



October 11th, 2019

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

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

Senator Jim Ablner, 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 Cttee.
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 Cttee.
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
St. Paul, MN 55155

Rep. Debra Kiel, Ranking Minority Member
House Health & Human Services Policy Cttee.
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 June 30, 2019. All transfers are general fund, unless otherwise noted.

This letter is notification as required by Laws 2017, First Special Session, chapter 6, article 18, section 16. 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 2018 are conveyed under a separate required quarterly report to the Legislature.

FY 2019 Transfers – 4th Quarter

1. The Consolidated Chemical Dependency Treatment Fund (CCDTF) had a forecast adjustment of (\$17,872,000) during the fourth quarter of FY2019. This transfer reflects a forecast adjustment to the appropriation from the General Fund for CCDTF entitlement grants. The forecast adjustment was enacted in Laws 2019, 1st Special Session, Chapter 9, Article 13, Section 2, Subd. 2.
2. Two transfers were made during the quarter from Direct Care and Treatment (DCT; BACT 65) to the Systems Account (BACT 16). The base expense budget authority was lower than actual systems costs for DCT by approximately \$6,000,000 during FY2019.
 - \$3,000,000 from DCT Operations to Systems Operations APD
 - \$3,000,000 from DCT Operations to Systems Operations APD
3. A transfer of \$5,495,941 from Medical Assistance to fund the Consumer Support Grant pursuant to M.S. 256.476 to align with the forecast.
4. A \$1,000,000 transfer was made from the Community Supports Administration (CSA) to the Office of MN.IT Services' Odyssey Account to pay for the DHS portion of systems upgrades at MMB.
5. We received two transfers during the quarter from the Department of Corrections as reimbursement for the non-federal share of Medical Assistance (MA) expenditures for inmates. This funding was transferred into the MA account in the General Fund (BACT 33).
 - \$218,971 for quarter ending March 31, 2019
 - \$101,570 for quarter ending June 30, 2019
6. 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).
 - \$751,902 was the original estimate of the non-federal share of MFP MA-funded disabilities grants
 - A correction of (\$751,902) reversed the original transfer for the non-federal share of MFP MA-funded disabilities grants.
 - \$692,314 was transferred for the non-federal share of MFP MA-funded disabilities grants.
 - \$692,314 was transferred for the non-federal share of MFP administrative expenses.
7. \$29,125,676 was transferred from Alternative Care (BACT 34) to MA (BACT 33). The full amount of forecasted Alternative Care spending is appropriated to BACT 34. However, the federal share is transferred to BACT 33.
8. A series of transfers were made between MinnesotaCare (BACT 31) accounts to allocate premiums between Basic Health Plan and non-Basic Health Plan accounts.
 - \$9,604,600 was transferred from non-BHP MinnesotaCare to BHP MinnesotaCare Premiums
 - \$399,638 was transferred from non-BHP MinnesotaCare Premiums to non-BHP MinnesotaCare
 - \$35,315 was transferred from non-BHP MinnesotaCare Premiums to BHP MinnesotaCare Premiums
9. A series of transfers were made to reallocate appropriated admin funding between accounts.
 - \$220,000 was transferred from the Community Supports Administration (CSA) central operations to the Health Care Administration (HCA) central operations to fix an error in the 2017 budget tracking.
 - \$400,000 was transferred from Central Office Operations to HCA to cover a year-end funding deficit.
 - \$1,850,000 was transferred from CSA Operations to Central Operations at fiscal year-end.
 - \$500,000 was transferred from Continuing Care for Older Adults (CCOA) Operations to HCA GF Operations at fiscal year-end.

- \$60,000 was transferred from Central Operations to HCA HCAF Operations.
 - \$834,000 from CCOA to Central Operations to correct their portion of occupancy costs.
 - \$265,000 from Children & Family Services (CFS) to Central Operations to correct their portion of occupancy costs.
 - \$135,000 from CSA to Central Operations to correct their portion of occupancy costs.
 - \$200,000 from CSA to Central Operations to correct their portion of occupancy costs.
10. Three transfers were made from DCT program accounts to DCT Operations, totaling \$2,200,000. These three transfers were used to pay for a portion of the second \$3 million transfer from DCT to the Systems Account (reference item #2).
- \$900,000 from the Minnesota Sex Offender Program (MSOP) to DCT Operations (BACT 65)
 - \$800,000 from State Operated Services Adult Mental Health Services (BACT 61) to DCT Operations (BACT 65)
 - \$500,000 from State Operated Services Forensic Services (BACT 63) to DCT Operations (BACT 65)
11. A series of transfers were made from available balances FY 2018 to FY 2019 in forecasted programs to cover amounts spent above the forecast in FY 2019.
- \$1,105,000 from the FY 2018 available balance for MFIP Child Care Assistance Grants to FY 2019.
 - \$1,009,000 from the FY 2018 available balance for General Assistance Grants to FY 2019.
 - \$43,000 from the FY 2018 available balance for Minnesota Supplemental Assistance Grants to FY 2019.
 - \$890,000 from the FY 2018 available balance for Housing Support Grants to FY 2019.
 - 6,152,000 from the FY 2018 available balance for NorthStar Grants to FY 2019.

