

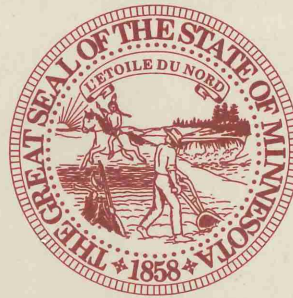
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STATE OF MINNESOTA

870151

**PROPOSED BIENNIAL BUDGET
1987-89**

**FOR
HUMAN RESOURCES**



**PRESENTED BY GOVERNOR RUDY PERPICH
TO THE SEVENTY-FIFTH LEGISLATURE**

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**1987 - 89 BIENNIAL BUDGET
PROGRAM STRUCTURE**

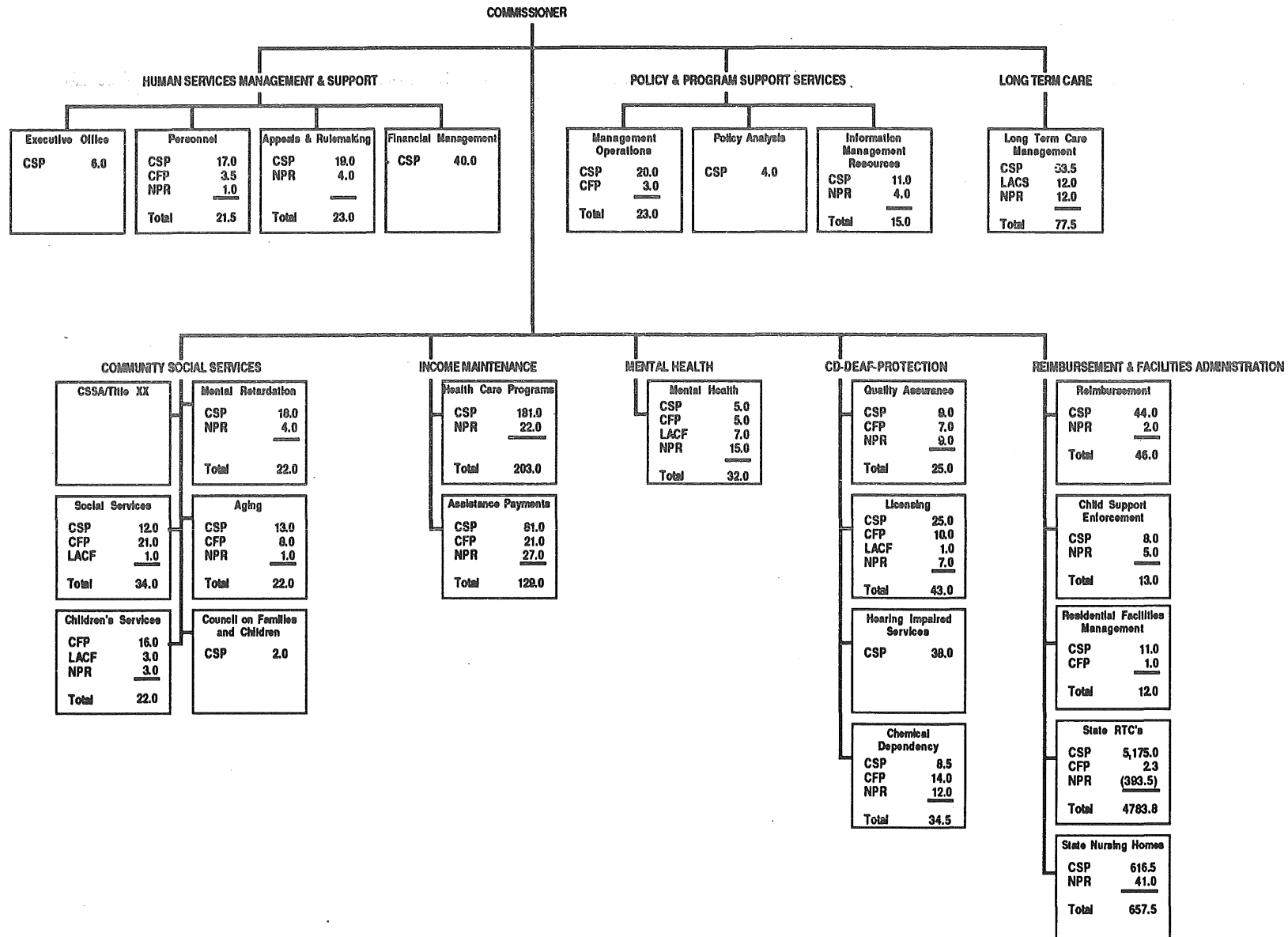
AGENCY: HUMAN SERVICES, DEPARTMENT OF

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DEPARTMENT OF HUMAN SERVICES



<u>POSITION RECONCILIATION</u>		
<u>AUTHORITY</u>	<u>CURRENT F.Y. '87</u>	<u>REQUESTED FOR 6/30/89</u>
LEGISLATIVE COMPLEMENT		
GENERAL FUND	5,791.5	5,440.2
FEDERAL FUND	-0-	-0-
LEGISLATIVE AUTHORIZED		
GENERAL FUND	626.0	754.0
FEDERAL FUND	111.8	114.8
BUDGETARY AUTHORIZED		
LAC APPROVED - STATE	12.0	-0-
LAC APPROVED - FEDERAL	12.0	-0-
TOTAL AUTHORIZED POSITIONS	<u>6,553.3</u>	<u>6,309.0</u>
EMPLOYEES ON 6/30/86	7,666.0	

CSP - Current State Positions
 CFP - Current Federal Positions
 LACS - LAC Approved State Positions
 LACF - LAC Approved Federal Positions
 NPR - New Positions Requested

MISSION

The Department of Human Services (DHS) is a state agency directed by law to help people meet their basic human needs. Committed to assisting persons attain the maximum degree of self-sufficiency consistent with their individual capabilities, DHS works in partnership with federal and county governments, and other agencies throughout Minnesota. The department works to promote the dignity, safety and rights of the individual, and to assure public accountability and trust through responsible use of available resources.

AGENCY PURPOSE:

The Department of Human Services develops and supervises a broad range of social service and public assistance programs. In F.Y. 1986, approximately 500,000 Minnesotans, 12% of the total population, benefited from one or more DHS programs.

Under the Department's supervision, Minnesota's 87 counties administer medical care, social services and financial assistance to poor, aged, abused, disabled, and other vulnerable citizens.

DHS provides direct services through its 8 regional treatment centers and 2 nursing homes. Direct services are also delivered to the aged, deaf, and hearing-impaired.

AGENCY GOALS:

Coordination, excellence, accountability, uniformity, and effective communication are the underlying principles of the department. The need to integrate complex programs with overlapping goals and similar target populations guides decision-making and policy development throughout the department. A central premise is that consolidation of resources and personnel creates innovative, cost-effective programs which serve the public good.

The department exercises the above principles in achieving the following objectives:

1. Facilitating individual responsibility. Helping others to help themselves become self-sufficient is a goal which overrides all program development and policy making. DHS targets funds to meet individual needs in the most appropriate way possible.
2. Maximizing funding resources. Financial management capitalizes on use of available funds. Excellent program development has also attracted additional federal grants.
3. Demanding quality performance. Performance evaluation of providers, contractors, and agency employees is imperative. DHS seeks to build a reimbursement system that is responsive to quality services.

AGENCY ACCOMPLISHMENTS:

Human Services Management

Management carried out a systematic, in-depth review of all program divisions which resulted in:

1. Restructuring. Barriers to effective use of personnel were identified and strategies were established to eliminate them. Management's decision-making ability was enhanced by expanding responsibilities in the Policy Analysis division. Reorganization of executive staff personnel resulted in better use of time and resources.
2. Consolidation. Appeals and Rulemaking, a new division created under current management, adopted clear, consistent adherence to precise legal standards. This action resulted in a decrease in the number of lawsuits which has allowed for greater fiscal stability. The Administrative Law Judge's Findings supported the Department's proposed rule language over 95% of the time, when rules were adopted controversially.
3. Coordination. Communication between divisions improved dramatically under new management initiatives. The Chemical Dependency Consolidated Fund, for example, showcases the coordination of income maintenance, health programs, reimbursements, chemical dependency, the regional treatment centers, and financial management programs.

Coordination among DHS, Jobs and Training, and the Office of Full Productivity and Opportunity resulted in streamlined efforts to develop work and training programs for AFDC recipients.
4. Revenue. Aggressive financial management initiatives increased the state's share of federal dollars. Maximizing federal participation reduces the burden of the state budget.

Policy and Program Support Services

Through a shift in priorities, the department is benefiting to a greater extent than ever before from the expertise of the personnel in this program. It has coordinated the automation of the department's information systems, planning for an agency-wide office consolidation, coordinating DHS legislative affairs, and coordinating the preparation of the DHS budget. In addition, the Policy Office provides the department with timely analyses of policy issues and assists in the swift retrieval of important information.

Long Term Care

The Long Term Care (LTC) division saved the state a projected \$35.0 million in F.Y. 1986 and \$48.0 million in F.Y. 1987. Innovative LTC programs help the elderly and disabled remain at home and involved in their communities as long as they are able. Nursing home costs, which had been escalating 22% per year, increased by only 3% in F.Y. 1986. Lower home-care costs plus the generation of an efficient reimbursement system accounted for these savings.

AGENCY ACCOMPLISHMENTS (Contd.):

Community Social Services

Excellent family intervention programs to keep children in their homes have thrust Minnesota into the national spotlight for permanency planning. Reducing inappropriate out-of-home placements for children attracted sizeable federal grants. Other states use Minnesota's permanency planning as a prototype for developing their own programs.

Meals on Wheels, a home-delivered meal service to the elderly, and other home-based services eliminate or delay the admission of aged or disabled persons into nursing homes or other long term care facilities. Family members, friends, neighbors and over 1100 volunteers served as informal caregivers and provided services such as transportation to the frail, elderly, or handicapped.

About 200 adults and 100 children with mental retardation were prevented from being placed in an institution during the past year. Another 200 or more persons were moved from regional treatment centers to home-like community settings. The shift to alternative community-based services is significantly less expensive. For example, regional treatment centers cost about \$147 per day. Intermediate care facilities and required additional services cost about \$100 per day, while maximum costs per group home care are about \$75 a day.

Income Maintenance

The department, through its Assistance Payments and Health Care Divisions, oversees county-administered public assistance programs, which provide cash, food stamps, and health services to low income persons. Programs include: Aid to Families with Dependent Children (AFDC), General Assistance (GA), Medical Assistance (MA), General Assistance Medical Care (GAMC), Minnesota Supplemental Aid (MSA), Food Stamps (FS), and Refugee Resettlement.

Several major state-county corrective action initiatives were inaugurated to further reduce errors in the Food Stamp program, thereby avoiding federal sanctions.

A revised rule is now in place for Aid to Families with Dependent Children. The new rule results in more equitable treatment for all AFDC applicants and recipients. Planning and coordination with other state agencies such as the Department of Jobs and Training and the Office of Full Productivity and Opportunity have resulted in the development of work and training programs which benefit AFDC recipients. Planning and development of a statewide automated eligibility system for AFDC, Food Stamps, and GA has begun. This new system will provide uniform case management, accurate benefit issuance, and ready access to up-to-date information.

Mental Health

A new direction in Minnesota's mental health system creates a unified, comprehensive and accountable system to meet the individual needs of seriously and acutely mentally ill persons. Community-based services may save the state from 3 to 10 times the cost of hospitalization. Under new leadership, the division will work to make appropriate mental health services available and accessible to people in every part of the state.

Chemical Dependency, Deaf Services, Adult and Child Protection

The Chemical Dependency (CD) Consolidated Treatment Fund is a financing arrangement for chemically dependency services in Minnesota. The fund pools all available CD financial resources and coordinates several DHS programs which enables counties to meet specialized client needs in the most appropriate setting at a reasonable cost.

The Deaf Services Division builds local capacity for deaf and hearing-impaired persons by linking the community with the resources it needs to become self-reliant.

The reorganization of the Licensing Division has enabled it to respond more quickly to complaints and reports of abuse. Potential liability to the state diminished because of uniform rules established in licensing reviews and follow-ups.

The Protective Services/Quality Assurance Division monitors the care and services provided to vulnerable children and adults. As more citizens with mental retardation move into community care, the division seeks to meet individual specialized placement needs.

Reimbursement and Facilities Administration

Redirected priorities in the regional treatment centers (formerly called state hospitals) and nursing homes shifted funding emphasis to the building of client self-sufficiency.

The Child Support Enforcement Division makes sure that parents, not taxpayers, support Minnesota's children. Last year AFDC costs were reduced by over \$33 million and 3800 AFDC cases were closed because of child support enforcement. Over \$3 was collected for every dollar spent.

Through a proposed statewide automated collection and client-tracking system, more timely location of absent parents and enforcement on delinquent cases at a lower cost per case will result. The increase in child support recoveries, because of this system, is estimated to be over \$13 million annually. The system will increase collections by a minimum of \$8.2 million per year and reduce Medical Assistance expenditures by a minimum of \$5 million a year after implementation. The enhanced system will allow counties across the state to track payments as they become due and initiate enforcement actions when delinquencies occur. The regular payment of support obligations contributes to the increased self-sufficiency of custodial parents who rely on child support payments for their monthly expenses. As clients take entry-level jobs they become more independent. In instances when a custodial parent enters the job market the continuation of regular monthly support payments together with their wages often enables the parent to remain off welfare.

Reimbursement and Facilities Administration (Contd.)

The Residential Facilities Division achieved its commitment to excellence by complying with the Welsch vs. Levine consent decree and by meeting Medicaid standards and accreditation requirements in all facilities. The new role of the regional treatment centers will be tested by implementation of chemical dependency programs under the Consolidated CD Fund.

The geriatric program identified needs and proposed solutions to serious behavior problems of the elderly who cannot be admitted or retained in nursing homes. An active treatment program is underway at the facilities which will allow people to be returned to their communities.

INDEX	Agency Request 1987-89 Biennium All Funds	Governor's Recommendation 1987-89 Biennium All Funds	PAGE
SAME Level Request	\$4,399,854.2	\$4,412,532.2	
Agency-wide CHANGE Requests:			
Full Funding for Department Salaries	3,359.8	-0-	11
Information Systems:			
Statewide Automated Eligibility Proj.	3,864.7	3,000.0	12
MMIS/LTC-System Upgrade	1,200.0	1,000.0	13
Child Support Enforcement	3,478.5	3,000.0	14
Major Systems Staff	322.0	-0-	15
Automation of Licensing	180.0	180.0	16
Equipment	500.0	-0-	17
Legal Expenses	110.0	-0-	18
Workers' Compensation Costs	509.4	-0-	19
Sub Total - Agency-wide Requests	13,524.4	7,180.0	
Human Services Management CHANGE requests:			
Affirmative Action Staff	58.6	-0-	27
Appeals Staff	295.8	150.0	30
Eliminate Equalization			
Aid-Redirect Funds	(2,000.0)	(2,000.0)	37
Increase State Administrative Aid	2,000.0	2,000.0	40
Restore Unallotment for State Aid	3,400.0	-0-	41
Administrative Aid Transfer:GA		27,072.9	42
Sub Total - Management Requests	3,754.4	27,222.9	
Community Social Services CHANGE Requests:			
CSSA Grant Funds/Restoration	6,045.6	-0-	59
Reduce CSSA for MH Grants		(12,862.9)	60
Adult Foster Homes Start-Up Grants	170.0	-0-	66
Eliminate General Relief Indians -	(2,478.0)	(2,478.0)	69

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Subsidized Adoption	184.1	184.1	78
Indian Child Welfare Grants - Increase	2,478.0	2,478.0	79
Indian Child Welfare Grants	850.0	540.0	80
Reduce Permanency Plan Indian Grants		(540.0)	81
Council on Youth Transfer		(130.0)	85
Child Care Fund		18,460.4	82
Monitoring of Aversive Procedures	195.1	195.1	90
Training for MR Services	34.1	-0-	91
Maintenance and Expansion of SILS	1,238.9	1,238.9	94
Expansion of Family Subsidy Program	852.4	-0-	97
Rest. of Aging Nutrit. Grant Funds	3,830.0	3,830.0	104
Home Delivered Meals Grants/Nutrition	792.3	-0-	105
Volunteer Driver Transportation Grants	647.0	-0-	106
Aging Ombudsman Grants	70.0	70.0	109
Foster Grandparent Program Grant Expan.	287.0	-0-	112
RSVP Grant Expansion	384.0	-0-	115
Senior Companion Program Grant Expan.	150.0	-0-	118
Administrative/Supp. Costs for MH Initiative	1,712.0	1,140.0	123
Grants to Counties for MH Initiatives	26,071.8	37,477.3	127
Sub Total Community Social Services Requests	44,765.9	49,602.9	
Income Maintenance CHANGE Requests:			
Health Care Programs Staff	688.6	70.0	137
MA Eligibility Study	50.0	-0-	141
UC and WC for Personal Care Attend.	180.0		142
Hospital Rate Study		200.0	143
Prepayment Staff		163.4	144
Peer Review Consulting Services	100.0	-0-	147
Benefit Recovery Staff	97.0	97.0	152
MA Forecast Increases	85,051.2	73,181.0	157
MMIS/LTC Upgrade	(800.0)	(800.0)	13
Savings Field Audits	(776.0)	(776.0)	246
Recoveries SH Collect. Staff	(210.0)	(210.0)	289
Savings LTC Appeals	(836.0)	(836.0)	247
Medicare Part B Buy-In	(400.0)	(400.0)	158
Second Surgical Opinions	(175.9)	(175.9)	159
MA Rate Adjustments for New Providers	(1,649.1)	(1,649.1)	160
Competitive Bidding/Inpatient Serv.	(585.4)	-0-	161
Provider Reimbursement for Pre-Natal	1,150.4	(938.5)	162
Compliance with Federal Regulations	(616.0)	(616.0)	163

