



Minnesota Department of **Human Services**

Direct Care and Treatment

December 31, 2015

Senator Tony Lourey, Chair
Health and Human Services Finance Division

Senator Kathy Sheran, Chair
Health, Human Services & Housing Committee
Representative Matt Dean, Chair
Health and Human Services Finance Division

Representative Tara Mack, Chair
Health and Human Services Reform

Senator Julie A. Rosen, Ranking Minority Lead
Dear Senators and Representatives:

Health and Human Services Finance Division

Senator Michelle Benson, Ranking Minority Lead
Health, Human Services & Housing Committee

Representatives Tina Liebling & Diane Loeffler, Minority Co-Leads
Health and Human Finance Division

Representative Joe Mullery, Minority Lead
Health and Human Services Reform

A provision in Laws 2009, chapter 79, article 13, section 3, subdivision 10 requires the Department of Human Services to provide census data and fiscal projections for State-Operated Services Minnesota Security Hospital and for Minnesota Sex Offender services at the time of the November and February budget forecasts. I am writing to provide the required information.

Table 1: State Operated Services- Minnesota Security Hospital (MSH)

Date	Census	Fiscal Year Appropriations (dollars in thousands)	Fiscal Year Expenditures * (dollars in thousands)
June 30, 2012 (actual)	233	\$69,582	\$67,575
June 30, 2013 (actual)	211	\$69,582	\$70,483
June 30, 2014 (actual)	205	\$69,582	\$77,561
June 30, 2015 (actual)	201	\$74,402	\$83,089
June 30, 2016 (projected)	200	\$81,821	\$85,491
June 30, 2017 (projected)	198	\$83,233	\$88,796
June 30, 2018 (projected)	199	\$83,250	\$89,617
June 30, 2019 (projected)	203	\$83,250	\$89,617

*Cost for the program have exceeded the annual base level appropriation due to unfunded salary and insurance increases and additional staffing requirements related to the conditional license correction plan.

The Minnesota Security Hospital (MSH) operates on a fixed legislative appropriation. There is authority to transfer funding between fiscal years in a biennium, and unspent appropriations cancel at the end of the biennium. The appropriation listed in Table 1 provides funding for the secure, special needs,

transition, competency restoration, and nursing home beds. However, the forecasted population growth is based on secure MSH beds, excluding the beds within the competency restoration and special needs units. The actual MSH census dropped by 13 patients in 2015 (to 198 patients in October) and is now 13 patients below the original February forecast of 212 patients. ^[KA1] The November forecast projects the census to drop to a low of 196 patients in early 2017 and ultimately rise to 203 patients in June 2019. This represents a net reduction of 15 patients in June 2019 relative to the February 2015 forecast.

As of June 30, 2015, 201 individuals were served within the secure perimeter of the MSH. This reduction is likely the result of several interactive factors. Specifically, there have been active efforts to reduce and maintain a lower census on the two MSH units serving individuals with the most acute symptoms, and in some cases, more dangerous behavior. The census in the Competency Restoration Program (CRP) continues to be at capacity, including 14 beds transferred from MSH to CRP in June 2014, which reduced the overall MSH bed availability. There also seems to be a slight but steady increase in the number of clients being provisionally discharged directly from secure beds in MSH, as opposed to first being transferred to Forensic Transition Services and then discharged.

Table 2: Minnesota Sex Offender Program (MSOP)

Date	Census	Fiscal Year Appropriations (dollars in thousands)	Per Diem
June 30, 2012 (actual)	653	\$70,416	\$317
June 30, 2013 (actual)	690	\$73,412	\$326
June 30, 2014 (actual)	697	\$76,769	\$318
June 30, 2015 (actual)	720	\$78,376	\$341
June 30, 2016 (projected)	732	\$83,686	TBD
June 30, 2017 (projected)	742	\$84,927	TBD
June 30, 2018 (projected)	762	\$84,927	TBD
June 30, 2019 (projected)	786	\$84,927	TBD

Table 2 above shows the actual population census and projections for the Minnesota Sex Offender Program (MSOP) under current law. MSOP operates on a fixed legislative appropriation. There is authority to transfer funding between fiscal years in a biennium, and unspent appropriations cancel at the end of the biennium. The appropriations for fiscal years 2018 and 2019 do not include increased costs for client population growth.

In the February 2015 forecast, we pointed out the slower growth in the MSOP census over the past two years. Based on actual MSOP census over the last few months, this trend appears to be continuing. The relatively slow growth in the census during the last few years continued during 2015. Actual versus projected growth was consistent thru the first six months of 2015, with the actual census of 720 matching the projected census. However, growth in the second half of the year has been slower than expected (actual vs. projected at 3 and 14, respectively).

We first observed a slower than expected growth trend when there was an increase in the county share for the cost of care. In addition, the behavior of the courts changed resulting in fewer individuals being referred for civil commitment. It is likely that court behavior has continued to change, particularly since the Supreme Court issued a decision about the constitutionality of the program. Further, the Department of Corrections (DOC) has reported a slightly lower projected trend in sex offender releases. All of these

factors have contributed to a lower MSOP census forecast in November relative to the 2015 February projections.

Please contact Shelia Brandt, Legislative Liaison for the Direct Care & Treatment Administration (DCT) at 651-431-5877 if you have any questions, or need further information, about the information in this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nancy Johnson', written in a cursive style.

Nancy Johnson, MSSW
Direct Care & Treatment Interim Chief Executive Officer

NJ/smb

cc: Dennis Albrecht, Senate Counsel Research and Fiscal Analysis
Doug Berg, House Fiscal Analysis
Ahna Minge, Minnesota Management and Budget
Shelia Brandt, DHS
Jayne Rankin, DHS