102,305
SOURCES OF FUNDS	\$176,931	\$7,519	\$100,161	\$284,611
BALANCE FORWARD OUT		\$679		\$679
TRANSFERS OUT	\$77,870			\$77,870
EXPENDITURES	\$99,062	\$6,841	\$100,162	\$206,065
PAYROLL EXPENSE				
OPERATING EXPENSES		\$0	\$200	\$200
OTHER FINANCIAL TRANSACTIONS			\$4,150	\$4,150
GRANTS, AIDS AND SUBSIDIES	\$99,062	\$6,841	\$95,811	\$201,714
USES OF FUNDS	\$176,932	\$7,520	\$100,162	\$284,614

Human Services

Child & Community Service Grants

http://www.dhs.state.mn.us/main/id_000152

Statewide Outcome(s):

Child & Community Service Grants supports the following statewide outcome(s).

People in Minnesota are safe.

Strong and stable families and communities.

Context:

Children & Community Service grants provide funding to support core safety services for vulnerable children and adults, including response to reports of maltreatment, assessments of safety and risk, case management and other supportive services that help keep children and adults safely in their own homes; and support safe alternative living arrangements such as foster care. Grants provide funding to counties and tribes to purchase or provide these services for children, families and vulnerable adults.

In 2011, 17,716 reports of child abuse and neglect were assessed involving 24,962 children. Of these, 4,589 children were determined to be victims of child maltreatment. In the same year, 11,368 children experienced an out-of-home placement and 1,133 were either adopted or had a permanent transfer of legal custody to a relative.

These grants include state funds and the federal Social Services Block Grant, and serve over 300,000 people annually.

Strategies:

Funding through these grants provides core safety services that focus on preventing or remedying neglect, preserving and rehabilitating families, and providing for community-based care. Services include:

- Response to reports of child and adult maltreatment, and assessment of safety and risk of harm;
- Adoption and foster care supports; and
- Case management and counseling.

Grants provide child protection services to help keep more children out of foster care and safely with their families and to decrease the disproportionate number of children of color in out-of-home placements. They help ensure that vulnerable children and adults are better protected and receive support services in their communities.

Results:

The Department of Human Services monitors the performance of counties and tribes in delivering social services. Minnesota outcomes match or exceed most Federal standards. Efforts to engage families early and collaboratively, and provide evidence-based services with a focus on safety and timely permanency has resulted in improving or maintaining outcomes.

Performance Measures	Previous	Current	Trend
Percent of Children Not Experiencing Repeated Abuse or Neglect Within 6 Months of a Prior Report	95.1%	95.6%	Improving
Percent of Children Reunified to parents or living with relatives in Less than 12 Months from Latest Removal From Home	84.5%	85.7%	Improving
Percent of Children Adopted in Less than 24 Months from Latest Removal From Home	48.2%	48.1%	Stable

Performance Measures Notes:

All measures are from Minnesota's Child Welfare Report. Measurements compare 2010 data (Previous) to 2011 data (Current). Child protection statistical reports are posted on the DHS Child protection Publications page: http://www.dhs.state.mn.us/main/id_003712

See also the DHS Child Welfare Dashboard:

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs16_148137

Budget Activity: Child & Community Service Grts
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$106,602		\$64,810	\$171,412
Current Law Expenditures (FY 2014-15)	\$106,602		\$64,933	\$171,535
Governor's Recommended Expenditures (FY2014-15)	\$112,602		\$64,933	\$177,535
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$6,000		\$0	\$6,000
% Change from FY 2014-15 Current Law to Governor's Rec	6%		0%	3%

Budget Activity: Child & Community Service Grts**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$64,932	\$64,932
APPROPRIATION	\$112,602		\$0	\$112,602
SOURCES OF FUNDS	\$112,602		\$64,932	\$177,534
EXPENDITURES	\$112,602		\$64,933	\$177,535
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$112,602		\$64,933	\$177,535
USES OF FUNDS	\$112,602		\$64,933	\$177,535

Human Services

Children & Economic Support Grants

http://www.dhs.state.mn.us/main/id_002550

Statewide Outcome(s):

Children & Economic Support Grants supports the following statewide outcome(s).

Strong and stable families and communities

Minnesotans have the education and skills needed to achieve their goals.

Context:

Poverty imposes substantial barriers on the health and development of individuals and families. The Minnesota Department of Human Services administers nearly 200 grants annually to more than 100 grantee organizations to help people in poverty meet their basic needs for food, clothing and shelter, and attain the skills, knowledge and motivation to become more self-reliant. Without these funds, more people would be hungry and homeless.

Children & Economic Support Grants provide funding for housing, food, poverty reduction, and financial education services for low-income families and individuals. Examples of strategies are listed below.

- Supportive and transitional housing services to address the needs of homeless individuals and families by helping them find safe and stable housing. More than 12,000 people received temporary shelter and services in 2011, and more than 3,500 people who experienced long-term homelessness received services.
- Emergency services funding for organizations that provide emergency shelter and essential services to homeless adults, children and youth; served over 200,000 individuals and families in 2011.
- Funding for food banks, food shelves and on-site meal programs.
- Supplemental Nutrition Assistance Program (SNAP) outreach and nutrition education.
- Programs administered by Community Action Agencies that help low-income people become more economically secure. These agencies served over 280,000 Minnesotans with help to gain employment and supports in 2011.

The largest portion of this budget area is federal funding for the Supplemental Nutrition Assistance Program. In FY 2011, the SNAP program provided help with food for an average of 469,904 persons per month receiving an average monthly payment of \$119. Outreach and nutrition education are conducted under this activity.

Funding sources include state grants and federal grants from the U.S. Departments of Agriculture (USDA), Health and Human Services (HHS), Housing and Urban Development (HUD), as well as private foundations.

Strategies:

People living in poverty frequently face numerous barriers and have complex needs. Children and Economic Support Grants employs strategies targeting both short-term crisis stabilization efforts and long-term strategies to help people leave poverty and sustain economic security for themselves and their families into the future, including:

- Providing basic food, housing and other supports to the most at-risk adults and children;
- Providing funding, training, and technical assistance to counties and tribes for services to reduce barriers for long-term homeless adults, youth and families; and
- Helping the most at-risk adults and children attain the skills, knowledge, and motivations that will result in their becoming more economically secure.

Outreach and nutrition education efforts under SNAP help keep more people fed and healthy, and increases nutrition assistance participation.

Results:

There are many programs to help people with their food needs, such as emergency food help, SNAP and Minnesota Food Assistance. Measures below show increased participation in the SNAP program to help keep people fed and healthy.

Grants for long-term homeless youth, adults, and families assist people in finding and maintaining housing and increasing their self-sufficiency. (For more information on housing programs, see:

http://www.dhs.state.mn.us/main/id_002548)

Performance Measures	Previous	Current	Trend
SNAP Participation Rate for All People in Poverty ¹	51%	56%	Improving
SNAP Participation Rate for Seniors in Poverty ¹	32%	37%	Improving
Percent of Long-Term Homeless Enrolled in Services and Permanent Housing ²	70%	71%	Stable
Percent of Long-Term Homeless Enrolled in Services with No Income ²	20%	10%	Improving

Performance Measures Notes:

1. Data on SNAP participation is for the years 2009 (Previous) and 2010 (Current). The participation rate for all people in poverty comes from the Food Support Access Index (FSAI). SNAP participation rate for seniors in poverty is available at: <http://dashboard.dhs.state.mn.us/measure01-6.aspx>. Note: At the end of calendar year 2011, 44.7 percent of seniors in poverty were accessing SNAP.
2. Data on long-term homeless services is for the years 2010 (Previous) and 2011 (Current), from the "Summary Long-Term Homeless Supportive Service Grants Annual Homeless Management Information System (HMIS) Report." Income information is collected periodically while receiving services and when exiting from services.

Budget Activity: Child & Economic Support Grts
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$32,022	\$138	\$1,155,838	\$1,187,998
Current Law Expenditures (FY 2014-15)	\$32,445	\$7	\$1,155,337	\$1,187,789
Governor's Recommended Expenditures (FY2014-15)	\$32,445	\$7	\$1,155,337	\$1,187,789
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Child & Economic Support Grts**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$6	\$1,155,337	\$1,155,343
TRANSFERS IN	\$1,632			\$1,632
APPROPRIATION	\$32,445	\$0	\$0	\$32,445
SOURCES OF FUNDS	\$34,077	\$6	\$1,155,337	\$1,189,420
TRANSFERS OUT	\$1,632			\$1,632
EXPENDITURES	\$32,445	\$7	\$1,155,337	\$1,187,789
PAYROLL EXPENSE		\$0		\$0
OPERATING EXPENSES	\$0	\$1	\$10	\$11
GRANTS, AIDS AND SUBSIDIES	\$32,445	\$6	\$1,155,327	\$1,187,778
USES OF FUNDS	\$34,077	\$7	\$1,155,337	\$1,189,421

Human Services

Refugee Services Grants

http://www.dhs.state.mn.us/main/id_004115#

Statewide Outcome(s):

Refugee Services Grants supports the following statewide outcome(s).

Minnesotans are healthy.

Minnesotans have the education and skills needed to achieve their goals.

Context:

Refugees have had to flee their country of origin and are unable to return because of a well-founded fear of persecution. When no other options exist, the United States, as well as most Western nations, provides refugees an opportunity for permanent resettlement. Most refugees resettled in the United States over the last two decades have been Southeast Asians, but more recently the population has become more diverse with people from countries in strife, such as Bosnia, Somalia, Sudan, Liberia, Iraq and the former Soviet Union.

Refugee Services Grants provide assistance to refugees, asylees and victims of human trafficking to resettle in Minnesota. Grants are provided to state and local agencies, including county and voluntary resettlement agencies, school districts and community agencies in order to enhance human, health, educational, employment and training services. In 2011, an average of 1,210 persons per month received employment and social services through these grants, at an average monthly cost of about \$300 per recipient.

The activity is funded with federal grants appropriated through the United States Department of Health and Human Services.

Absent these services, fewer refugees will find work and more will lack the medical, social and financial supports necessary to resettle successfully.

Strategies:

Refugee Services Grants provide an array of services, including:

- Medical health screening
- Refugee cash assistance
- Information and referral
- Translation and interpreter services
- Case management services
- Citizenship and naturalization preparation services
- Supported employment services and transportation

Grants are used in partnerships with local voluntary resettlement agencies, the Minnesota Departments of Health and Education, providers and refugee communities. They support services that improve health, safety and stability during resettlement.

Results:

The department's Refugee Services uses several client outcome indicators to determine the effectiveness of its grant management activity.

Performance Measures	Previous	Current	Trend
Percent of Refugees Receiving Health Screening within 90 Days of Arrival	96%	96%	Stable
Percent of Refugees Who are Employed	49%	54%	Improving

Performance Measures Notes:

Measurements come from the Office of Refugee Resettlement Performance Report. Measures compare 2010 (Previous) to 2011 data (Current).

Budget Activity: Refugee Services Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)			\$15,436	\$15,436
Current Law Expenditures (FY 2014-15)			\$13,766	\$13,766
Governor's Recommended Expenditures (FY2014-15)			\$13,766	\$13,766
\$ Change from FY 2014-15 Current Law to Governor's Rec			\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec			0%	0%

Budget Activity: Refugee Services Grants**Sources and Uses**

(Dollars in Thousands)

Biennium FY14-FY15				
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$13,766	\$13,766
SOURCES OF FUNDS			\$13,766	\$13,766
EXPENDITURES			\$13,766	\$13,766
PAYROLL EXPENSE				
OPERATING EXPENSES			\$2,725	\$2,725
GRANTS, AIDS AND SUBSIDIES			\$11,041	\$11,041
USES OF FUNDS			\$13,766	\$13,766

Human Services

Health Care Grants

Statewide Outcome(s):

Health Care Grants supports the following statewide outcome(s).

Minnesotans are healthy.

Context:

Health Care Grants are used to provide support, infrastructure, investment or outreach that benefits enrollees in public health care programs, Medical Assistance (MA) and MinnesotaCare, and some uninsured or underinsured individuals. DHS seeks grants to augment our own operational efforts. In doing so, we engage experts outside of DHS to help ensure that eligible Minnesotans are enrolled in the appropriate health care program, and that those enrolled (especially our youngest and/or most vulnerable or hard to reach) get all the care that we are paying for. Grantees can be providers, counties, or community organizations. These grants have historically targeted projects or work that is not funded under the MA or MinnesotaCare program and that provide support to those program and enrollees. The grants are not typically for direct care.

Health Care Grants are funded from appropriations from the state General Fund and Health Care Access Fund, and some federal funds.

Strategies:

The Health Care Grants administered by DHS can change over time depending on the length of the funding or project. These grants can often be for one year or ongoing for several years and are for a specific project, demonstration or function that are usually the result of state legislation. Grantees can range from providers, counties, or community organizations. For example, one of the long-standing grants funded out of this budget activity provides payments to providers, counties, community organizations for assisting individuals with the application process for MA and MinnesotaCare.

The grants currently funded under this budget activity include:

- *Neighborhood Care Network*. Provides funding to operate a consumer health care information line.
- *Outreach Grants or Minnesota Community Application Agent (MNCAA) Program*. Provides funding for an external organization to effectively provide culturally appropriate outreach and renewal assistance services to Minnesotans enrolled in MA or MinnesotaCare.
- *Child and Teen Checkups and Immunization Registry Grants*. Provide administrative funds for activities that support the work of local Child and Teen Checkups and Immunization Registry activities.

Results:

The DHS Health Care Administration is committed to measuring our work. One measure the Health Care Grants contribute to reducing is the percent of lower-income Minnesotans that do not have health insurance even if they are eligible for public programs. DHS has also begun to collect information on the number of successful applications completed by application agents under the MNCAA program. Although data is not yet available, in the future we will be able to report on this targeted performance measure.

Performance Measures	Previous	Current	Trend
Percent of Minnesotans lacking health insurance	9%	9.1%	Stable

Performance Measures Notes:

Compares 2009 (Previous) to 2011 (Current). Nearly three-fourths of the uninsured have some potential access to coverage but don't take advantage of it. Source: Minnesota Department of Health, Health Access Survey (conducted semiannually).

Budget Activity: Health Care Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$66	\$190	\$74,020	\$74,276
Current Law Expenditures (FY 2014-15)	\$180	\$380	\$60,282	\$60,842
Governor's Recommended Expenditures (FY2014-15)	\$180	\$380	\$60,282	\$60,842
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Health Care Grants**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$60,282	\$60,282
APPROPRIATION	\$180	\$380	\$0	\$560
SOURCES OF FUNDS	\$180	\$380	\$60,282	\$60,842
EXPENDITURES	\$180	\$380	\$60,282	\$60,842
PAYROLL EXPENSE				
OPERATING EXPENSES			\$2,644	\$2,644
GRANTS, AIDS AND SUBSIDIES	\$180	\$380	\$57,638	\$58,198
USES OF FUNDS	\$180	\$380	\$60,282	\$60,842

Human Services

Aging & Adult Services Grants

http://www.dhs.state.mn.us/main/id_005734

Statewide Outcome(s):

Aging and Adult Services Grants supports the following statewide outcome(s).

Strong and stable families and communities.

Minnesotans are healthy.

Context:

Between now and 2030, Minnesota will experience the most profound age shift in its history. Along with the rest of the nation and the world, we will become older not just as individuals but as a society. The baby boomers—1.5 million strong in Minnesota—are leading us into this uncharted territory as they begin to age. By 2030, we will have 1.3 million persons over 65, or one out of every four Minnesotans. Later, in 2050, we will have the largest number ever of people over 85. Over two-thirds of persons age 85 and older have at least one disability. Older persons are more likely to have multiple disabilities, and each of these chronic conditions poses a challenge to the individual's ability to live independently. Therefore, Minnesotans' need for community-based long-term care services will continue to increase. Aging and Adult Services Grants support seniors, their families, caregivers and communities to enable seniors to stay in their homes and communities and avoid costly institutionalization.

The purpose of Aging and Adult Services Grants is to provide non-medical social services and supports for older Minnesotans and their families to enable older adults to stay in their own homes and avoid institutionalization. These funds increase service availability and service choice for older Minnesotans in both urban and rural communities, and so provide greater opportunity for Minnesotans to age at home. Several of the state grant programs are aligned and coordinated with the services provided under the federal Older Americans Act (OAA). Federal OAA funds in Minnesota are administered through the Minnesota Board on Aging to provide core social services to at-risk older adults and their family caregivers who are not yet eligible for public programs. Services are targeted to people with the greatest social and economic need.

Strategies:

Aging and Adult Services Grants promote evidence-based models that leverage local private funds and in-kind contributions to promote affordable services that are both dependable and sustainable. Aging and Adult Services grants provide the following services.

- Nutritional services including congregate meals to 56,000 people, home-delivered meals to 13,000 people, and grocery delivery to 660 people annually.
- Increased service availability and service choice for older Minnesotans through service development opportunities provided by the Community Service/Community Services Development (CS/SD), Family Caregiver Support, and ElderCare Development Partnership (EDP) grant programs. Services include: transportation, chore, assistance with activities of daily living, and other services that help people stay in their own homes; evidence-based health promotion, chronic disease management, and falls prevention services; and respite and other supportive services to family caregivers. In the FY 2010-2011 biennium, over 14,000 people were served and capacity was increased by more than 6,000 volunteers.
- Support to more than 16,000 older volunteers per year who provide services through the RSVP, Foster Grandparent, and Senior Companion programs.
- Through the Senior LinkAge Line®, comprehensive assistance and individualized help to more than 67,000 people through 125,000 calls in 2011. Senior LinkAge Line® has trained long-term care options counselors that assist individuals to find community resources, including supports for family caregivers, counseling about Medicare, supplemental insurance, and other health and long-term care insurance options; and comprehensive prescription medication expense assistance, including assistance with Medicare Part D benefits and Medicare plan selection to beneficiaries of all ages.
- Information about community-based resources and customized long-term care planning tools to 353,000 visitors in 2011, through www.minnesotahelp.info, a web-based database of over 29,000 services.

- An intensive long-term care options counseling service provided by the Senior LinkAge Line®, known as Return to Community, that helps people successfully remain in their homes after discharge from a nursing home. Since the launch of this service in 2010, over 2,800 consumers have been contacted for discharge support; of those, direct assistance was provided to 500 older adults at their request to return home and 700 are receiving five years of telephonic follow-up at home.
- A benefit through the Essential Community Supports program for people who will not be eligible for Medical Assistance.

Services are administered in partnership with Area Agencies on Aging, local counties and tribes, and community providers.

Results:

Minnesota has seen continuous improvement in the number of seniors served by community-based rather than institution-based services. Measures we track include the percent of elderly receiving publicly funded long-term care services who receive HCBS services through the Elderly Waiver, Alternative Care, or home care programs instead of nursing home services. The percent of seniors served in the community has consistently remained steady or improved over the past five years. DHS, through its partners, surveys users of the Senior LinkAge Line® and found an increasing number of people who would recommend Senior LinkAge Line® services to others.

Performance Measures	Previous	Current	Trend
1. Percent of elderly served by home and community-based services	54%	62.4%	Improving
2. Percent of consumers who would recommend the Senior LinkAge Line® to others	93%	96%	Improving
3. Number of people who have moved from nursing homes back to the community through the Return to Community Initiative	82	204	Improving
4. Percent of family caregivers who report that the intervention helped them provide care for a longer period of time	93%	95%	Improving

Performance Measures Notes:

1. Compares FY 2007 (Previous) to FY 2011 (Current). Source: DHS Data Warehouse
2. Compares 2007 (Previous) to 2011 (Current). Source: Consumer Surveys, WebReferral database
3. Compares data for the last three quarters of calendar year (CY) 2010 (Previous) to CY 2011 data (Current). Source: Return to Community Database
4. Compares CY 2005 (Previous) to CY 2011 (Current), as measured by an annual survey of family caregivers receiving Older Americans Act-funded caregiver support services. Source: Annual Caregiver Program Participant Survey

More information is available on the DHS dashboard: <http://dashboard.dhs.state.mn.us> and the Continuing Care Performance Report: http://www.dhs.state.mn.us/main/dhs16_166609.