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Utilization of Therapy Services in LTC	(1,065.0)	(4,732.9)	165
MA Income Standards	5,700.0	3,600.0	166
Mental Health Services (MA)	3,068.6	3,068.6	167
Subrogate Insurance Benefits MA		(50.0)	168
AFDC/Medicare Prepay Modification		(6,179.0)	169
Pharm Dispense Fee at 3.25 MA		(2,800.0)	170
Reduction in MA Inpatient Expenditures		(4,200.0)	171
Remove MI from DRG Base MA		(1,680.0)	172
Reduce MA Providers		(10,540.0)	173
GAMC Forecast Increase	24,382.1	20,982.1	176
GAMC Rate Adjustments/New Providers	(207.0)	(207.0)	177
Competitive Bidding/Inpatient Serv.	(97.5)	-0-	178
Consolidatead CD Fund Transfer GAMC	(10,877.2)	(10,017.9)	179
GAMC Transfer to Mental Health Fund	(7,400.8)	(6,742.1)	180
Second Surgical Opinions GAMC	(48.6)	(48.6)	181
GAMC Conformance with MA	(198.0)	(198.0)	182
Hospital Savings GAMC		(2,500.0)	183
Ratables as of 1-1-87 GAMC		(13,300.0)	184
GAMC Prepay Modifications		(2,721.6)	185
Pharmacy Dispense Fee GAMC		(826.0)	186
Remove MI from DRG Base GAMC		(720.0)	187
PAS/ACG Forecast Increase	14,398.0	4,018.0	192
Assistance Payments Division Staff	535.0	150.0	195
Fraud Control Staff	416.8	-0-	199
Monitoring Food Stamp Program Activity	475.0	-0-	200
AFDC Grant Funding Forecast	3,717.5	3,717.5	213
Savings/Forecast FFP AFDC		(1,000.0)	13
Judgment Recovery AFDC		(945.2)	215
County Incentive AFDC		(1,274.0)	214
AFDC Employment Project		7,092.5	207
AFDC Entrepeneur Project		725.0	208
GA Grant Funding Forecast	8,416.3	8,250.6	218
Consolidated CD Fund Transfer	(5,460.3)	(3,560.0)	219
GA Transfer to Mental Health Fund	(3,291.0)	(2,118.4)	220
Increase County Share GA		(27,072.9)	221
Work Readiness Grant Funding Forecast	(1,911.1)	(1,911.1)	224
WR-6 Months IN 12		6,100.0	225
MSA Grant Funding Forecast	8,895.7	8,381.9	228
MSA Transfer to Mental Health Fund	(6,178.0)	(6,036.0)	229
Expansion of SILS (MSA)	173.7	173.7	230
Income Eligibility and Verif. System	167.5	127.4	233
Food Stamp, MA, and AFDC Sanctions	3,000.0	3,000.0	234
Sub Total - Income Maint. Requests	113,147.6	25,316.5	

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LTC Mgt. and Planning CHANGE Requests:			
Health Department Contract	228.8	228.8	243
Field Audit Staff	506.7	506.7	246
LTC Appeals Settlement Staff	362.6	362.6	247
Computer Support-Rate Setting	136.0	-0-	248
Sub Total LTC Requets	1,234.1	1,098.0	
CD, Deaf, Protection CHANGE Requests:			
Protective Services/QA Staff	370.0	-0-	253
Consolidated CD Fund Transfer	(1,280.0)	(1,280.0)	261
Restoration of CD Demo Grants	40.0	-0-	264
Restoration of CD Prevention Grants	93.0	-0-	267
Consolidated CD Treatment Fund	52,657.7	47,898.1	276
Consolidated CD Treatment Fund (Billing)	545.7	-0-	277
CD Licensing Staff	156.2	20.0	278
Licensing Staff	280.0	160.0	281
RSC Funding Transfer		522.0	284
Sub Total CD, Deaf, Prot. Requests	52,862.6	47,320.1	
Reimb. and Facil. Admin.CHANGE Requests:			
Reimb. Division Collection Activities	138.0	138.0	289
CS Judgment Recovery Project		341.9	292
County Fiscal Incentive AFDC		650.0	293
Immediate W/H Pilot AFDC		90.0	294
Admin. Process Pilot AFDC		130.0	295
MI Staff	864.6	-0-	300
MR Position Reduction	(7,219.7)	(7,219.7)	301
Laundry Equipment	868.7	868.7	302
Salary Savings Laundry Equipment	(236.1)	(236.1)	302
MR Staff Enrichment	2,689.9	-0-	303
Hearing Impaired Service Fund	128.0	-0-	304
Repairs and Replacements	4,630.0	3,200.0	305
Transfer to CD Treatment Fund	(35,040.2)	(33,040.2)	306
RTC Contingent Fund for CD Treatment	2,000.0	-0-	307
Added MR Reduction		(3,073.0)	309
Funding of Service Worker Program	1,850.0	-0-	308
Information Systems	2,800.0	-0-	310
State Operated Community Programs	770.0	-0-	311
Admin. Reduction		(1,010.6)	312
Psycho-Geriatric Unit (Brainerd)	130.5	-0-	317
Dual Diagnoses Program (Cambridge)	207.4	-0-	320
Hearing Impaired Unit (St. Peter)	631.5	-0-	329
Dual Diagnoses Program (St. Peter)	209.4	0-	330
Transitional Living Units Sec. Hosp.	623.4	-0-	333
Minnesota Security Hospital Staffing	1,011.7	-0-	334
Hearing Impaired Service Fund	30.4	-0-	341

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Repairs and Replacement (State Nursing Homes)	820.0	300.0	342
Active Treatment Program Expansion (Ah-Gwah-Ching)	254.2	-0-	345
Active Treatment Program Expansion (Oak Terrace)	<u>270.0</u>	<u>-0-</u>	348
Sub Total Facilities Requests	(21,568.3)	(38,860.9)	
AGENCY TOTAL	\$4,607,574.9	\$4,531,411.7	

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: HUMAN SERVICES, DPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM:											
HUMAN SERVICES MANAGEMENT	78,312.5	90,346.7	103,362.6	105,720.5	2,380.9	108,101.4	119,491.8	108,148.2	2,380.9	110,529.1	121,599.8
POLICY & PROG SUPPORT SERV	2,851.7	3,286.3	3,623.9	4,267.7	411.0	4,678.7	4,267.7	4,416.3	411.0	4,827.3	4,416.3
COMMUNITY SOCIAL SERVICES	141,402.1	143,273.7	139,481.8	139,007.7	7,994.5	147,002.2	150,687.5	138,795.2	8,987.6	147,782.8	129,037.6
INCOME MAINTENANCE	1433,242.9	1468,603.7	1616,786.2	1679,535.9	37,104.5	1716,640.4	1691,394.9	1737,105.9	81,107.8	1818,213.7	1767,763.4
LONG TERM CARE MANAGEMENT	5,183.2	6,603.3	7,838.4	8,410.5	556.7	8,967.2	8,899.2	8,595.0	677.4	9,272.4	9,204.4
CD-DEAF-PROTECTION	7,305.8	9,003.2	10,110.7	9,653.1	26,063.9	35,717.0	31,956.0	9,643.1	26,978.7	36,621.8	34,318.3
REIMBURSE & FACILITIES ADM	180,265.9	191,449.0	199,816.9	209,459.0	5,929.9-	203,529.1	197,367.9	208,550.9	9,188.1-	199,362.8	184,780.9
MENTAL HEALTH	10,648.2	12,544.0	14,661.3	14,466.7	2,854.0	17,320.7	17,188.2	14,078.5	24,929.8	39,008.3	59,037.7
BLIND SERVICES	6,671.6	1,074.5									
TOTAL	1865,883.9	1926,184.4	2095,681.8	2170,521.1	71,435.6	2241,956.7	2221,253.2	2229,333.1	136,285.1	2365,618.2	2310,158.4
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	232,866.0	245,901.4	262,444.9	273,144.8	2,724.2	275,869.0	269,158.0	272,213.1	220.8	272,433.9	251,960.4
LOCAL ASSISTANCE	536,260.2	541,841.7	552,505.6	559,786.1	13,932.5	573,718.6	585,499.9	567,284.7	34,832.3	602,117.0	618,376.3
AIDS TO INDS.	1096,757.7	1138,441.3	1280,731.3	1337,208.7	54,778.9	1391,987.6	1366,213.8	1389,453.8	101,232.0	1490,685.8	1439,440.2
INTERAGENCY TRANSFERS				381.5		381.5	381.5	381.5		381.5	381.5
TOTAL EXPENDITURES	1865,883.9	1926,184.4	2095,681.8	2170,521.1	71,435.6	2241,956.7	2221,253.2	2229,333.1	136,285.1	2365,618.2	2310,158.4
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	820,958.1	813,436.9	894,428.1	903,760.0	71,435.6	975,195.6	954,753.1	902,616.1	136,285.1	1038,901.2	983,702.4
DEDICATED APPROPRIATIONS:											
GENERAL	195,469.4	201,046.5	208,284.8	217,633.5		217,633.5	217,633.5	223,112.4		223,112.4	223,112.4
SPECIAL REVENUE	392.6	993.0	3,231.5	4,524.9		4,524.9	4,524.9	4,947.8		4,947.8	4,947.8
AGENCY	19,168.1	21,861.9	24,120.9	24,055.5		24,055.5	24,055.5	24,055.5		24,055.5	24,055.5
GIFTS AND DEPOSITS	517.5	421.6	356.3	31.1		31.1	31.1	31.1		31.1	31.1
FEDERAL	829,378.2	888,424.5	965,260.2	1020,516.1		1020,516.1	1020,255.1	1074,570.2		1074,570.2	1074,309.2
TOTAL FINANCING	1865,883.9	1926,184.4	2095,681.8	2170,521.1	71,435.6	2241,956.7	2221,253.2	2229,333.1	136,285.1	2365,618.2	2310,158.4
POSITIONS BY FUND:											
GENERAL	6,713.1	6,724.6	6,738.6	6,418.7	317.5-	6,101.2	6,149.2	6,418.7	224.5-	6,194.2	5,883.2
SPECIAL REVENUE	1.0										
FEDERAL	152.7	118.3	123.8	118.8		118.8	118.8	114.8		114.8	114.8
TOTAL POSITIONS	6,866.8	6,842.9	6,862.4	6,537.5	317.5-	6,220.0	6,268.0	6,533.5	224.5-	6,309.0	5,998.0

CHANGE REQUEST

 Agency Program Activity

1987-89 Biennial Budget

DESCRIPTION/BACKGROUND (Contd.):

ACTIVITY:

PROGRAM:

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Salary savings generated by normal attrition are used to fund salary related costs such as shift differential, regular and holiday overtime, and contractual service agreements for which only partial appropriations are provided; and for costs such as severance pay, service workers salaries, doctors on call pay, student workers, achievement awards, reclassifications, and emergency appointments for which no appropriations are provided. Direct care positions cannot be held vacant in order to generate savings.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: FULL FUNDING FOR DEPARTMENT SALARIES				
General Fund	\$1,679.9	-0-	\$1,679.9	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

RATIONALE:

For the residential facilities full funding will provide more hours of active care and treatment as well as better patient/resident supervision. A reduction in length-of-stay is anticipated as a result of increased program effectiveness. Also, full funding is necessary to assure compliance with the March 1982 Memorandum Order issued by the Fourth District Court relating to funding of positions necessary to comply with the Welsch Consent Decree.

For central office full funding of salaries would mean all positions authorized by the legislature would be available to perform the functions of the various human services programs and activities.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests an increase in funds to provide full funding for salary expenses of the authorized positions in the central office, the state regional treatment centers, and the state nursing homes.

DESCRIPTION/BACKGROUND:

The funding allowed for salary expenses in the "same" level of the F.Y. 1985-87 biennial budget request is not sufficient to fund the costs of the positions authorized for the department. The "same" level funding was initially based on the amount of funds available in F.Y. 1987. This amount was unrealistically low since the salary supplement for F.Y. 1987 was only funded at 65%. This problem was recognized and an upward adjustment was allowed in the "same" levels for F.Y. 1988 and F.Y. 1989. However, even with this adjustment, "same" level funding will be insufficient for central office projected costs and regional treatment center projected costs.

Historically, the assumption has been that agencies with large staff complements would compensate for the funding differential through salary savings generated by normal attrition patterns. This assumption is not valid. Employee attrition cannot be used to generate savings. The residential facilities are primarily located in out-state locations where unemployment rates are high and facility employees tend to retain their jobs longer than in the past. Additionally, direct care staff positions must be quickly refilled to care for residents. With the exception of a few job classifications such as Occupational Therapist and Physical Therapist, which are particularly difficult to fill, almost all facility positions are kept filled on a continuous basis.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATEWIDE AUTOMATED ELIGIBILITY PROJECT
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$1,759.5	10.0	\$2,105.2	10.0
Governor's Recommendation				
General Fund	\$3,000.0	10.0	\$ -0-	10.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds be appropriated and positions be established for completion of the statewide automated eligibility system for the AFDC, Food Stamp, and General Assistance programs.

DESCRIPTION/BACKGROUND: As described more fully in the Management Activity narrative, this system will automate the county-level functions of eligibility determination, benefit calculation, benefit issuance, case management, and program accounting. This will eliminate federal fiscal sanctions and reduce county workloads by computerizing routine work, such as computing "prospective" and "retrospective" client budgets which takes a worker from 1 to 2 hours to perform manually. It will also tie all local agencies and the department together in a statewide system, will reduce unevenness of policy from county to county, and will provide a statewide data base for cross-program continuity and automated matches against other state and federal programs. Future improvements or redesign of the Medicaid system's client file will build on work done within this project.

The budget request is for \$2,173,359 for system development and software, \$455,000 for operations, and \$1,117,500 for lease of hardware. Four positions in the Assistance Payments Division are also requested so that 4 of the development staff can be retained to maintain and integrate updated policies in the system. An additional 6 positions and their associated funding are requested to provide life cycle technical support for the system.

Although the 1986 Legislature authorized the project and appropriated federal reimbursements to a revolving account, no state funds were provided for the state share to earn the federal reimbursement. Therefore, all state funds for the project appear at the change

DESCRIPTION/BACKGROUND (Contd.):

level. These state funds will generate approximately \$11,000,000 in federal funds which will be used on this project, provided that the department meet federal guidelines for the development and operation of the system. The department is developing an Advance Planning Document to submit to the federal agency, a necessary first step in securing federal financial participation. While a first draft of this document was submitted to the federal government for comment in October of 1986, approval of a final document is not expected until early in calendar year 1987.

The information provided in the following statistics section reflects the anticipated sanctions which, without automation, are expected to continue into that biennium. Because the system is not likely to be in full operation during the F.Y. 1987-89 biennium, most of the benefits will not be realized until the F.Y. 1989-91 biennium.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Food Stamp, AFDC sanctions due to Quality Control errors	0.0	\$1,500.0	\$3,500.0	\$3,000.0
Food Stamp disallowance due to inability to detect duplication	\$750.0	\$1,000.0	\$1,000.0	\$1,000.0

RATIONALE:

If this project is not funded, the department will not have sufficient resources to develop and implement the system, and will be out of compliance with federal food stamp law. Implementing the system will have a number of positive and cost-beneficial effects, including:

- 1) A substantial reduction, or possible elimination, of the projected \$4,000,000 annual federal sanctions for Quality Control errors by automating the most error-prone, repetitive tasks;
- 2) Suspension of federal food stamp sanctions of \$250,000 per quarter imposed because Minnesota does not have a statewide system to detect duplicate applications;
- 3) Statewide consistency and accuracy in the application of policy by local agencies;
- 4) Improved service coordination between public assistance and work programs through the IRIS system;
- 5) Decrease in fraudulently-received benefits, through system supports for detection and investigation of fraud;
- 6) A statewide network through which the DHS and local agencies can communicate; and
- 7) An accurate statewide data base for income verification and wage matching against other state and federal programs, and for improved management functions (program control, planning, budgeting, etc.).

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$3,000.0 for the 1987-89 biennium rather than the full agency request. This recommendation will improve the agency's ability to develop this system to the extent possible within the general fund revenue available. The Governor further recommends that the entire amount be appropriated for F.Y. 1988 with authority to carry forward any balances into F.Y. 1989 in order to maximize the agency's ability to deploy its systems funds effectively.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CENTRAL MEDICAL DISBURSEMENT
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: MMIS/LONG TERM CARE PAYMENT SYSTEM UPGRADE	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 400.0	6.0	\$800.0	10.0
General Fund (Savings to MA account)	(\$ 200.0)	-0-	(\$600.0)	-0-
Governor's Recommendation				
General Fund	\$1,000.0	10.0	\$ -0-	10.0
Savings to MA	(\$ 200.0)	-0-	(\$600.0)	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to perform necessary work on 2 projects: 1) upgrading the Medicaid Management Information System (MMIS) and 2) completing work on the Long Term Care Payment System. By upgrading the MMIS and the Long Term Care Payment System, Medicaid and program expenditures can be reduced and the ability to respond to Medicaid program changes will be improved leading to greater program efficiency and enhancing efforts at reducing error rates. The savings reflected above will be generated through the new edit structures in the redesigned system.

DESCRIPTION/BACKGROUND:

The MMIS was originally intended to meet minimum federal performance requirements pertaining to the maintenance of eligibility files for Medical Assistance (MA) and General Assistance Medical Care, the processing of provider requests for payment, provider enrollment, client histories and support of utilization control and surveillance reviews. The current system is over 15 years old, has a number of serious problems and has been described as "unstable" and "precarious" in reports issued by the Department of Administration. The price of this antiquated system is felt by providers who must content with payment delays and rejected invoices causing uncertainty about their cash flow.

Minnesota has received federal approval and matching funds to start work on the MMIS. The department also has federal approval for and has started work in a new long-term care provider invoice system. The overall cost of this project will be approximately \$10 million. The federal government will pay for 90% of the cost under current law. This system is one component of the broader MMIS. However, it is one with immediate

DESCRIPTION/BACKGROUND (Contd.):

short term payoffs. Work is underway on the Long Term Care project and the system is expected to be operational by the third quarter of F.Y. 1988.

RATIONALE:

The current MMIS is incapable of being adapted to the changing health care initiatives environment and the outdated MMIS technology makes the system inefficient and difficult to maintain. The lack of flexibility and outmoded structure leads to provider payment delays, an inability to quickly modify the system to accommodate legislatively mandated program changes, problems in assessing program performance, and an inability to investigate program interactions. Planning and development work must proceed now and will serve to coordinate the design and development of the MMIS with the AFDC/Food Stamps Eligibility System.

The upgrading of the MMIS and Long Term Care payment system will have a number of positive and cost-beneficial effects, including:

- 1) Reduced systems operating costs;
- 2) Improved ability to respond to MA program changes, thus avoiding retroactive provider charges and costly federal fiscal sanctions and a reduction in error rates;
- 3) Better monitoring and calculation of payment rates for all providers as well as better information to providers on payments in process;
- 4) Faster and more timely payment of providers and reduction of suspended claims;
- 5) Increased referrals of recipients to federal programs resulting in reduced state expenditures;
- 6) More current provider information on the CI file.
- 7) More accurate cost avoidance information on other health care coverage.
- 8) Greater prevention of provider and recipient misuse or fraud; and
- 9) Improved access to management information for legislative decision making.