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

Sincerely,

Dave Greeman, Director
Budget Analysis Division

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



**Summary of Accounting Detail for Approved Direct Appropriation Transfers
4th Quarter FY19 - April 1, 2019 through June 30, 2019**

| Reference Item # | FROM (Fund and APFD-APID Appropriation) | | | | TO (Fund and APFD-APID Appropriation) | | | | SFY 2019 |
|--|---|-----------|----------------------|--|---------------------------------------|---------------------------------------|----------------------|--------------------------------------|----------------|
| | Fund # | Fund Name | APFD / APID | Name | Fund # | Fund Name | APFD / APID | Name | |
| SFY 2019 Q4 Transfers | | | | | | | | | |
| 1 | 1000 | GF | 11217/1426 | CCDTF GF Approp. (BACT 35) | 2000 | Restricted Misc. Special Revenue Fund | 11075/1130 | CCDTF Restr. Spec. Rev. (BACT 35) | (\$17,872,000) |
| Authority = Laws 2019, 1st Special Session, Chapter 9, Article 13, Section 2, subd. 2 | | | | | | | | | |
| 2 | 1000 | GF | 16065/6065 | DCT Operations (BACT 65) | 2001 | Other Misc. Special Revenue | 11104/1472 | Systems Operations APD (BACT 16) | \$3,000,000 |
| 2 | 1000 | GF | 16065/6065 | DCT Operations (BACT 65) | 2001 | Other Misc. Special Revenue | 11104/1472 | Systems Operations APD (BACT 16) | \$3,000,000 |
| Authority = MS 256.014 | | | | | | | | | |
| 3 | 1000 | GF | 11078/1309 | Medical Assistance Grants (BACT 33) | 1000 | GF | 11136/1093 | Disabilities Grants (BACT 55) | \$5,495,941 |
| Authority = MS 256.476 | | | | | | | | | |
| 4 | 1000 | GF | 11117/1236 | CSA Operations (BACT 15) | 2001 | Other Misc. Special Revenue | G461TECH/ G466128 | Office of MN.IT Services | \$1,000,000 |
| Authority = 16E.21, Subd. 2 | | | | | | | | | |
| 5 | 1000 | GF | P7810000/P78 4110 | Department of Corrections | 1000 | GF | 11078/1309 | Medical Assistance Grants (BACT 33) | \$218,971 |
| 5 | 1000 | GF | P7810000/P78 4110 | Department of Corrections | 1000 | GF | 11078/1309 | Medical Assistance Grants (BACT 33) | \$101,570 |
| Authority = MS 256B.04, Subd. 23. | | | | | | | | | |
| 6 | 1000 | GF | 11078/1309 | Medical Assistance Grants (BACT 33) | 2000 | Restricted Misc. Special Revenue Fund | 11252/1554 | MFP-Rebalancing Grant (BACT 52) | \$751,902 |
| 6 | 1000 | GF | 11078/1309 | Medical Assistance Grants (BACT 33) | 2000 | Restricted Misc. Special Revenue Fund | 11252/1554 | MFP-Rebalancing Grant (BACT 52) | (\$751,902) |
| 6 | 1000 | GF | 11078/1309 | Medical Assistance Grants (BACT 33) | 2000 | Restricted Misc. Special Revenue Fund | 11252/1554 | MFP-Rebalancing Grant (BACT 52) | \$692,314 |
| 6 | 1000 | GF | 11078/1309 | Medical Assistance Grants (BACT 33) | 2000 | Restricted Misc. Special Revenue Fund | 11252/1553 | MFP-Rebalancing Admin (BACT 14) | \$692,314 |
| Authority = MS 256B.04 Subd. 20 | | | | | | | | | |
| 7 | 1000 | GF | 11159/1291 | Alternative Care Grants (BACT 34) | 1000 | GF | 11078/1309 | Medical Assistance Grants (BACT 33) | \$29,125,676 |
| Authority = Laws 2017, 1st Special Session, Chapter 6, Article 18, Section 2, Subd. 1 | | | | | | | | | |
| 8 | 2360 | HCAF | 11164/1288 | MinnesotaCare Non-BHP (BACT 31) | 2360 | HCAF | 11164/1619 | MinnesotaCare Premiums (BACT 31) | \$9,604,600 |
| 8 | 2360 | HCAF | 11164/1552 | MinnesotaCare Premiums (BACT 31) | 2360 | HCAF | 11164/1288 | MinnesotaCare Non-BHP (BACT 31) | \$399,638 |
| 8 | 2360 | HCAF | 11164/1552 | MinnesotaCare Premiums non-BHP (BACT 31) | 2360 | HCAF | 11164/1619 | MinnesotaCare Premiums BHP (BACT 31) | \$35,315 |
| Authority = Laws 2017, 1st Special Session, Chapter 6, Article 18, Section 2, Subd. 1 | | | | | | | | | |