Budget Activity: Aging & Adult Services Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$24,609	\$322	\$41,885	\$66,816
Current Law Expenditures (FY 2014-15)	\$44,952	\$374	\$43,014	\$88,340
Governor's Recommended Expenditures (FY2014-15)	\$51,210	\$374	\$43,014	\$94,598
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$6,258	\$0	\$0	\$6,258
% Change from FY 2014-15 Current Law to Governor's Rec	14%	0%	0%	7%

Budget Activity: Aging & Adult Services Grants**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$374	\$43,014	\$43,388
APPROPRIATION	\$51,210	\$0	\$0	\$51,210
SOURCES OF FUNDS	\$51,210	\$374	\$43,014	\$94,598
EXPENDITURES	\$51,210	\$374	\$43,014	\$94,598
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$51,210	\$374	\$43,014	\$94,598
USES OF FUNDS	\$51,210	\$374	\$43,014	\$94,598

Human Services

Deaf & Hard Of Hearing Grants

http://www.dhs.state.mn.us/main/dhs16_139339

Statewide Outcome(s):

Deaf and Hard of Hearing Grants supports the following statewide outcome(s).

Strong and stable families and communities.

Context:

Hearing loss occurs at all stages of life. Three out of every 1,000 newborns have hearing loss. Two-thirds of seniors over age 75 have hearing loss. In Minnesota, between 530,000 and 742,000 people are estimated to have some degree of hearing loss. Of those, about 15% are deaf and as many as 1,600 individuals are deafblind. The impact of hearing loss on each individual is unique, depending on the degree and type of hearing loss. Isolation, loss of meaningful communication, diminished independence and misdiagnosis of mental health issues are common effects of hearing loss. Deaf and Hard of Hearing Services grants assist Minnesotans of all ages who are deaf, deafblind and hard of hearing with communication access and other supports they need to be involved in their families and communities.

The purpose of Deaf and Hard of Hearing Grants is to provide statewide services that enable at-risk Minnesotans who are deaf, deafblind, or hard of hearing to gain and maintain the ability to live independently and participate in their families and communities. Deaf and Hard of Hearing Grants supported 18,800 people in state fiscal year 2011.

Deaf and Hard of Hearing grants are primarily funded by the state's general fund. Additional funding for real-time television captioning grants is provided through a fee assessed on phone bills and collected by the Department of Commerce. (DHS is not able to count the number of television viewers who use captioning.)

More information about other programs and services provided in the Deaf and Hard of Hearing Services Division is available at <https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-6573-ENG>.

Strategies:

Deaf and Hard of Hearing Grants provide services that enable deaf, deafblind, or hard of hearing Minnesotans to live in their communities. Services provided include:

- Sign language interpreter referral and interpreter-related services that allow Minnesotans who are deaf, hard of hearing, and deafblind to access emergency core services such as courts, medical care, mental health services, and law enforcement.
- Deafblind grants to support adults who are both deaf and blind so they can live independently and stay in their own homes.
- Specialized mental health services that provide linguistically and culturally appropriate services including home-based outreach supports, a drop-in center, inpatient therapy, outpatient therapy, family counseling, and educational opportunities for families, schools, and mental health providers. A peer support program is being developed for individuals who are deaf and have a serious mental illness.
- Mentors who work with families that have children with hearing loss to develop the family's communication competence, including use of American Sign Language.
- Real-time television captioning grants to allow consumers in greater Minnesota who are deaf, deafblind and hard of hearing to have access to live local news programming from some television stations.

DHS partners with statewide community providers, mental health professionals, local television stations and the Department of Commerce to provide services.

Results:

Consumers of deaf and hard of hearing grant-funded services are surveyed to measure satisfaction with the quality and timeliness of services. Consumers have reported increasing satisfaction with services received.

Performance Measures	Previous	Current	Trend
1. Percent of consumers in DHHS grant-funded programs who are satisfied with quality of services they received	86%	95%	Improving
2. Percent of consumers in DHHS grant-funded programs who are satisfied with timeliness of the services they received	87%	89%	Improving

Performance Measures Notes:

Both measures compare 2008 data (Previous) to 2011 data (Current). Data source: Consumer satisfaction surveys. More information on these measures is available online on the Continuing Care Performance Report: http://www.dhs.state.mn.us/main/dhs16_166609#

Budget Activity: Deaf & Hard Of Hearing Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$3,627	\$568		\$4,195
Current Law Expenditures (FY 2014-15)	\$3,534	\$538		\$4,072
Governor's Recommended Expenditures (FY2014-15)	\$3,534	\$538		\$4,072
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: Deaf & Hard Of Hearing Grants**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$538		\$538
APPROPRIATION	\$3,534	\$0		\$3,534
SOURCES OF FUNDS	\$3,534	\$538		\$4,072
EXPENDITURES	\$3,534	\$538		\$4,072
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$3,534	\$538		\$4,072
USES OF FUNDS	\$3,534	\$538		\$4,072

Human Services

Disabilities Grants

http://www.dhs.state.mn.us/main/id_010527

Statewide Outcome(s):

Disabilities Grants supports the following statewide outcome(s).

Strong and stable families and communities.

Minnesotans are healthy.

Context:

Disability is a naturally occurring part of human life. Disability can occur at birth or be acquired later in life and can include physical disabilities, developmental disabilities, chronic medical conditions, and acquired or traumatic brain injuries. The US Census Bureau estimates that nearly 400,000 or 14 percent of Minnesotans have a disability or disabling condition. Individuals with disabilities are unique and have a variety of needs that may range from assistance with bathing and dressing to needing 24 hour care and supervision. Disability grants provide services and supports to enable Minnesotans with disabilities to remain in their communities and avoid institutionalization. These grants also provide funding to local counties, tribes, families and providers to support individuals with disabilities.

The purpose of Disabilities Grants is to provide community service options for individuals with disabilities, support to lead agencies, and to develop and maintain a system-wide infrastructure. These funds increase service availability and service choice for people with disabilities and their families; help people with HIV/AIDS with medical expenses; provide information and assistance on disability programs and services; and support county and tribal infrastructure.

Disabilities grants are funded by the state general fund, federal funds, and special revenue funds. The HIV/AIDS programs receive federal funds from the Ryan White Care Act and receive rebate funding from pharmaceutical companies for drugs and insurance.

More information about Disabilities Grants and the number of people served is available at <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6575-ENG>.

Strategies:

Disabilities Grant programs include the following.

- The Family Support Grant (FSG) provides cash to families to offset the higher-than-average cost of raising a child with a disability.
- The Consumer Support Grant (CSG) helps individuals purchase home care, adaptive aids, home modifications, respite care, and other assistance with the tasks of daily living.
- Semi-Independent Living Services (SILS) are used by adults with developmental disabilities to live in the community. The funding is used to purchase instruction or assistance with nutrition education, meal planning and preparation, shopping, first aid, money management, personal care and hygiene, self-administration of medications, use of emergency resources, social skill development, home maintenance and upkeep, and transportation skills.
- HIV/AIDS programs assist enrollees with premiums to maintain private insurance, co-payments for HIV-related medications, mental health services, dental services, nutritional supplements, and case management.
- Housing Access Services provides a grant to a non-profit organization to help individuals move out of licensed settings or family homes into their own homes.
- The Disability Linkage Line (DLL) provides one-to-one assistance to help people learn about their options and connect with the supports and services they choose.
- Local planning grants provide assistance to counties and tribes for the development of community alternatives to corporate foster care placements. During FY 2013, this funding will be used to support

counties and tribes in gathering information to inform the statewide gaps analysis and needs determination processes.

- The Advocating Change Together grant provides funding to the non-profit Advocating Change Together, which is a statewide self-advocacy organization for people with disabilities.
- Technology Grants for Corporate Foster Care Alternatives provides funding for case consultation, evaluation and consumer information grants to assist in developing alternatives to shift-staff foster care residential services models.
- People, Inc. receives a grant to support a living skills training program for people with intractable epilepsy who need assistance in the transition to independent living.

Results:

The Minnesota Department of Human Services (DHS) monitors data, reviews counties, and administers surveys to consumers to evaluate services. Minnesota has seen continuous improvement in the number of people with disabilities served by community-based rather than institution-based services. Measures we track include the percent of people with disabilities who are receiving publicly funded long-term care services through a disability waiver or home care program instead of services in a nursing facility or intermediate care facility. The percent of people with disabilities served in the community has consistently remained steady or improved over the past five years.

A 2009 moratorium in state law on corporate foster care helps to curb the growth of residential settings. We are tracking the percent of people with disabilities who receive home and community-based services in their own home instead of in a residential setting, such as foster care. Current data shows improvement on this measure for people with developmental disabilities but has yet to show an impact for people with other disabilities.

More information is also available on the DHS dashboard: <http://dashboard.dhs.state.mn.us> and the Continuing Care Performance Report: http://www.dhs.state.mn.us/main/dhs16_166609.

Performance Measures	Previous	Current	Trend
1. Percent of people with disabilities served by home and community-based services	92%	94.5%	Improving
2. Percent of people with disabilities (excluding developmental disabilities) who receive home and community-based services in their own home	65%	63%	Worsening
3. Percent of people with developmental disabilities who receive home and community-based services in their own home	34.6%	35.7%	Improving
4. Number of people that Housing Access Services has helped move to a home of their own	48	71	Improving
5. Percent of consumers who would recommend the Disability Linkage Line (DLL) to others	99%	100%	Stable

Performance Measures Notes:

1. Compares FY 2007 (Previous) to FY2011 data (Current). Source: DHS Data Warehouse.
2. Compares 2007 (Previous) to 2011 data (Current). Source: DHS Data Warehouse.
3. Compares 2007 (Previous) to 2011 data (Current). Source: DHS Data Warehouse.
4. Compares calendar year 2010, quarter two data (Previous) to CY 2012, quarter two data (Current). Since the program began, Housing Access Services has moved 459 people with disabilities into homes of their own. Source: DHS Grant reports.
5. Compares CY 2008 data (Previous) to CY 2011 data (Current). Source: DLL Customer Satisfaction Surveys.

More information is also available on the DHS dashboard: <http://dashboard.dhs.state.mn.us> and the Continuing Care Performance Report: http://www.dhs.state.mn.us/main/dhs16_166609.

Budget Activity: Disabilities Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$63,600	\$12,097	\$16,194	\$91,891
Current Law Expenditures (FY 2014-15)	\$78,460	\$12,793	\$12,796	\$104,049
Governor's Recommended Expenditures (FY2014-15)	\$74,660	\$12,793	\$12,796	\$100,249
\$ Change from FY 2014-15 Current Law to Governor's Rec	(3,800)	\$0	\$0	(3,800)
% Change from FY 2014-15 Current Law to Governor's Rec	(5%)	0%	0%	(4%)

Budget Activity: Disabilities Grants**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$12,011		\$12,011
REVENUE		\$12,794	\$12,796	\$25,590
TRANSFERS IN	\$37,391	\$0		\$37,391
APPROPRIATION	\$37,269	\$0	\$0	\$37,269
SOURCES OF FUNDS	\$74,660	\$24,805	\$12,796	\$112,261
BALANCE FORWARD OUT		\$12,011		\$12,011
EXPENDITURES	\$74,660	\$12,793	\$12,796	\$100,249
PAYROLL EXPENSE				
OPERATING EXPENSES	\$758	\$503		\$1,261
GRANTS, AIDS AND SUBSIDIES	\$73,902	\$12,290	\$12,796	\$98,988
USES OF FUNDS	\$74,660	\$24,804	\$12,796	\$112,260

Human Services

Adult Mental Health Grants

http://www.dhs.state.mn.us/main/id_000085

Statewide Outcome(s):

Adult Mental Health Grants supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

Mental illness strikes all ages, all economic levels, and all races. For people with mental illness, it disrupts learning and educational plans for the future, job security and income. One out of every four persons live with a mental health problem. Mental illness also affects families – spouses, parents, siblings, grandparents and children. People living with a mental illness are at significant risk for being homeless. According to a 2009 Wilder Research Homeless study, 55 percent of homeless adults surveyed had a serious mental illness. Having a mental illness can sometimes be fatal. Suicide is one of the leading causes of death. In Minnesota, eleven out of every 100,000 adults take their own lives each year.

National and state statistics demonstrate that individuals with mental illness have higher mortality rates than others due to untreated or undertreated physical health issues. Seeking a primary care physician for annual physical health screenings can result in earlier and less-costly treatment of common chronic illnesses.

Adult mental health services provide the supports people need at crucial times in their lives. Grant funding is used to increase the number of Minnesotans served in their homes and communities rather than in institutions and to improve life expectancy for people with a serious mental illness.

Strategies:

Provide a statewide network of crisis response services. Mobile crisis teams can provide outreach to persons and intervene quickly in community neighborhoods when people experience a mental health crisis. Crisis beds can also help people stay closer to home and avoid costly hospital stays. Crisis response services save lives by provided support and intervention that allows people to remain in the community and avoid the additional life disruption that a hospital stay entails. They also allow law enforcement professionals to carry on with their other duties of protecting the citizenry and they frequently team with law enforcement officers to lessen the time that law enforcement officers must spend intervening in mental health crisis, transporting individuals or waiting for the individual at a hospital. Crisis response services also can allow emergency room doctors to focus on treating physical ailments rather than focusing on persons with mental health issues.

Co-locate medical and mental health services wherever possible. Since persons with mental illness are at significant risk of diabetes, heart disease, and other chronic health conditions, it is important to link physical health services with mental health services. Assertive Community Treatment (ACT) is a service-delivery model that provides comprehensive, locally based treatment to people with mental illnesses. ACT provides highly individualized services directly to consumers through multidisciplinary teams. Staff are available around-the-clock to deliver the majority of treatment, rehabilitation, and support services required by each client to live in the community. Most recently, ACT teams have focused on improving the physical health of individuals with mental illness through better linkages with primary care clinics. In Minnesota, efforts to reduce the number of persons with mental illness who die 25 years earlier than the general population focus on the following two strategies.

- Improved integration of physical and mental health care.
- Providing every ACT client with an annual physical focusing on health and wellness indicators, including body mass index, tobacco and alcohol use, blood pressure, LDL cholesterol, and blood sugar. Any indicator failing outside the “normal/desirable” range will be followed up by the team.

Provide access to crisis housing funds to ensure people don't lose their housing during their hospital stay. A short term crisis housing retention fund helps people with to 90 days of financial assistance for mortgage, rent, and utilizes for adults with very chronic, severe mental illness. This assistance is used to help the person to retain their home while they are getting needed mental health treatment and using their income to pay for treatment. This is the only program in the state that provides this service.

Results:

Crisis Response Services Results - Adult residents in every county in the state can access some form of Crisis Response Services.

Assertive Community Treatment Results - An important performance measure is the degree to which the services succeed in keeping the client well and living in the community rather than requiring hospitalization or institutional care.

Crisis Housing Fund Results - Crisis Housing Funds served persons with severe, chronic long-term mental illness. It allows individuals to retain their housing while they received needed mental health treatment.

Performance Measures	Previous	Current	Trend
The percentage of adults in Assertive Community Treatment (ACT) who are not Medicare eligible and enrolled 12 months in Minnesota Health Care Programs who have received an annual comprehensive preventative exam. ¹	26.5%	27.8%	Improving
Percent of Adults with serious mental illness who remain in the community six months after discharge from an inpatient psychiatric setting. ²	65%	65%	Stable
Changes in inpatient days for persons served in Intensive Community Recovery Service (ICRS) ³	9.23	3.93	Improving
Changes in inpatient days for persons served in Assertive Community Treatment (ACT) ³	22.63	10.01	Improving
The percentage of adults receiving Rehabilitative Mental Health Services who are screened for substance abuse ⁴	69.2%	77.8%	Improving

Performance Measures Notes:

1. Previous measures Calendar Year 2010 and Current measures CY 2011.
2. Previous measures Calendar Year 2009 and Current measures CY 2010. The measure looks at a readmission to any psychiatric inpatient care unit (either State Operated or Community) within six months of discharge from a psychiatric inpatient care unit.
3. Previous measures Inpatient days per client for the year before starting program and current measures inpatient days per client the year after starting the program. The department goal is to reduce the need for hospitalization and keep persons served in the community.
4. Previous measures State Fiscal Year 2008 and Current measures State Fiscal Year 2011 of the percentage of individuals receiving adult rehabilitative mental health services (Assertive Community Treatment, Adult Rehabilitative Mental Health Services, or Intensive Community Recovery Services) who are screened for the possibility of substance use. Recovery from mental illness can be more difficult when an individual has undiagnosed and/or untreated substance abuse issues.

Budget Activity: Adult Mental Health Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$145,065	\$5,799	\$19,247	\$170,111
Current Law Expenditures (FY 2014-15)	\$147,036	\$4,516	\$20,047	\$171,599
Governor's Recommended Expenditures (FY2014-15)	\$141,807	\$6,516	\$20,047	\$168,370
\$ Change from FY 2014-15 Current Law to Governor's Rec	(5,229)	\$2,000	\$0	(3,229)
% Change from FY 2014-15 Current Law to Governor's Rec	(4%)	44%	0%	(2%)

Budget Activity: Adult Mental Health Grants**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			\$20,047	\$20,047
TRANSFERS IN	\$1,200	\$2,000		\$3,200
APPROPRIATION	\$140,607	\$4,516	\$0	\$145,123
SOURCES OF FUNDS	\$141,807	\$6,516	\$20,047	\$168,370
EXPENDITURES	\$141,807	\$6,516	\$20,047	\$168,370
PAYROLL EXPENSE				
OPERATING EXPENSES		\$120	\$330	\$450
GRANTS, AIDS AND SUBSIDIES	\$141,807	\$6,396	\$19,717	\$167,920
USES OF FUNDS	\$141,807	\$6,516	\$20,047	\$168,370

Human Services

Child Mental Health Grants

http://www.dhs.state.mn.us/main/id_000162

Statewide Outcome(s):

Child Mental Health Grants supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

Emotional or mental illness strikes all ages, all economic levels, and all races. Many children have mental health issues that can seriously affect aspects of their lives and the stability of their family.

- Studies estimate that mental health problems affect one in five young people at any given time.
- Many children and adolescents experience emotional disorders, such as depression, anxiety and attention-deficit, conduct and eating disorders.
- An estimated 91,000 children in Minnesota need treatment for emotional disturbances.
- In Minnesota, nine percent of school-age children and five percent of preschool children have a serious emotional disturbance, which is a mental health problem that has become longer lasting and interferes significantly with the child's functioning at home and in school.
- Children and youth with a serious emotional disturbance experience risks related to reduced graduation rates, increased involvement with juvenile corrections and more substance abuse problems.

Children's Mental Health Grants fund children's mental health services provided by non-profit agencies, schools, Medicaid-enrolled mental health clinics, tribes, counties, and culturally specific agencies. While the public mental health system is responsible for the full continuum of children's mental health treatment interventions and ancillary services, grants cover treatment services for children who are uninsured or whose family insurance does not cover necessary mental health services. In addition, grants fund coordination of physical healthcare and developmental disabilities services and build community alternatives to inpatient hospitalization and residential treatment.

The evidence base behind mental health prevention, treatment, and recovery/resiliency services continues to grow and promises better outcomes for people with, and at risk for, mental disorders. We can now say with certainty that:

- Mental health is essential to overall health;
- Prevention works;
- Treatment is effective; and
- Children can increase their resilience to mental illness.

Strategies:

Children's Mental Health Grants support children with mental illness by:

- Integrating mental health into the overall health care delivery system;
- Filling gaps in a full array of services/supports;
- Expanding the capacity of mental health care delivery;
- Reducing disparities among communities;
- Measuring effectiveness of services; and
- Providing for the efficient use of limited resources.

To help children and youth become healthy Minnesotans, the Children's Mental Health Grants train providers on evidence-based practices; build statewide provider capacity; cover treatment and supports for under/uninsured children; and provide for easy access to the earliest possible, effective interventions when a mental health

problem emerges. When a child suffers trauma or other adverse childhood experiences (ACEs), the children's mental health system-as a core component of Minnesota's child and family-serving systems-has the responsibility to remediate life-long detrimental effects on physical and mental health.

Partners are essential for a dynamic and learning mental health service delivery system. For children, coordination of care encompasses many other child-serving sectors of the public and private health and human service systems of Minnesota - including primary care, day care, substance abuse treatment, schools, public health, child welfare, juvenile justice, adult transition services, and services to parents designed to prevent traumatic events in a child's life and to build or repair the crucial parent-child attachment bond.

Results:

Strategies of the Children's Mental Health Grants are measured at both the system performance level and the individual client outcomes level.

- Individual treatment effectiveness is measured through the Children's Mental Health Outcome Reporting System, using standardized measurement instruments, the results of which are submitted by treating mental health professionals to DHS through a Web-based reporting system.
- Grantee and system performance is evaluated in the annual Children's Mental Health Grants Outcomes and Division Progress Report. The report separately evaluates each children's mental health grant funded by state appropriation or the federal Mental Health Block Grant. It reports service utilization; age, gender, and cultural/ethnic demographics; location of services; insurance status; improved access; provider trainings; and client outcomes summaries.