The current Long Term Care payment system must be upgraded in order to meet ongoing and changing program requirements. The current long-term care invoicing system was originally developed in 1974. There have been no improvements made to the system since then. The current long-term care invoice system:

- 1) Cannot detect duplicate billings nor tie into the Benefit Recovery system resulting in an estimated \$400,000 to \$750,000 of overpayment annually.
- 2) Cannot tie bed days between invoicing and auditing nor edit occupancy levels of facilities which result in a cost of \$350,000 to \$500,000 annually;
- 3) Cannot edit for duplicate payments between medicare and medicaid which results in uncovered payments estimated at \$100,000 to \$150,000 annually;
- 4) Cannot support the state's case-mix reimbursement system for nursing home payments.

Automation of the long-term care invoicing system, will eliminate these deficiencies and result in total cost savings in excess of \$800,000.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$1,000.0 for the 1987-89 biennium rather than the full agency request. This recommendation will improve the agency's ability to develop this system to the extent possible within the general fund revenues available. The Governor further recommends that the entire amount be appropriated for F.Y. 1988 with authority to carry forward any balances into F.Y. 1989 in order to maximize the agency's ability to deploy its systems funds effectively.

CHANGE REQUEST

 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CHILD SUPPORT ENFORCEMENT
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: CHILD SUPPORT ENFORCEMENT SYSTEM PROJECT

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$1,007.3	5.0	\$2,471.2	5.0
Governor's Recommendation				
General Fund	\$3,000.0	5.0	\$ -0-	5.0

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to fund the design and development of a statewide automated system for the child support enforcement in Minnesota. This system will meet the child support informational needs of all Minnesota counties as well as those of the Department of Human Services. It will improve program productivity and efficiency, increase child support collections, reduce Medical Assistance costs, and improve service to the public.

DESCRIPTION/BACKGROUND:

The Child Support Enforcement Program provides a direct means to reduction of public assistance costs and is an alternative to welfare dependence for thousands of single parent families. Within the past 5 years, the number of Minnesota families requesting enforcement services has more than doubled. New initiatives at state level such as medical support enforcement have increased child support responsibilities. Increased federal mandates in reporting, audits, and controls demand attention and resources.

Our technology in meeting these increasing demands has not kept pace so that county agencies and the state are able to meet taxpayer and client expectations. Virtually every aspect of the child support program could be improved or enhanced by a statewide automated system. Some major benefits include:

DESCRIPTION/BACKGROUND (Contd.):

- 1) Enhanced ability to identify and reduce delinquencies on child support cases.
- 2) Greatly strengthened and streamlined absent parent location and enforcement capabilities including automated data matches.
- 3) Simplified operation and larger recoveries of state and federal tax refund offsets, unemployment compensation interceptions, and income withholding programs.
- 4) Expedient handling of interstate child support enforcement actions.
- 5) Automation of labor intensive tasks such as federal reports so staff can be more efficiently used in enforcement and collection efforts.

STATISTICS:

The system is projected to cost \$9.5 million with federal reimbursement of \$7.1 million. The system will be operational statewide in 30 months. The increase in child support recoveries because of this system is estimated to be over \$13 million annually. The equipment acquisition costs will receive federal reimbursement over a period of 5 years.

RATIONALE:

A statewide automated system will improve both the effectiveness and efficiency of the Child Support Enforcement Program. Statewide automation will provide more timely location of absent parents and enforcement on delinquent cases at a lower cost per case. Manual tasks and duplication of effort will be reduced so staff can concentrate on enforcement activities. We estimate this system will increase collections by a minimum of \$8.2 million per year and reduce Medical Assistance expenditures by a minimum of \$5 million a year after implementation (which will be July 1989).

Development of an automated system contributes to regular child support collections which in turn facilitate client independence and eventual self sufficiency. The enhanced system will allow counties across the state to track payments as they become due and initiate enforcement actions when delinquencies occur. The regular payment of support obligations contributes to the increased self-sufficiency of custodial parents who rely on child support payments for their monthly expenses. This regular payment has important policy implications. As clients take entry-level jobs they become more independent. In instances when a custodial parent enters the job market the continuation of regular monthly support payments together with their wages often enables the parent to remain off of welfare.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$3,000.0 for the 1987-89 biennium rather than the full agency request. This recommendation will improve the agency's ability to develop this system to the extent possible within the general fund revenue available. The Governor further recommends that the entire amount be appropriated for F.Y. 1988 with authority to carry forward any balances into F.Y. 1989 in order to maximize the agency's ability to deploy its systems funds effectively.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: INFORMATION MANAGEMENT
 PROGRAM: POLICY AND PROGRAM SUPPORT SERVICES.
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: MAJOR SYSTEMS STAFF	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$161.0	4.0	\$161.0	4.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and staff to support a major work effort with the counties in coordinating and implementing the major systems development projects in the department. A second request is for staff person to undertake systems analysis and modifications described in the Governor's Welfare Fraud Initiative. Additional funds are requested to support computer processing charges associated with each of these new activities.

DESCRIPTION/BACKGROUND:

- 1) The department is engaged in a number of major systems redesign projects including the Medicaid Management Information System, AFDC and Food Stamp Automated Eligibility System, and the Child Support Enforcement Collections System. While each of these projects supports different DHS program activities, each is bound by the need to work closely with the counties in designing any systems changes.
- 2) The need for two-way communication between the state and counties, and the careful discussion of mutual and competing interests must occur if new systems investments are to succeed. This includes developing linkages between the state and welfare directors, program staff, and technical computer staff. The staff requested will help advise the counties on DHS system plans and, as appropriate, help design unique solutions to local problems.

DESCRIPTION/BACKGROUND (Contd.):

- 3) As indicated in the Governor's Welfare Fraud Initiative computerized analysis of recipient and provider records is one of the most effective and cost efficient ways of identifying welfare fraud. The SURS Unit in the Health Care Programs Division identifies and prosecutes medicaid fraud. However, this position will develop a broader approach focusing on development of new strategies and specialized reports.

SYSTEM PROJECTS

	F.Y. 1988		F.Y. 1989	
	Amt.	Positions	Amt.	Positions
County Coordination	\$121,000	3	\$121,000	3
Governor's Welfare Fraud Initiative Support	\$40,000	1	\$40,000	1

RATIONALE:

The Information Management Division has begun work on a number of important information systems designs and development projects. This request will enable the department to work closely with county welfare and human services agencies in developing assistance payments, child support enforcement, and medical assistance programs system. Any DHS information systems development must take into account county implementation issues, past investment, and coordination among programs at the state and local level. The position requested for welfare fraud will compliment the larger effort occurring under the Governor's Fraud Initiative.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. With 25 new systems positions recommended elsewhere in the agency budget, there should be sufficient systems resources available to meet the agency's F.Y. 1988-89 biennial needs.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: LICENSING
 PROGRAM: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: AUTOMATION OF FOSTER CARE AND FAMILY DAY CARE LICENSING

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ 150.0	-0-	\$ 30.0	-0-
Governor's Recommendation				
General Fund	\$ 180.0	\$ -0-	-0-	\$ -0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to automate routine administrative and clerical functions associated with licensing foster care and family day care homes at the state and county-levels. Systems development and testing would occur in F.Y. 1988 and pilot implementation would occur in F.Y. 1989.

This item has 4 major objectives. 1) Enhance county collection of federal Title IV-E funds by \$100,000 by reducing the average time period between foster care placement and licensing of the home to 15 days; 2) to reduce the need for additional clerical staff in the foster care and family day care programs at the state and county-levels by reducing the amount of clerical staff time required to process applications and licenses by 25%; 3) to reduce the need for additional county level licensing staff by reducing the amount of professional staff time required to process applications and licenses by 20%; 4) to encourage new family day care providers to enter the marketplace by reducing the amount of time that it takes to become enrolled in the federal food subsidy program.

DESCRIPTION/BACKGROUND:

Currently, licensing inspections of family day care and foster care homes are conducted by county licensing personnel. Once an application and on-site inspection have been completed, the county agency makes a recommendation to the department regarding the licensing status of the home. Because application and inspection documents must be

DESCRIPTION/BACKGROUND (Contd.):

compiled manually, issuance of a license frequently lags 3 to 6 weeks behind the date that all materials and documents are actually completed. This manual system results in delays in enrollment of family day care providers in the federal food subsidy program, fewer days that federal Title IV-E funds can be claimed and excessive amounts of professional and clerical time spent in compiling and filing documents.

RATIONALE:

There are over 15,000 foster care and family day care homes in Minnesota. On-site inspection and compilation of licensing documentation is accomplished by over 190 county licensing workers who frequently have over 200 homes per worker to inspect in a single year. County licensing workers have repeatedly identified this function as one which must be automated in order for case loads to be managed more efficiently. These county licensing workers are supported by 1 position in this activity. Under the standards set by the recent Minnesota Supreme Court decision in *Andrade v. Ellefson*, the state and counties will be subject to unacceptable levels of tort liability exposure if inspections and responses to suspected abuse/neglect in licensed homes are not accomplished in a timely fashion. Current staffing levels are not sufficient to reduce exposure to acceptable levels.

This request would make more county staff resources available to conduct inspections and respond to suspected abuse/neglect in licensed homes by using automated equipment to replace valuable professional resources that are now being used to accomplish routine administrative tasks. In addition to more efficient use of personnel, this request would result in an increased rate of processing license applications.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives. However, it is recommended that the entire amount be appropriated in F.Y. 88 with authority to carry forward any balance to F.Y. 89.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY:

PROGRAM:

AGENCY: HUMAN SERVICES, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: AGENCY-WIDE EQUIPMENT REQUEST				
Agency Request				
General Fund	\$250.0	-0-	\$250.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to create a department-wide equipment fund to be used to supplement the budgets of those activities in the department which currently have little or no money available for a one-time special equipment purchase.

DESCRIPTION/BACKGROUND:

The department has identified a number of activities which need additional money to purchase equipment which increases their effectiveness and productivity. Some examples of these requests are:

- 1) Video camera equipment. Purchase of this equipment will allow a number of department divisions, such as Deaf Services, Staff Development, Social Services, and Assistance Payments, to produce training films which can be used to train county staff and others in this state for whom the department has this responsibility.

This approach will allow counties to view training films in their local offices and not have to incur the time and expense involved in traveling to regional or central office training meetings.

DESCRIPTION/BACKGROUND (Contd.):

- 2) Examination scoring machine. A new examination scoring machine is needed by the Department's Merit System operation to reduce the amount of time necessary to establish eligible rosters used by the 75 Merit System counties so that the department provides counties with the personnel services they require.
- 3) Optical character reader (OCR) enhancement. A "mask" is needed which would allow the Medical Assistance program's OCR to read MA and General Assistance Medical Care claims which have been typed by a dot matrix printer. This will reduce the number of claims that require manual processing thereby reducing the backlog of unpaid claims and insuring timelier payments to providers.
- 4) Computer tables. The department has made considerable strides in automating the administrative tasks relative to its operations. This automation has been both cost effective and productivity improving.

The most common method of automation has been the use of personal computers and shared logic systems. The problem created, however, is lack of desk and table space on which to place this equipment. Some of this equipment is literally being used on boxes, makeshift tables, etc. Adequate table space for this equipment is necessary to improve the equipments functional use, protect the equipment from breakage, reduce workers' compensation claims, and improve employee morale.

RATIONALE:

The administrative costs of the department's budget, exclusive of salaries, is less than 3/4 of 1% of its total budget. A number of department activities do not have an administrative budget large enough to provide the funds necessary to undertake innovative, cost effective, and productivity-improving changes within their area of operation.

Individually, these purchases could probably be absorbed within the collective budgets of the various activities of the department, and historically this has most often been the approach taken. However, there no longer is any flexibility left in the department's administrative accounts to continue this practice. Collectively these costs add up to an expense which cannot be absorbed. The costs of this equipment (\$180.0 for an OCR "mask" for example) will exceed current and projected resources, unless special funds are provided.

This single agency-wide request is being made in lieu of a number of smaller individual activity requests. Creation of this department-wide equipment fund will allow the department to meet the above identified needs and to allocate money throughout the biennium on a prioritized basis and without being locked into a present expenditure pattern.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

CHANGE REQUEST

 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY:

PROGRAM:

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: RESTORE FUNDING FOR LEGAL EXPENSES	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$55.0	-0-	\$55.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to pay for increased legal expenses resulting from charges made to the department by the Attorney General's (AG's) Office.

DESCRIPTION/BACKGROUND:

The department's legal services are provided by the Attorney General's Office. Prior to F.Y. 1986, these services were provided on an as needed basis with no cost to the department. During the current biennium, the AG's Office began charging the department for the cost of providing legal services. Charges are billed to the department at a rate of 25 cents on the dollar. For the Department of Human Services this has meant a F.Y. 1986 cost of \$252,643 on charges of \$986,630. This cost is an overload on the general fund. It is a mere rearrangement of funds. Funds are appropriated by the Legislature to the agency which pays the Attorney General's Office; which deposits all of the payments back into the general fund.

RATIONALE:

Some funding was included in the department's budget for these charges, however, none was included for the state regional treatment centers. For F.Y. 1986, the state

RATIONALE (Contd.):

regional treatment centers incurred billable legal expenses of \$142,100, resulting in payments to the AG's Office of \$35,526. No money currently exists in the budget to pay these expenses. In addition, it is expected that the department will incur increased costs for legal services as a result of its efforts to bring to a final resolution the Welsch v. Levine consent decree, for increased efforts in the child abuse and neglect areas, and litigation relative to the General Assistance and Work Readiness Programs. The Attorney General's Office has informed the department that it will be adding additional attorneys to handle the increased workload. The cost to the department of this additional work is estimated to be \$20,000 per year.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY:

PROGRAM:

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: WORKER'S COMPENSATION COSTS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$373.7	-0-	\$135.7	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above identified funds: 1) to pay the Minnesota Department of Labor and Industry for investigating, administering, and defending workers' compensation claims against the state, on behalf of the department; and 2) to pay projected workers' compensation costs that will exceed appropriations.

DESCRIPTION/BACKGROUND:

The 1986 Legislature amended M.S. 176.603, to eliminate direct appropriations to the Minnesota Department of Labor and Industry for the purposes of funding the agency's investigation, administration, and defense of workers' compensation claims against the state. The new legislation requires that the costs of providing these services be obtained from the State Compensation Revolving Fund. The Department of Labor and Industry has determined that all state agencies will be billed at a rate of 8% of their total workers' compensation costs to fund the State Compensation Revolving Fund. Worker's compensation claims are paid directly from the Department of Human Services accounts.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Increase/(Decrease) in Workers' Compensation Claims Costs	.9%	(8.0%)	(8.0%)	(8.0%)

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>DHS Workers' Comp Costs</u>				
<u>State Facilities</u>				
Cost of Worker's Comp Claims	\$3,718.5	\$3,421.0	\$3,147.4	\$2,927.0
Cost of DLI's 8% Admin. Charge	0.0	273.7	251.8	234.2
<u>Central Office</u>				
Cost of Worker's Comp Claims	44.0	44.0	44.0	44.0
Cost of DLI's 8% Admin. Charge	0.0	3.5	3.5	3.5
<u>Total DHS Workers' Comp Costs</u>	<u>\$3,762.5</u>	<u>\$3,742.2</u>	<u>\$3,446.7</u>	<u>\$3,208.7</u>
<u>Total DHS Appropriation</u>	<u>\$3,073.0</u>	<u>\$3,073.0</u>	<u>\$3,073.0</u>	<u>\$3,073.0</u>
<u>Surplus/(Shortfall)</u>	<u>(\$689.5)</u>	<u>(\$669.2)</u>	<u>(\$373.7)</u>	<u>(\$135.7)</u>

RATIONALE:

The department has been required to absorb the entire shortfall in the appropriation for workers' compensation costs during the current biennium by holding vacant state regional treatment center (RTC) staff positions. This has caused a severe staffing problem for the regional treatment centers. Workers' compensation claims are costs which must, by law, be paid. The budget should accurately reflect and fund these costs.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

PROGRAM: Human Services Management
AGENCY: Human Services, Department of

1987-89 Biennial Budget

PROGRAM PURPOSE:

This program consists of the agency's Executive Office and the 3 management support offices of Personnel, Appeals and Rulemaking, and Financial Management. This program is responsible for providing overall direction and leadership to the department and its programs and procedures, and for assigning responsibilities to appropriate agency staff. This responsibility is met by carrying out the policy directives of the executive, legislative, and judicial branches of both the state and federal government; implementing federal and state human services laws and regulations; assuring uniform and equitable administration of programs and expenditures of funds; and the timely communication of legal and administrative standards to the public and to the agencies that deliver services to recipients.

OPERATIONS:

This program encompasses the following operations:

- 1) Developing a comprehensive department work plan which includes those concepts present in the Agency three-year Action Plan and Strategic Long-Range Plan.
- 2) Developing a department budget in conjunction with a department legislative program and presenting both to the Governor and Legislature.
- 3) Emphasizing efforts that help to identify those innovative policies and programs which lead toward more effective development of client self-sufficiency.
- 4) Supervising and providing personnel administrative assistance to all department, regional treatment centers and county merit system managers and supervisors.
- 5) Conducting an administrative appeals process to resolve legal disputes between agencies and applicants, or recipients, of the Department's Income Maintenance and Social Service Programs.
- 6) Promulgating concise, legally enforceable rules that are consistent with law.
- 7) Operating an accurate and responsive financial management and accounting system.

MAJOR POLICY ISSUES:

Coordination: Need for ongoing coordination and cooperation between DHS and the Department of Jobs and Training to successfully implement reforms in the General Assistance program and in work programs, and in proposing changes in the AFDC program this session.

Need for continual monitoring of federal programs to ensure that the state's interests are protected.

MAJOR POLICY ISSUES (Contd.):

Need for careful balancing of the interests of the counties, consumers and providers in the developing of administrative rules from legislation.

Need for integrated department management of all entitlement accounts to ensure that program initiatives in mental health, mental retardation, chemical dependency, and children's programs mesh well with the entitlement structure.

Need for integrated department management of programs and clients at all state regional centers with state and county investment in community-based programs.

Accountability: Need for continuing development of mechanisms that allow the state to attach expectations to and monitor the performance of providers, counties, and other agencies receiving public funds.

