



May 1 2020

Senator Michelle Benson, Chair
Senate Health & Human Services Finance and Policy
Committee
3109 Minnesota Senate Bldg.
St. Paul, MN 55155

St. Paul, MN 55155
Representative Tina Liebling, Chair
House Health & Human Services Finance Committee
477 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Senator Jim Ablor, Chair
Senate Human Services Reform Finance & Policy
Committee
3215 Minnesota Senate Bldg.
St. Paul, MN 55155

Representative Rena Moran, Chair
House Health & Human Services Policy Committee
575 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Senator Jeff Hayden, Ranking Minority Member
Senate Human Services Reform Finance and Policy
Committee
2209 Minnesota Senate Building
St. Paul, MN 55155-1206

Rep. Joe Schomacker, Ranking Minority Member
House Health & Human Services Finance Committee
209 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Senator John Marty, Ranking Minority Member
Senate Health & Human Services Finance and Policy
Committee
2401 Minnesota Senate Building

Rep. Debra Kiel, Ranking Minority Member
House Health & Human Services Policy Committee
255 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Senators and Representatives:

This letter is to notify you of direct appropriation transfers approved by Minnesota Management & Budget (MMB) in the quarter that ended March 31st, 2020. All transfers are general fund, unless otherwise noted.

This letter is notification as required by Laws 2019, First Special Session, chapter 9, article 14, and section 12. This notification also complies with the requirement for the Department to report transfers in Minn. Stat. §256.01, Subdivision 41, clause (2).

You can find the legal authority and accounting detail for each transfer itemized in this letter by the corresponding reference item number in the **Summary of Accounting Detail for Approved Direct Appropriation Transfers** attached to this letter. Service level and interagency agreements that were authorized between January and March 2020 are conveyed under a separate required quarterly report to the Legislature.

FY 2020 Transfers – 3rd Quarter

1. Two transfers were made into the Systems Fund:
 - Minnesota Statute, section 256.014 directs the Department to establish and enhance computer systems necessary for the efficient operation of the programs the Department supervises and directs that funding for those purposes be placed in the systems account, which is also established in that section of law. Funds in the systems account and federal matching money are appropriated to the Department for the systems work. After obtaining MMB approval, we transferred \$27,000 from DHS GF Operations to the Systems Fund for MMIS work on the Substance Use Disorder waiver.
 - A transfer correction of \$62,400 was transferred from the Systems Fund to the general fund to correct the amount of the nonfederal share of the developer positions on a project for the Licensing Division.

2. We transferred General Fund Medical Assistance (MA) funds to a special revenue fund to manage the Money Follows the Person (MFP) federal grant. The MFP program works toward the goal of increasing the use of home and community-based services (HCBS).
 - \$768,699 was transferred for the non-federal share of MFP MA-funded disabilities grants.
 - \$768,699 was transferred for the non-federal share of MFP administrative expenses.

3. We received a \$227,826 transfer from the Department of Corrections as reimbursement for the non-federal share of Medical Assistance (MA) expenditures for inmates incurred during the quarter ending December 31, 2019. This funding was transferred into the MA account in the General Fund (BACT 33).

4. A transfer of \$6,122,000 was made from FY2021 back to FY2020 within the Minnesota State Operated Community Services (MSOCS) General Fund account. The authority detailed in First Special Session Laws of Minnesota 2019, Chapter 9, Article 14, Section 2, Subd. 34(a) allows the department to move funds between fiscal years of the biennium. Additionally, a transfer of \$6,122,000 was made from the MSOCS General Fund account to the MSOCS Enterprise Fund account to offset a projected cash shortfall in FY2020 which is increasing as a result of lost revenues due to Covid-19. The authority detailed in First Special Session Laws of Minnesota 2019, Chapter 9, Article 14, Section 2, Subd. 36 allows the department to move funds from the MSOCS General Fund account to the MSOCS Enterprise Fund account.

5. Four transfers were made between admin accounts:
 - \$177,000 from Operations to Children and Family Services to relieve a budget pressure related to the IRS 1099 penalty.
 - \$3,804 from the Health Care Administration to Operations for document translation costs

- \$300,000 from Operations to Children and Family Services to help fund reimbursements for Title IV-E background studies
- \$240,000 from Operations to Children and Family Services to help offset budget pressures related to wage and benefit increases associated with the collective bargaining agreements

Please contact me with any questions on the transfers reported in this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Greeman". The signature is fluid and cursive, with a large initial "D" and a long, sweeping tail.

Dave Greeman, Director
Budget Analysis Division

CC: Dennis Albrecht, Senate Counsel, Research and Fiscal Analysis
Doug Berg, House Fiscal Analysis
Travis Bunch, MMB
Joshua Riesen, MMB



**DEPARTMENT OF
HUMAN SERVICES**

**Summary of Accounting Detail for Approved Direct Appropriation Transfers
3rd Quarter FY20 - January 1, 2020 through March 31, 2020**

Reference Item #	FROM (Fund and APFD-APID Appropriation)				TO (Fund and APFD-APID Appropriation)				SFY 2020
	Fund #	Fund Name	APFD / APID	Name	Fund #	Fund Name	APFD / APID	Name	
	SFY 2020 Q3 Transfers								
1	1000	GF	H551052	BACT 11 GF Operations	2001	Other Misc Special Revenue	H551661	BACT 16 MN.IT@DHS	(\$62,400)
1	1000	GF	H551052	BACT 11 GF Operations	2001	Other Misc Special Revenue	H551472	BACT 16 Systems Operations APD	\$27,000
1	Authority = MS 256.014								
2	1000	GF	H551309	BACT 33 Medical Assistance Grants	2001	Other Misc Special	H551855	BACT 14 MFP-Rebalancing Admin	\$768,699
2	1000	GF	H551309	BACT 33 Medical Assistance Grants	2001	Other Misc Special	H551856	BACT 52 MFP-Rebalancing Grant	\$768,699
2	Authority = MS 256B.04, Subd. 20								
3	1000	GF	P784110	Department of Corrections	1000	GF	H551309	BACT 33 Medical Assistance Grants	\$227,826
3	Authority = MS 256B.04, Subd. 23								
4	1000	GF	H556063	BACT 62 MSOCS Oper/Sustain (rider)	4350	MN State Operated Community Services	H556009	BACT 62 Waivered Services (MSOCS)	\$6,122,000
4	Authority = Laws 2019, 1st Special Session, Chapter 9, Article 14, Section 2, Subd. 34, paragraph a								
5	1000	GF	H551052	BACT 11 GF Operations	1000	GF	H551074	BACT 12 GF Operations	\$177,000
5	1000	GF	H551300	BACT 13 GF Operations	1000	GF	H551052	BACT 11 GF Operations	\$3,804
5	1000	GF	H551052	BACT 11 GF Operations	1000	GF	H551074	BACT 12 GF Operations	\$300,000
5	1000	GF	H551052	BACT 11 GF Operations	1000	GF	H551074	BACT 12 GF Operations	\$240,000
5	Authority = Laws 2019, 1st Special Session, Chapter 9, Article 14, Section 12, Subd. 2								