Performance Measures	Previous	Current	Trend
Service Utilization Rate (per 10,000 children) ¹	342	437	Improving
Percent of Children in the child welfare system who received a mental health screening ²	55.3%	56.6%	Improving

Performance Measures Notes:

1. Service Utilization Rate: An indicator of service access, this indicator counts the number of children (under age 18) receiving any mental health service from the publicly financed healthcare system per 10,000 children in the general child population. Compares Calendar Year (CY) 2008 (Previous) and CY 2010 (Current). Note: Utilization rate is not an indicator of need for services as the incidence of emotional disturbance is far higher than the rate at which the children access treatment.
2. With parental consent, counties conduct mental health screenings for children in the child welfare and juvenile justice systems who have not had a recent assessment. The previous measure is CY 2009; the current measure is CY 2010.

Budget Activity: Child Mental Health Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$34,345			\$34,345
Current Law Expenditures (FY 2014-15)	\$35,408			\$35,408
Governor's Recommended Expenditures (FY2014-15)	\$37,587			\$37,587
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$2,179			\$2,179
% Change from FY 2014-15 Current Law to Governor's Rec	6%			6%

Budget Activity: Child Mental Health Grants**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$37,587		\$0	\$37,587
SOURCES OF FUNDS	\$37,587		\$0	\$37,587
EXPENDITURES	\$37,587			\$37,587
PAYROLL EXPENSE				
OPERATING EXPENSES	\$400			\$400
GRANTS, AIDS AND SUBSIDIES	\$37,187			\$37,187
USES OF FUNDS	\$37,587			\$37,587

Human Services

CD Treatment Support Grants

<http://www.dhs.state.mn.us/adad>

Statewide Outcome(s):

CD Treatment Support Grants supports the following statewide outcome(s).

Minnesotans are healthy.

Strong and stable families and communities.

Context:

Chemical addiction can affect persons of any age, race, religion, or income. According to the 2006 Substance Abuse and Mental Health Service (SAMHSA) National Survey on Drug Use, 22.6 million people (9.2 percent) of people in the U.S aged 12 and older were chemically dependent. Chemical dependence broke down as follows: 3.2 million people were dependent on both drugs and alcohol, 3.8 million were dependent on drugs alone, and 15.6 million were dependent on alcohol alone.

Of this 22.6 million people, only 1.6 percent received treatment. Without treatment, the consequences of substance use for the individual and society are staggering: unnecessary disability, unemployment, mental illness, homelessness, incarceration, suicide and wasted lives. Chemical Dependency (CD) Treatment Support grants pays for statewide prevention, intervention, treatment support, recovery maintenance, and case management services, including culturally appropriate services and support. A combination of state and federal dollars supports this activity.

Research studies indicate that the prevalence of substance abuse is higher for certain communities/populations or that some groups do not succeed in chemical dependency treatment at the same rate as the general population. Specific improvement efforts to address these disparities include prevention strategies and treatment support services that focus on the unique strengths and needs of these various communities/populations. The value of these specialized services is especially highlighted as counties and tribes recognize the role treatment support services play in successfully serving families with substance abuse problems in the Temporary Assistance to Needy Families and Child Welfare programs.

Strategies:

The majority of this program's is from the federal Substance Abuse Prevention and Treatment block grant. Federal rules specify that some of these federal funds be targeted toward treatment supports of Native Americans, women, women with children, the elderly, and other diverse populations. Specifically, roughly \$4 million on women's services and \$5 million from each annual award is spent on prevention targeted to culturally specific communities of highest need on a regional basis. Minnesota expends the remaining \$5 million on treatment support and recovery maintenance for specific target populations.

Roughly \$1 million of state general fund are appropriated each fiscal year for grants to American Indian Tribes to conduct prevention and treatment support services for American Indians.

The state works with prevention and recovery support providers in the community, along with regional coordinators in all seven areas of the state. DHS collaborates with the Minnesota Departments of Health, Public Safety, Education and Corrections in program planning, data collection and analysis.

Results:

The performance measures demonstrate this activity's contribution to strong and stable families and communities as reflected by reductions in past 30 day use of alcohol by young people. The state-wide outcomes are also supported by reducing to zero the number of drug-positive babies born to mothers in programs serving them.

Performance Measures	Previous	Current	Trend
Past 30 day use of alcohol by youth in funded communities ⁽¹⁾	33.4%	23.5%	Improving
Babies born with positive drug screens ⁽²⁾	20%	11%	Improving

Performance Measures Notes:

- (1) Percent of children in communities receiving substance abuse prevention funding as reported in the Minnesota Student Survey. Previous represents calendar year (CY) 2004 and Current represents CY 2010.
- (2) Number of at risk babies reported with positive toxicology screens in communities receiving prevention funding. Previous represents FY 2005 and Current represents FY 2011.

Budget Activity: CD Treatment Support Grants
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$2,424	\$1,507	\$35,848	\$39,779
Current Law Expenditures (FY 2014-15)	\$2,672	\$1,800	\$43,226	\$47,698
Governor's Recommended Expenditures (FY2014-15)	\$3,272	\$1,800	\$43,226	\$48,298
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$600	\$0	\$0	\$600
% Change from FY 2014-15 Current Law to Governor's Rec	22%	0%	0%	1%

Budget Activity: CD Treatment Support Grants**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE		\$1,799	\$43,226	\$45,025
APPROPRIATION	\$3,272	\$0	\$0	\$3,272
SOURCES OF FUNDS	\$3,272	\$1,799	\$43,226	\$48,297
EXPENDITURES	\$3,272	\$1,800	\$43,226	\$48,298
PAYROLL EXPENSE				
OPERATING EXPENSES			\$260	\$260
OTHER FINANCIAL TRANSACTIONS			\$1,490	\$1,490
GRANTS, AIDS AND SUBSIDIES	\$3,272	\$1,800	\$41,476	\$46,548
USES OF FUNDS	\$3,272	\$1,800	\$43,226	\$48,298

Human Services

SOS Mental Health

<http://www.dhs.state.mn.us/sos>

Statewide Outcome(s):

SOS Mental Health supports the following statewide outcome(s).

Minnesotans are healthy.

People in Minnesota are safe.

Context:

Mental illnesses can affect persons of any age, race, religion, or income. According to the National Alliance on Mental Illness – Minnesota (NAMI-MN), it is estimated that mental illnesses affect one in five families. Without treatment, the consequences of mental illness for the individual and society are staggering: unnecessary disability, unemployment, substance abuse, homelessness, inappropriate incarceration, suicide and wasted lives. The economic cost of untreated mental illness is more than 100 billion dollars each year in the United States. By ensuring access to services and supports that have been proven to be effective, recovery is possible.

Minnesota's policy for serving people with disabilities has emphasized a broad array of community-based treatment and support options enabling people to access the most appropriate care as close to their home community and natural support systems as possible. This policy has worked well for many individuals but continues to have gaps for individuals with co-occurring and complex conditions. As a result, these individuals do not move through the system and become "stuck" in inappropriate levels of care. A bottleneck in the care system results. This occurs in all levels of the mental health treatment continuum including community hospitals, community corrections and State Operated Services (SOS) treatment sites. A shortage of mental health providers has also resulted in a restriction of available capacity in the SOS treatment system.

Strategies:

As part of a broader continuum of care, SOS's Mental Health services provide specialized treatment and related supports for youth and adults with serious mental illness (SMI), emotional disturbances, and co-occurring neurocognitive disabilities. These services are provided in an array of facilities including psychiatric hospitals, intensive residential treatment services (IRTS), and a variety of other service settings. State Operated Services' Mental Health Services are funded with state general fund appropriations. In fiscal year 2012, 2,457 individuals received mental health services from SOS Mental Health programs. An additional 5,030 received dental services within the five dental clinics.

SOS provides quality treatment using a person-centered approach to care. To be successful, care must be provided in a safe and appropriate level of care environment. SOS has developed services at different levels of the continuum to allow clients to move through the mental health treatment system and back to the community.

The ability to safely move individuals from one level of care to another is a challenge due to the limited resources available to clients. Individuals that no longer require inpatient hospital care but who can't be discharged due to lack of community resources reduce the ability to appropriately serve individual who do need inpatient care as beds are full. Though gaps still exist for some clients, many are able to return to their homes and community. SOS continues to reach out to the service system to partner with other community providers in order to assure individuals with mental illness receive the services they need to successfully live in the community. Key current strategies to help clients successfully manage their return to the community are:

- Ensuring prompt psychiatric follow-up upon their return to a community setting.
- Working to reduce the number of medications necessary to control each client's symptoms.

Both these serve to support the client's continued effective treatment following their transition to community living.

DHS is also seeking a new Medicaid waiver to redesign the relationship of the Anoka Metro Regional Treatment Center (AMRTC) to the rest of the Medicaid program. Virtually all people receiving treatment services at AMRTC

are Medicaid-eligible at admission or would be Medicaid-eligible if the services were available in the community, and a majority are also Medicare recipients. A waiver of the federal law prohibiting Medicaid coverage for persons "residing in institutions for mental diseases" for people receiving services at AMRTC would allow MA coverage and reimbursement while receiving treatment at AMRTC. It also would allow Minnesota to make additional strides in reducing lengths of stay, reserving the AMRTC setting only for the most acute needs, and assisting timely and smooth transitions back to community-based supportive services.

In addition, State Operated Services is undertaking a comprehensive planning process to better define its role in delivering services to person with complex needs. This planning effort is coordinated with state health care reform initiatives, Olmstead planning, courts/law enforcement/corrections planning, and broader healthcare organizations. Agreeing on a shared vision for the role of SOS in the state's safety net between DHS, community providers and stakeholders would put SOS in a better position to collaborate effectively in these other policy-making settings and could result in improved care for people, improved relationships with other providers, a more seamless safety net, and financial savings.

Results:

SOS measures success in the strategies outlined above in the reduction in the length of stay for clients and in the reduction in the number of non-acute bed days. When a client can move through the system and return quickly to the community there is a greater chance they will retain their support system and living arrangement. A key measure of success is the reduction of non-acute bed days which result when a client longer needs inpatient hospital level of care but cannot be discharged for lack of funding or availability of an appropriate placement. Inability to discharge from a hospital setting is costly and restricts the systems flow resulting in individuals who need hospital level of care being held in inappropriate settings including community corrections and emergency rooms.

Performance Measures	Previous	Current	Trend
Average Number of Non-Acute bed days per adult patient ¹	9.4	8	Improving
Mental Health [post discharge] Follow Up Rate ²	73%	75.7%	Improving
The average number of psychotropic medications prescribed at discharge ³	2.4	2.3	Improving

Performance Measures Notes:

1. Previous measures Calendar Year (CY) 2010, fourth quarter and Current measures CY2011, fourth quarter (Source: DHS Public Dashboard)
2. The percent of clients hospitalized for mental illness who have a follow-up appointment set up within 30 days in place at time of discharge. Prompt follow-up in the community is an important factor in avoiding re-hospitalization. Previous measures CY 2011 and Current year measures CY 2012, 2nd Quarter. (Source: DHS Internal Performance Tracking)
3. The average number of psychotropic medications prescribed at discharge. Previous measure is third quarter state fiscal year 2011 and Current measure is third quarter state fiscal year 2012. Decreasing prescribed medications increases compliance which in turn results in increased stability following discharge. (Source: DHS Internal Performance Tracking)

Budget Activity: SOS Mental Health
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$218,864	\$30,643		\$249,507
Current Law Expenditures (FY 2014-15)	\$216,089	\$27,662		\$243,751
Governor's Recommended Expenditures (FY2014-15)	\$216,289	\$31,662		\$247,951
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$200	\$4,000		\$4,200
% Change from FY 2014-15 Current Law to Governor's Rec	0%	14%		2%

Budget Activity: SOS Mental Health**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$564		\$564
REVENUE	\$0	\$33,664		\$33,664
APPROPRIATION	\$231,676	\$0	\$0	\$231,676
SOURCES OF FUNDS	\$231,676	\$34,228	\$0	\$265,904
BALANCE FORWARD OUT		\$564		\$564
TRANSFERS OUT	\$15,388	\$2,000		\$17,388
EXPENDITURES	\$216,289	\$31,662		\$247,951
PAYROLL EXPENSE	\$172,252	\$19,514		\$191,766
OPERATING EXPENSES	\$43,940	\$11,638		\$55,579
GRANTS, AIDS AND SUBSIDIES	\$93	\$510		\$603
CAPITAL OUTLAY-REAL PROPERTY	\$4			\$4
USES OF FUNDS	\$231,677	\$34,226		\$265,903

Human Services

SOS Enterprise Services

<http://www.dhs.state.mn.us/sos>

Statewide Outcome(s):

SOS Enterprise Services supports the following statewide outcome(s).

Minnesotans are healthy.

People in Minnesota are safe.

Context:

According to the Coalition for Whole Health, Recommendations on Coverage of Mental Health and Substance Use Disorder Services, published in August 2011, nearly one-third of adults and one-fifth of children had a diagnosable substance use or mental health problem in the last year. Individuals with severe mental health and severe substance use disorders are known to have greater mortality rates, dying 25 to 37 years earlier than the general population. In 2009, 23.5 million Americans needed treatment for an illicit drug or alcohol problem, but only 4.3 million people received treatment. Several states have found that providing adequate mental health/addiction treatment benefits slows the escalation in health care costs and reduces Medicaid spending.

In 2006–2008, the Centers for Disease Control (CDC) reported that in the United States, about one in six children had a developmental disability ranging in severity levels. As these children become adults, some are unable to self-manage their own disabilities or continue their existing living arrangement or find employment.

State Operated Services' (SOS) Enterprise Services is for those individuals that other community providers cannot or will not serve due to the individuals complex service needs. SOS Enterprise services served 2,043 clients in the Community Addiction Recovery Enterprise programs, 35 children in foster care services, 896 clients in vocational programs, and 524 clients in community-based residential services in fiscal year 2012.

Strategies:

State Operated Services specializes in providing services to vulnerable people for whom no other providers are available or for whom State Operated Services may be the provider selected by the payer. As such, these services fill a need in the continuum of services for vulnerable people with disabilities by providing services not otherwise available. SOS Enterprise Services focus on providing treatment and residential care for adults and children with chemical dependency, behavioral health issues, and developmental disabilities. SOS Enterprise Services operates in the marketplace with other providers, funded solely through revenues collected from third-party payment sources. As such, these services do not rely on a state appropriation for funding. Enterprise services are fully funded by public or private third-party health insurance or other revenue sources.

Current services SOS provides on an enterprise basis include:

- **Chemical Addiction Recovery Enterprise (C.A.R.E.)** programs provide inpatient and outpatient treatment to persons with chemical dependency and substance abuse problems. Programs are operated in Anoka, Brainerd, Carlton, Fergus Falls, St. Peter, and Willmar.
- **Child and Adolescent Behavioral Health Services (CABHS)** provide an array of foster care services to children or adolescents who have severe emotional disturbances and serious acting out behaviors. Child and Adolescent Behavioral Health Services provides these services at sites statewide and the treatment structure of the foster care home is based on a combination of evidence-based models, including the multidimensional treatment foster care model, wrap-around services model, and, where appropriate, dialectical behavioral therapy.
- **State Operated Services community-based residential services** for people with disabilities typically are provided in four-bed group homes. Individual service agreements are negotiated with the counties for each client based on his/her needs. Clients take advantage of and are integrated into the daily flow of their community.

- **Day Training and Habilitation (DT&H)** programs provide vocational support services to people with disabilities and include evaluation, training, and supported employment. Individual service agreements are negotiated for each client.

Results:

Performance Measures	Previous	Current	Trend
Percent of persons admitted to Community Addiction Recovery Enterprise (C.A.R.E.) who completed treatment ¹	65.3%	66.1%	Improving
The amount of income earned by clients participating in day treatment and habilitation (DT&H) programs ²	\$1,000	\$1,550	Improving
The number of patients discharged that return to C.A.R.E. within 60 days. ³	9.1%	7.4%	Improving

Performance Measures Notes:

1. Previous represents the average between all C.A.R.E. programs for CY 2009 and Current represents CY 2010. The department goal is to increase treatment rates by five percent. This measure is important because completion of a chemical dependency treatment program is an indication of client engagement and increases likelihood of sobriety after discharge. (Source: DHS internal performance tracking)
2. Previous represents CY 2011 and Current represents CY 2012. This measure is important because it demonstrates the department’s commitment to recognizing that people with disabilities can do useful work and be productive citizens. (Source: DHS internal performance tracking)
3. Previous represents FY 2011 and Current represents FY 2012. This measure is important because it demonstrates that the patient’s treatment is working and they are able to remain in recovery and live in their community. (Source: SOS medical records system)

Budget Activity: SOS Enterprise Services
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$212,786		\$212,786
Current Law Expenditures (FY 2014-15)		\$219,842		\$219,842
Governor's Recommended Expenditures (FY2014-15)		\$219,842		\$219,842
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Budget Activity: SOS Enterprise Services**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$12,827		\$12,827
REVENUE		\$218,697		\$218,697
SOURCES OF FUNDS		\$231,524		\$231,524
BALANCE FORWARD OUT		\$11,681		\$11,681
EXPENDITURES		\$219,842		\$219,842
PAYROLL EXPENSE		\$180,113		\$180,113
OPERATING EXPENSES		\$37,628		\$37,628
GRANTS, AIDS AND SUBSIDIES		\$2,064		\$2,064
CAPITAL OUTLAY-REAL PROPERTY		\$37		\$37
USES OF FUNDS		\$231,523		\$231,523

Human Services

SOS MN Security Hospital

<http://www.dhs.state.mn.us/sos>

Statewide Outcome(s):

SOS MN Security Hospital supports the following statewide outcome(s).

People in Minnesota are safe.

Minnesotans are healthy.

Context:

Mental illnesses can affect persons of any age, race, religion, or income. According to the National Alliance on Mental Illness – Minnesota (NAMI-MN), it is estimated that mental illnesses affect one in five families. Mental illness falls along a continuum of severity. Without treatment, the consequences of mental illness for the individual and society are staggering and can lead to an individual with high severity to commit acts that seriously endanger themselves or others.

The Minnesota Security Hospital (MSH) in St. Peter provides multidisciplinary treatment services to adults and adolescents who have the most severe illnesses and who have endangered others and now present a serious risk to public safety. Persons are admitted into the MSH from throughout the states pursuant to judicial or other lawful orders, for assessment and/or treatment of acute and chronic major mental disorders, including persons committed by the courts as mentally ill and dangerous. The population served in the secure perimeter of the Minnesota Security Hospital is growing at a forecasted rate of five to seven per year. With an average length of stay of 6.2 years, in fiscal year 2012, 233 persons were served by this program. An additional 167 persons received services in the MSH Transition Program, 213 persons received services in the treat to competency program (Criminal Court Procedure Rule 20.01 and 20.02), and 39 persons received services in the Forensic Nursing Home.

The population admitted to the Minnesota Security Hospital present many challenges and serving this population successfully requires that the state meet all those challenges well. In recent years, the Minnesota Security Hospital has had numerous client safety issues and employee injuries, indications that we need to do more to meet the needs of the people we're serving and the employees who serve them.

Strategies:

The Minnesota Security Hospital provides treatment, comprehensive, court-ordered forensic evaluations; including competency to stand trial and pre-sentence mental health evaluations. The Minnesota Security Hospital operates a transition program that provides a supervised residential setting offering social rehabilitation treatment to increase self-sufficiency and build the skills necessary for a safe return to the community.

In response to physical plant shortcomings contributing to client and staff safety problems, the 2012 Legislature appropriated \$3.7 million in bonding for the predesign and design of the first phase of a two-phase project to remodel existing facilities and develop new residential, program, activity and ancillary facilities on the upper campus of the St. Peter Regional Treatment Center. This action launched the necessary planning activities for renovation and construction needs to improve patient safety and reduce employee injuries associated with the environment. The department will remain in regular communication regarding the results of that planning and next steps in meeting the physical plant needs related to treating our clients.

MSH shares the St. Peter campus with the Minnesota Sex Offender Program (MSOP). Designs are intended to address issues the department faces as it operates MSH and MSOP on the same campus. This project will result in the eventual relocation of all MSH residential and program activities from the lower campus to the upper campus. The lower campus will be reused and redeveloped for MSOP as a separate project. New facilities on the upper campus will allow the long-term needs of different populations served by MSH to be met.

Besides the secure and transition programs operated at the Minnesota Security Hospital, the program also operates a forensic nursing home which provides services to those individuals who are in need of nursing home

level of care and are committed as mentally ill and dangerous, sexual psychopathic personality (SPP), a sexually dangerous person (SDP), or those on medical release from the Department of Corrections (DOC).