Need for emphasis on the limits of our programs and our obligation to support nongovernmental solutions to human service problems.

Efficiency: Need for continued emphasis on innovative ways of delivering service that results in lower costs and use of informal care networks.

Need for continued emphasis on department-wide revenue generating activities and cost-containment initiatives in the health care and long-term care areas.

PROGRAM PRIORITIES:

To introduce and implement major reforms in AFDC and Medical Assistance.

To introduce and implement major reforms and expansion in the mental health system.

To introduce automation to better utilize existing staff resources.

To continue to meet statutory and federally imposed guidelines in the processing of welfare appeals.

To continue the imposition of effective and fair financial control systems on all department grants and programs.

EXPLANATION OF BUDGET REQUEST:

An increase of \$4,761.8 is requested for the biennium; \$2,380.9 in F.Y. 1988 and \$2,380.9 in F.Y. 1989. Details for this request are contained in the pages that follow.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$27,222.9 for the F.Y. 1987-89 biennium for this program.

Details are found on the change level pages that follow.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: HUMAN SERVICES MANAGEMENT

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
EXECUTIVE OFFICE	356.1	384.5	388.6	387.7		387.7	387.7	386.6		386.6	386.6
PERSONNEL	818.9	845.3	903.9	890.5	29.3	919.8	890.5	888.1	29.3	917.4	888.1
APPEALS & RULEMAKING	325.3	773.3	744.6	789.7	147.9	937.6	864.7	787.2	147.9	935.1	862.2
FINANCIAL MANAGEMENT	76,812.2	88,343.6	101,325.5	103,652.6	2,203.7	105,856.3	117,348.9	106,086.3	2,203.7	108,290.0	119,462.9
TOTAL	78,312.5	90,346.7	103,362.6	105,720.5	2,380.9	108,101.4	119,491.8	108,148.2	2,380.9	110,529.1	121,599.8
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	14,140.8	15,895.0	20,961.7	20,975.4	680.9	21,656.3	21,050.4	20,965.1	680.9	21,646.0	21,040.1
LOCAL ASSISTANCE	48,742.4	56,485.9	62,400.9	64,745.1	1,700.0	66,445.1	78,441.4	67,183.1	1,700.0	68,883.1	80,559.7
AIDS TO INDS.	15,429.3	17,965.8	20,000.0	20,000.0		20,000.0	20,000.0	20,000.0		20,000.0	20,000.0
TOTAL EXPENDITURES	78,312.5	90,346.7	103,362.6	105,720.5	2,380.9	108,101.4	119,491.8	108,148.2	2,380.9	110,529.1	121,599.8
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	6,646.8	7,599.7	7,267.7	7,281.4	2,380.9	9,662.3	21,052.7	7,271.1	2,380.9	9,652.0	20,722.7
DEDICATED APPROPRIATIONS:											
AGENCY	15,429.3	17,965.8	20,000.0	20,000.0		20,000.0	20,000.0	20,000.0		20,000.0	20,000.0
FEDERAL	56,236.4	64,781.2	76,094.9	78,439.1		78,439.1	78,439.1	80,877.1		80,877.1	80,877.1
TOTAL FINANCING	78,312.5	90,346.7	103,362.6	105,720.5	2,380.9	108,101.4	119,491.8	108,148.2	2,380.9	110,529.1	121,599.8
POSITIONS BY FUND:											
GENERAL	68.5	81.0	82.0	82.0	5.0	87.0	84.0	82.0	5.0	87.0	84.0
FEDERAL	3.5	3.5	3.5	3.5		3.5	3.5	3.5		3.5	3.5
TOTAL POSITIONS	72.0	84.5	85.5	85.5	5.0	90.5	87.5	85.5	5.0	90.5	87.5

ACTIVITY: EXECUTIVE OFFICE
Program: HUMAN SERVICES MANAGEMENT
Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 201.5	\$ 214.1	\$ 209.4	\$ 209.5	\$ 215.5

ACTIVITY OBJECTIVE:

To provide overall direction and leadership to the department, its programs, and its residential facilities.

ACTIVITY DESCRIPTION:

The Executive Office consists of the Commissioner, the Deputy Commissioner, the Assistant to the Commissioner, an administrative assistant, and 2 clerical support positions. In concert with the department cabinet, it is responsible for management of all department activities and to ensure: that the department's mission and the goals of the Governor, Legislature, and federal programs are carried out; that expenditures of fiscal resources are used for their intended purposes efficiently, effectively, and in compliance with accepted standards; and that communication is maintained with national, state, and local governments, and with agencies both in the public and private sectors.

The major functions of this activity are:

- 1) **Leadership.** To make decisions which create effective and efficient management of the department; to initiate policies which foster client self-sufficiency.
- 2) **Planning.** To develop a work plan which will enable the Department to carry out the mission and goals of the Governor, Legislature, and federal government.
- 3) **Implementation.** To implement the department's plan and to ensure conformity with federal and state statutes.
- 4) **Policy Development.** To develop a budget and legislative program for the Department in cooperation with the Governor and constituent agencies.
- 5) **Compliance.** To monitor policy and practice in the state institutions, ensure compliance with state and federal regulations, and to meet the requirements of the Welsch vs Levine consent decree.
- 6) **Communication.** To provide effective communication with government agencies and other public and private human services agencies, advocacy groups, providers, and the general public.
- 7) **Accountability.** To balance the use of public funds in ways which are cost-effective and yet responsive to public need.
- 8) **Supervision.** To supervise the counties' administration of human services' programs. Authority for this activity is found in M.S. 256.01, Subd. 2.

ACCOMPLISHMENTS AND GOALS:

EFFECTIVE LEADERSHIP. Management carried out a systematic, in-depth review of all program divisions which resulted in:

- 1) **Restructuring.** Barriers to effective use of personnel were identified and strategies were established to eliminate them. Management's decision-making ability was enhanced by expanding responsibilities in the Policy Analysis division. Reorganization of executive staff personnel resulted in better use of time and resources.
- 2) **Consolidation.** Appeals and Rulemaking, a new division created under current management, adopted clear, consistent adherence to precise legal standards. This action resulted in a decrease in the number of lawsuits which has allowed for greater fiscal stability. The Administrative Law Judge's Findings supported the Department's proposed rule language over 95% of the time, when rules were adopted controversially.
- 3) **Coordination.** Communication between divisions experienced a dramatic shift under new management initiatives. The Chemical Dependency Consolidated Fund, for example, showcases the coordination of income maintenance, health programs, reimbursements, chemical dependency, the regional treatment centers, and financial management programs.
- 4) **Coordination among DHS, Jobs and Training, and the Office of Full Productivity and Opportunity** resulted in streamlined efforts to develop work-readiness programs for AFDC recipients.
- 5) **Revenue.** Aggressive financial management initiatives increased the state's share of federal dollars. Maximizing federal participation reduces the burden on the state budget.

EFFECTIVE COMMUNICATION. Communication with federal, state and other county agencies was enhanced in the following ways:

- 1) At the national level, the Commissioner chaired the Health Care Committee and served on the board of the American Public Welfare Association (APWA).
- 2) At the state level, the Commissioner chaired the Human Resources/Services subcabinet.

ACTIVITY: EXECUTIVE OFFICE
(Continuation)

1987-89 Biennial Budget

Program: HUMAN SERVICES MANAGEMENT AND SUPPORT
Agency: HUMAN SERVICES, DEPARTMENT OF

ACCOMPLISHMENTS AND GOALS (Contd.):

- 3) The Assistant to the Commissioner participated in monthly meetings of the Minnesota Association of County Social Service Administrators (MACSSA), plus various other meetings.
- 4) The Commissioner established an Ad Hoc Communications Committee of MACSSA directors which meets monthly.
- 5) Communication extended to the general public with the Commissioner's participation in Channel 9's "Focus" television program on human service issues.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: EXECUTIVE OFFICE

PROGRAM: HUMAN SERVICES MANAGEMENT

AGENCY: HUMAN SERVICES, DPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	356.1	384.5	388.6	387.7		387.7	387.7	386.6		386.6	386.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	356.1	384.5	388.6	387.7		387.7	387.7	386.6		386.6	386.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	302.9	306.8	299.3	298.0		298.0	298.0	296.9		296.9	296.9
EXPENSES & CONTRAC. SERV	49.4	71.4	86.9	87.3		87.3	87.3	87.3		87.3	87.3
SUPPLIES & MATERIALS	3.3	4.5	1.2	1.2		1.2	1.2	1.2		1.2	1.2
EQUIPMENT	.5	1.8	1.2	1.2		1.2	1.2	1.2		1.2	1.2
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	356.1	384.5	388.6	387.7		387.7	387.7	386.6		386.6	386.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	356.1	384.5	388.6	387.7		387.7	387.7	386.6		386.6	386.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	356.1	384.5	388.6	387.7		387.7	387.7	386.6		386.6	386.6
POSITIONS BY FUND											
GENERAL	6.5	6.0	6.0	6.0		6.0	6.0	6.0		6.0	6.0
TOTAL POSITIONS	6.5	6.0	6.0	6.0		6.0	6.0	6.0		6.0	6.0

ACTIVITY: PERSONNEL
 Program: HUMAN SERVICES MANAGEMENT
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 416.3	\$ 419.9	\$ 435.9	\$ 430.0	\$ 442.2

ACTIVITY OBJECTIVE: To provide direction, guidance, assistance, and service to managers and supervisors to assure effective, efficient, and legal use of the department's (central office and residential facilities) and Merit System counties' human resources.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Job class decisions approved by DOER	98.0%	98.0%	98.0%	98.0%
Step 3 labor contract grievances resolved	65.0%	65.0%	70.0%	70.0%
Facility affirm. action disparities corrected	42.0%	45.0%	49.0%	52.0%
Cent off affirm. action disparities corrected	63.0%	65.0%	68.0%	70.0%
Workers' comp cost reduction	-0.9%	8.0%	8.0%	7.0%

ACTIVITY DESCRIPTION:

This activity, which encompasses personnel, labor relations, training, affirmative action, workers' comp/safety/wellness, and the Minnesota Merit System, provides assistance to department and county welfare/human services managers/supervisors and promotes fair and equitable treatment of staff. Specific functions include: human resource planning; recruitment; examination development and administration; job classification; salary and benefits administration; employee counseling; assistance to managers in solving personnel problems; new employee orientation, staff development, and training; affirmative action; labor contract negotiation and administration; workers' comp cost control administration/oversight; compliance with safety laws and standards; development of policies/rules; and record keeping.

ACCOMPLISHMENTS AND GOALS:

Cost Reduction. Reduced employee injuries and workers' comp costs through return-to-work of injured worker plans and wellness and accident prevention programs.

Information System. Started implementation of a human resource information system (HRIS) to provide managers with up-to-date information on which to base their decisions.

Merit System Automation. Automated the merit system selection process, resulting in more efficient service to counties.

Classification Study. Completed class studies affecting 550 positions in the central office and facilities, resulting in equitable and cost effective employee classification and pay.

Training Development. Developed training in personnel management areas and in therapeutic intervention, mental retardation, geriatrics, computer usage, and asbestos abatement. Assisted in developing day care licensing and fire safety, adult protection, family-based services and pre-admission screening training. This enhanced personnel management expertise for managers/supervisors and in improved county/state staff skills.

Labor Relations. Participated in 5 statewide and 10 supplemental labor contract negotiations. Served on 11 labor-management committees resulting in more informed labor/management relations.

ACCOMPLISHMENTS AND GOALS (Contd.):

Exam Revision. Revised 15 exams for agency-specific classes and two for facility classes to aid managers in effective job selection.

Comparable Worth. Completed May evaluations of 144 merit system job classes in accordance with the Pay Equity Act and made comparability adjustments to 102 classes to equate salaries with evaluation results.

Policy Development. Developed personnel, labor relations, affirmative action, training and safety and health policies to provide managers with a framework for making consistent, legal decisions; developed an HHS-required civil rights plan for clients.

Affirmative Action. Determined interim affirmative action goals for central office and facilities; helped counties in their affirmative action efforts through provisions of equal employment opportunity technical assistance.

Goals for next biennium are to further reduce employee injuries and workers' comp costs; complete installation of HRIS including labor relations and workers' comp information; further automate Merit System functions; serve on contract negotiating teams; continue development of personnel, labor relations, affirmative action, training, and safety/health policies/rules; develop training to meet department goals and directives; make more use of video as a training tool; conduct 7 class studies involving 150 central office jobs and 600 facility jobs; revise 23 agency-specific exams for central office and facility classes; continue to adjust Merit System compensation schedules until pay equity is achieved; study adverse impact of specific exams and selection criteria on protected group members; develop an affirmative action audit system for facilities; and complete implementation of civil rights plan.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Central office/facility job audits	721	1,650	1,025	1,025
Merit System applicants	8,219	8,500	8,700	8,900
Merit System job audits	1,531	1,100	1,100	1,100
Merit System exams revised/developed	16	12	12	12
Merit System classes revised/developed	16	15	15	15
Workers' comp costs + new 8% adm. chg.	\$3,822,237	\$3,797,775	\$3,493,952	\$3,249,377
Training participants	6,652	6,800	6,900	7,000
Step 3 labor contract grievances received	227	225	220	220

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PERSONNEL

PROGRAM: HUMAN SERVICES MANAGEMENT

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	818.9	845.3	903.9	890.5	29.3	919.8	890.5	888.1	29.3	917.4	888.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	818.9	845.3	903.9	890.5	29.3	919.8	890.5	888.1	29.3	917.4	888.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	731.0	755.8	798.4	784.4	29.3	813.7	784.4	782.0	29.3	811.3	782.0
EXPENSES & CONTRAC. SERV	71.9	71.7	96.0	96.6		96.6	96.6	96.6		96.6	96.6
SUPPLIES & MATERIALS	9.5	10.2	6.3	6.3		6.3	6.3	6.3		6.3	6.3
EQUIPMENT	6.5	7.6	3.2	3.2		3.2	3.2	3.2		3.2	3.2
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	818.9	845.3	903.9	890.5	29.3	919.8	890.5	888.1	29.3	917.4	888.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	735.7	754.0	808.9	795.5	29.3	824.8	795.5	793.1	29.3	822.4	793.1
DEDICATED APPROPRIATIONS:											
FEDERAL	83.2	91.3	95.0	95.0		95.0	95.0	95.0		95.0	95.0
TOTAL FINANCING	818.9	845.3	903.9	890.5	29.3	919.8	890.5	888.1	29.3	917.4	888.1
POSITIONS BY FUND											
GENERAL	15.0	17.0	17.0	17.0	1.0	18.0	17.0	17.0	1.0	18.0	17.0
FEDERAL	3.5	3.5	3.5	3.5		3.5	3.5	3.5		3.5	3.5
TOTAL POSITIONS	18.5	20.5	20.5	20.5	1.0	21.5	20.5	20.5	1.0	21.5	20.5

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: PERSONNEL
 PROGRAM: HUMAN SERVICES MANAGEMENT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: AFFIRMATIVE ACTION STAFF	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$29.3	1.0	\$29.3	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to provide technical assistance, information and training to supervisors, managers, and employees of central office, residential facilities, and county human service agencies. The objective is to improve implementation of affirmative action plans and enable the department to fully comply with statutory affirmative action and civil rights requirements.

DESCRIPTION/BACKGROUND:

The affirmative action office implements affirmative action and equal (employment) opportunity plans for 2,800 employees in 79 county human service agencies, and for 7,400 employees in DHS's central office and residential facilities. The above position will provide technical assistance and training in areas such as: preventing and resolving discrimination complaints; identifying reasonable accommodations for handicapped employees and job applicants; interpreting the changing and expanding employment laws and regulations; evaluating and improving employment practices to ensure compliance with state and federal guidelines and reducing adverse impact on protected group employees and applicants.

COMPARATIVE STAFFING (1986)

STATISTICS:

Agency	No. of Employees	No. of Aff. Act. Staff	Aff. Act. Staff Per 100 Employees
Department of Human Services	9,255*	1	.01
Department of Jobs and Training	2,124	1	.05
Department of Revenue	1,003	1	.10
Department of Health	718	1	.14
Department of Employee Relations	94	4	4.20

*DHS = 6,288, Merit System = 2,967

RATIONALE:

Current staffing for the affirmative action office is inadequate to meet the agency's expanded state and federal affirmative action and equal opportunity requirements.

The position will improve the quality, consistency, and availability of technical assistance to the agency's central office and residential facilities and to merit system county welfare/human services agencies. It will prevent or reduce the potential of employment discrimination, will allow increased attention to work force disability and reasonable accommodation requirements. It will enable the agency to focus its recruitment efforts on its 260 disparities and increase representation of minority persons, handicapped persons, women and Vietnam era Veterans in these underrepresented job groupings.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: APPEALS AND RULEMAKING
Program: HUMAN SERVICES MANAGEMENT
Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 184.1	\$ 430.6	\$ 401.3	\$ 426.5	\$ 438.6

ACTIVITY OBJECTIVE:

Appeals: To adjudicate disputes between local agencies and recipients of income maintenance and social services programs through an administrative appeal procedure established by M.S. 256.045.

Rules: To provide administrative support to department staff in promulgating administrative rules in compliance with the requirements of the Minnesota Administrative Procedures Act, entering into contracts and disseminating information through bulletins and program manuals to ensure that department actions are consistent with state and federal law and department goals.

EFFECTIVENESS MEASURES:

Appeals

- 1) In F.Y. 1986, 3% of all final decisions of the state agency were appealed further to district court.
- 2) The state agency is required by federal regulations to issue its final order within 90 days of the appeal request in the Aid to Families with Dependent Children (AFDC) and Medical Assistance program. In the Food Stamp program, the state agency must issue its decision within 60 days. If the state cannot meet these deadlines, it risks the loss of federal funding.
- 3) In F.Y. 1986, the number of appeals requested by recipients doubled. This drastic increase was a result of amendments enacted by the 1985 Legislature to the Minnesota General Assistance statute. Social Services appeals increased 80% due to appeals by mentally retarded recipients. Food Stamp appeals increased by 65%. Reductions in the number of AFDC appeals resulting from improved state agency rules have been offset by an increase in appeals arising from several class action lawsuits brought by Legal Aid affecting the AFDC Program.

Rules

- 1) Rule development process successfully satisfied public concerns so that 11 of 20 rules adopted in F.Y. 1986 were adopted noncontroversially.
- 2) When rules were adopted controversially, the department's proposed rule language was supported by Administrative Law Judge's Findings over 95% of the time.