| | | | | | | | | | |
|---|------|------|------------|--|------|------|------------|--|-------------|
| 9 | 1000 | GF | 11117/1236 | CSA Operations (BACT 15) | 1000 | GF | 11077/1300 | HCA GF Operations (BACT 13) | \$220,000 |
| 9 | 1000 | GF | 11132/1052 | Central Operations (BACT 11) | 1000 | GF | 11077/1300 | HCA GF Operations (BACT 13) | \$400,000 |
| 9 | 1000 | GF | 11117/1236 | CSA Operations (BACT 15) | 1000 | GF | 11132/1052 | Central GF Operations (BACT 11) | \$1,850,000 |
| 9 | 1000 | GF | 11167/1185 | CCOA Operations (BACT 14) | 1000 | GF | 11077/1300 | HCA GF Operations (BACT 13) | \$500,000 |
| 9 | 2360 | HCAF | 11116/1269 | Central Operations (BACT 11) | 2360 | HCAF | 11105/1143 | HCA HCAF Operations | \$60,000 |
| 9 | 1000 | GF | 11167/1185 | CCOA Operations (BACT 14) | 1000 | GF | 11132/1052 | Central GF Operations (BACT 11) | \$834,000 |
| 9 | 1000 | GF | 11018/1074 | CFS Operations (BACT 12) | 1000 | GF | 11132/1052 | Central GF Operations (BACT 11) | \$265,000 |
| 9 | 1000 | GF | 11117/1236 | CSA Operations (BACT 15) | 1000 | GF | 11132/1052 | Central GF Operations (BACT 11) | \$135,000 |
| 9 | 1000 | GF | 11117/1236 | CSA Operations (BACT 15) | 1000 | GF | 11132/1052 | Central GF Operations (BACT 11) | \$200,000 |
| Authority = Laws 2017, 1st Special Session, Chapter 6, Article 18, Section 2, Subd. 2 | | | | | | | | | |
| 10 | 1000 | GF | 10003/0003 | MSOP (BACT 64) | 1000 | GF | 16065/6065 | DCT Operations (BACT 65) | \$900,000 |
| 10 | 1000 | GF | 16016/6016 | SOS - Adult Mental Hlth Svcs (BACT 61) | 1000 | GF | 16065/6065 | DCT Operations (BACT 65) | \$800,000 |
| 10 | 1000 | GF | 16005/6005 | SOS - Forensic Services (BACT 63) | 1000 | GF | 16065/6065 | DCT Operations (BACT 65) | \$500,000 |
| Authority = Laws 2017, 1st Special Session, Chapter 6, Article 18, Section 2, Subd. 33 (a) | | | | | | | | | |
| 11 | 1000 | GF | 11015/1251 | MFIP Child Care Assist Grants FY18 (BACT 22) | 1000 | GF | 11015/1251 | MFIP Child Care Assist Grants FY19 (BACT 22) | \$1,105,000 |
| 11 | 1000 | GF | 11021/1314 | General Assistance Grants FY18 (BACT 23) | 1000 | GF | 11021/1314 | General Assistance Grants FY19 (BACT 23) | \$1,009,000 |
| 11 | 1000 | GF | 11123/1024 | MN Suppl. Assist. Grants FY 18 (BACT 24) | 1000 | GF | 11123/1024 | MN Suppl. Assist. Grants FY 19 (BACT 24) | \$43,000 |
| 11 | 1000 | GF | 11050/1067 | Housing Support Grants FY 18 (BACT 25) | 1000 | GF | 11050/1067 | Housing Support Grants FY 19 (BACT 25) | \$890,000 |
| 11 | 1000 | GF | 11267/1621 | NorthStar Grants FY 18 (BACT 26) | 1000 | GF | 11267/1621 | NorthStar Grants FY 19 (BACT 26) | \$6,152,000 |
| Authority = Laws 2017, 1st Special Session, Chapter 6, Article 18, Section 2, Subd. 1 | | | | | | | | | |