Results:

Important performance measures for this program include:

- monitoring the percent of eligible patients are participating in therapeutic work activities which build skills and work habits in preparation for transition to a job placement in the community. Eligible patients include those in the Forensics Transitions Service (FTS) and Minnesota Security Hospital (MSH) Young Adult and Adolescent Program and Special Needs Services.
- increasing the percent of persons who are successfully and safely provisionally discharged from forensic transition services into the community. This measure is important because it ensures that persons committed to the Minnesota Security Hospital are completing their treatment and being successfully placed into the community.
- reducing the number of worker’s compensation claims. This measure is important because it monitors the safety of our work environment for our employees and the rate of worker’s compensation claims.

Performance Measures	Previous	Current	Trend
The percent of eligible patients who are engaged in therapeutic work activities ¹	69%	71%	Improving
The percent of persons who have been provisionally discharged from forensic transition services into the community ²	14%	18%	Improving
Number of worker compensation claims filed ³	20	28	Worsening

Performance Measures Notes:

- ¹ Previous represents Calendar Year (CY) 2012, first quarter and the current represents CY 2012, second quarter. (Source: DHS internal performance tracking)
- ² Previous represents CY 2011 and the current represents CY 2012, first two quarters. (Source: SOS medical records system)
- ³ Previous represents CY 2012 first quarter and the current represents CY 2012 second quarter. (Source: DHS internal performance tracking)

Budget Activity: SOS Mn Security Hospital
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$139,167	\$3,764		\$142,931
Current Law Expenditures (FY 2014-15)	\$139,164	\$3,850		\$143,014
Governor's Recommended Expenditures (FY2014-15)	\$139,164	\$3,850		\$143,014
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Budget Activity: SOS Mn Security Hospital**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$883		\$883
REVENUE		\$3,703		\$3,703
APPROPRIATION	\$139,164	\$0		\$139,164
SOURCES OF FUNDS	\$139,164	\$4,586		\$143,750
BALANCE FORWARD OUT		\$736		\$736
EXPENDITURES	\$139,164	\$3,850		\$143,014
PAYROLL EXPENSE	\$112,744	\$150		\$112,894
OPERATING EXPENSES	\$25,663	\$350		\$26,013
GRANTS, AIDS AND SUBSIDIES	\$758	\$3,350		\$4,108
USES OF FUNDS	\$139,164	\$4,586		\$143,750

Human Services

Minnesota Sex Offender Program

http://www.dhs.state.mn.us/main/dhs16_149914

Statewide Outcome(s):

The Minnesota Sex Offender Program (MSOP) supports the following statewide outcome(s).

People in Minnesota are safe.

Minnesotans are healthy.

Context:

The Minnesota Sex Offender Program (MSOP) provides services to individuals who have been court-ordered to receive sex offender treatment. Minnesota is one of 20 states that has civil commitment laws to indeterminately detain individuals for treatment to address their sexual dangerousness and as part of a broader strategy to manage the risks to public safety presented by sexual offenders. The statutory mission of MSOP is to promote public safety by providing sex offender treatment to individuals determined by the court as high-risk for reoffending and civilly committed to the Minnesota Department of Human Services (DHS) for treatment.

Most of MSOP clients, but not all, come from the state Department of Corrections (DOC). Toward the end of their sentences, all individuals convicted of sexual offenses are reviewed by the Risk Assessment Community Notification Unit within DOC. Through this process, the DOC determines which cases to refer for consideration of civil commitment as a sexually dangerous person (SDP) or sexual psychopathic personality (SPP). It is then up to respective counties to determine if they wish to pursue civil commitment for these individuals after their period of incarceration is complete.

If a civil court determines an individual meets the statutory criteria for civil commitment, the person is committed to MSOP for court-ordered sex offender treatment for an indeterminate period of time. Transfer, provisional discharge or discharge from MSOP must also be ordered by the court. In 2012, the courts ordered the first provisional discharge from the program in many years.

MSOP is funded through general fund appropriations and county payments. Committing counties are responsible for 25% of the cost of care.

Strategies:

Civil commitment is only one tool on the statewide continuum of comprehensive sex offender management and supervision. MSOP accomplishes its mission through the following strategies:

- Creating a therapeutic environment that is safe for clients and staff. The treatment model is client-centered and has a clear progression across the continuum of care.
- Maximizing public safety by using state-of-the art technology to monitor client movement both inside the facility perimeter and for those with community privileges.
- Prioritizing our responsibility to Minnesotans through efficient use of state resources to effectively enhance, develop, and manage a comprehensive and individualized treatment program.
- Working together with community stakeholders, policy makers, and other state agencies to prevent sexual violence.
- Developing resources for MSOP clients court-ordered for provisional discharge while maintaining public safety via community-based clinical services, integrated supervision and risk management, stable housing, and meaningful employment.

Results:

The number of clients served in MSOP has grown from 483 at the end of state fiscal year 2008 to 653 at the end of state fiscal year 2012. Despite its continued growth trend, MSOP has demonstrated numerous clinical advances, operational efficiencies, and security enhancements over the last few years.

Because individuals committed to MSOP can choose whether to participate in treatment, MSOP tracks the rate of participation in sex-offender specific treatment. MSOP also measures and reports the program's operational per diem on an annual basis. The operational per diem measures the average program-wide daily costs for treating and housing MSOP clients. A downward trend indicates efficiency improvements in operating the program.

- We have begun collecting information on a new performance measure that tracks the average of weekly clinical service hours per participant. We have also begun collecting information on the number of reportable injuries and claims for worker's compensation. In the future, we will also be able to report on these new performance measures.

Performance Measures	Previous	Current	Trend
Rate of participation in sex-offender specific treatment (quarterly measure) ¹	85%	86%	Stable
Operational Per Diem ²	\$302	\$290	Improving

Performance Measures Notes:

- 1 Compares March 31, 2012 (Previous) to June 30, 2012 (Current). Source: DHS Dashboard.
- 2 Compares FY 2011 (Previous) to FY 2013 (Current). Source: DHS Dashboard. The Operational Per Diem measures DHS' average program-wide daily costs for treating and housing MSOP clients.

Budget Activity: Sex Offender Program
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$138,938	\$8,236		\$147,174
Current Law Expenditures (FY 2014-15)	\$141,426	\$8,166		\$149,592
Governor's Recommended Expenditures (FY2014-15)	\$151,788	\$8,166		\$159,954
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$10,362	\$0		\$10,362
% Change from FY 2014-15 Current Law to Governor's Rec	7%	0%		7%

Budget Activity: Sex Offender Program**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			Total Funds
	General Funds	Other State Funds	Federal Funds	
BALANCE FORWARD IN		\$789		\$789
REVENUE		\$7,660		\$7,660
APPROPRIATION	\$156,514	\$0		\$156,514
SOURCES OF FUNDS	\$156,514	\$8,449		\$164,963
BALANCE FORWARD OUT		\$283		\$283
TRANSFERS OUT	\$4,726			\$4,726
EXPENDITURES	\$151,788	\$8,166		\$159,954
PAYROLL EXPENSE	\$119,553			\$119,553
OPERATING EXPENSES	\$30,435	\$6,332		\$36,767
OTHER FINANCIAL TRANSACTIONS	\$68			\$68
GRANTS, AIDS AND SUBSIDIES	\$1,704	\$1,834		\$3,538
CAPITAL OUTLAY-REAL PROPERTY	\$29			\$29
USES OF FUNDS	\$156,514	\$8,449		\$164,963

Human Services Fiduciary Activities

Statewide Outcome(s):

Fiduciary Activities supports the following statewide outcome(s).

Strong and stable families and communities.

Context:

The Fiduciary Activities budget program includes expenditures accounted for in the state's fiduciary fund group. By definition, the fiduciary fund group is used to account for assets held in trust by the government for the benefit of individuals or other organizations. Accordingly, the fiduciary fund group is excluded from the state's budgetary fund balance presentation. By isolating these expenditures in this budget program, spending in the other DHS budget activities is not distorted.

For DHS, the bulk of these expenditures are attributable to the payment of child support collections to custodial parents. Listed below are the specific types of expenditures included in this program.

- Child support payments: Payments made to custodial parents from funds collected by the state from noncustodial parents.
- MAXIS off-line recoveries: Funds recovered by the state and money received from counties that cannot be receipted MAXIS (the state computer system that determines eligibility for and issues public assistance payments). The funds are held here until DHS can determine what program is to be credited and to whom payment should be made. Payments are made to the U.S. Treasury for federal shares of recoveries, to counties for incentives, to clients for returned money or their balance of interim assistance recoveries, to providers for Supplemental Security Income (SSI) services, or to the state for any state share of recoveries.
- Long-term care civil penalties: Monies collected by the federal Centers for Medicare & Medicaid Services (CMS) from nursing homes that are assessed penalties for noncompliance. The portion given to states must be used solely for approved projects that specifically address nursing home deficiencies.

The expenditures and associated accounting processes in this activity are supported administratively by the budgets within the Central Office program.

Strategies:

Maintain necessary staff and information technology resources to adequately support payment collections and disbursement activity.

Results:

Minnesota citizens and DHS clients expect accurate, efficient, and timely payment processing. This performance measure tracks the efficiency and timeliness of child support collections disbursed to families. DHS consistently ranks in the top five states for processing child support payments.

Performance Measures	Previous	Current	Trend
Percent of Unresolved Undistributed Child Support Collections	2.1%	2.2%	Stable

Performance Measures Notes:

Compares Federal fiscal year 2009 (Previous) and federal fiscal year 2010 (Current). Source: Preliminary 2010 federal child support report.

Budget Activity: Fiduciary Activities
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$1,528,646		\$1,528,646
Current Law Expenditures (FY 2014-15)		\$1,694,306		\$1,694,306
Governor's Recommended Expenditures (FY2014-15)		\$1,694,306		\$1,694,306
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Budget Activity: Fiduciary Activities**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$946		\$946
REVENUE		\$1,694,306		\$1,694,306
SOURCES OF FUNDS		\$1,695,252		\$1,695,252
BALANCE FORWARD OUT		\$946		\$946
EXPENDITURES		\$1,694,306		\$1,694,306
PAYROLL EXPENSE				
OPERATING EXPENSES		\$11,930		\$11,930
OTHER FINANCIAL TRANSACTIONS		\$1,324,182		\$1,324,182
GRANTS, AIDS AND SUBSIDIES		\$358,194		\$358,194
USES OF FUNDS		\$1,695,252		\$1,695,252

Human Services Technical Activities

Statewide Outcome(s):

Technical Activities supports the following statewide outcome(s).

Efficient and accountable government services.

Context:

The Technical Activities budget program includes transfers and expenditures between federal grants, programs and state agencies that Department of Human Services (DHS) staff account for in different funds in the state's accounts, and that must be properly processed in the state's SWIFT accounting system. This budget program also includes administrative reimbursements earned by other human services entities or other state funds that DHS must ensure is passed through to the proper entities and accurately recorded in the state's accounting system. By isolating these expenditures in this budget program, spending reported in other DHS budget activities is not distorted and federal grant accounting requirements are followed.

Listed below are specific types of inter-fund and pass-through expenditures included in the Technical Activities budget program.

- Federal administrative reimbursement earned by and paid to counties, tribes and other local agencies.
- Federal administrative reimbursement earned by and paid to other state agencies.
- Administrative reimbursement (primarily federal funds) earned on statewide indirect costs and paid to the General Fund.
- Administrative reimbursement (primarily federal funds) earned on DHS Central Office administrative costs and paid to the general fund, health care access fund and special revenue fund as prescribed by state law and policy.
- Transfers between federal grants, programs and state agencies that are accounted for as expenditures in the state's SWIFT accounting system.
- Other technical accounting transactions.

Expenditures and associated accounting processes reflected by this program are supported administratively by the Operations budget activity within the Central Office budget program.

Strategies:

DHS maintains necessary staff and information technology resources to adequately support accurate, efficient, and timely federal fund cash management.

Results:

DHS measures the extent to which federal funds are deposited within two working days.

Performance Measures	Previous	Current	Trend
Percent of federal fund deposit transactions completed (deposited in State treasury) within two working days of the amount being identified by the SWIFT accounting system. ¹	not available ²	89%	Stable

Performance Measures Notes:

1. SWIFT identifies and creates an invoice when federal funds are due to the State Treasury. This efficiency measure monitors the percent of deposit transactions that staff complete within two working days of the SWIFT invoice process. The current measure is for the latter three quarters of SFY 2012. Source: DHS Receipt Center records

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2. The federal draw process changed with the new SWIFT accounting system and a previous percent measure is not available.

Budget Activity: Technical Activities
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		\$55,050	\$1,041,438	\$1,096,488
Current Law Expenditures (FY 2014-15)		\$16,645	\$1,044,942	\$1,061,586
Governor's Recommended Expenditures (FY2014-15)		\$16,645	\$1,044,942	\$1,061,586
\$ Change from FY 2014-15 Current Law to Governor's Rec		\$0	\$0	\$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%	0%	0%

Budget Activity: Technical Activities**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		\$2,250		\$2,250
REVENUE	\$0	\$16,646	\$886,175	\$902,821
APPROPRIATION		\$0	\$158,769	\$158,769
SOURCES OF FUNDS	\$0	\$18,896	\$1,044,944	\$1,063,840
BALANCE FORWARD OUT		\$2,250		\$2,250
EXPENDITURES		\$16,645	\$1,044,942	\$1,061,586
PAYROLL EXPENSE				
OPERATING EXPENSES		\$4,377	\$274,452	\$278,828
OTHER FINANCIAL TRANSACTIONS		\$7,400	\$3,420	\$10,820
GRANTS, AIDS AND SUBSIDIES		\$4,868	\$767,070	\$771,938
USES OF FUNDS		\$18,895	\$1,044,942	\$1,063,836

Department of Human Services Federal Funds Summary

Federal Grant	Grant Description, Purpose, People Served	Federal Grant Dollars in Thousands (000's)				Required State Match or MOE Y/N	Subject to Potential Sequestration Y/N/Unknown	Statewide Outcome
		SFY 12	SFY 13	SFY 14	SFY 15			
Supplemental Nutrition Assistance Program (SNAP) - EBT Issuance	The Supplemental Nutrition Assistance Program (SNAP) provides help with food for an average of 469,904 persons per month receiving an average monthly payment of \$119.	\$713,810	\$715,021	\$721,340	\$721,340	No	No	HEALTH OUTCOME
TANF Block Grant	The purposes of the Temporary Assistance for Needy Families (TANF) block grant are to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. These funds are used to provide grants to counties and tribes to provide support services for Minnesota Family Investment Program (MFIP)/Diversionsary Work Program (DWP) participants that include job search/skills, adult basic education, GED classes, job coaching, short-term training, county programs to help with emergency needs, and help accessing other services such as child care, medical care and CD/Mental health services. In 2011, an average of more than 35,000 people were enrolled in employment services each month. TANF also helps fund the MFIP/DWP cash benefit program and child care assistance programs as well as other programs that help low-income families with children.	\$252,137	\$271,466	\$254,318	\$255,014	Yes	No	COMMUNITIES OUTCOME
Child Care Admin. & Development	The Child Care and Development Fund (CCDF) provides funds to States to increase the availability, affordability, and quality of child care services for low-income families where the parents are working or attending training or educational programs. This grant helps fund the Minnesota Family Investment Program (MFIP) and Basic Sliding Fee Child Care Assistance Programs that help low-income families pay for child care so that parents may pursue employment or education leading to employment. Also funded are Child Care Development Grants that promote services to improve school readiness, and the quality and availability of child care in Minnesota. In FY 2011, an average of 19,888 families per month received child care assistance subsidies. Also in FY 2011, 22,427 parents received referrals to find child care and child care-related training was provided to 33,547 attendees through Child Care Resource & Referral agencies.	\$120,332	\$118,583	\$114,355	\$114,354	93.575-Yes 93.596 - No	No	COMMUNITIES OUTCOME
Medicaid Services	Medicaid program grants provide health and long term care coverage to an average of 600,000 uninsured or underinsured Minnesotans who meet income eligibility requirements. This program is managed by the state under guidance from the federal government. The amounts reported here are the federal share of spending for this joint federal-state program.	\$4,371,774	\$4,364,304	\$5,216,239	\$6,086,178	Yes	No	HEALTH OUTCOME
Federal S-CHIP Grant	The Federal Children's Health Insurance Program (SCHIP) grants provide coverage to over 2,100 uninsured low-income children and pregnant women who do not qualify for regular Medicaid. Minnesota spends most of its S-CHIP funding through the MinnesotaCare program and spends the rest within the Medical Assistance program.	\$30,974	\$30,096	\$31,281	\$23,548	Yes	No	HEALTH OUTCOME
State Innovation Model (SIM) Testing (New grant)	New Grant: This grant builds upon the Minnesota Medicaid health care delivery system and the Hennepin Health demonstration project, with a focus on patient centered services across a continuum of health care, mental health, long-term care, and other services. The goal of this grant is to create multi-payer models with a broad mission to raise community health status and reduce long term health risks for beneficiaries of Medicare, Medicaid, and CHIP. The Minnesota Accountable Health Model will offer a comprehensive, statewide, imitative to close the current gaps in health information technology, secure exchange health information, quality improvement infrastructure, and workforce capacity needed to provide team-based coordinated care.	\$0	\$2,305	\$16,941	\$19,909	No	No	HEALTH OUTCOME
State Survey & Certification	This grant provides funding for a contract with Minnesota Department of Health (MDH) to certify nursing homes and rehabilitation providers in accordance with requirements from the Centers for Medicare and Medicaid Services. These providers may not participate in the Medicaid program unless they are certified.	\$6,468	\$6,943	\$6,943	\$6,943	Yes	No	GOVERNMENT OUTCOME
Medicaid Administration	This grant is an administrative pass-through of federal financial participation (FFP) to counties, DHS systems, and the state general fund for approved MA administrative activities. State earn administrative FFP for approved MA administrative activity.	\$219,130	\$220,988	\$223,554	\$225,182	Yes	No	GOVERNMENT OUTCOME
Federal CD Block Grant	The Consolidated Chemical Dependency Treatment Fund (CCDTF) combines otherwise separate funding sources – the federal Substance Abuse, Prevention and Treatment block grant, MA, Minnesota Care and other state appropriations – into a single fund. (The CCDTF provides funding for residential and non-residential addiction treatment services for eligible low-income Minnesotans who have been assessed as needing treatment for chemical abuse or dependency. Approximately 50 percent of all CD treatment admissions for Minnesota residents are paid for through the CCDTF. Almost all treatment providers in the state are enrolled as CCDTF providers). These amounts are the federal CD block grant.	\$26,158	\$30,694	\$30,652	\$30,650	No	Yes	HEALTH OUTCOME