ACTIVITY DESCRIPTIONS:

Appeals: This activity conducts evidentiary hearings to determine the facts and draw conclusions of law affecting welfare applicants and recipients whose benefits have been denied, terminated, or otherwise adversely affected by local agency actions. These hearings are held to protect the due process rights of recipients in compliance with the United States Supreme Court decision in Goldberg v. Kelly. Hearings are held around the state on a "circuit-rider" basis to permit recipients and local agencies to participate.

Rules: All legislative changes to program requirements must be implemented through administrative rules promulgated under the Minnesota Administrative Procedures Act. M.S., Ch. 14.

The centralized Rules Unit affects all recipients and organizations impacted by department policy through promulgation of concise, legally enforceable rules. The department has 104 rules. Statutory changes made by the legislature in human service programs require changes in the corresponding administrative rule. The work of the unit is directly impacted by changes in state and federal law and requirements of the Minnesota Administrative Procedures Act. Approximately one-quarter of these rules are being worked on by the unit at all times. The unit also edits commissioner's bulletins and manuals for clarity and interpretation, submits state and federal plans, edits and approves State Register publications and develops and approves department contracts.

ACCOMPLISHMENTS AND GOALS:

Appeals: Major trends currently underway in the operation of this activity are:

- 1) Managing a drastic increase in the appeals volume;
- 2) Reduced judicial review of appeal decisions due to their improved quality and proper application of the law.
- 3) Automating the scheduling of appeals for improved efficiency and timeliness.
- 4) Improving communication between Department and local agencies through regular discussions and streamlined procedures.

Rules: Major trends in the activity operation are:

- 1) Saving public monies through development of cost containment rules.
- 2) Decreasing litigation on rules because of increasing clarity of rule language.
- 3) Department's position upheld in court more frequently. Increasing success in necessary litigation because of improved rules and supporting documentation.
- 4) Improving communication between department and affected parties especially county agencies, through training activities, monthly rule status reports, increased public input during rule development and improved bulletin format.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change page.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: APPEALS & RULEMAKING

PROGRAM: HUMAN SERVICES MANAGEMENT

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	325.3	773.3	744.6	789.7	147.9	937.6	864.7	787.2	147.9	935.1	862.2
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	325.3	773.3	744.6	789.7	147.9	937.6	864.7	787.2	147.9	935.1	862.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	288.7	722.7	669.8	713.7	122.4	836.1	783.7	711.2	122.4	833.6	781.2
EXPENSES & CONTRAC. SERV	32.0	45.7	64.9	66.1	22.0	88.1	68.6	66.1	22.0	88.1	71.1
SUPPLIES & MATERIALS	2.3	4.5	6.9	6.9	1.0	7.9	6.9	6.9	1.0	7.9	6.9
EQUIPMENT	2.3	.4	3.0	3.0	2.5	5.5	5.5	3.0	2.5	5.5	3.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	325.3	773.3	744.6	789.7	147.9	937.6	864.7	787.2	147.9	935.1	862.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	325.3	773.3	744.6	789.7	147.9	937.6	864.7	787.2	147.9	935.1	862.2
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	325.3	773.3	744.6	789.7	147.9	937.6	864.7	787.2	147.9	935.1	862.2
POSITIONS BY FUND											
GENERAL	7.0	18.0	19.0	19.0	4.0	23.0	21.0	19.0	4.0	23.0	21.0
TOTAL POSITIONS	7.0	18.0	19.0	19.0	4.0	23.0	21.0	19.0	4.0	23.0	21.0

CHANGE REQUEST
 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: APPEALS AND RULEMAKING
 PROGRAM: HUMAN SERVICES MANAGEMENT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: APPEALS STAFF	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$147.9	4.0	\$147.9	4.0
Governor's Recommendation				
General Fund	\$ 75.0	2.0	\$ 75.0	2.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to address the increased workload of the Appeals Division.

DESCRIPTION/BACKGROUND:

The number of appeals, processed by the Appeals Division doubled between F.Y. 1985 and F.Y. 1986. A large number of those appeals resulted from changes to the Minnesota General Assistance statute. Appeals processed in all other programs (Social Services, Food Stamps, Aid to Families with Dependent Children (AFDC), Medical Assistance, Minnesota Supplemental Aid), also increased in fiscal year 1986.

STATISTICS:

	F.Y.84	F.Y.85	F.Y.86	PAST 2 YRS % INCREASE	PAST YEAR % INCREASE
Total appeals processed	2140	2334	4619	116	98
AFDC	949	907	942	0	4
Medical Assistance	445	486	678	52	40
Food Stamps	345	401	593	72	48

STATISTICS (Contd.):

	F.Y.84	F.Y.85	F.Y.86	PAST 2 YRS % INCREASE	PAST YEAR % INCREASE
General Assistance	274	429	2,234	715	421
Social Services	85	70	127	49	81
Minnesota Supplemental Aid	42	41	45	7	10

RATIONALE:

The federal requirements for timely processing of appeals must be complied with to avoid federal fiscal sanctions. Recipients of public assistance may continue receiving benefits pending the final order on their case. Prompt issuance of decisions reduces the number of months persons determined to be ineligible continue to receive grants and eases the administrative burden on county agencies to recover funds paid to ineligible persons. This also means the sooner an appeal order is issued, the more money the state saves that would otherwise have gone to an ineligible recipient. The use of telephone hearings to expedite the process of conducting hearings, with a potential reduction in costs, is currently being evaluated. The need for these staff positions may not be permanent if the number of hearings requested declines or if telephone hearings can be used throughout the state. However, any changes in federal or state law which reduce or terminate benefits to applicants or recipients of public assistance will result in increased requests for appeal hearings.

GOVERNOR'S RECOMMENDATION:

The Governor recommends biennial funding of \$150.0 and 2 positions for this activity. The agency is encouraged to pursue efficiencies, such as telephone hearings, which will help to control costs and improve effectiveness.

ACTIVITY: FINANCIAL MANAGEMENT
 Program: HUMAN SERVICES MANAGEMENT
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

This budget activity includes the objectives for the 5 management activities that follow. These objectives are: to maintain a viable, accurate, responsive financial system operated in accordance with law, rule, and regulation and in accordance with accounting principles, thereby facilitating delivery of department services and programs; and to disburse the grant funds administered under this activity.

ACTIVITY DESCRIPTION:

This activity does the accounting, budgeting, fiscal record keeping, and reporting for the department and disburses social service, health care, assistance payments, and other funds to local human services departments, providers, grantees, and vendors.

This is a budget activity. It is an aggregation of the 5 management activities that follow: Financial Management Administration; Equalization Aid; State Administrative Aid; Red Lake Band of Chippewa Indians; and Federal Administrative Reimbursement. The detail description and statistics of each of these management activities appear on the individual sheets that follow and are not repeated here. All of the activities, except Financial Management Administration, are grant activities, disbursing funds to county human services departments. These grant activities appear here because they are administered by Financial Management Division staff.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested to accomplish the goals of this activity, except for the changes accompanying the management activity pages that follow.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FINANCIAL MANAGEMENT

PROGRAM: HUMAN SERVICES MANAGEMENT

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	12,640.5	13,891.9	18,924.6	18,907.5	503.7	19,411.2	18,907.5	18,903.2	503.7	19,406.9	18,903.2
LOCAL ASSISTANCE	48,742.4	56,485.9	62,400.9	64,745.1	1,700.0	66,445.1	78,441.4	67,183.1	1,700.0	68,883.1	80,559.7
AIDS TO INDS.	15,429.3	17,965.8	20,000.0	20,000.0		20,000.0	20,000.0	20,000.0		20,000.0	20,000.0
TOTAL EXPENDITURES	76,812.2	88,343.6	101,325.5	103,652.6	2,203.7	105,856.3	117,348.9	106,086.3	2,203.7	108,290.0	119,462.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,249.7	1,375.9	1,457.9	1,440.7	448.7	1,889.4	1,440.7	1,436.4	448.7	1,885.1	1,436.4
EXPENSES & CONTRAC. SERV	60.1	76.6	84.5	84.6	55.0	139.6	84.6	84.6	55.0	139.6	84.6
SUPPLIES & MATERIALS	6.3	9.6	6.3	6.3		6.3	6.3	6.3		6.3	6.3
EQUIPMENT	4.0	18.8	1.9	1.9		1.9	1.9	1.9		1.9	1.9
OTHER EXPENSE ITEMS	11,320.4	12,411.0	17,374.0	17,374.0		17,374.0	17,374.0	17,374.0		17,374.0	17,374.0
TOTAL STATE OPERATIONS	12,640.5	13,891.9	18,924.6	18,907.5	503.7	19,411.2	18,907.5	18,903.2	503.7	19,406.9	18,903.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	5,229.7	5,687.9	5,325.6	5,308.5	2,203.7	7,512.2	19,004.8	5,304.2	2,203.7	7,507.9	18,680.8
DEDICATED APPROPRIATIONS:											
AGENCY	15,429.3	17,965.8	20,000.0	20,000.0		20,000.0	20,000.0	20,000.0		20,000.0	20,000.0
FEDERAL	56,153.2	64,689.9	75,999.9	78,344.1		78,344.1	78,344.1	80,782.1		80,782.1	80,782.1
TOTAL FINANCING	76,812.2	88,343.6	101,325.5	103,652.6	2,203.7	105,856.3	117,348.9	106,086.3	2,203.7	108,290.0	119,462.9
POSITIONS BY FUND											
GENERAL	40.0	40.0	40.0	40.0		40.0	40.0	40.0		40.0	40.0
TOTAL POSITIONS	40.0	40.0	40.0	40.0		40.0	40.0	40.0		40.0	40.0

ACTIVITY: FINANCIAL MANAGEMENT ADMINISTRATION
 Program: HUMAN SERVICES MANAGEMENT
 Agency: HUMAN SERVICES, DEPARTMENT OF.

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 741.4	\$ 818.0	\$ 824.3	\$ 817.1	\$ 842.5

ACTIVITY OBJECTIVE:

To maintain a viable, accurate, responsive financial system operated in accordance with laws, rules, regulations, and generally accepted accounting principles.

ACTIVITY DESCRIPTION:

This activity does the accounting, budgeting, fiscal recordkeeping, and reporting for the department. Major tasks include: 1) preparing annual operating budgets; 2) preparing the fiscal portion of the biennial budget; 3) processing accounts payable for the central office; 4) identifying and depositing central office receipts to the state treasury; 5) maintaining fiscal records and generating, distributing, and filing the statewide accounting reports on state, federal, and other funds expended by the department; 6) preparing federal fiscal estimate and expenditure reports; 7) obtaining and monitoring federal funds by program on letter of credit; 8) computing and distributing state and federal administrative costs, local aids, and income maintenance program funds to local agencies; 9) issuing and monitoring social service funding to local agencies; 10) establishing financial procedure guidelines and providing technical assistance to local agencies and state residential facilities; and 11) coordinating the single audit process and resolving audit findings and recommendations of Department of Human Services subrecipients.

The major functions of the activity are:

- 1) To provide fiscal management, guidance, and technical assistance to department staff, local agencies, and state residential facilities in accordance with proper budgeting and accounting procedures within a framework of state and federal laws, rules, regulations, and generally accepted accounting principles.
- 2) To secure maximum federal financial participation in all programs having federal support, including federal administrative reimbursement.
- 3) To prepare the financial portion of budgets and associated documents to reflect the commissioner's policies and directions in accordance with state budget policies and with maximum activity manager input.
- 4) To make prompt, accurate, lawful payments of valid department obligations; to maintain accurate financial records; to prepare clear, timely financial reports; and to develop and maintain a valid system of internal control in the financial area.

ACCOMPLISHMENTS AND GOALS:

During the past 2 years this activity has successfully developed and implemented a random moment time study for use by counties as the major allocation basis in assigning and claiming federal reimbursement for costs in the income maintenance programs. Had this effort not been a success, the department cost allocation plan for counties would not have been approved by the federal Division of Cost Allocation (DCA), thereby endangering the federal reimbursements that Minnesota counties receive annually. Approval of the plan effective 7-1-1986 has been received from DCA.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Budgetary accounts	400.0	420.0	435.0	450.0
Funds deposited in State Treasury	\$1,066,236.9	\$1,098,000.0	\$1,131,000.0	\$1,165,000.0
Number of checks receipted/deposited	120,000.0	120,000.0	120,000.0	120,000.0
Federal funds drawn and disbursed	\$888,424.5	\$956,750.2	\$1,013,119.8	\$1,069,793.8
Number of federal letter of credit draws	485.0	500.0	500.0	500.0
Administrative reimbursement obtained via cost allocation system				
County	\$49,664.3	\$55,898.2	\$58,134.2	\$60,459.6
Central Office	\$12,385.4	\$13,974.6	\$14,533.6	\$15,114.9
No. of statewide accounting actions	88,244.0	92,000.0	95,000.0	95,000.0
Number of contracts processed	520.0	550.0	600.0	600.0
Number of payroll checks processed	21,500.0	21,750.0	22,100.0	22,100.0
Number of county reports processed	9,184.0	9,360.0	9,600.0	9,600.0

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FINANCIAL MANAGEMENT

MANAGEMENT ACTIVITY: FINANCIAL MANAGEMENT

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,310.2	1,468.9	1,529.6	1,512.5	503.7	2,016.2	1,512.5	1,508.2	503.7	2,011.9	1,508.2
LOCAL ASSISTANCE	15,429.3	17,965.8	20,000.0	20,000.0		20,000.0	20,000.0	20,000.0		20,000.0	20,000.0
AIDS TO INDS.											
TOTAL EXPENDITURES	16,739.5	19,434.7	21,529.6	21,512.5	503.7	22,016.2	21,512.5	21,508.2	503.7	22,011.9	21,508.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,249.7	1,375.9	1,457.9	1,440.7	448.7	1,889.4	1,440.7	1,436.4	448.7	1,885.1	1,436.4
EXPENSES & CONTRAC. SERV	50.2	64.6	63.5	63.6	55.0	118.6	63.6	63.6	55.0	118.6	63.6
SUPPLIES & MATERIALS	6.3	9.6	6.3	6.3		6.3	6.3	6.3		6.3	6.3
EQUIPMENT	4.0	18.8	1.9	1.9		1.9	1.9	1.9		1.9	1.9
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,310.2	1,468.9	1,529.6	1,512.5	503.7	2,016.2	1,512.5	1,508.2	503.7	2,011.9	1,508.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,310.2	1,468.9	1,529.6	1,512.5	503.7	2,016.2	1,512.5	1,508.2	503.7	2,011.9	1,508.2
DEDICATED APPROPRIATIONS:											
AGENCY	15,429.3	17,965.8	20,000.0	20,000.0		20,000.0	20,000.0	20,000.0		20,000.0	20,000.0
TOTAL FINANCING	16,739.5	19,434.7	21,529.6	21,512.5	503.7	22,016.2	21,512.5	21,508.2	503.7	22,011.9	21,508.2
POSITIONS BY FUND											
GENERAL	40.0	40.0	40.0	40.0		40.0	40.0	40.0		40.0	40.0
TOTAL POSITIONS	40.0	40.0	40.0	40.0		40.0	40.0	40.0		40.0	40.0

ACTIVITY: EQUALIZATION AID
 Program: HUMAN SERVICES MANAGEMENT
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To distribute the appropriation provided to distressed counties to help offset their human services program costs.

ACTIVITY DESCRIPTION:

This grant activity exists to distribute the legislative appropriation to "distressed" counties according to statute. The intent is to provide some fiscal relief to counties that have disproportionately high human services costs and a disproportionately low ability to generate revenue through taxes.

The Equalization Aid statute requires the distribution to be made in accordance with a formula using 4 factors. The 4 factors outlined in law are: 1) recipient rate; 2) per capita taxable income; 3) per capita taxable value; 4) per capita welfare expenditures. The intent of the formula is to determine the counties with the lowest taxing capability and the highest welfare costs relative to the other counties.

Authority for this activity is found in M.S. 245.74.

ACTIVITY STATISTICS:

	<u>F.Y. 1983</u>	<u>F.Y. 1984</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>
Distribution of Equalization Aid by county:				
Aitkin	\$ -0-	\$ 29.1	\$ 45.4	\$ -0-
Becker	-0-	54.1	41.9	-0-
Beltrami	212.8	274.3	453.3	522.8
Cass	188.9	121.1	160.3	104.3
Carlton	-0-	-0-	74.6	61.3
Clearwater	114.4	37.2	90.1	151.2
Itasca	-0-	237.6	-0-	-0-
Koochiching	363.0	126.1		72.6
Mahnomen	45.4	74.4	53.3	46.5
Mille Lacs	115.1	74.2	65.5	57.6
Morrison	77.8	62.1	-0-	-0-
Pine	306.0	296.1	276.0	203.1
Todd	-0-	37.1	29.9	163.7
Wadena	-0-	-0-	60.5	112.5
Total	\$1,423.4	\$1,423.4	\$1,423.4	\$1,423.0

LEGISLATIVE ISSUES:

The department is proposing legislation which would eliminate this program and redirect the funds into the state administrative aid reimbursement program.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FINANCIAL MANAGEMENT

MANAGEMENT ACTIVITY: EQUALIZATION AID

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	1,423.4	1,423.0	1,000.0	1,000.0	1,000.0-			1,000.0	1,000.0-		
AIDS TO INDS.											
TOTAL EXPENDITURES	1,423.4	1,423.0	1,000.0	1,000.0	1,000.0-			1,000.0	1,000.0-		
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,423.4	1,423.0	1,000.0	1,000.0	1,000.0-			1,000.0	1,000.0-		
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,423.4	1,423.0	1,000.0	1,000.0	1,000.0-			1,000.0	1,000.0-		
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: EQUALIZATION AID
 PROGRAM: HUMAN SERVICES MANAGEMENT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: ELIMINATE EQUALIZATION AID; REDIRECT FUNDS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	(\$1,000.0)	-0-	(\$1,000.0)	-0-
Governor's Recommendation				
General Fund	(\$1,000.0)	-0-	(\$1,000.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 245.74				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above decrease in order to eliminate the Equalization Aid program and redirect the funds into the State Administrative Aid reimbursement program.

DESCRIPTION/BACKGROUND:

The Equalization Aid program has existed to provide some fiscal relief to counties that have disproportionately high human services costs and a disproportionately low ability to generate revenue through taxes. The Equalization Aid appropriation goes back to the late 1940s although the basis of distribution has changed since then. The current distribution is made in accordance with a formula using four factors. The 4 factors are: 1) recipient rate; 2) per capita taxable income; 3) per capita taxable value, and 4) per capita welfare expenditures. The authority for the distribution of the appropriation was codified in 1981. Prior to that time it was carried as appropriation bill riders. Traditionally, approximately 10 to 12 smaller, rural counties located in the north central area of the state have received the aid each year.

In recent years state participation in the various human services programs has increased considerably, easing the financial burden on counties. For example, counties now pay only 4.7% of Medical Assistance expenditures and 7.06% of Aid to Families with Dependent

DESCRIPTION/BACKGROUND (Contd.):

Children expenditures. Newer programs such as General Assistance and General Assistance Medical Care have been funded mainly with state appropriations and special projects designed to increase federal funds to counties have been initiated.

RATIONALE:

With the increasing amounts of state and federal funds available to counties for human services programs the appropriation for Equalization Aid could be better utilized elsewhere. Almost all counties are able to levy the amount necessary to cover their human services costs. The area of administration is one where state participation has not been high due to the shortage of state funds. The reduction of the Equalization Aid appropriation and the corresponding increase in the State Administrative Aid appropriation would benefit a greater number of counties and would benefit them in an area of greater need.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to eliminate Equalization Aid and redirect these funds to the Administrative Aid Account.

ACTIVITY: STATE ADMINISTRATIVE AID
 Program: HUMAN SERVICES MANAGEMENT
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY OBJECTIVE:

To reimburse counties for certain income maintenance salary and fringe costs.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Non-federally reimbursed county costs paid	6.2%	6.1%	5.9%	5.7%

ACTIVITY DESCRIPTION:

Counties are reimbursed for up to 50% of the non-federal salary and fringe expenditures made for providing financial assistance. If the appropriation is insufficient to reimburse all eligible expenditures, there is a pro rata reduction in payments.

Reimbursement is made for salaries and fringe of county income maintenance employees who are permanent or probationary, and for provisional limited term employees who fill established jobs while the incumbent is on leave. Salaries of intermittent employees or trainees employed on a full-time, established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period are also reimbursed.

No reimbursement is made for salary costs of: 1) single-county welfare directors; 2) fiscal personnel and their supporting clerical staff who spend 30% or more of their time processing public assistance claims and payments; or 3) emergency employees, trainees (other than those defined above as eligible for reimbursement), consultants, Emergency Employment Act personnel, and any other non-regularly assigned employees.

The reimbursement for salary expenses is limited to regular compensation not in excess of that paid similarly situated state employees, the employers cost of hospitalization, medical and major medical health insurance, Social Security, Public Employees Retirement Association, Municipal Employees Retirement Association contributions, and workers compensation charges. No reimbursement is made for travel or any other expenses.

Funding for social services salary and fringe is included in the Community Social Services Act appropriation.

Authority for this activity is found in M.S. 256D.22.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Non-federally reimbursed eligible expenditures	\$37,234.0	\$37,606.0	\$39,110.0	\$40,284.0
Appropriation disbursed	2,300.0	2,300.0	2,300.0	2,300.0

LEGISLATIVE ISSUES:

Legislation is being proposed which will incorporate performance incentives into the allocation process.

RECENT BUDGET HISTORY:

Pursuant to Laws of Minnesota 1981 Third Special Session, Ch. 2, Sec. 2, Subd. 4 the original appropriation of \$7,240.1 for F.Y. 1983 was cancelled. Laws of 1983, Ch. 312, Art. I, Sec. 2, Subd. 3 suspended the program for the biennium ending 6-30-1985. However, Laws of 1984, Ch. 534, Sect. 27 restored the statutory authority effective 1-1-1985 and appropriated \$2,000.0 for the 6 months ending 6-30-1985. Laws of 1985, First Special Session, Ch. 9 appropriated \$4,000.0 for each year of the 1986-87 biennium; however, as part of the unallotments required in F.Y. 1986 -1987 the appropriation for this activity was reduced by \$1,700.0 in each fiscal year.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FINANCIAL MANAGEMENT

MANAGEMENT ACTIVITY: STATE ADMINISTRATIVE AID

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	2,000.0	2,300.0	2,300.0	2,300.0	2,700.0	5,000.0	16,996.3	2,300.0	2,700.0	5,000.0	16,676.6
AIDS TO INDS.											
TOTAL EXPENDITURES	2,000.0	2,300.0	2,300.0	2,300.0	2,700.0	5,000.0	16,996.3	2,300.0	2,700.0	5,000.0	16,676.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,000.0	2,300.0	2,300.0	2,300.0	2,700.0	5,000.0	16,996.3	2,300.0	2,700.0	5,000.0	16,676.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	2,000.0	2,300.0	2,300.0	2,300.0	2,700.0	5,000.0	16,996.3	2,300.0	2,700.0	5,000.0	16,676.6
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST
 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE ADMINISTRATIVE AID
 PROGRAM: HUMAN SERVICES MANAGEMENT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: INCREASE STATE ADMINISTRATIVE AID	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$1,000.0	-0-	\$1,000.0	-0-
Governor's Recommendation				
General Fund	\$1,000.0	-0-	\$1,000.0	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256D.22				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to increase state participation in county salary costs. In conjunction with this increase, legislation is being proposed that will incorporate performance incentives into the allocation process in the State Administrative Aid program.

DESCRIPTION/BACKGROUND:

The State Administrative Aid program provides that counties are reimbursed for up to 50% of the non-federally reimbursed salary and fringe expenses incurred in providing financial assistance. Due to budgetary considerations the program was suspended for state fiscal years 1983, 1984, and the first half of 1985. The statutory authority for the program was restored effective 1-1-85 and an appropriation of \$2,000.0 was provided for the six months ending 6-30-85. This appropriation was annualized at \$4,000.0 for each fiscal year of the 1986-87 biennium by the 1985 Legislature. The unallotments required in 1986 reduced the original \$4,000.0 appropriation by \$1,700.0 to \$2,300.0 for F.Y. 1986 and F.Y. 1987.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Non-federally reimbursed eligible expenditures	\$37,234.0	\$37,606.0	\$39,110.0	\$40,284.0
Appropriation disbursed	2,300.0	2,300.0	3,300.0	3,300.0
Non-federally reimbursed county costs paid	6.2%	6.1%	8.4%	8.2%

RATIONALE:

In past years the appropriations available for State Administrative Aid have been sufficient to provide only a small percentage of state financial participation. The levy limits for financial assistance administration have been low also allowing an average of approximately 6% per year increase without penalty. This is in a time when increasingly strict federal requirements make it necessary for counties to expend more on administration in order to avoid fiscal sanctions.

In addition to increased funding for administration, an effort needs to be made to upgrade county efforts in several key areas in order to avoid "across the board" statewide federal sanctions and to move toward achievement of the program goals of the human services system. To provide an incentive for accomplishing improvements the proposed legislation would establish performance criteria in several areas that counties would have to meet as a condition of receiving State Administrative Aid.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to increase State Administrative Aid funding by redirecting Equalization Aid to the Administrative Aid Account.

The Governor also concurs with the agency's proposal to incorporate performance incentives into the allocation process for State Administrative Aid.

CHANGE REQUEST
 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE ADMINISTRATION AID
 PROGRAM: HUMAN SERVICES MANAGEMENT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: RESTORE UNALLOTMENT FOR STATE ADMINISTRATIVE AID	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$1,700.0	-0-	\$1,700.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests an increase in grant funds to provide reimbursement to counties for income maintenance salary expenditures at a level equal to the appropriation available prior to the unallotment necessary in the 1985-87 biennium.

DESCRIPTION/BACKGROUND:

The State Administrative Aid program provides that counties are reimbursed for up to 50% of the non-federally reimbursed salary and fringe expenses incurred in providing financial assistance. Due to budgetary considerations the program was suspended for state fiscal years 1983, 1984, and the first half of 1985. The statutory authority for the program was restored effective 1-1-85 and an appropriation of \$2,000.0 was provided for the 6 months ending 6-30-85. This appropriation was annualized at \$4,000.0 for each fiscal year of the 1986-87 biennium by the 1985 Legislature.

The unallotments required in 1986 reduced the original \$4,000.0 appropriation by \$1,700.0 to \$2,300.0 for F.Y. 1986 and F.Y. 1987. This request is to restore the appropriation for the program to the pre-unallotment level.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Non-federally reimbursed eligible expenditures	\$37,234.0	\$37,606.0	\$39,110.0	\$40,284.0
Appropriation disbursed	\$ 2,300.0	\$ 2,300.0	\$ 4,000.0	\$ 4,000.0
Percent of non-federally reimbursed county costs paid	6.2%	6.1%	10.2%	9.9%

RATIONALE:

The unallotment in the State Administrative Aid program was necessary because of the fiscal emergency facing the state. Counties have continued to incur the expenses necessary to provide the financial assistance programs to their citizens. If sufficient funds are available it is logical and fiscally responsible for the state to resume its partnership and participation with the counties in this program at the level that previous legislatures determined was appropriate.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. The Governor, on another change level request, is proposing a \$27,072.0 biennial funding increase for State Administrative Aid. It is proposed that this increase be financed by increasing the county share of General Assistance from 25% to 50%.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE ADMINISTRATION AID
 PROGRAM: HUMAN SERVICES MANAGEMENT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: REDIRECT SAVINGS FROM REDUCED STATE GENERAL ASSISTANCE PARTICIPATION TO STATE ADMINSTRATIVE AID ACCOUNT				
Governor's Recommendation				
General Fund	\$13,696.3	-0-	\$13,376.6	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256D				

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends an additional funding level of \$13,696.3 in F.Y. 1988 and \$13,376.6 in F.Y. 1989. This funding is provided by reducing the state's participation rate in the General Assistance (GA) program from the current 75% state/25% county to 50% state/50% county. This will reduce the state's GA obligation by \$27,072.9 for the biennium. It is recommended that these savings be redirected to the State Administrative Aid account.

It is further recommended that legislation be submitted which will provide that one half of the State Administrative Aid account would be disbursed on the basis of current law and one half be disbursed according to county performance in selected areas.

DESCRIPTION/BACKGROUND:

The State Administrative Aid account has historically been either underfunded or not funded at all (F.Y. 1983 and F.Y. 1984). This seems to be due to 2 factors.

1. The large amounts needed (\$15 to \$20 million per year) to meet the state's full obligation;
2. The lack of any incentives for the counties to improve performance.

An analysis of this issue indicated that sufficient funding should be provided to approximate the state's obligation and to provide the counties with real financial support. Also, a method should be established whereby counties are given an incentive to meet performance standards and incorporate efficiencies into their operations.

DESCRIPTION/BACKGROUND (Contd.):

A budget-neutral method of providing the necessary funding is to reduce the state's participation rate in the GA Program and transfer those estimated savings to the State Administrative Aid account.

Legislation is being drafted which will establish incentives for counties that meet performance standards. This legislation, together with the increased funding, should transform the State Administrative Aid account into an effective agent of change with significant potential for improvement of the administration of Minnesota's public assistance programs.

RATIONALE:

This proposal is intended to convert a chronically underfunded State Administrative Aid account into a management tool with potential for substantial improvements in the administration of Minnesota's county-administered public assistance programs.

ACTIVITY: RED LAKE CHIPPEWA INDIANS
 Program: HUMAN SERVICES MANAGEMENT
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY OBJECTIVE:

To reimburse Beltrami and Clearwater counties for their costs of human services programs and services attributable to members of the Red Lake Band of Chippewa Indians who reside on the Red Lake Indian Reservation.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Eligible costs reimbursed	93%	82%	77%	73%

ACTIVITY DESCRIPTION:

This grant activity exists to "pass through" the legislative appropriations to the counties according to statute.

The counties that provide financial assistance and services on the Red Lake Reservation (Beltrami and Clearwater) are reimbursed up to 100% of net county human services program costs for members of the Red Lake Band of Chippewa Indians who reside on the Red Lake Reservation. Costs eligible for reimbursement include:

- 1) Aid to Families with Dependent Children program
- 2) Medical Assistance program
- 3) Emergency Assistance program
- 4) Social service programs
- 5) Administrative costs for human services programs

The Beltrami and Clearwater County Human Services Departments report total grant and administrative costs attributable to eligible Red Lake Indians. Applicable state and federal funds are deducted to determine net county costs eligible for reimbursement from this appropriation. If the appropriation is insufficient to reimburse all eligible costs at 100% there would be a pro-rata reduction in payments.

The Red Lake Reservation is one of the very few "closed" reservations in the country. Its status approaches that of a sovereign nation. No tax revenues from reservation lands are realized by the counties, but they are required by law to provide financial assistance and services to people living on the reservation.

Authority for this activity is found in M.S. 256.965 and M.S. 245.765.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Funds Disbursed				
Beltrami County	\$ 483.0	\$ 483.0	\$ 483.0	\$ 483.0
Clearwater County	13.0	13.0	13.0	13.0
Total	\$ 496.0	\$ 496.0	\$ 496.0	\$ 496.0

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FINANCIAL MANAGEMENT

MANAGEMENT ACTIVITY: RED LAKE CHIPPEWA INDIANS

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	496.1	496.0	496.0	496.0		496.0	496.0	496.0		496.0	496.0
AIDS TO INDS.											
TOTAL EXPENDITURES	496.1	496.0	496.0	496.0		496.0	496.0	496.0		496.0	496.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	496.1	496.0	496.0	496.0		496.0	496.0	496.0		496.0	496.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	496.1	496.0	496.0	496.0		496.0	496.0	496.0		496.0	496.0
POSITIONS BY FUND											
TOTAL POSITIONS											

ACTIVITY: FEDERAL ADMINISTRATIVE REIMBURSEMENT
 Program: HUMAN SERVICES MANAGEMENT
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To claim federal reimbursement from the various federal agencies for administrative costs incurred in providing federally funded assistance programs and to distribute the funds to counties so that county expense is minimized, and to reimburse the general fund for central office earnings.

ACTIVITY DESCRIPTION:

This grant activity exists to claim and "pass through" federal reimbursement funds for administrative expenses to counties and the state general fund according to federal regulations and state statute.

Federal reimbursement for administrative costs is available at varying percentages to all counties administering the various federal programs and for administrative costs incurred at the state level. To be eligible for federal reimbursement, county and state administrative costs must be identified and allocated by program based upon an approved cost allocation plan. Cost allocation plans and amendments to the plans must be approved by the Federal Division of Cost Allocation.

A standard, statewide cost allocation plan is used by most counties. Counties using the standard plan need not submit individual plans to the state or federal agency. Hennepin, Ramsey, and St. Louis counties do not use the standard plan and so must submit their cost allocation plans through the Department of Human Services for approval by the Division of Cost Allocation.

In addition to a human services cost allocation plan, all counties may submit an acceptable county-wide indirect cost plan. This will entitle counties to receive reimbursement for county expenses incurred by non-human services county departments or offices (the county auditor, for example) which are properly allocated to the county human services department. If a county does not have a county-wide indirect cost plan it will not be entitled to receive federal reimbursement for county-wide indirect costs.

Reimbursement to counties and the state general fund is based on application of the varying rates of federal financial participation by program to eligible county and state expenditures. There is no federal administrative reimbursement for social services since that funding is in the Title XX block grant.

ACCOMPLISHMENTS AND GOALS:

For over 3 years the Department of Human Services has been negotiating a revised standard cost allocation plan with the Federal Division of Cost Allocation. Many issues have been negotiated and resolved. The major change required by the federal agency was

ACCOMPLISHMENTS AND GOALS (Contd.):

the use of a time study methodology for allocating costs to programs instead of using case load statistics as our previous plans had done. The department has successfully developed and implemented a random moment time study system in the counties, thus complying with the federal requirement, and has received approval of the standard cost allocation plan effective July 1, 1986.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Federal financial participation percentages-major components:</u>				
Medical Assistance Administration	50.0	50.0	50.0	50.0
Aid to Families with Dependent Children Administration	50.0	50.0	50.0	50.0
Child Support Enforcement Admin.	66.65	64.0	61.5	59.0
Food Stamps Administration	50.0	50.0	50.0	50.0
Refugee Assistance Administration	100.0	100.0	100.0	100.0
Foster Care Administration	50.0	50.0	50.0	50.0
<u>Federal reimbursement by program:</u>				
Medical Assistance Administration	\$20,681.7	\$24,663.1	\$25,649.7	\$26,675.7
Aid to Families with Dependent Children Administration	12,098.1	12,582.0	13,085.3	13,608.7
Child Support Enforcement Admin.	14,620.5	15,205.3	15,813.5	16,446.1
Food Stamps Administration	11,320.1	11,772.9	12,243.8	12,733.6
Refugee Assistance Administration	1,155.2	1,201.4	1,249.5	1,299.4
Foster Care Administration	2,174.1	4,448.1	4,626.0	4,811.0
TOTAL	\$62,049.7	\$69,872.8	\$72,667.8	\$75,574.5

EXPLANATION OF BUDGET REQUEST:

No state funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FINANCIAL MANAGEMENT

MANAGEMENT ACTIVITY: FEDERAL ADMIN REIMBURSEMENT

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	11,330.3	12,423.0	17,395.0	17,395.0		17,395.0	17,395.0	17,395.0		17,395.0	17,395.0
LOCAL ASSISTANCE	44,822.9	52,266.9	58,604.9	60,949.1		60,949.1	60,949.1	63,387.1		63,387.1	63,387.1
AIDS TO INDS.											
TOTAL EXPENDITURES	56,153.2	64,689.9	75,999.9	78,344.1		78,344.1	78,344.1	80,782.1		80,782.1	80,782.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	9.9	12.0	21.0	21.0		21.0	21.0	21.0		21.0	21.0
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS	11,320.4	12,411.0	17,374.0	17,374.0		17,374.0	17,374.0	17,374.0		17,374.0	17,374.0
TOTAL STATE OPERATIONS	11,330.3	12,423.0	17,395.0	17,395.0		17,395.0	17,395.0	17,395.0		17,395.0	17,395.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
FEDERAL	56,153.2	64,689.9	75,999.9	78,344.1		78,344.1	78,344.1	80,782.1		80,782.1	80,782.1
TOTAL FINANCING	56,153.2	64,689.9	75,999.9	78,344.1		78,344.1	78,344.1	80,782.1		80,782.1	80,782.1
POSITIONS BY FUND											
TOTAL POSITIONS											

MAJOR POLICY ISSUES:

PROGRAM PURPOSE:

This program is responsible for many of the administrative and coordinative functions that affect more than one program or the entire department. This program integrates a number of activities and actions.

The objectives of the program are:

- 1) To provide analyses and assistance on program policies, special studies, and legislative activities to the Commissioner and departmental managers.
- 2) To develop and maintain computer technology which collect and process data to support program operations, management, and administration.
- 3) To establish and manage an effective and centralized office support system.