Department of Human Services Federal Funds Summary

Federal Grant	Grant Description, Purpose, People Served	Federal Grant Dollars in Thousands (000's)				Required State Match or MOE Y/N	Subject to Potential Sequestration Y/N/Unknown	Statewide Outcome
		SFY 12	SFY 13	SFY 14	SFY 15			
FSET Service Grants dedicated	These service grants represent revenues to the general fund from the federal Supplemental Nutrition Assistance Program (SNAP) Employment & Training program which provides 50% federal matching funds for support services such as child care and other employment supports provided to eligible SNAP recipients. There are approximately 36,000 participants in SNAP employment and training activities during the year.	\$5,270	\$5,159	\$3,159	\$3,159	Yes	No	GOVERNMENT OUTCOME
IV-D Accelerating Innovation	These funds are used by the Minnesota Department of Human Services Child Support Enforcement Division (CSED) to simplify and streamline the process for the review and modification of child support orders so that adjustments are made expeditiously, with minimal burden, at a reduced cost, while ensuring due process. The project targets simplification and streamlining by changing policies, forms and procedures to expedite the review and modification process for child support agencies and applying technical supports to the process (where people represent themselves in filing legal papers and appearing in court). The project improves the process for all parties and targets high-impact, low-cost improvements for parents who are in prison or receive public assistance benefits. Serves over 14,000 people annually.	\$19	\$0	\$0	\$0	Yes	No	GOVERNMENT OUTCOME
IV-D Co-Parent Court	Participants are provided with assistance in developing parenting time plans and parenting skills classes. The goals and objectives are to: target unwed parents to establish paternity and offer appropriate services to those who can benefit from social services, improve parenting skills, parental relationships, and paternal participation in the lives of their children, increase child support payments by providing non-custodial parents information on how the child support system works and providing services they need to better provide financial support, promote agreed upon child support orders bad custody and parenting time orders for unwed parents, and improve outcomes for children by helping unmarried parents work together to parent their children. Serves 300 parents annually.	\$164	\$0	\$0	\$0	Yes	No	COMMUNITIES OUTCOME
Title IV-D Child Support Administration	This funding is the federal financial participation (FFP) for the Supreme Court, Department of Corrections, county federal incentives, County Income Maintenance (both administrative and indirect costs), systems fund, general fund and 1115 grants.	\$107,731	\$111,113	\$111,082	\$111,082	Yes	No	COMMUNITIES OUTCOME
Title IV-D Access & Visitation Grants	Child Support Enforcement (CSE) Access & Visitation Grants improve non-custodial parents' access to their children. The grant goes to two grantees, Children's Safety Centers and Genesis II for families. Serves approximately 400 families annually.	\$165	\$165	\$134	\$134	No	No	COMMUNITIES OUTCOME
IV-D Mind The GAP	The overarching goal of Minnesota's Mind the Gap project is to address the gaps and barriers that people about to be released from prison must overcome to become employed and become consistent payers of child support. This grants helps develop child support policies and collaborative practices to bridge that gap. This is accomplished through a unique partnership of programs and activities that include state and local child support staff, state and local corrections staff, a local responsible fatherhood program and a statewide father and families network organization. Two metro counties provide dedicated child support staff for parolees in the grant and a case manager at the prison sites to meet with and help prepare inmates who are about to be paroled to resume their child support obligations and to reintegrate with their families. 112 families served.	\$33	\$0	\$0	\$0	Yes	No	COMMUNITIES OUTCOME
Title IV-E Foster Care	The title IV-Foster Care program helps states provide temporary safe and stable out-of-home care for children whose parents cannot safely care for them. Of the approximately 11,400 children in out-of-home placements in 2011, foster families provided care to 8,000 of them.	\$40,462	\$51,241	\$51,241	\$51,241	Yes	No	SAFETY OUTCOME
Child Abuse Prevention and Treatment Act (CAPTA)	The Child Abuse Prevention and Treatment Act (CAPTA) is used to improve child protective services systems. In Minnesota, grants to five counties are used to administer the federally required Citizen Review Panels for child protection services. The counties are Chisago, Hennepin, Ramsey, Washington and Winona. This is a requirement of all states to be able to access other federal reimbursement.	\$331	\$365	\$365	\$365	No	Yes	SAFETY OUTCOME
ARRA Title IV-E Adoption Asst.	Title IV-E Adoption Assistance provides Federal Financial Participation (FFP) to States in adoption subsidy costs for the adoption of children with special needs who cannot be reunited with their families and who meet certain eligibility tests. This assistance is intended to prevent inappropriately long stays in foster care and to promote the healthy development of children through increased safety, permanency and well-being. Federal Title IV-E share from Stimulus Funding for children receiving federal IV-E Adoption Assistance maintenance payments. Ended on 6/30/11.	\$5	\$0	\$0	\$0	Yes	No	SAFETY OUTCOME
Title IV-B1 Child Welfare Program	The purpose of the Title IV-B1 Child Welfare Services Program is to promote state flexibility in the development and expansion of a coordinated child and family services program that utilizes community-based agencies and ensures all children are raised in safe, loving families. These funds provide grants to counties and tribes to provide core child protection services to strengthen families and to prevent out-of-home placement when it is safe to do so. Grants support services to approximately 33,400 families per year.	\$4,042	\$4,521	\$4,433	\$4,433	Yes	Yes	COMMUNITIES OUTCOME

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		SFY 12	SFY 13	SFY 14	SFY 15			
Child Justice Act	Children's Justice Grants encourage states to enact reforms designed to improve (1) the assessment and investigation of suspected child abuse and neglect cases, including cases of suspected child sexual abuse and exploitation, in a manner that limits additional trauma to the child and the child's family; (2) the assessment and investigation of cases of suspected child abuse-related fatalities and suspected child neglect-related fatalities; (3) the investigation and prosecution of cases of child abuse and neglect, including child sexual abuse and exploitation; and (4) the assessment and investigation of cases involving children with disabilities or serious health-related problems who are suspected victims of child abuse or neglect. In Minnesota these grants provide training for county and tribal law enforcement, county attorney, and county and tribal child protection professionals on assessment and investigations, including training on forensic interviewing of potential child abuse victims. This grant supports training for approximately 180 participants.	\$248	\$276	\$276	\$276	N	Unknown	SAFETY OUTCOME
Independent Living-Support for Emancipation and Living Functionally (SELF)	The federal John H. Chafee Foster Care Independence Act, passed in 1999, provides funding to and governs the program known as the Support for Emancipation and Living Functionally (SELF) Program in Minnesota. The intent of the funds is to reduce the risk that youth aging out of long term out-of-home placement will become homeless or welfare dependent. Funds are therefore awarded for the provision of services designed to help older youth, currently or formerly in out-of-home care, prepare for a successful transition to adulthood. Approximately 1,500 high-risk youth served annually.	\$1,904	\$2,007	\$2,007	\$2,007	Yes	No	COMMUNITIES OUTCOME
ARRA Title IV-E Foster Care	Title IV-E Foster Care funds help States provide safe and stable out-of-home care for children under the jurisdiction of the State child welfare agency until the children are returned home safely, placed with adoptive families, or placed in other planned arrangements for permanency. Federal Title IV-E share from Stimulus Funding for children receiving federal IV-E Foster Care maintenance payments. Ended on 6/30/11.	\$81	\$0	\$0	\$0	Yes	Yes	SAFETY OUTCOME
Title IV-E Adoption Assistance	Federal financial participation for payments to individuals adopting Title IV-E special needs children. In 2012, approximately 4,500 children receive IV-E adoption assistance. This assistance is intended to prevent inappropriately long stays in foster care and to promote the healthy development of children through increased safety, permanency and well-being.	\$26,560	\$28,065	\$28,025	\$27,985	Yes	No	SAFETY OUTCOME
Independent Living Education and Training Vouchers (ETV)	The Chafee Education and Training Vouchers Program (ETV) provides resources to States to make available vouchers for postsecondary training and education to help defray the costs of post-secondary education to 221 youth who aged-out of foster care at age 18, were adopted from foster care on or after their 16th birthday, or custody was transferred to a relative from foster care on or after their 16th birthday.	\$697	\$626	\$626	\$626	Yes	Yes	SAFETY OUTCOME
Title IV-B2 Child Welfare Program	Title IV-B2, Promoting Safe and Stable Families, provides funds to help prevent the unnecessary separation of children from their families, improve the quality of care and services to children and their families, and ensure permanency for children by reuniting them with their parents, by adoption or by another permanent living arrangement. Funding provides grants to community-based agencies, counties and tribes to provide services to families to reduce the risk of maltreatment, to prevent child maltreatment and improve family functioning for families reported to child protection services, and provide child protective services to strengthen families and prevent out-of-home placement when it is safe to do. This grant helps serve approximately 24,500 families.	\$2,732	\$3,853	\$3,398	\$3,398	Yes	Yes	SAFETY OUTCOME
Child Trust Fund Challenge	Community-Based Child Abuse Prevention Grants support community-based efforts to develop, operate, expand, and enhance, and coordinate initiatives, programs, and activities to prevent child abuse and neglect and to support the coordination of resources and activities to better strengthen and support families to reduce the likelihood of child abuse and neglect; and (2) to foster understanding, appreciation and knowledge of diverse populations in order to effectively prevent and treat child abuse and neglect. Funds provide grants to community based agencies (such as non-profits, school districts, and human service agencies) to provide services to families to reduce the risk of child maltreatment and enhance family capacities.	\$1,376	\$1,421	\$1,375	\$1,382	Yes	Yes	SAFETY OUTCOME
Adoption Incentive Payments	Adoption Incentive Payments provide incentives to States to increase annually the number of foster child adoptions, special needs adoptions, and older child adoptions. These funds are used for grants to providers for adoption-related services, including post adoption.	\$680	\$602	\$265	\$265	No	Unknown	SAFETY OUTCOME

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Title XX Block Grant	The Social Service Block Grant (Title XX) provides social services best suited to meet the needs of individuals that must be directed to one or more of five broad goals: Achieve or maintain economic support to prevent, reduce or eliminate dependency, achieve or maintain self-sufficiency, including reduction or prevention of dependency, preventing or remedying neglect, abuse or exploitation of children and adults unable to protect their own interest or preserving, rehabilitating or reuniting families, preventing or reducing inappropriate institutional care by providing for community-based care, home-based care or other forms of less intensive care, securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions. Funds provide grants to counties to purchase or provide services for vulnerable children and adults who experience dependency, abuse, neglect, poverty, disability, or chronic health conditions. This grant contributes to costs for services to more than 300,000 people annually. Grants also provide child care in a number of counties for children whose parents, guardian or current caretakers have changed residence recently to obtain employment in a temporary or seasonal agricultural activity (approx. 860 children per year) and grants provide legal advocacy, training and technical assistance in cases regarding custody, Children's Medicaid, permanency, adoption, tribal court proceedings, long-term foster care and others services to the Indian Child Welfare Law Center.	\$33,687	\$34,006	\$34,006	\$34,006	No	Yes	SAFETY OUTCOME
Housing & Urban Development (HUD)	The Emergency Solutions Grant Program provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly re-house homeless individuals and families, and (6) prevent families and individuals from becoming homeless. This grant provides funding to shelters and transitional housing programs for operating costs, essential services, and homelessness prevention and costs to administer the federal grant.	\$1,913	\$2,242	\$1,232	\$1,232	Yes	Y	COMMUNITIES OUTCOME
SNAP-Capped Funds	Under Federal Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) regulations, states have the option to include nutrition education activities in the State Plan filed with the Food and Nutrition Service (FNS) of the United States Department of Agriculture. This option allows states to include the costs of nutrition education activities as administrative costs of SNAP. These costs are reimbursed by FNS at a rate of 50%. Minnesota adopted this option in the early 1990's. The Minnesota Department of Human Services (DHS) contracts with the University of Minnesota Extension (U of M) and Minnesota Chippewa Tribe (MCT) to provide nutrition education services.	\$9,985	\$10,058	\$10,069	\$10,069	Yes	No	HEALTH OUTCOME
SNAP - Group Residential Housing (GRH)	SNAP reimbursement is received for some Group Residential Housing (GRH) recipients who live in certain facilities where they receive all their meals.	\$14,378	\$14,679	\$14,679	\$14,679	No	No	GOVERNMENT OUTCOME
ARRA- HUD	Stimulus funding under the Emergency Shelter Grant Program, these are one-time funds for homelessness prevention and rapid rehousing activities.	\$963	\$0	\$0	\$0	No	No	COMMUNITIES OUTCOME
Surplus Commodities	The Emergency Food Assistance Program provides funding to States to enable processing storage and distribution costs incurred in providing food assistance to needy persons. Funds are used to Distribute U.S. Department of Agriculture (USDA) donated food commodities to individuals and families who use on-site meal programs, food shelves and shelters. This program design ensures an equitable distribution of commodities to all 87 counties.	\$1,256	\$819	\$813	\$813	Yes	No	HEALTH OUTCOME
Supplemental Nutrition Assistance (SNAP) Administration	Federal funds for State and County administrative costs for the Supplemental Nutrition Assistance Program (SNAP).	\$43,087	\$46,169	\$46,169	\$46,169	Yes	No	HEALTH OUTCOME
Rural & Homeless Youth (RHY) Federal Demo Grant	The Transitional Living for Homeless Youth Program purpose is to establish and operate transitional living projects for homeless youth, including pregnant and parenting youth. This program is structured to help older homeless youth achieve self-sufficiency and avoid long-term dependency on social services. This state and local collaborative provides transitional living program and independent living skills to runaway youth and homeless youth in a seven county / three reservation region of Cass, Crow Wing, Mille Lacs, Morrison, Todd, Wadena in addition to the Leech Lake and Mille Lacs Reservations.	\$288	\$206	\$196	\$196	Yes	Unknown	COMMUNITIES OUTCOME

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		SFY 12	SFY 13	SFY 14	SFY 15			
Community Services Block Grant (CSBG)	The Community Services Block Grant (CSBG) provides assistance to States, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, revitalization of low-income communities and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act) and (1) To provide services and activities having a measurable and potential major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem; (2) to provide activities designed to assist low-income participants, including the elderly poor, to: (a) secure and retain meaningful employment; (b) attain an adequate education; (c) make better use of available income; (d) obtain and maintain adequate housing and a suitable living environment; (e) obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including health services, nutritious food, housing, and employment-related assistance; (f) remove obstacles and solve problems which block the achievement of self-sufficiency; (g) achieve greater participation in the affairs of the community; and (h) make more effective use of other related programs; (3) to provide on an emergency basis for the provision of such supplies and services, nutritious foodstuffs, and related services, as may be necessary to counteract conditions of starvation and malnutrition among the poor; and (4) to coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals. These funds provide grants for emergencies and special projects.	\$12,401	\$8,016	\$7,825	\$7,825	No	Yes	COMMUNITIES OUTCOME
ARRA Food Stamps MAXIS	Stimulus funding under the Supplemental Nutrition Assistance Program (SNAP), these are time-limited funds for SNAP benefits.	\$2,596	\$3,000	\$3,000	\$3,000	No	No	GOVERNMENT OUTCOME
SNAP- (formerly Food Stamp Employment & Training)	Federal funds for state and county costs related to employment and training for Supplemental Nutrition Assistance Program (SNAP) recipients.	\$542	\$640	\$640	\$640	No	No	HEALTH OUTCOME
Food Stamp - MAXIS Issuance	Supplemental Nutrition Assistance Program (SNAP) benefits cash out provided to SSI and elderly recipients.	\$15,419	\$10,600	\$10,600	\$10,600	No	No	HEALTH OUTCOME
ARRA Food Stamps GRH	Time limited stimulus fund for cost recovery through the Supplemental Nutrition Assistance Program (SNAP) for GRH recipients living in certain facilities.	\$2,476	\$2,476	\$2,476	\$2,476	No	No	HEALTH OUTCOME
Food Support Capped Outreach	Grants to Community Action Partnerships to help assist people in determining if they are eligible for Supplemental Nutrition Assistance Program (SNAP) benefits.	\$1,675	\$242	\$110	\$110	Yes	No	HEALTH OUTCOME
IDEA -Child Disabilities	The Individuals With Disabilities Education Act (IDEA) Part B grant from U.S. Department of Education is awarded to the Minnesota Department of Education (MDE). MDE in turn, completes an interagency agreement with DHS to develop coordinated benefits and policy for youth with disabilities.	\$29	\$8	\$60	\$0	NO	Yes	HEALTH OUTCOME
Refugee Discretionary Grants	The objectives of the discretionary grant programs include: (1) decreasing the numbers of refugees on public assistance and the length of time refugees require such assistance; (2) encouraging the placement of refugees in locations with good job opportunities and lower costs of living; (3) providing supplemental services to areas with high numbers of arrivals; (4) promoting older refugees' access to aging services; (5) assisting low-income refugees with matching funds for individual development accounts and with financial literacy classes; (6) providing micro-credit to refugees interested in starting new businesses but unable to access commercial sources of capital; (7) providing services to refugees in rural areas; (8) providing preventive health services; and (9) providing school impact assistance. Grants to non-profit agencies available for certain geographic areas with refugee populations. (approx. served -165 per year)	\$116	\$0	\$0	\$0	No	Unknown	HEALTH OUTCOME
Refugee Cash and Medical Assistance (CMA)	The Refugee Cash and Medical Assistance program reimburses states for the cost of cash and medical assistance provided to refugees, certain Amerasians from Viet Nam, Cuban and Haitian entrants, asylees, victims of a severe form of trafficking, and Iraqi and Afghan Special Immigrants during the first eight months after their arrival in this country or grant of asylum. Reimbursement is also provided for care of unaccompanied refugee minors and grantee administrative costs. Approximately 200 people per month served.	\$2,961	\$4,507	\$4,594	\$4,594	No	Yes	COMMUNITIES OUTCOME
Refugee Target Assistance Grant (TAG)	The Targeted Assistance Grant program provides funding for employment-related and other social services for refugees, certain Amerasians from Vietnam, Cuban and Haitian Entrants, asylees, victims of a severe form of trafficking, and Iraqi and Afghan Special Immigrants in areas with large refugee populations. An arrival must be within five years of arriving in this country or grant of asylum to be eligible for services under these grants. Approximately 290 people per month served.	\$1,524	\$1,153	\$986	\$678	No	Yes	HEALTH OUTCOME
Services to Older Refugees	The Services to Older Refugees grants are intended to expand the capacity of organizations to serve older refugees. Specifically, activities include case management, information and referral, interpretation and socialization. Approximately 250 older refugees are served in a year. This program will partner with the Minnesota Area Agency on Aging.	\$213	\$200	\$100	\$25	No	Unknown	HEALTH OUTCOME

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Refugee Social Services	Refugee Social Services grants provide funding for employment-related and other social services for refugees, certain Amerasians from Vietnam, Cuban and Haitian Entrants, asylees, victims of a severe form of trafficking, and Iraqi and Afghan Special Immigrants. An arrival must be within five years of arriving in this country or grant of asylum to be eligible for services under these grants. Approximately 290 people per month served.	\$2,943	\$2,585	\$2,393	\$2,393	No	Yes	HEALTH OUTCOME
Refugee School Impact	The Refugee School Impact grants provide funding to key school districts in the Twin Cities, Rochester and Worthington to provide activities leading to refugee children's optimal progress in academic, physical, social, emotional, and behavioral development. 619 students will be served in a year.	\$793	\$600	\$500	\$125	No	Unknown	HEALTH OUTCOME
Local Access to Health Care Program	As part of the broader Local Access to Care program activities, this grant funded the development and implementation of the Minnesota Health Care Programs (MHCP) - Medical Assistance and MinnesotaCare - electronic application and verification systems. Remaining funds target Local Access to Care programs which provide primary care and chronic disease management to uninsured persons above 350% FPL who are ineligible for MHCP.	\$2,749	\$917	\$917	\$917	No	Unknown	HEALTH OUTCOME
ARRA Health Insurance Tech. (HIT)	The Medicaid Electronic Health Record (EHR) incentive program provides eligible providers and hospitals 100% federally funded incentives to adopt meaningful electronic health record technology. DHS administration and implementation costs are funded at a 90% federal match. This funding is authorized under the American Recovery and Reinvestment Act (ARRA) through the Health Information technology for Clinical and Economic Health (HITECH) act. Funding for this project commenced in October 2012.	\$184	\$68,819	\$47,210	\$6,304	NO	NO	HEALTH OUTCOME
Adult Medicaid Quality Grants (New grant)	New Grant: This two year federal grant will support the development of at least two Medicaid quality improvement projects in Minnesota using <u>new</u> measures developed from claim and encounter data. Data collected through this grant will be publicly reported and incorporated into quality improvement efforts.	\$0	\$996	\$909	\$0	No	NO	HEALTH OUTCOME
Diabetes Prevention	These funds go to partner agencies included in the \$10 million grant from the Centers for Medicare and Medicaid Services to cover costs for the study, administration, and implementation of the Diabetes Prevention Program (DPP) incentives and evaluation. The DPP provides funds to eligible clinics in the Minneapolis/St. Paul MSA to administer the DPP, targeting Medicaid participants with prediabetes or who have a history of prediabetes.	\$289	\$0	\$0	\$0	No	Unknown	HEALTH OUTCOME
Strong Start for Mothers and Babies (New Grant)	New Grant: This grant supports two models of enhanced prenatal care for Medicaid recipients residing in selected geographical areas of Minnesota with high preterm birth rates. The grant expects to provide enhanced care to 10,000 Medicaid recipients over the next 3 years, resulting in reduced rates of preterm birth and improvements in maternal care.	\$0	\$808	\$1,604	\$1,611	No	NO	HEALTH OUTCOME
MN Medical Care Demo Project	Grants to Area Agencies on Aging (AAA's) and service providers to help seniors obtain health insurance benefits and report fraud, waste and abuse within the health care system.	\$364	\$399	\$344	\$344	No	No	HEALTH OUTCOME
Alzheimer's Research	The Older Americans Act (OAA) grant impacts the ability of the family caregiver to withstand the difficulties of caregiving and eliminate or defer the need for institutionalization of the care receiver. OAA grants to providers and Area Agencies on Aging (AAA's) to implement evidence-based programs (Mary Mittleman model) throughout Minnesota. This funding also includes administrative funds to implement the grant. Grant ended September 2012	\$506	\$443	\$81	\$81	No	No	HEALTH OUTCOME
ARRA Chronic Disease Mgmt.	OAA grants to support implementation of the evidence-based Chronic Disease Self-Management Program. This grant also includes administrative funds to implement the grant. Grant ended September 30, 2012	\$347	\$8	\$0	\$0	Yes	No	HEALTH OUTCOME
Nursing Home Diversion	OAA grant to develop flexible service options for older adults and family caregivers who are eligible for MA and other public programs as well as those who are fully private pay. Grant includes administrative costs to implement the grant. The grant has now ended.	\$185	\$11	\$0	\$0	No	No	COMMUNITIES OUTCOME
Health Insurance Counseling	Grants to AAAs and service providers to provide health insurance counseling, education and assistance services to seniors to help obtain health insurance benefits. (Also coordinated with Information and Assistance grants- general fund). The grant also includes administrative funds that are used to implement and administer the grant.	\$814	\$779	\$779	\$779	No	Unknown	HEALTH OUTCOME
Aging - Social Services	OAA grants to AAAs and local providers to provide a variety of community-based social services. (Approximately 122,000 served in FY 2011). OAA grants to AAAs for administrative purposes, program development and coordination activities. The grant includes administrative funding to administer and implement the grant.	\$7,125	\$7,845	\$7,845	\$7,845	Yes	Yes	COMMUNITIES OUTCOME

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Alzheimer's Outreach Program	OAA grants to AAAs and service providers to provide early identification of Alzheimer's disease and support to families with seniors suffering with the disease. (Approximately 5,000 served in FY 2011.) OAA grants to providers and AAAs to implement evidence-based programs throughout Minnesota. The grant includes administrative funding to administer and implement the grant. Match is at the local level not the state level.	\$151	\$568	\$0	\$0	No	No	HEALTH OUTCOME
AOA Resource Center	OAA grants to establish aging and disability resource centers that will create linkages with various systems including institutional care, pre-admission screening, hospital discharge planning and community agencies and organizations that serve targeted populations. The grant includes administrative funding to administer and implement the grant.	\$361	\$59	\$59	\$59	Yes	Unknown	COMMUNITIES OUTCOME
Home Delivery Meals	OAA grants to AAAs and service providers to provide home delivered meal services targeted to seniors in the greatest economic and social need. (Funding coordinated with the general fund Senior Nutrition grant)	\$2,378	\$2,625	\$2,625	\$2,625	Yes	Yes	COMMUNITIES OUTCOME
Elder Abuse Prevention	OAA grants to service providers to provide activities related to elder abuse prevention. The grant includes administrative funding to administer and implement the grant.	\$17	\$83	\$83	\$83	No	Y	SAFETY OUTCOME
Evidence Based Health Initiatives	Older Americans Act (OAA) grants to implement a physical activities program in the Metro area for seniors, a chronic disease self-management program in central MN and a falls prevention program with the MN Chippewa Tribes. The grant includes administrative funding to administer and implement the grant. This grant ended in SFY 2012.	\$20	\$2	\$0	\$0	Yes	No	HEALTH OUTCOME
3E Care Giver Grants	OAA grants to AAAs and service providers to provide information, respite, education, training and support groups to family caregivers. (Approximately 23,800 served in FY 2011). The grant also includes 3E Grandparents Raising Grandchildren Grants and 3E Statewide Activities Grant. In addition, the grant is to a service provider to provide caregiver support services to grandparents raising their grandchildren. The grant also provides statewide training, education and caregiver support activities.	\$1,840	\$2,200	\$2,200	\$2,200	Yes	Yes	COMMUNITIES OUTCOME
Nsip Reimbursement USDA	OAA grants to AAAs and local nutrition providers as a separate allocation based on the number of meals served in the previous project year. (This grant is coordinated with general fund Senior Nutrition funding)	\$1,564	\$2,210	\$2,210	\$2,210	Yes	Yes	COMMUNITIES OUTCOME
Congregate Meals	OAA grants to AAAs and service providers to provide congregated meal services targeted to seniors in the greatest economic and social need. The grant is coordinated with the state funded Senior Nutrition grant. This grant includes administrative funding to administer and implement the grant.	\$4,674	\$5,617	\$5,617	\$5,617	Yes	Yes	COMMUNITIES OUTCOME
Ombudsman Supplement	This OAA grant supplements funding for the Ombudsman for Long Term Care office. The principal role of the Ombudsman Program is to investigate and resolve complaints made by or on behalf of residents of nursing homes or other long-term care facilities. This grant also promote policies and practices needed to improve the quality of care and life in long-term care facilities and educate both consumers and providers about residents' rights and good care practices.	\$254	\$249	\$249	\$249	No	Yes	HEALTH OUTCOME
Assess Long -Term Care System	CMS grant funding for research, demonstrations and evaluations which focused on expanding agency efforts on improving access to the long term care system. This grant ended September 30, 2012	\$184	\$25	\$0	\$0	No	No	HEALTH OUTCOME
Aging Preventive Health	OAA grants to AAAs and service providers to provide preventive health information and services to seniors (Approximately 8,400 served in FY 2011).	\$304	\$350	\$350	\$350	Yes	Yes	HEALTH OUTCOME
Medicare Improvement - MIPPA CMS	CMS funding to expand, extend or enhance the outreach efforts to beneficiaries on Medicare Part D. This grant ended in SFY 2012.	\$5	\$0	\$0	\$0	Yes	No	HEALTH OUTCOME
Aging Lifespan	OAA grant to MN Board on Aging to improve access to and availability of lifespan respite services for Minnesota's family caregivers. This funding also includes administrative funds to administer and implement the grant.	\$51	\$72	\$34	\$34	Yes	Unknown	COMMUNITIES OUTCOME
Medicare Improvement - MIPPA CMS3	CMS grants to AAAs to increase capacity to provide information and assistance regarding Medicare. The grant funding also includes administrative funds to administer and implement the grant. This grant ended in SFY 2012.	\$25	\$18	\$0	\$0	Yes	No	HEALTH OUTCOME
Medicare Improvement - MIPPA MAAA	CMS grants to AAAs to increase capacity to provide information and assistance regarding Medicare. The grant funding also includes administrative funds to administer and implement the grant. This grant ended in SFY 2012.	\$192	\$6	\$0	\$0	Yes	No	HEALTH OUTCOME

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		SFY 12	SFY 13	SFY 14	SFY 15			
Medicare Improvement - MIPPA MADR	Grants to MN Board on Aging to expand, extend or enhance the outreach efforts to beneficiaries on Medicare Part D and for those with limited incomes. This grant ended in SFY 2012.	\$254	\$120	\$0	\$0	Yes	No	HEALTH OUTCOME
AOA Evidenced Based	Grant from OAA to 1) integrate a statewide set of services and supports through a fully coordinated single entry point system, with a particular focus on care transitions; and (2) ensure access to a consistent set of essential services, evidence-based risk management and self-directed in-home supports to high risk individuals, including those with dementia, family caregivers and veterans. This grant includes administrative funding to administer and implement the grant.	\$38	\$869	\$863	\$863	Yes	No	HEALTH OUTCOME
AOA IS Dementia	Grant from OAA that will: (1) integrate a statewide set of services/supports through a fully coordinated dementia capable single entry point with a particular focus on care transitions in cooperation with health care homes; and (2) ensure seamless regional access to a consistent set of high quality, sustainable, dementia capable evidence-based/informed supports for persons with dementia and their caregivers.	\$0	\$427	\$427	\$116	Yes	No	HEALTH OUTCOME
Ticket To Work Program	Grants to state agencies and stakeholder organizations to build infrastructure that facilitates the employment of people with disabilities. Grant's focus is on improving the infrastructure of the support and employment systems in Minnesota to enable people to work. Currently in no-cost extension period. Grant ends 12/31/2012. Grant includes administrative funding to administer and implement the grant.	\$2,417	\$828	\$0	\$0	No	Unknown	COMMUNITIES OUTCOME
Part B - DHS	Dedicated federal funding that helps individuals with HIV / AIDS obtain access to necessary medical care, nutritional supplements, dental services, mental health services, support services and outreach to high risk, underserved populations. Federal funding dedicated to maintain private insurance coverage for people living with HIV and/or purchase HIV related drugs. Funds used in conjunction with state and special revenue funds. (Approximately 1,500 people served.) Federal funding to provide outreach and education services to minority populations by identifying individuals with HIV/AIDS and make them aware of and enroll them in treatment service programs. (Approximately 100 people served). Grant includes administrative funding for administering and implementing the grant.	\$7,721	\$8,078	\$7,018	\$7,023	No	Yes	HEALTH OUTCOME
Ryan White Part B Supplemental (New Grant)	New Grant: This grant which supplements the Ryan White grant is a competitive grant that is awarded to states with demonstrated need. The funding helps low income persons living with HIV/AIDS get access to HIV/AIDS medications. The Supplemental grant also covers outreach to underserved high risk populations.	\$33	\$126	\$0	\$0	No	No	HEALTH OUTCOME
Money Follows The Person	Grant from CMS that supports the transition of Medicaid participants of all ages from institutions to the community and rebalances MN long term care system to achieve sustainability. Initial anticipated enrollment for SFY 2013 is 74. Enrollment will continue to go up in future years. The grant includes administrative funding throughout DHS to administer and implement the grant.	\$722	\$4,533	\$3,784	\$3,563	Yes	Unknown	COMMUNITIES OUTCOME
Traumatic Brain Injury (TBI) Implementation Grants	Grant from the Health Resources and Services Administration (HRSA) which funds an interagency agreements with the Department of Corrections to support efforts to improve their services for persons with a traumatic brain injury (TBI). Grant includes administrative funds to administer and implement the grant.	\$218	\$430	\$195	\$0	Yes	Unknown	HEALTH OUTCOME
COSIG - MI-CD	Co-occurring state incentive grants (COSIG) to promote evidence-based integrated dual-diagnosis services for Mental Illness (MI) and Chemical Dependency (CD).	\$249	\$133	\$0	\$0	No	Unknown	HEALTH OUTCOME
MH Homelessness (McKinney Grant)	Grants to counties and non-profit agencies for outreach and mental health services to homeless people. About \$500,000 per year of Adult MH Integrated state funds (see above) are used as match for these federal funds. (9,200 people served per year)	\$820	\$818	\$818	\$818	Yes	Yes	SAFETY OUTCOME
Federal Mental Health Block Grant	Grants to counties and non-profit agencies for innovative projects based on best practices. Projects include children's mental health collaborative, crisis services for children and adults, adult mental health initiatives and self-help projects for consumers. As required by state law, 25% of the Federal MH Block Grant is used for grants to American Indian Tribes and non-profit agencies to provide mental health services, particularly community-support services, to American Indians.	\$9,181	\$10,753	\$10,753	\$10,753	No	Yes	HEALTH OUTCOME
MH Data Infrastructure Grant (DIG)	The State Mental Health DIG program is one of SAMHSA's Infrastructure Grant programs. SAMHSA's Infrastructure Grants provide funds to increase the capacity of mental health and/or substance abuse systems to support programs and services. SAMHSA's State Mental Health DIG program is intended to fund State Mental Health authorities to develop or enhance their data infrastructure to improve management of mental health service delivery. The Data Infrastructure Grants are also a link in CMHS's ongoing efforts to implement the President's New Freedom Commission in building community systems of care.	\$118	\$133	\$133	\$0	Yes	Unknown	HEALTH OUTCOME
SPE Grant	Reimburses providers through the Consolidated Fund for the provision of chemical dependency treatment services to persons whose income is below 100% of Federal Poverty.	\$95	\$44	\$0	\$0	No	Unknown	HEALTH OUTCOME

Department of Human Services Federal Funds Summary

Federal Grant	Grant Description, Purpose, People Served	Federal Grant Dollars in Thousands (000's)				Required State Match or MOE Y/N	Subject to Potential Sequestration Y/N/Unknown	Statewide Outcome
		SFY 12	SFY 13	SFY 14	SFY 15			
MN SPF Strategic Prevention State Incentive Grant (SIG)	The Strategic Prevention Framework State Incentive Grant (SPF-SIG) is an existing model and process promoted by the Substance Abuse and Mental Health Services Administration (SAMSHA). Nationally, the goals prevent onset and reduce the progression of substance abuse and the reduction of abuse-related problems in communities.	\$1,004	\$2,504	\$3,704	\$3,088	No	Unknown	HEALTH OUTCOME
Nationwide Program for National & State Background Checks	DHS conducts background studies for health and human services programs licensed by DHS, MDH, and some at the Department of Corrections (DOC). This new grant will provide increased fingerprint identification resources and will include a "rap back" feature to identify staff who may need to be disqualified after the initial routine background check.	\$0	\$861	\$936	\$1,203	Yes	Unknown	SAFETY OUTCOME
Total Federal Funds		\$6,129,981	\$6,237,786	\$7,064,204	\$7,887,836			

Department of Human Services State Grant Detail

State Grant	Grant Description, Purpose, People Served	State Grant Dollars is Thousands (000's)				Statewide Outcome
		FY 2012 Actual	FY 2013 Budget	FY 2014 Base	FY 2015 Base	
Program 20: Forecasted Grants (current law) as of 2012 End of Session: General Fund						
Minnesota Family Investment Program (MFIP) / Diversionary Work Program (DWP)	Minnesota Family Investment Program (MFIP)/ Diversionary Work Program (DWP) grants provide temporary financial support to help meet basic needs of low-income families with children and low-income pregnant women. In FY 2011, an average of 116,428 people per month received help through these programs, 70 percent of whom were children. State funding is listed here. See also Federal Funds Summary for TANF Block Grant.	\$86,398	\$82,345	\$96,646	\$95,872	COMMUNITIES OUTCOME
MFIP Child Care Assistance Grants	The Minnesota Family Investment Program (MFIP) Child Care Assistance grants provide financial subsidies to help low-income families pay for child care so that parents may pursue employment or education leading to employment, and so children are well-cared for and prepared to enter school ready to learn. This grant serves families who currently participate in the MFIP or DWP programs, or who have recently done so. In FY 2011, an average of 9,798 families with 17,498 children per month were served. State funding is listed here; see also Federal Funds Summary for Child Care.	\$56,843	\$33,636	\$46,749	\$46,133	COMMUNITIES OUTCOME
General Assistance Grants	General Assistance (GA) grants provide state-funded, monthly cash grants for people without children who have very limited income and are unable to fully support themselves. The most common eligibility reason for people at enrollment is illness or incapacity. In 2011, an average of 20,963 people per month received these grants.	\$49,553	\$50,129	\$50,225	\$50,066	HEALTH OUTCOME
MN Supplemental Assistance (MSA) Grants	Minnesota Supplemental Aid (MSA) grants provide a state-funded monthly cash supplement to help people who are aged, blind or disabled, and who receive federal Supplemental Security Income (SSI) benefits to meet their basic needs that are not met by SSI alone. In 2011, an average of 30,000 people per month received these grants.	\$35,767	\$38,522	\$39,046	\$39,945	HEALTH OUTCOME
Group Residential Housing (GRH) Grants	Group Residential Housing (GRH) is a state-funded income supplement program that pays for room and board costs for low-income adults who have been placed in a licensed or registered setting. These grants assist individuals who have illnesses or disabilities, including developmental disabilities, mental illnesses, chemical dependency, physical disabilities, advanced age, or brain injuries, to prevent or reduce institutionalization or homelessness. In FY 2011, an average of 18,200 people received GRH payments each month.	\$120,338	\$135,285	\$142,472	\$151,052	HEALTH OUTCOME
GRH Grants- People Inc.	Group Residential Housing (GRH) provides a legislatively authorized grant to People Incorporated to operate two residential mental health facilities for individuals who have been homeless for at least one year, one in Ramsey County and one in Hennepin County. Services include community support, 24-hour supervision, and on-site mental health services. In FY 2012, 124 individuals were served in these settings.	\$460	\$460	\$460	\$460	HEALTH OUTCOME
GAMC Grants	GAMC was a state entitlement program that paid for health services for very low income single adults ineligible for Medical Assistance or other state or federal programs. Health care coverage provided under GAMC ended on June 1, 2010.	\$1,996	\$0	\$0	\$0	HEALTH OUTCOME
Medical Assistance (MA) Grants	These funds are the required state share of spending for Minnesota's Medicaid programs that provide health and long term care coverage to an average of 600,000 uninsured or underinsured Minnesotans who meet income eligibility requirements. This program is managed by the state under guidance from the federal government. See also Federal Funds Summary for Medicaid Services.	\$4,162,966	\$4,221,365	\$4,633,890	\$4,528,712	HEALTH OUTCOME
Alternative Care (AC) Grants	The Alternative Care (AC) Program is a state-funded, cost-sharing program that supports certain home- and community-based services for eligible Minnesotans age 65 and over. The program provides services to prevent and delay transitions to Medical Assistance-funded services, such as Elderly Waiver and nursing home care. The AC program served a monthly average of 3,086 older Minnesotans in FY2011, at an average monthly cost of \$769.	\$25,230	\$46,035	\$46,349	\$44,311	HEALTH OUTCOME

Department of Human Services State Grant Detail

State Grant	Grant Description, Purpose, People Served	State Grant Dollars is Thousands (000's)				Statewide Outcome
		FY 2012 Actual	FY 2013 Budget	FY 2014 Base	FY 2015 Base	
MinnesotaCare Health Care Grants: Health Care Access Fund (HCAF)						
MinnesotaCare Grants	MinnesotaCare Grants pay for health care services for about 130,000 Minnesotans who lack access to affordable health insurance.	\$263,973	\$305,376	\$361,856	\$335,837	HEALTH OUTCOME
Chemical Dependency Entitlement Grants: Special Revenue Fund						
Consolidated Chemical Dependency Treatment Fund (CCDTF) Grants	The Consolidated Chemical Dependency Treatment Fund (CCDTF) provides funding for residential and non-residential addiction treatment services for eligible low-income Minnesotans who have been assessed as needing treatment for chemical abuse or dependency. Approximately 50 percent of all CD treatment admissions for Minnesota residents are paid for through the CCDTF. Almost all treatment providers in the state are enrolled as CCDTF providers. NOTE: The CCDTF is funded by a combination of state, federal, and local sources. The amounts listed here are the combined total from all funding sources.	\$134,842	\$128,348	\$137,711	\$146,929	HEALTH OUTCOME
Program 40: DHS Grants (non-entitlement)						
BACT#41 Support Services Grants: General Fund						
MFIP Consolidated Support Services Grants	Consolidated funding allocated to counties and tribes to provide support services for MFIP/DWP participants including job search/skills, adult basic education, GED coaching, short-term training, English proficiency training, county programs to help with emergency needs and help accessing other services such as child care, medical and CD/Mental health services. (approx. served FY11 - 35,000 persons a month). See also Federal Funds Summary for TANF Block grant.	\$8,679	\$8,679	\$8,679	\$8,679	COMMUNITIES OUTCOME
Food Stamp Employment and Training (FSET) Service Grants	Grants to counties to provide employment services to Food Stamp participants to prepare for and accept employment. (approx. served FY12 – a monthly average of 296 persons). The grant is now called Supplemental Nutrition Assistance Program Employment & Training (SNAP E & T).	\$20	\$26	\$26	\$26	COMMUNITIES OUTCOME
CFS Injury Protection Program	Payments to medical providers for the treatment of injuries suffered by persons while participating in a county or tribal community work experience program.	\$0	\$10	\$10	\$10	COMMUNITIES OUTCOME
BACT #42 Basic Sliding Fee Child Care Grants: General Fund						
Basic Sliding Fee (BSF) Child Care Assistance Grants (40-42)	BSF child care assistance grants provide financial subsidies to help low-income families pay for child care so that parents may pursue employment or education leading to employment. In FY 2011, an average of 10,090 families with 17,978 children per month were served. As of September 2012, 6,162 families were on the waiting list for BSF child care.	\$37,144	\$38,678	\$37,688	\$37,699	COMMUNITIES OUTCOME
BACT # 43 Child Care Development Grants: General Fund						
Child Care Service Development Grants	Grants to child care resource and referral agencies to build and improve the capacity of the child care system for centers and family child care providers.	\$0	\$0	\$250	\$250	COMMUNITIES OUTCOME
Child Care Resource and Referral Grants	Grants to child care resource and referral agencies to support the child care infrastructure through information for parents, supports and training resources for providers, coordination of local services and data collection to inform community planning. Provide 22,427 referrals annually. Over 33,000 participants in training classes.	\$457	\$457	\$757	\$757	COMMUNITIES OUTCOME
Migrant Child Care Grants	Provides grant funds to community based program for comprehensive child care services for migrant children throughout the state. Approximately 850 migrant children under 14 years of age served annually.	\$170	\$170	\$170	\$170	COMMUNITIES OUTCOME
Child Care Facility Grants	Grants and forgivable loans to child care providers and centers in communities to improve child care or early education sites or to plan, design and construct or expand sites to increase availability of child care and early education.	\$0	\$0	\$163	\$163	COMMUNITIES OUTCOME
Child Care Integrity Grants	Grants to counties to support fraud prevention activities.	\$114	\$147	\$147	\$147	COMMUNITIES OUTCOME