OPERATIONS:

The policy and program support program encompasses the following operations:

- 1) Developing and coordinating departmental legislative initiatives, answering legislative inquiries, and coordinating fiscal notes.
- 2) Conducting special studies on topics of fiscal or programmatic significance.
- 3) Assisting departmental programs and support operations by developing and maintaining systems for collecting and processing data.
- 4) Developing a comprehensive information systems investment strategy for the agency, planning with counties, providers and consumers and supporting development of such systems.
- 5) Maintaining and supporting current departmental information systems.
- 6) Coordinating and managing office space including implementing the current office consolidation move.
- 7) Maintaining general office services including printing, travel, equipment and records management, inventory control, photocopying, and telecommunications services.
- 8) Coordinating budget preparation and submission.

This program provides a coordinative function for policy development and legislative activities, information systems management, and administrative services. The emphasis in this budget is on the need for resources to continue providing services at their current level. The need for additional staff and support dollars is most critical in the area of information systems management. The information systems request has been identified as an agency-wide request and is included on the agency page. Other major issues:

- 1) The need to assure internal coordination of information systems development.
- 2) The need to work closely with the counties in the design and implementation of new systems development.
- 3) The need to closely implement and work with county representatives in the preparation of fiscal notes to estimate the impact of programs and policies or other levels of government.
- 4) The need to efficiently consolidate in new office space a number of formerly decentralized service functions.

PROGRAM PRIORITIES:

- 1) To implement the agency's strategic plan for information systems development.
- 2) To coordinate and assist development of information systems development in the agency.
- 3) To develop a facilities' management program that allows us to manage office support services in an effective and efficient fashion.
- 4) To coordinate DHS legislative proposals, answer legislative requests for information, complete agency fiscal notes.
- 5) To complete special reports and analysis of select policy issues.

EXPLANATION OF BUDGET REQUEST:

An increase of \$822.0 is requested for the biennium; \$411.0 in F.Y. 1988 and \$411.0 in F.Y. 1989. Details for this request are contained in the pages that follow.

GOVERNOR'S RECOMMENDATION:

The Governor recommends no increase for the F.Y. 1987-89 biennium for this program.

Details are found on the change level pages that follow.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: POLICY & PROG SUPPORT SERV

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
MANAGEMENT OPERATIONS	2,228.4	2,539.3	2,809.1	3,401.4	250.0	3,651.4	3,401.4	3,552.4	250.0	3,802.4	3,552.4
POLICY ANALYSIS	163.3	173.4	193.7	191.8		191.8	191.8	191.2		191.2	191.2
INFORMATION MANAGEMENT	460.0	573.6	621.1	674.5	161.0	835.5	674.5	672.7	161.0	833.7	672.7
TOTAL	2,851.7	3,286.3	3,623.9	4,267.7	411.0	4,678.7	4,267.7	4,416.3	411.0	4,827.3	4,416.3
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,851.7	3,286.3	3,623.9	4,267.7	411.0	4,678.7	4,267.7	4,416.3	411.0	4,827.3	4,416.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	2,851.7	3,286.3	3,623.9	4,267.7	411.0	4,678.7	4,267.7	4,416.3	411.0	4,827.3	4,416.3
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	2,767.4	3,194.3	3,527.9	4,171.7	411.0	4,582.7	4,171.7	4,320.3	411.0	4,731.3	4,320.3
DEDICATED APPROPRIATIONS:											
FEDERAL	84.3	92.0	96.0	96.0		96.0	96.0	96.0		96.0	96.0
TOTAL FINANCING	2,851.7	3,286.3	3,623.9	4,267.7	411.0	4,678.7	4,267.7	4,416.3	411.0	4,827.3	4,416.3
POSITIONS BY FUND:											
GENERAL	42.0	35.0	35.0	35.0	4.0	39.0	35.0	35.0	4.0	39.0	35.0
FEDERAL	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TOTAL POSITIONS	45.0	38.0	38.0	38.0	4.0	42.0	38.0	38.0	4.0	42.0	38.0

ACTIVITY: MANAGEMENT OPERATIONS
 Program: POLICY AND PROGRAM SUPPORT SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 1,088.4	\$ 1,284.6	\$ 1,496.7	\$ 1,731.4	\$ 1,867.9

ACTIVITY OBJECTIVE:

To manage office support programs for the department.

ACTIVITY DESCRIPTION:

This activity manages a large number of administrative functions in the areas of:

- 1) Office automation: Includes management of a centralized office automation system used by staff for preparing rules, appeal documents, budget documents, personnel transactions, and other general office functions such as electronic scheduling, electronic bulletin boards, electronic mail, etc. Also includes management of a centralized word processing center and management of agency telecommunications.
- 2) Media services: Includes management of audiovisual (A.V.) equipment/services (i.e., production of films and tapes for staff training and public information) and publications.
- 3) Office space planning: Includes planning for the consolidation of the agency's offices. This planning includes the acquisition of a telephone system and the use of office modular panels.
- 4) Data privacy: Coordination of the implementation of the Government Data Practices Act throughout all human service agencies.
- 5) Tort claims: Evaluating and processing requests for compensation for damages from the state.
- 6) General office services: Includes graphic services, forms management, centralized purchasing, inventory management, records management, mail, printing, travel arrangements for employees, equipment repair services, photocopy services, surplus property services, employee suggestion system coordination, etc.

ACCOMPLISHMENTS AND GOALS:

While this activity manages many traditional office services (mail, messenger, telephone, printing, equipment repair, etc.), it has introduced the agency to many modern office technologies. Some of these technologies are:

- 1) A new telecommunications system, including agency-owned telephone instruments, computerized voice-mail, etc.
- 2) Office modular panels which can reduce the amount of space the agency needs to rent.
- 3) A networked office automation system which will allow the agency to implement state of the art functions such as electronic calendaring, electronic mail, electronic bulletin boards, shared data bases among staff, and distributed word processing systems.
- 4) Desk top publishing and electronic document transfer. These 2 technologies provide for professional looking publications and graphics while avoiding the use of

ACCOMPLISHMENTS AND GOALS (Contd.):

more expensive design vendors. These items greatly aid the agency in its public education efforts.

These technologies have already succeeded in increasing employee productivity, containing costs, and improving communications.

In addition, the agency has become a model among other state agencies in its implementation of the Data Practices Act. This is significant because (a) the law is concerned with how governmental agencies handle their data and (b) this agency has more data of a more personal nature on more people than any other state agency.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Lines typed by Document Center (in 000)	298	361	400	300
Requests for AV services	550	900	1,000	1500
Staff receiving data privacy training	1,000	400	400	500
Tort claims	200	300	400	500
Active tort cases	100	200	300	400
Settlement amounts	\$200.0	\$300.0	\$400.0	\$500.0
Forms distributed (in millions)	20.0	24.0	26.0	28.0
Number of fixed assets inventory items	6,621	7,950	9,540	11,450
Requests for purchase processed	2,700	3,120	3,725	4330
Requests for graphics services	780	950	1,235	1600

LEGISLATIVE ISSUES:

Legislation is being proposed to amend the Data Practices Act to: (1) eliminate unnecessary paperwork regarding the Tennessen warning; (2) clarify the use of investigative data and licensing data. The legislation has no fiscal impact.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MANAGEMENT OPERATIONS

PROGRAM: POLICY & PROG SUPPORT SERV

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,228.4	2,539.3	2,809.1	3,401.4	250.0	3,651.4	3,401.4	3,552.4	250.0	3,802.4	3,552.4
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	2,228.4	2,539.3	2,809.1	3,401.4	250.0	3,651.4	3,401.4	3,552.4	250.0	3,802.4	3,552.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	862.2	629.9	610.4	652.0		652.0	652.0	650.0		650.0	650.0
EXPENSES & CONTRAC. SERV	1,296.0	1,396.9	2,120.6	2,654.7		2,654.7	2,654.7	2,807.7		2,807.7	2,807.7
SUPPLIES & MATERIALS	40.0	485.2	58.6	75.2		75.2	75.2	75.2		75.2	75.2
EQUIPMENT	30.2	27.3	19.5	19.5	250.0	269.5	19.5	19.5	250.0	269.5	19.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	2,228.4	2,539.3	2,809.1	3,401.4	250.0	3,651.4	3,401.4	3,552.4	250.0	3,802.4	3,552.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,144.1	2,447.3	2,713.1	3,305.4	250.0	3,555.4	3,305.4	3,456.4	250.0	3,706.4	3,456.4
DEDICATED APPROPRIATIONS:											
FEDERAL	84.3	92.0	96.0	96.0		96.0	96.0	96.0		96.0	96.0
TOTAL FINANCING	2,228.4	2,539.3	2,809.1	3,401.4	250.0	3,651.4	3,401.4	3,552.4	250.0	3,802.4	3,552.4
POSITIONS BY FUND											
GENERAL	29.0	20.0	20.0	20.0		20.0	20.0	20.0		20.0	20.0
FEDERAL	3.0	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TOTAL POSITIONS	32.0	23.0	23.0	23.0		23.0	23.0	23.0		23.0	23.0

ACTIVITY: POLICY ANALYSIS
 Program: POLICY AND PROGRAM SUPPORT SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 92.4	\$ 96.6	\$ 104.4	\$ 103.7	\$ 106.7

ACTIVITY OBJECTIVE:

To provide the Commissioner and agency managers with department-wide analyses of policy issues; to respond to requests for program and fiscal information from the Commissioner, the Legislature, and the Governor; and to coordinate agency legislative activities with the Legislature and the Governor.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Governor's bill analyses completed within 24 hour deadline	100%	100%	100%	100%
Legislative inquiries responded to within the requested time frame	98%	98%	98%	98%
Number of studies and reports requested (100% completion)	13	15	16	16

ACTIVITY DESCRIPTION:

This activity has 2 major lines of responsibility. One is to conduct and report studies on issues such as cost containment efforts, information management, potential impact of policy and budget proposals, and new initiatives to improve program efficiency. These reports are used by the Commissioner and other department managers to enhance agency functioning and are frequently shared with the Legislature and the counties. The other major responsibility of this activity is to coordinate the department's legislative activities. This function includes developing the department's legislative package, working with bill authors, arranging for presentations with legislative committee staff, and responding to requests for fiscal notes and other information.

This activity also serves as the Department liaison with the state of Minnesota's Washington Office, coordinates activities with the county human services directors, provides agency representation and staff support to task forces, and assists in coordinating the biennial budget process.

ACCOMPLISHMENTS AND GOALS:

The actual number of special reports completed by this activity doubled from the projected number for F.Y. 1986. Representative report topics include an analysis and action plan for converting some General Assistance recipients to a federally supported program, an evaluation and status report on 6 separate revenue enhancement projects, and an analysis of the types and uses of federal information at the department

ACCOMPLISHMENTS AND GOALS (Contd.):

level. A slight increase in the amount of this type of work is expected over the next biennium, with a concentration in policy areas that maximize cost containment and revenue enhancement. During the past biennium, the department's bill tracking system has been computerized; improvements to this system will allow staff to more easily access current bill status. Also, with the increasing computerization of many of the department's functions, this activity will provide agency-wide oversight and coordination to assure compatibility of systems.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Department bills submitted to Legislature	5	20	14	15
Department bills enacted	3	20	14	15
Human Services related bills tracked	591	500	450	500
Bills analyzed for Governor	16	22	15	20
Fiscal Notes completed	26	100	35	75
Policy reports	4	4	4	4
Fiscal reports	3	5	6	6
Management reports	6	6	6	6

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: POLICY ANALYSIS

PROGRAM: POLICY & PROG SUPPORT SERV

AGENCY: HUMAN SERVICES, DPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	163.3	173.4	193.7	191.8		191.8	191.8	191.2		191.2	191.2
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	163.3	173.4	193.7	191.8		191.8	191.8	191.2		191.2	191.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	153.1	164.3	181.8	179.9		179.9	179.9	179.3		179.3	179.3
EXPENSES & CONTRAC. SERV	9.4	7.7	11.2	11.2		11.2	11.2	11.2		11.2	11.2
SUPPLIES & MATERIALS	.8	1.4	.7	.7		.7	.7	.7		.7	.7
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	163.3	173.4	193.7	191.8		191.8	191.8	191.2		191.2	191.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	163.3	173.4	193.7	191.8		191.8	191.8	191.2		191.2	191.2
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	163.3	173.4	193.7	191.8		191.8	191.8	191.2		191.2	191.2
POSITIONS BY FUND											
GENERAL	4.0	4.0	4.0	4.0		4.0	4.0	4.0		4.0	4.0
TOTAL POSITIONS	4.0	4.0	4.0	4.0		4.0	4.0	4.0		4.0	4.0

ACTIVITY: INFORMATION MANAGEMENT
 Program: POLICY AND PROGRAM SUPPORT SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 260.3	\$ 319.4	\$ 334.7	\$ 364.8	\$ 375.4

ACTIVITY OBJECTIVE:

To provide a full range of systems development services in the area of information management including feasibility studies, system analysis, design, and implementation for the department's divisions.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Information management systems	22	28	28	28
Divisions using major computer systems technology	6	8	10	14

ACTIVITY DESCRIPTION:

This activity assists the programs and supporting operations by developing and maintaining Information Management Systems for collecting and processing data. Accountability for large and complex human service programs depends on computerized recording of essential data about persons and families served and benefits provided. This activity covers both currently operating systems and those which need to be developed in the counties, state regional treatment centers and nursing homes, and in the Department itself. Such systems include data exchange and interface with federal, other state agencies, and local governmental units.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Counties using common systems:				
Grant payment system	60	60	65	70
GAMC payments system	86	86	86	86
Child support system	36	38	42	46
Community services information systems	77	77	77	77
Hospital subsystems developed	4	6	8	10

ACCOMPLISHMENTS AND GOALS:

Accomplishments: During this biennium this activity:

- 1) Completed and implemented in 28 counties a major enhancement to the Child Support Collection System.
- 2) Designed and completed programming for a Family Care Licensing Program. This new system will be installed during second quarter F.Y. 1987.
- 3) Completed a feasibility study for the Merit System upgrade. The study supported a combined micro/mainframe approach to a new system.
- 4) Activated and completed a study of the state regional treatment centers' computer systems.

ACCOMPLISHMENTS AND GOALS (Contd.):

- 5) Updated the accounting on computer processing done for the divisions of the Department of Human Services. This update allows the activity author to have more complete information related to line item 17 expenditure for budgetary purposes.
- 6) Activated a standard setting program to control system development among the various project undertaken by DHS.
- 7) Started a long range information system plan to support the human service delivery system.

Goals: During the biennium this activity will:

- 1) Make available to central office staff effective office automation tools.
- 2) Complete a major upgrade to both Personnel and Merit System information processing capabilities.
- 3) Provide system support to complete an information system for a major agency initiative, the Consolidated Chemical Dependency Fund.
- 4) Publish and establish upgrade procedures for the agency's long-range information system plan.
- 5) Establish informational standards that are applicable department-wide to ensure commonality of data.
- 6) Establish data base standards to improve integrity and sharing of data.
- 7) Expand the use of electronic bulletin boards for county information.
- 8) Establish a data dictionary for departmental use to promote consistency of data and reporting.
- 9) Aid in the establishment and use of random moment samples on the functions that staff perform so as to simplify and improve cost recovery from funding sources.
- 10) Define minimum documentation requirements for existing systems and then bring them up to meet these requirements.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for changes detailed in the agency-wide change pages.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: INFORMATION MANAGEMENT

PROGRAM: POLICY & PROG SUPPORT SERV

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	460.0	573.6	621.1	674.5	161.0	835.5	674.5	672.7	161.0	833.7	672.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	460.0	573.6	621.1	674.5	161.0	835.5	674.5	672.7	161.0	833.7	672.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	349.5	412.7	468.2	521.6	145.8	667.4	521.6	519.8	145.8	665.6	519.8
EXPENSES & CONTRAC. SERV	93.4	114.3	150.3	150.3	2.2	152.5	150.3	150.3	2.2	152.5	150.3
SUPPLIES & MATERIALS	4.3	11.7	1.4	1.4		1.4	1.4	1.4		1.4	1.4
EQUIPMENT	12.8	34.9	1.2	1.2	13.0	14.2	1.2	1.2	13.0	14.2	1.2
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	460.0	573.6	621.1	674.5	161.0	835.5	674.5	672.7	161.0	833.7	672.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	460.0	573.6	621.1	674.5	161.0	835.5	674.5	672.7	161.0	833.7	672.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	460.0	573.6	621.1	674.5	161.0	835.5	674.5	672.7	161.0	833.7	672.7
POSITIONS BY FUND											
GENERAL	9.0	11.0	11.0	11.0	4.0	15.0	11.0	11.0	4.0	15.0	11.0
TOTAL POSITIONS	9.0	11.0	11.0	11.0	4.0	15.0	11.0	11.0	4.0	15.0	11.0

PROGRAM: COMMUNITY SOCIAL SERVICES
Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE:

This program is responsible for supervising public social service policies and state funding in the target areas of elderly, child/family programs, general social service programs, and persons with mental retardation.

The program develops plans and allocates, distributes, and reports federal social service funds. The program also promulgates and distributes rules and monitors local programs for policy compliance and performance.

The program has 3 major responsibilities in its supervisory function.

- 1) To build local program capacity through flexible funding allocations; to implement and market state of the art program models; and to provide training and skill development to local agencies.
- 2) To monitor local program compliance and performance.
- 3) To report to the public on the impact of public social service policies.

OPERATIONS:

The program encompasses the following operations:

- 1) Developing the state Community Social Service Act (CSSA) biennial plan and periodic evaluation reports, distributing state and federal funds to counties, and providing a variety of technical and programmatic services to counties to assist them in carrying out their responsibilities under the Act.
- 2) Providing technical assistance, consultation, rules, standards, grants, and monitoring to counties and state level contractors in the direct delivery and purchase of social services to the target populations identified in the CSSA, and information system development.
- 3) Providing leadership in program development for older people. Additional functions provide advocacy services through the long-term care ombudsman program and monitor program implementation for nutrition programs, senior service centers, and volunteer programs funded by state appropriations and federal Older American Act funds.
- 4) Providing capacity building, monitoring, and policy reporting in the areas of child-family living programs, adoption, and state ward services.
- 5) Provide leadership, capacity building, monitoring, and policy reporting for persons with mental retardation. Programs include Rule 185 case management, Semi-Independent Living Services (SILS), Family Subsidy, Title XIX mental retardation waiver, residential services, state operated pilot projects, and day habilitation programs.