Department of Human Services State Grant Detail

State Grant	Grant Description, Purpose, People Served	State Grant Dollars is Thousands (000's)				Statewide Outcome
		FY 2012 Actual	FY 2013 Budget	FY 2014 Base	FY 2015 Base	
BACT #43 Child Care Development Grants: Special Revenue Fund						
Race to the Top (RTT) - Early Learning Challenge (ELC) QRIS Grants	These funds support a Quality Rating and Improvement System (QRIS). Grants to child care resource and referral agencies provide recruitment and supports to child care programs that participate in the QRIS and support a website that provides ratings to parents and information for participating child care programs, as well as a grant for evaluation of the initiative.	\$0	\$75	\$620	\$1,772	COMMUNITIES OUTCOME
RTT -ELC GW Support Grants	These funds provide grants to child care resource and referral agencies and other community-based organizations to provide training, coaching, career guidance, and higher education scholarships to child care providers and other early childhood educators to improve child care quality.	\$0	\$1,071	\$1,358	\$1,357	COMMUNITIES OUTCOME
ARRA Early Childhood	Provides a grant for the adaptation of professional development materials and professional development outreach strategies for child care providers in Hmong, Somali, and Spanish-speaking communities.	\$6	\$0	\$0	\$0	COMMUNITIES OUTCOME
Getting Ready Parent Aware	Private funding from the Greater Twin Cities United Way to provide supports to child care providers to prepare for the Parent Aware Quality Rating System in the Twin Cities metropolitan area. 40 child care providers served in 2011.	\$127	\$0	\$0	\$0	COMMUNITIES OUTCOME
BACT #44 Child Support Enforcement Grants: Special Revenue Fund						
Child Support Enforcement (CSE) Payment Center Recoupment Account	Grants to individuals that temporarily cover non-sufficient funds (NSF) checks and other child support payment adjustments, which allow child support funds to be distributed within the 48 hour federal requirement.	\$62	\$70	\$70	\$70	COMMUNITIES OUTCOME
CSE County Grants	This funding is from the non-federal share of the child support 2% processing fee authorized in the 2011 session and the federal \$25 annual collections fee mandated in 2006. Counties earn incentives based on their program performance.	\$1,405	\$1,425	\$1,425	\$1,425	COMMUNITIES OUTCOME
IV-D Co-Parent	Grant to Hennepin County for a pilot co-parent court program that works with custodial and non-custodial parents. The new program worked with 300 parents in FFY 2011.	\$463	\$73	\$0	\$0	COMMUNITIES OUTCOME
BACT #45 Children's Services Grants: General Fund						
American Indian Child Welfare Program	Grants to tribes to provide core child welfare services to American Indian children living on participating tribe's reservations. There are 2 grantees: White Earth and Leech Lake reservations. More than 3,000 children and families were served through this grant.	\$4,751	\$4,751	\$4,751	\$4,751	SAFETY OUTCOME
Non-recurring Adoption Assistance Grants	One time grants of up to \$2,000 to adoptive families for expenses related to the adoption of a foster child with special needs. 154 children served in SFY 2011.	\$122	\$189	\$189	\$189	SAFETY OUTCOME
Foster Care and Adoption Recruitment Grants	Grants to county and American Indian Child Welfare Initiatives social service agencies for the recruitment of relative adoptive and foster families through access of Web-based search technology. The grant is regionally distributed, with 170 licenses for these agencies to access Web-based search technology for the purpose of relative search and notification.	\$0	\$161	\$161	\$161	SAFETY OUTCOME
Privatized Adoption Grants (Public Privatized Adoption Initiative)	Grants to 8 providers for recruitment of adoptive families; fund child placement agencies' efforts to place children committed to the guardianship of the commissioner in adoptive homes. These grants supported services for 335 children and 213 families in 2011.	\$2,150	\$2,620	\$2,620	\$2,620	SAFETY OUTCOME
Child Welfare Reform - Prevention / Early Intervention Grants	Grants to counties for child protection services designed to support families to keep children safely at home. Services include training and counseling support for parents and children, stable housing and safe living conditions. Grants support services for 12,000 families per year.	\$786	\$786	\$786	\$786	SAFETY OUTCOME

Department of Human Services State Grant Detail

State Grant	Grant Description, Purpose, People Served	State Grant Dollars is Thousands (000's)				Statewide Outcome
		FY 2012 Actual	FY 2013 Budget	FY 2014 Base	FY 2015 Base	
FC Trans Plan Demo Project (Healthy Transitions and Homeless Prevention)	Grants to providers for transitional planning and housing assistance services to youth preparing to leave long-term foster care or who have recently left foster care. These grants served 1,162 youth in SFY 2011.	\$1,038	\$1,065	\$1,065	\$1,065	SAFETY OUTCOME
Subsidized Adoption Grants	Payments to adoptive families to offset cost of assuming custody of and caring for special needs children. Critical to securing permanency for special needs wards of the state and consistent with the federal requirements and the Performance Improvement Plan (PIP) for the state's Child welfare system. (7,510 children in 2011).	\$28,806	\$31,051	\$27,475	\$27,475	SAFETY OUTCOME
Private Adoptions Child Specific CF	Child Specific Agreements that were established through the Public Private Adoption Initiative grant take up to three years to complete. This funding is based on legislation that allows carry-forward for the child specific agreements.	\$0	\$414	\$0	\$0	SAFETY OUTCOME
Relative Custody Assistance Grants	Payments to relatives to offset cost of assuming permanent and legal custody of and caring for special needs children. Critical to securing permanency for children with special needs and consistent with the federal requirements and the Performance Improvement Plan (PIP) for the state's Child welfare system. Approximately 1,960 children served.	\$7,253	\$9,978	\$9,978	\$9,978	SAFETY OUTCOME
BACT #45 Children's Services Grants: Special Revenue Fund						
Privatized Adoption Grants	The source of the funding for this item is federal reimbursement (Title IV-E match) associated with General Fund appropriations for Privatized Adoption Recruitment Grants which serve 335 children and 213 families, respectively in 2011.	\$0	\$650	\$650	\$650	SAFETY OUTCOME
Foster Care Recruitment	Federal financial participation for foster care recruitment.	\$0	\$76	\$76	\$76	SAFETY OUTCOME
Adoption IV-B Grants	Federal reimbursement of Title IV-B activities eligible for Title IV-E reimbursement of adoption services to adoptive families.	\$850	\$850	\$850	\$850	SAFETY OUTCOME
Casey Parent Support Outreach Grant	The foundation grant as partial funding support for the early intervention program, the Parent Support Outreach Program, serving families at risk of child maltreatment. Approx. 900 families served in 2011.	\$120	\$94	\$0	\$0	COMMUNITIES OUTCOME
Casey Safety Focused Family	The foundation grant is used to support the Safety Focused Family Partnership training initiative for the 87 counties and 2 tribal agencies responsible for responding to child maltreatment reports.	\$55	\$56	\$0	\$0	COMMUNITIES OUTCOME
Indian Child Welfare Grants (ICWA)	Grants to tribes and urban American Indian social service agencies to provide services to preserve and strengthen American Indian families and reunify children placed in out-of-home placement with their families. (see also General Fund T051)	\$1,571	\$1,482	\$1,482	\$1,482	SAFETY OUTCOME
Children's Trust Fund Grants	Grants to counties and community-based agencies for child abuse and neglect prevention and services to families to reduce the risk of child maltreatment and enhance family capacities.	\$334	\$325	\$300	\$300	SAFETY OUTCOME
Parent Support Outreach Grant	Grants to counties to prevent child maltreatment and improve family functioning for families reported to child protection services. (Approx. 900 families served per year in 38 counties.)	\$44	\$432	\$75	\$50	SAFETY OUTCOME
BACT #45 Children's Services Grants: Gift Fund						
Forgotten Children's Fund	Private donations received from the American Legion and other private donors and administered by DHS to fund special services or activities to children in foster care. Funds approximately 70 requests per year.	\$15	\$29	\$0	\$0	SAFETY OUTCOME
BACT #46 Children & Community Services Grants: General Fund						

Department of Human Services State Grant Detail

State Grant	Grant Description, Purpose, People Served	State Grant Dollars is Thousands (000's)				Statewide Outcome
		FY 2012 Actual	FY 2013 Budget	FY 2014 Base	FY 2015 Base	
Red Lake Band Grants	Grants to Clearwater and Beltrami Counties for costs of social services provided to members of the Red Lake Band residing on the Red Lake Reservation.	\$487	\$487	\$487	\$487	SAFETY OUTCOME
Children & Community Services Grants	Grants to all Minnesota counties to purchase or provide services for children, adolescents and other individuals who experience dependency, abuse, neglect, poverty, disability, or chronic health conditions. This grant contributes to costs for services to approx. 300,000 people annually.	\$52,814	\$52,814	\$52,814	\$52,814	SAFETY OUTCOME
BACT #47 Children & Economic Assistance Grants: General Fund						
MN Community Action Grants	Grants to Community Action Agencies to focus local, state, private and federal resources to support low-income families and individuals to attain the skills, knowledge and motivation to become more self-reliant. (Serves 280,000 households annually). Funds used at local level for match.	\$3,741	\$3,928	\$3,928	\$3,928	GOVERNMENT OUTCOME
Food Shelf Grants	Grants for purchase and distribution of food to food shelves throughout the state, including some administrative costs.	\$1,318	\$1,318	\$1,318	\$1,318	COMMUNITIES OUTCOME
Transitional Housing Grants	Provides supportive housing and supportive services to homeless individuals and families so that they can secure permanent, stable housing. (Serves 4,000 individuals annually)	\$2,934	\$2,934	\$2,934	\$2,934	COMMUNITIES OUTCOME
Emergency Services Grants	Funds the operating costs of shelters and essential services to homeless families and individuals. (Serves 3,000 individuals annually)	\$344	\$344	\$344	\$344	COMMUNITIES OUTCOME
Long Term Homeless Services Grants	Grants to county / provider partnerships to provide supportive housing services to long-term homeless individuals and families. Funds may be used at local level for HUD housing match.	\$4,910	\$4,910	\$4,910	\$4,910	COMMUNITIES OUTCOME
Runaway and Homeless Youth	Grants to non-profit agencies for the provision of street outreach, drop-in centers, transitional living programs and supportive housing to runaway and homeless youth.	\$119	\$119	\$119	\$119	COMMUNITIES OUTCOME
Aid to Counties- Fraud Prevention Grants (FPG)	Grants to counties for the Fraud Prevention Investigation Program, enabling early fraud detection and collection efforts.	\$1,506	\$1,768	\$1,768	\$1,768	COMMUNITIES OUTCOME
Multilingual Referral Line	Grants to non-profit agencies for the provision of language services and the translation of vital documents for non-English speaking recipients of human services.	\$42	\$43	\$86	\$87	COMMUNITIES OUTCOME
Minnesota Food Assistance Program	State funded food benefits for legal non-citizens who do not qualify for federal Supplemental Nutrition Assistance Program benefits. In SFY 2012, 374 average monthly persons received these food benefits.	\$697	\$859	\$816	\$816	COMMUNITIES OUTCOME
Children & Economic Assistance Grants: Special Revenue Fund						
FEMA Emergency Food & Shelter	Funds set-aside for committee that is responsible for establishing a formula for distributing funds to local organizations.	\$2	\$3	\$3	\$3	COMMUNITIES OUTCOME
Homeless Youth Bremer Grant	Grants to facilitate and coordinate ten focus groups across the state of Minnesota in rural areas including Reservations. To learn the needs, trends, best practices, rural services models and capacity in rural communities in the area of youth homelessness.	\$0	\$2	\$0	\$0	COMMUNITIES OUTCOME
McKnight Financial Literacy Grant	Grants to build the capacity of nonprofit agencies across the state to help low-income people move out of poverty through financial education and asset building opportunities, and free tax preparation.	\$95	\$0	\$0	\$0	COMMUNITIES OUTCOME
BACT #51 Health Care Grants: General Fund						
Outreach Grants General Fund	Funds grants for outreach activities such as providing information, applications, and assistance in obtaining coverage through Minnesota health care programs.	\$0	\$66	\$90	\$90	HEALTH OUTCOME
Health Care Grants: Health Care Access Fund						

Department of Human Services State Grant Detail

State Grant	Grant Description, Purpose, People Served	State Grant Dollars is Thousands (000's)				Statewide Outcome
		FY 2012 Actual	FY 2013 Budget	FY 2014 Base	FY 2015 Base	
Neighborhood Care Network Grant	This allotment funds a required statewide toll free telephone number to provide information on public & private health coverage options and source of free and low cost health care.	\$0	\$150	\$150	\$150	HEALTH OUTCOME
Outreach Grant - HCAF	Funds grants for outreach activities such as providing information, applications, and assistance in obtaining coverage through Minnesota health care programs.	\$0	\$40	\$40	\$40	HEALTH OUTCOME
BACT #53 Aging & Adult Services Grants: General Fund						
Caregiver Support Grants	Grants to counties and nonprofit organizations to provide caregiver and respite services, support groups and training in care giving.	\$490	\$449	\$453	\$453	COMMUNITIES OUTCOME
SAIL/EDP and LAH/BN Grants	SAIL/EDP: Grants to certain counties and Area Agencies on Aging (AAAs) to integrate, coordinate and enhance informal, quasi-formal and formal services for seniors. (Impacts 87 counties that serve 350,000 older individuals) Block Nurse grants: These grants are to 33 service providers for in-home services.	\$1,472	\$1,352	\$1,363	\$1,364	COMMUNITIES OUTCOME
Epilepsy Demonstration Project Grant	Grant to a non profit organization for independent living skills training to adults with intractable epilepsy. (Approximately 16-20 served per year) Starting in FY 14, this grant was moved to Disability Grants (BACT 55).	\$279	\$256	\$0	\$0	COMMUNITIES OUTCOME
Aging Prescription Drug Assistance Grant	Grants to AAAs and service providers to provide statewide outreach and education assistance to low income seniors regarding Medicare and supplemental insurance, including Medicare Part D.	\$947	\$869	\$876	\$876	COMMUNITIES OUTCOME
Essential Community Service Grants -Original Funding	Essential community support grants for people who were receiving long-term care services and lost eligibility for MA due to implementation of nursing facility level of care. (Original Grant). As part of budget reductions, this grant was initially suspended in FY 12 and FY 13 and then restored in FY 14.	\$0	\$1	\$6,367	\$7,231	HEALTH OUTCOME
Essential Community Support Grants -Rider	Essential community support grants for people who were receiving long-term care services and lost eligibility for MA due to implementation of nursing facility level of care. This is a one time restoration of funding if Nursing Facility Level of Care is implemented in FY 13. The base funding for the program is in the preceding Community Service Grants-Aging line.	\$0	\$999	\$0	\$0	HEALTH OUTCOME
Senior Nutrition Program Grants	Nutritional services including congregate meals to 56,000 people, home-delivered meals to 13,000 people, and grocery delivery to 660 people annually.	\$2,754	\$2,529	\$2,550	\$2,551	HEALTH OUTCOME
Community Service Development (SD) Grants	Grants for capital improvements, remodeling, and programs to for-profit and nonprofit organizations, and units of government to rebalance the long-term care service system. Has supported 320 new projects expanding service options for approximately 250,000 individuals through 50,000+ volunteers and has helped to build or renovate over 1,400 units of housing. The Community Services grants and the Community Service Development grants together are administered jointly under the CS/SD Grant Program. See Community Services grants below. The funding for CS/SD grants was reduced due to budget reductions by \$3,600,000 in FY 12 and FY 13. All funding will be restored in FY 14.	\$0	\$1,025	\$2,821	\$2,821	COMMUNITIES OUTCOME
Community Services (CS) Grants	Grants for program expansion to nonprofit entities and units of government to rebalance the long-term care service system. (See description for Community Service Development Grants above.	\$2,242	\$1,165	\$2,962	\$2,962	COMMUNITIES OUTCOME
Information and Assistance Grants	Grants to non-profit and community organizations and area agencies on aging provide information and assistance regarding home-based and community-based services. (Approximately 108,000 served in FY 2009). (Total persons served also includes those from the Aging Prescription Drug Assistance program (EBFD 31376), and the following federal grants: CMS Basic Health Insurance Counseling grants, CMS Medicare Improvement for Patients and Providers Act (MIPPA) grants and the MN Senior Medicare Patrol Project).	\$925	\$848	\$1,665	\$1,665	COMMUNITIES OUTCOME

Department of Human Services State Grant Detail

State Grant	Grant Description, Purpose, People Served	State Grant Dollars is Thousands (000's)				Statewide Outcome
		FY 2012 Actual	FY 2013 Budget	FY 2014 Base	FY 2015 Base	
Nursing Facility Return to Community	Return to Community is an intensive long-term care options counseling service provided by the Senior Linkage Line®, that helps people successfully remain in their homes after discharge from a nursing home. Since 2010, over 2,800 consumers have been contacted for discharge support. Of those, direct assistance was provided to 500 adults. 700 adults are receiving 5 years of telephonic follow-up at home.	\$1,012	\$1,095	\$1,104	\$1,104	COMMUNITIES OUTCOME
Senior Volunteer Programs	Support to more than 16,000 older volunteers per year who provide services through the RSVP, Foster Grandparent, and Senior Companion programs.	\$2,033	\$1,867	\$1,882	\$1,882	COMMUNITIES OUTCOME
BACT #53 Aging & Adult Services Grants: Special Revenue Fund						
Nursing Home Advisory Council	Grant to nursing home resident councils for ongoing education, training and information dissemination. Approximately 680 served per year.	\$135	\$187	\$187	\$187	HEALTH OUTCOME
BACT #54 Deaf & Hard of Hearing Grants: General Fund						
DHHS Grants	Grants for multiple services and equipment to help Minnesotans who are deaf, deafblind, and hard of hearing or have multiple disabilities, including deafness, to remain independent and part of their communities. In FY 11 these grants served 18,800 people	\$1,847	\$1,767	\$1,727	\$1,727	COMMUNITIES OUTCOME
Hearing Loss Mentors	Grant funding pays for deaf mentors to work with families who need to learn sign language and communication strategies to communicate with their children who have learning loss. In FY 11 this grant served 15 families.	\$13	\$0	\$40	\$40	COMMUNITIES OUTCOME
BACT #54 Deaf & Hard of Hearing Grants: Special Revenue Fund						
Minnesota Commission on Deaf & Hard of Hearing (MCDHH) Designated Fund -Web Access	Assist state agencies with translating web content into American Sign Language; no consumers directly served. The fiscal year 2013 budget is a carryforward from FY 11.	\$0	\$2	\$0	\$0	COMMUNITIES OUTCOME
Minnesota Oral / Visual History Project	Inter-agency agreement with Minnesota Historical Society on the history of deaf community in Minnesota.	\$13	\$0	\$0	\$0	COMMUNITIES OUTCOME
Rural Real Time - Grant	Grants to rural television stations in Minnesota to provide real-time captioning of news and news programming where real-time captioning does not exist.	\$272	\$269	\$269	\$269	COMMUNITIES OUTCOME
Hearing Impaired Gifts: North East DHHS Gifts	Gift account- Develop online training for medical personnel on serving people with hearing loss; training to go live in FY13	\$9	\$2	\$0	\$0	COMMUNITIES OUTCOME
BACT #55 Disabilities Grants: General Fund						
State Case Management Grants	Funding to clinics and community based organizations for the provision of case management services to persons living with HIV as well as payments to purchase insurance coverage for eligible individuals. (Approximately 900 clients served per year). During two different legislative sessions (2010, 2011), the appropriation has been delayed one fiscal year and repaid in the next biennium. See also State Insurance Grants in the following row.	\$0	\$2,216	\$3,479	\$2,216	COMMUNITIES OUTCOME
State Insurance Premium Grants	HIV/AIDS programs assist individuals with health insurance premiums and pay premiums for approximately 750 people with HIV/AIDS, who can't get insurance coverage elsewhere. See also State Case Management Grants in the preceding row.	\$0	\$2,042	\$3,204	\$2,042	COMMUNITIES OUTCOME
PASRR for Person with MI and DD	Funding to reimburse counties for costs associated with completing federally required pre-admission screening and resident reviews (PASRR) of nursing home applicants or residents with a probable mental illness or a developmental disability.	\$2	\$20	\$20	\$20	COMMUNITIES OUTCOME

Department of Human Services State Grant Detail

State Grant	Grant Description, Purpose, People Served	State Grant Dollars is Thousands (000's)				Statewide Outcome
		FY 2012 Actual	FY 2013 Budget	FY 2014 Base	FY 2015 Base	
Housing Access Services Grants	This grant provides assistance to non-profit organizations for people who qualify for waiver or home care services and want to move out of a licensed setting or family home into their own home. Housing Access Services has moved 566 people into homes of their own in 3 years, starting July 1, 2009. This was a one year grant that was appropriated in the 2011 legislative session.	\$151	\$0	\$0	\$0	COMMUNITIES OUTCOME
HCBS Waiver Growth	Grants to assist individuals to move out of licensed settings or family homes into homes of their own. This funding was appropriated during the 2007 session as part of the proposal to Limit growth in the disability waivers and manage costs. 566 people have moved since the Housing Access program started in July 2009	\$459	\$445	\$463	\$459	COMMUNITIES OUTCOME
Consumer Support Grants (CSG)	Consumer Support Grants (CSG) are available for people who are eligible for Medical Assistance (MA) as an alternative to home care. CSG helps individuals purchase items and supports needed for the person to live in their own home. CSG served 2,022 people in FY 2012.	\$15,551	\$18,823	\$20,702	\$23,623	COMMUNITIES OUTCOME
Semi-Independent Living Skills (SILS) Program	SILS serves people who are at least 18 years old, have a developmental disability and require supports to function in the community, but are not at risk of institutionalization. SILS served 1,552 people in SFY 2012.	\$6,964	\$7,675	\$7,919	\$7,845	COMMUNITIES OUTCOME
DD Family Support Grants (FSG)	Family Support Grants (FSG) provide cash to families to offset the higher-than-average cost of raising a child with a disability. The goal of FSG is to prevent or delay the out-of-home placement of children and promote family health and social well-being by facilitating access to family-centered services and supports. The program served 1,628 children in 2009 at an average cost of \$2,585 per child.	\$3,735	\$3,946	\$4,071	\$4,033	COMMUNITIES OUTCOME
Technology Grants; Corporate Foster Care Alternatives	Alternatives to corporate foster care grants are available to provide options to support individuals with disabilities in their own homes through the use of technology.	\$0	\$331	\$585	\$585	COMMUNITIES OUTCOME
Disability Linkage Line	Disability Linkage Line (DLL) serves people with disabilities and chronic illnesses and their families, caregivers, or service providers to help people learn about options and connect with services and supports. DLL served 21,873 people through 44,385 contacts in FY 2012.	\$736	\$831	\$864	\$856	COMMUNITIES OUTCOME
Disabilities Grants- Needs assessment	This grant is seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term care services reports and statewide data and information.	\$0	\$250	\$0	\$0	COMMUNITIES OUTCOME
Advocating Change Together (ACT)	Advocating Change Together (ACT) receives a grant to establish a statewide self-advocacy network for individuals with disabilities. ACT informs and educates individuals with disabilities about their legal rights and provides training to people to self-advocate.	\$114	\$112	\$117	\$116	COMMUNITIES OUTCOME
Region 10 Rider	Grant to Region 10 for the administration of the State Quality Improvement and Licensing System under MS 256B.0961.	\$100	\$100	\$100	\$100	HEALTH OUTCOME
Local Planning Grants	Grants to assist lead agencies and provider organizations in developing alternatives to congregate living within the available level of resources for the HCBS waivers for people with disabilities. Local planning grants are used to create alternatives to congregate living for people with lower needs are available to counties, tribes, and provider organizations. During FY2013, this funding will be used to support counties and tribes in gathering information to inform the statewide gaps analysis and needs determination processes.	\$0	\$400	\$250	\$250	HEALTH OUTCOME
Intractable Epilepsy	People, Inc. receives a grant to support a living skills training program for people with intractable epilepsy who need assistance in the transition to independent living.	\$0	\$65	\$323	\$323	HEALTH OUTCOME

Department of Human Services State Grant Detail

State Grant	Grant Description, Purpose, People Served	State Grant Dollars is Thousands (000's)				Statewide Outcome
		FY 2012 Actual	FY 2013 Budget	FY 2014 Base	FY 2015 Base	
Self-Advocacy Network	Grant to Advocating Change Together to establish and maintain a statewide self-advocacy network for people with intellectual and developmental disabilities. This was a one year grant appropriated during the 2012 legislative session.	\$0	\$50	\$0	\$0	HEALTH OUTCOME
Disabilities Grants: Special Revenue Fund						
ADAP Drug Rebates-Title II Grants	Dedicated funding resulting from ADAP drug rebates that supplements state- and federal allocations to maintain private insurance coverage and/or purchase HIV related drugs. This funding is also used to supplement other services needed for clients. These 3 funding streams serve approximately 1,500 persons.	\$5,266	\$6,446	\$6,277	\$6,277	COMMUNITIES OUTCOME
Hennepin County Title 1 Case Management	DHS provides dental healthcare services for at least 216 clients living with HIV/AIDS in the 13 county metro area. The services shall be provided by MA fee-for-service qualified providers with reimbursement for services administered through MMIS.	\$186	\$120	\$120	\$120	HEALTH OUTCOME
BACt #57 Adult Mental Health Grants: General Fund						
South Central Crisis Program	This grant funds Crisis Residential Stabilization Services (CY2011 549 adults served), Mobile Crisis Services (CY 2011 10 adults served - represents only two months of operation) and rapid access to psychiatry or other prescribers (CY 2011 612 adults); 24 hour Crisis Line (CY 2011 3,795 adults served). Base funding was appropriated to BACT 61 (State Operated Services) and transferred to Adult Mental Health Grants each year (FY2012-15) for administration.	\$283	\$600	\$600	\$600	HEALTH OUTCOME
Adult Mental Health Integrated Fund	Grants to counties for Adult MH Initiatives including crisis response and case management services. For most counties, this includes integrated administration of Adult MH Community Support Grants and Residential Treatment Grants. (FY2011, 24,500 adults served)	\$62,985	\$62,828	\$62,828	\$62,828	HEALTH OUTCOME
Rule 78 Adult Mental Health Grant	Grants to counties for community support services to adults with serious and persistent mental illness. (CY 2011, 11,100 adults served)	\$5,239	\$5,687	\$5,687	\$5,687	HEALTH OUTCOME
Mental Illness (MI)- Crisis Housing	Grant to nonprofit agency (sole source contract) for the provision of financial assistance to hospitalized clients needing help to pay for their housing. These funds are used only when other funds, such as SSI, are not available. (CY2011 - 291 adults served, 208 new clients)	\$610	\$610	\$610	\$610	HEALTH OUTCOME
MH Hospital Alternatives to ML Grant	Grants to community hospitals to provide alternatives to RTC mental health programs. These grants are awarded based on a competitive RFP that is re-issued every 5 years. These funds pay for extended inpatient treatment when other funding, such as Medicare, is inadequate to cover these stays. (CY 2011 - provided 5,632 bed days of care)	\$2,355	\$2,453	\$2,653	\$2,653	HEALTH OUTCOME
AMH Evidenced Based Practices	One-time adult mental health evidence-based and best practices funding.	\$134	\$0	\$0	\$0	HEALTH OUTCOME
AMH- Culturally Specific Services	Funding to support increased availability of mental health services for persons from cultural and ethnic minorities. Prior to release of RFP, FY09 was unallotted due to budget deficit (CY 2011 748 adults served)	\$300	\$300	\$300	\$300	HEALTH OUTCOME
Gambling Receipts Grants	Grant to a state affiliate recognized by the National Council on Problem Gambling to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research related to problem gambling	\$0	\$720	\$872	\$881	HEALTH OUTCOME
BACT #57 Adult Mental Health Grants: Health Care Access Fund						
Adult Mental Health Crisis Grants	Adult mental health crisis grants to metro counties to build capacity for mobile crisis teams—particularly to cover costs for uninsured. Administered along state general fund crisis grant funds that are part of the Adult MH Initiative grants listed above.	\$750	\$750	\$750	\$750	HEALTH OUTCOME

Department of Human Services State Grant Detail

State Grant	Grant Description, Purpose, People Served	State Grant Dollars is Thousands (000's)				Statewide Outcome
		FY 2012 Actual	FY 2013 Budget	FY 2014 Base	FY 2015 Base	
BACT #57 Adult Mental Health Grants: Lottery Cash Flow Fund						
Gambling Grants Lottery Transfer	Funds transferred from the Minnesota State Lottery to DHS for compulsive gambling prevention and treatment. Approx. 1,100 people receive treatment per year.	\$1,272	\$1,508	\$1,508	\$1,508	HEALTH OUTCOME
BACT #57 Adult Mental Health Grants: Special Revenue Fund						
State Operated Services (SOS) Mental Health Housing	Partnership with the Housing Finance Agency to provide housing and other supports for persons with mental illness and other complex conditions (CY 2012 77 households targeted to be served)	\$500	\$1,000	\$0	\$0	SAFETY OUTCOME
BACT #58 Children's Mental Health Grants: General Fund						
Children's Mental Health (CMH) Screening Grant	Grants to county child welfare and juvenile justice agencies to pay for mental health screenings and follow-up diagnostic assessment and treatment; covers children already deeply involved in child-serving systems. (CY 2011 10,667 child welfare clients and juvenile justice clients served.)	\$4,304	\$4,534	\$4,534	\$4,534	HEALTH OUTCOME
Children's Mental Health (CMH) Targeted Case Management (TCM) Grants	Grants to counties to offset their cost of providing MA-reimbursed mental health case management services for children. (Approx. 3,500 per year served by counties since transfer to managed care.)	\$1,745	\$2,146	\$2,146	\$2,146	HEALTH OUTCOME
Children's Mental Health (CMH) - Capacity School Based Services	Grants to provider agencies to integrate mental health service capacity into the non-stigmatized natural setting of children's schools and to cover direct clinical and ancillary services for uninsured and under-insured children. (Number served--School year 2011-12: 6,395 children. Serves Pre-K to age 21. 58% of students receiving services for the first time)	\$4,777	\$4,777	\$5,002	\$5,002	HEALTH OUTCOME
Children's Mental Health (CMH) - Capacity Respite Grants	Grants to counties to build service capacity for planned and emergency respite to relieve family stress that can result in out-of-home placement, violence, and ER visits. (CY 2011 1,422 Children served)	\$1,744	\$1,024	\$1,024	\$1,024	HEALTH OUTCOME
CMH - Capacity Early Intervention Grants	Grants to provider agencies to build evidenced-based MH intervention capacity for children birth to age 5 whose social, emotional, and behavioral health is at risk due to biologically-based difficulty in establishing loving, stable relationships with adults; having cognitive or sensory impairments; or living in chaotic or unpredictable environments. (FY 2011 - 1,583 children served)	\$1,024	\$1,024	\$1,024	\$1,024	HEALTH OUTCOME
CMH - Crisis Services Grants	Grants to counties in regional partnerships to build psychiatric crisis response capacity, including mobile crisis intervention and follow-up stabilization services. (CY 2011--2,604 crisis episodes: 74% had no history of hospitalization; 81% had no history of residential treatment; and 61% were initial contacts).	\$2,329	\$2,924	\$2,924	\$2,924	HEALTH OUTCOME
CMH - Evidence Based Practices	Grants to individual mental health clinicians to train them in the use of scientific evidence to support clinical decision-making and to implement evidence-based interventions across the state. (Trained: 115 clinicians from 30 agencies; 17 clinicians from 4 residential treatment ctrs.) (67 clinicians currently being trained in Trauma-Focused Cognitive Behavioral Therapy) (29 clinicians trained in Parent-Child Interaction Therapy)	\$644	\$750	\$750	\$750	HEALTH OUTCOME
CMH - Cultural Competence Provider Capacity Grants	Grants to provider agencies to support cultural minority individuals to become qualified mental health professionals or clinical supervisors; to increase access of mental health services to children from cultural minority families; and to enhance the capacity of providers to serve these populations. (CY2011 paid 1,921 hours of clinical supervision and in CY2012 paid 1,480 hours of clinical supervision to support 61 interns completing requirements for licensure and other credentialing. 354 minority children received direct MH services from Jan 2011 to Sep 2012)	\$300	\$300	\$300	\$300	HEALTH OUTCOME

Department of Human Services State Grant Detail

State Grant	Grant Description, Purpose, People Served	State Grant Dollars is Thousands (000's)				Statewide Outcome
		FY 2012 Actual	FY 2013 Budget	FY 2014 Base	FY 2015 Base	
Chemical Dependency (CD) Non-Entitlement Grants: General Fund						
CD Treatment Grants	Legislatively designated for two grantees, Anoka County and the Faribault & Martin Human Services Board to treat methamphetamine abuse and the abuse of other substances. The focus audience is women with dependent children identified as substance abusers, especially those whose primary drug of choice is methamphetamine. (FY 2011 - 137 women served)	\$72	\$300	\$300	\$300	HEALTH OUTCOME
CD Native American Program	Provides funds to American Indian tribes, organizations, and communities to provide culturally appropriate alcohol and drug abuse primary prevention and treatment support services. Federal funds also partially support this activity. Served 15,590 people in FY 2011, and 9,966 people in FY 2012	\$1,016	\$1,036	\$1,036	\$1,036	HEALTH OUTCOME
BACT #59 CD Non-Entitlement Grants: Special Revenue Fund						
CCDTF Other Services	Reimburses providers through the Consolidated Fund for the provision of chemical dependency treatment services to persons whose income is over 100% of Federal Poverty.	\$607	\$900	\$900	\$900	HEALTH OUTCOME
BACT #61 SOS Mental Health: General Fund						
State Operated Services (SOS) Mental Health Housing	Partnership with the Housing Finance Agency to provide housing and other supports for persons with mental illness and other complex conditions. The 2011 Legislature specified that beginning in FY2014 base funding for this moves to the general fund under Budget Activity #61 - SOS Mental Health. (The first two years appropriations are Special Revenue Fund appropriations under BACT 57.)	\$0	\$0	\$1,000	\$1,000	SAFETY OUTCOME

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2014-15 Governors Budget - Humanities Commission

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Mission:

The Humanities Commission (Minnesota Humanities Center) creates, conducts, and supports cultural and educational programs which support and encourage exemplary teaching and provide opportunities for teacher renewal and partners with other organizations to create meaningful and engaging public humanities programming in communities statewide.

Statewide Outcome(s):

Humanities Commission supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

Minnesota Statute 138.911 charges MHC with providing leadership, programs, and resources that advance the study of the humanities in schools, colleges, and cultural organizations throughout the state.

Accelerating cultural, linguistic, and economic diversity across the state creates challenges and opportunities. Minorities accounted for more than 80 percent of Minnesota's growth from 2000 to 2010. In 2000, minorities only made up 10.6 percent of the population compared to 15 percent in 2010. Opportunities and challenges include building shared knowledge so that people and communities can learn, cooperate, collaborate, and work effectively together.

The Humanities Center works to:

- Increase student engagement with curricular content by increasing accuracy and comprehensiveness of curriculum content
- Build the capacity of cultural organizations to conduct high-quality and meaningful humanities programs for the public
- Increase access to vibrant and engaged public programs that facilitate and frame community conversations
- Increase the economic vitality of communities by building the capacity of local cultural, historic, and educational organizations to expand new audiences, diversify revenue streams, and engage new partners.

MHC works with teachers, principals, schools and districts, as well as colleges and universities, cultural organizations, and state agencies to strengthen programs, expand reach and impact, and provide higher quality and more meaningful education. Business leaders, community leaders, public officials, and non-profit professionals convene to learn from and draw upon the varied skills and cultural strengths of the people of Minnesota to help create and sustain opportunity and strong economies.

MHC's competitive and collaborative grant making, financial management, and reporting responsibilities for Legacy funding build capacity and improved community programming with the Minnesota Indian Affairs Council (MIAC), Council on Asian Pacific Minnesotans (CAPM), Council on Black Minnesotans (COBM), and the Chicano Latino Affairs Council (CLAC). MHC has similar responsibilities for Legacy Funds for the Civics Education Coalition and small to mid-size children's museums across the state.

MHC is funded by state, federal, and private funds. The National Endowment for the Humanities funds core operations and requires a partial match provided by funding from the State of Minnesota's general funds. MHC receives Legacy funds and raises private funds to expand its programmatic work.

Strategies:

MHC supports innovation in education and helps educators improve their practice so teachers can engage all students in their classrooms and develop the content, materials, and professional development necessary for the 21st century's increasingly global schools, classrooms, and communities.

To strengthen knowledge and understanding and deepen cultural connections, MHC creates and provides programs and resources that help Minnesotans fulfill their civic responsibility of being informed and active participants in the body politic. MHC also engages the community in activities and dialogue. Programs focus on the unique knowledge and contributions of Minnesota's communities, helping to create a common and shared future. For example, more than 300,000 veterans live in Minnesota and thousands are currently returning from Iraq and Afghanistan. MHC is partnering with Minnesota Dept. of Veterans Affairs to launch Veterans' Voices, a program to bring the informed voice and experience of the veterans into greater public awareness, education, and civic life.

To promote community dialogues and professional development, MHC operates a full-service Conference and Events Center that provides meeting space at an affordable price for state agencies, colleges and universities, cultural organizations, foundations, and other nonprofits. It serves as a place for collaboration; and a place to plan for the future of the state.

To educate and connect people from divergent backgrounds in creating opportunity and achievement based on the strengths and knowledge of all Minnesotans, MHC works collaboratively with the Minnesota Department of Education, Iron Range Resources and Rehabilitation Board, Minnesota Historical Society, Minnesota Dept. of Veterans Affairs, the 11 sovereign nations that reside in the state, and the Councils mentioned above, to name a few.

To encourage informed and engaged public dialogue and deliberation, MHC partners with schools and school districts as well as regional museums, libraries, and media partners (e.g. *tpt* and SPNN). From large partners such as *tpt* and Fort Snelling to local museums in communities such as Dassel, Detroit Lakes, Virginia, Baudette, and Owatonna, MHC has deeply collaborative activities throughout the state.

Results:

MHC has no regulatory authority; no one is required or obligated to use any of our services or programs. One key measure of success is demand: Do people and communities use MHC's programs and services and is there continuing and increased demand? Do partners and participants experience a new level of engagement in their communities, classrooms, and organizations as a result of working with MHC?

For example, a recent Council on Black Minnesotans' event's projected attendance was 80 and 140 participated. The Way Treaties Matter exhibit projected to tour in 12 communities; it will have exhibited in 34 communities engaging more than 15,000 people by year-end.

A year ago, MHC began inviting its partners to collect information and data demonstrating the increases in engagement and the benefits for the people served. To this end, MHC partners with leading evaluation experts based at the University of Minnesota to implement "utility based" evaluation. As a result, MHC and partners in museums, civics, and the Councils have improved program evaluation methods.

Performance Measures	Previous	Current	Trend
Demand for professional development workshops: # educators attending	382	560	Improving
% participants reporting increases in their content knowledge	95%	95%	Stable
Deepen cultural connections and expand access to public educational programs (# of locations and # of participants)	12 7,000	31 30,542	Improving
Meeting and Event Center (# of events and # of participants)	302/7,800	317/8,662	Improving

Performance Measures Notes:

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1. MHC maintains databases tracking service numbers, contacts, and other related agency data. Previous timeframe is July 2010 to June 2011. Current timeframe is July 2011 to June 2012.

Humanities Commission**Current, Base and Governor's Recommended Expenditures**

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$474	\$3,150		\$3,624
Current Law Expenditures (FY 2014-15)	\$474			\$474
Governor's Recommended Expenditures (FY2014-15)	\$502			\$502
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$28			\$28
% Change from FY 2014-15 Current Law to Governor's Rec	6%			6%

Humanities Commission**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	\$502	\$0		\$502
SOURCES OF FUNDS	\$502	\$0		\$502
EXPENDITURES	\$502			\$502
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$502			\$502
USES OF FUNDS	\$502			\$502

Humanities Commission

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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Operating Budget Increase

The Governor recommends additional funding for the Humanities Commission to bolster current programs, including programs for schools and school districts, online educational resources, and the state network of older adult learning. The additional funding will support a portion of an FTE. The increase will help leverage additional public and private funding.

Performance Measures:

MHC operates with a results-focused, entrepreneurial style, and innovative practices which support state goals in education and economic development. Key evaluation factors are: 1) demand for program services, 2) improved connections in teacher-student relationships, and 3) communities engaging in new and innovative ways.

General Fund	Expenditure	14	14	28	14	14	28
	Net Change	14	14	28	14	14	28
Net All Change Items	General Fund	14	14	28	14	14	28
	Net Change	14	14	28	14	14	28