MAJOR POLICY ISSUES:

- 1) Improving local agency performance and cost containment through new efforts in monitoring and compliance.
- 2) Reduction of child out-of-home placements with increased emphasis on permanency planning for children.
- 3) Increased usage of normal, integrated community programs and services for persons with mental retardation.
- 4) Promoting services that allow all citizens over age 60 to live as independently as possible.

PROGRAM PRIORITIES:

- 1) The formation of a Child-Family Service Division.
- 2) Restoration of F.Y. 1986-87 unallotted CSSA and Aging funds.
- 3) Legislation to redesign the SILS program.

EXPLANATION OF BUDGET REQUEST:

An increase of \$16,982.1 is requested for the biennium; \$7,994.5 in F.Y. 1988 and \$8,987.6 in F.Y. 1989. Details for this request are contained in the pages that follow.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$10,985.5 for the F.Y. 1987-89 biennium for this program.

Details are found on the change level pages that follow.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: COMMUNITY SOCIAL SERVICES

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
CSSA-TITLE XX GRANTS	100,076.4	98,711.2	93,540.3	93,484.0	3,022.8	96,506.8	93,484.0	93,484.0	3,022.8	96,506.8	71,557.7
SOCIAL SERVICES	3,259.8	3,414.4	3,657.6	3,265.0	1,069.0-	2,196.0	2,026.0	3,242.5	1,239.0-	2,003.5	2,003.5
CHILDRENS SERVICES	16,149.4	17,817.7	20,374.1	20,328.3	2,327.7	22,656.0	30,770.5	20,142.2	2,436.0	22,578.2	30,692.5
MENTAL RETARDATION PROGRAM	4,056.1	4,231.0	4,342.2	4,443.3	888.3	5,331.6	4,969.9	4,441.1	1,432.2	5,873.3	5,348.5
AGING	17,860.4	19,099.4	17,567.6	17,487.1	2,824.7	20,311.8	19,437.1	17,485.4	3,335.6	20,821.0	19,435.4
TOTAL	141,402.1	143,273.7	139,481.8	139,007.7	7,994.5	147,002.2	150,687.5	138,795.2	8,987.6	147,782.8	129,037.6
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	7,064.5	7,431.7	7,730.1	7,684.1	232.3	7,916.4	7,875.6	7,471.6	294.3	7,765.9	7,690.8
LOCAL ASSISTANCE	133,120.3	134,557.5	129,951.7	129,523.6	7,592.2	137,115.8	141,011.9	129,523.6	8,585.0	138,108.6	119,438.5
AIDS TO INDS.	1,217.3	1,284.5	1,800.0	1,800.0	170.0	1,970.0	1,800.0	1,800.0	108.3	1,908.3	1,908.3
TOTAL EXPENDITURES	141,402.1	143,273.7	139,481.8	139,007.7	7,994.5	147,002.2	150,687.5	138,795.2	8,987.6	147,782.8	129,037.6
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	67,541.6	65,793.0	61,131.5	61,255.9	7,994.5	69,250.4	72,935.7	61,249.9	8,987.6	70,237.5	60,555.7
DEDICATED APPROPRIATIONS:											
GENERAL		219.5	219.5	219.5		219.5	219.5	219.5		219.5	219.5
SPECIAL REVENUE	46.9	155.1	207.0	102.0		102.0	102.0	102.0		102.0	102.0
GIFTS AND DEPOSITS	359.2	386.8	340.2	15.0		15.0	15.0	15.0		15.0	15.0
FEDERAL	73,454.4	76,719.3	77,583.6	77,415.3		77,415.3	77,415.3	77,208.8		77,208.8	68,145.4
TOTAL FINANCING	141,402.1	143,273.7	139,481.8	139,007.7	7,994.5	147,002.2	150,687.5	138,795.2	8,987.6	147,782.8	129,037.6
POSITIONS BY FUND:											
GENERAL	47.0	49.0	45.0	45.0	7.0	52.0	52.0	45.0	8.0	53.0	52.0
FEDERAL	45.5	45.5	49.0	49.0		49.0	49.0	45.0		45.0	45.0
TOTAL POSITIONS	92.5	94.5	94.0	94.0	7.0	101.0	101.0	90.0	8.0	98.0	97.0

ACTIVITY: COMMUNITY SOCIAL SERVICES/TITLE XX GRANTS
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATE REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To distribute state community social service funds to local agencies according to statutory formula. These funds are used to provide social and mental health services as required by the Community Social Services Act (M.S. 256E).

EFFECTIVENESS MEASURES:

Major state social service goals identified in county social service plans for calendar year 1987-88.

- To improve day care services for infants.
- To implement chemical dependency Rule 25.
- To increase ordinary housing and employment opportunities for persons with mental retardation.
- To increase access to less restrictive housing for the mentally ill.
- To address mental health and chemical dependency needs of persons over age 60.
- To involve and coordinate social services with other resources in the community who serve adolescent parents.
- To expand guardianship services to vulnerable adults.

ACTIVITY DESCRIPTION:

The Community Social Services Act (CSSA) establishes a system for planning, funding, and evaluating community social services by local agencies of each county under the supervision of the Commissioner of Human Services. County boards are required to provide community social services for the following target populations: 1) families experiencing child dependency, neglect, abuse, or adolescent pregnancies; 2) dependent and neglected wards; 3) vulnerable adults in need of protection; 4) persons age 60 and over who are experiencing difficulty living independently; 5) emotionally disturbed youth, chronically, and mentally ill persons; 6) mentally retarded persons; 7) chemically dependent persons; and 8) families in need of day care.

Community Social Services Act dollars represents 20% of the total social service expenditures. In 1985-87 biennium, CSSA was reduced by \$3,022.8 as part of the budget reduction process. The same level of funding is requested for this activity except as indicated in the following change page. The budget change page reflects a return to the 1985 CSSA level of state funding.

As part of the process in receiving CSSA funds, each county must submit a local plan for community social services; the plan is approved by the state agency; and counties are allocated dollars based on the formula in M.S. 256E.06 (1/3 income maintenance case load, 1/3 population, 1/3 number of persons over 65).

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Amount allocated to counties CSSA	\$50,447.8	\$48,199.3	\$48,199.3	\$48,199.3

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CSSA-TITLE XX GRANTS

PROGRAM: COMMUNITY SOCIAL SERVICES

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,326.2	2,334.0	2,236.0	2,232.0		2,232.0	2,232.0	2,232.0		2,232.0	2,232.0
LOCAL ASSISTANCE	97,750.2	96,377.2	91,304.3	91,252.0	3,022.8	94,274.8	91,252.0	91,252.0	3,022.8	94,274.8	69,325.7
AIDS TO INDS.											
TOTAL EXPENDITURES	100,076.4	98,711.2	93,540.3	93,484.0	3,022.8	96,506.8	93,484.0	93,484.0	3,022.8	96,506.8	71,557.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	144.2	152.0	150.0	150.0		150.0	150.0	150.0		150.0	150.0
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS	2,182.0	2,182.0	2,086.0	2,082.0		2,082.0	2,082.0	2,082.0		2,082.0	2,082.0
TOTAL STATE OPERATIONS	2,326.2	2,334.0	2,236.0	2,232.0		2,232.0	2,232.0	2,232.0		2,232.0	2,232.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	51,541.1	50,447.8	48,199.3	48,199.3	3,022.8	51,222.1	48,199.3	48,199.3	3,022.8	51,222.1	35,336.4
DEDICATED APPROPRIATIONS:											
FEDERAL	48,535.3	48,263.4	45,341.0	45,284.7		45,284.7	45,284.7	45,284.7		45,284.7	36,221.3
TOTAL FINANCING	100,076.4	98,711.2	93,540.3	93,484.0	3,022.8	96,506.8	93,484.0	93,484.0	3,022.8	96,506.8	71,557.7
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST
 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CSSA-TITLE XX GRANTS
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: CSSA GRANT FUNDS

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$3,022.8	-0-	\$3,022.8	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to restore the Community Social Services Act (CSSA) fund to its 1985 base. These dollars will be distributed to local agencies using the CSSA formula.

DESCRIPTION/BACKGROUND:

The Legislature provided for a 6% increase in CSSA state funds each fiscal year during the period of 1980 through 1983. In F.Y. 1984 and 1985, the law provided a state increase of 5% each year. These previous legislative actions responded to the original intention of the CSSA legislation which recognized a state-county partnership in providing social services in Minnesota.

CSSA was funded at \$51,222.1 for F.Y. 1986 and F.Y. 1987. Unallotments of \$744.3 in F.Y. 1986 and \$3,022.8 F.Y. 1987 were made to balance the state budget. These reductions were spread over calendar years 1986 (2/3) and 1987 (1/3).

During calendar year 1986, the counties were also reduced \$900.0 in social services and mental health grant-in-aids. In addition, the federal Title XX allocation was reduced over \$2 million for social services. This means the counties absorbed almost \$7 million in reduced social service dollars.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
CSSA dollars	\$50,447.8	\$48,199.3	\$51,222.1	\$51,222.1

RATIONALE:

County government, through local property taxes, provides the largest share of social service funding. County expenditures for social services have increased significantly while state and federal participation has been reduced. This puts pressure on local property tax and raises serious issues with state-county partnership in providing social services. An increase is needed to assist local agencies to provide needed social services.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding. However, DHS federal revenue enhancement efforts should yield sufficient additional federal funds for social services to more than offset county CSSA losses through unallotment.

Based on analyses of CSSA undertaken during the current biennium, the Governor also recommends DHS prepare and implement, by January 1989, a plan for improving linkages between CSSA and Aid to Families with Dependent Children (AFDC). The current lack of linkages between these two major programs handicaps state and county efforts to enhance recipient self-sufficiency and minimize long-term dependency on AFDC. The Commissioner of Human Services will submit proposed legislation required to implement this recommendation.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: CSSA - TITLE XX GRANTS
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: CSSA-TITLE XX GRANT TRANSFER TO MENTAL HEALTH GRANTS				
Governor's Recommendation				
General Fund	\$ -0-	-0-	(\$12,862.9)	-0-
Federal Fund	\$ -0-	-0-	(\$9,063.4)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256E.01 to 256E.12				

GOVERNOR'S RECOMMENDATION:

The Governor recommends a decrease in CSSA - Title XX Grants reflecting the transfer of funds to the State Mental Health Fund as described in the Mental Health initiative change request.

DESCRIPTION/BACKGROUND:

Currently, CSSA - Title XX grants pay for social services for mentally ill persons. The department is proposing legislation to combine funding for mental health services from a number of existing funding sources. This change will enhance the proposed system and ensure maintenance of the current level of state and county fiscal support for mental health services.

RATIONALE:

The amount to be transferred is estimated based on projected mental health expenditures in county 1987 CSSA plans. The funds being transferred are state and federal funds which have been spent on mental health services. Transfer of these funds, together with the state/county sharing ratio proposed in the legislation, will assure the continued availability of these funds to the mental health system. Transfer of these funds will assure their expenditure in support of the development of a statewide, comprehensive mental health system.

Fiscal Summary for Federal Block Grants
and Other Federal Funds

Agency: HUMAN SERVICES, DEPARTMENT OF
Federal Grant Title: TITLE XX BLOCK GRANTS TO STATES FOR SOCIAL SERVICES
State Legal Authority: MINNESOTA STATUTES, SECTION 256E "THE COMMUNITY SOCIAL SERVICES ACT"

ANTICIPATED RECEIPT DATES: Quarterly, October through September.

GRANT OBJECTIVES:

- 1) Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
- 2) Achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
- 3) Preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating, or reuniting families;
- 4) Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and
- 5) Securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

FEDERALLY (AND STATE) PERMITTED USES AND USE RESTRICTIONS:

Federal Permitted Uses:

- 1) Services include, but are not limited to, child care services, protective services for children and adults, services for children and adults in foster care, services related to the management and maintenance of the home, day care services for adults, transportation services, family planning services, training and related services, employment services, information, referral, and counseling services, the preparation and delivery of meals, health support services and appropriate combinations of services designed to meet the special needs of children, the aged, the mentally retarded, the blind, the emotionally disturbed, the physically handicapped, and alcoholics and drug addicts;
- 2) Expenditures for such services may include expenditures for
 - (i) administration (including planning and evaluation);

FEDERALLY (AND STATE) PERMITTED USES AND USE RESTRICTIONS (Contd.):

- (ii) personnel training and retraining directly related to the provision of those services (including both short and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions); and
- (iii) conferences or workshops, and training or retraining through grants to nonprofit organizations within the meaning of section 501 (c)(3) of the Internal Revenue Code of 1954 or to individuals with social services expertise, or through financial assistance to individuals participating in such conferences, workshops, and training or retraining (and this clause shall apply with respect to all persons involved in the delivery of such services).

GRANT USE:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
I. <u>Financial Assistance to Individuals or Political Subdivisions</u>				
Grants to Counties	\$44,452.5	\$42,719.0	\$42,699.7	\$42,703.7
Day Care Contract	\$ 476.9	\$ 386.0	\$ 353.0	\$ 349.0
Subtotal:	\$45,929.4	\$43,105.0	\$43,052.7	\$43,052.7
II. <u>State Agency Operations</u>				
State Administration	\$ 2,334.0	\$ 2,236.0	\$2,232.0	\$ 2,232.0
Subtotal:	\$ 2,334.0	\$ 2,236.0	\$2,232.0	\$ 2,232.0
Total Grant	\$48,263.4	\$45,341.0	\$45,284.7	\$45,284.7

ACTIVITY: SOCIAL SERVICES
Program: COMMUNITY SOCIAL SERVICES
Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

This budget activity includes the objectives for the 2 management activities that follow. The objectives of this activity are to interpret and enforce federal and state laws and department rules in the planning, provision, and evaluation of Community Social Services by local agencies and department contractors, and to provide up to 75% reimbursement to counties for a variety of services for American Indians.

ACTIVITY DESCRIPTION:

This activity is an aggregation of the 2 management activities that follow: Community Social Services Administration and General Relief Indians. The activity provides planning and administrative technical assistance to county boards and social service departments, carrying out the state responsibility to supervise the local provision of public social services. Up to 75% reimbursement is made to counties of expenditures for services to Indians. Specific functions include on-site review and monitoring, providing plan guidelines, review and disposition of county plans, rule promulgation and revision, information system design, analysis and interpretation of statistical data, and consultation and training.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes accompanying the management activity pages that follow.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: SOCIAL SERVICES

PROGRAM: COMMUNITY SOCIAL SERVICES

AGENCY: HUMAN SERVICES, DPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,912.1	2,020.7	2,056.1	1,913.5		1,913.5	1,913.5	1,891.0		1,891.0	1,891.0
LOCAL ASSISTANCE	1,347.7	1,393.7	1,601.5	1,351.5	1,239.0-	112.5	112.5	1,351.5	1,239.0-	112.5	112.5
AIDS TO INDS.					170.0	170.0					
TOTAL EXPENDITURES	3,259.8	3,414.4	3,657.6	3,265.0	1,069.0-	2,196.0	2,026.0	3,242.5	1,239.0-	2,003.5	2,003.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,367.2	1,344.8	1,389.9	1,374.5		1,374.5	1,374.5	1,363.2		1,363.2	1,363.2
EXPENSES & CONTRAC. SERV	522.4	603.1	611.6	489.2		489.2	489.2	480.4		480.4	480.4
SUPPLIES & MATERIALS	15.5	14.6	26.1	21.3		21.3	21.3	18.9		18.9	18.9
EQUIPMENT	7.0	58.2	28.5	28.5		28.5	28.5	28.5		28.5	28.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,912.1	2,020.7	2,056.1	1,913.5		1,913.5	1,913.5	1,891.0		1,891.0	1,891.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,212.8	2,056.3	2,060.1	2,063.7	1,069.0-	994.7	824.7	2,061.9	1,239.0-	822.9	822.9
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	46.9	86.8	105.0								
GIFTS AND DEPOSITS			250.0								
FEDERAL	1,000.1	1,271.3	1,242.5	1,201.3		1,201.3	1,201.3	1,180.6		1,180.6	1,180.6
TOTAL FINANCING	3,259.8	3,414.4	3,657.6	3,265.0	1,069.0-	2,196.0	2,026.0	3,242.5	1,239.0-	2,003.5	2,003.5
POSITIONS BY FUND											
GENERAL	14.0	13.0	12.0	12.0		12.0	12.0	12.0		12.0	12.0
FEDERAL	21.5	21.5	22.0	22.0		22.0	22.0	21.0		21.0	21.0
TOTAL POSITIONS	35.5	34.5	34.0	34.0		34.0	34.0	33.0		33.0	33.0

ACTIVITY: SOCIAL SERVICES ADMINISTRATION
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	ESTIMATE F.Y. 1985 \$ 550.8	ESTIMATE F.Y. 1986 \$ 455.1	ESTIMATE F.Y. 1987 \$ 447.1	ESTIMATE F.Y. 1988 \$ 450.6	ESTIMATE F.Y. 1989 \$ 463.8
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ACTIVITY OBJECTIVE:

To interpret and enforce federal and state laws, and department rules, policies and goals in the planning, provision, and evaluation of community social services by local agencies and contractors.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Federal program audits passed	3	3	4	4
Counties achieving CSSA plan compliance	87	87	87	87
Federal plans	3	4	3	3
Adult foster homes	536	586	615	676
Adult day care facilities	60	65	70	80
Volunteers' hours	1,056,730	1,109,567	1,159,600	1,209,600
Counties using CSIS vendor payment subsystem	56	59	62	65

ACTIVITY DESCRIPTION:

This activity supervises the planning, provision, and evaluation of community social services by local agencies and department contractors as provided for in the Minnesota Community Social Service Act and related federal and state social service laws.

Functions of this activity are compliance assurance, maintaining and improving local agency management, capacity building in services needed by adult target populations, and providing internal management support services. Functions are performed by technical assistance, consultation, monitoring, and training for local agency management and county board members. Data on agency performance is collected, statistical reports produced, special studies conducted, information systems maintained, and liaison services provided to local agencies. The social services manual is maintained and contracts administered.

ACCOMPLISHMENTS AND GOALS:

New and revised rules have been promulgated defining standards for administration of social services, for distribution of funds, and to guide development of resources essential to meeting the needs of adult target populations and mental retardation and aging waiver program clients. Use of volunteers has expanded throughout human services and efficiencies in information gathering and analysis and program management have been made with automated systems. Local agency management improvements have been made.

ACCOMPLISHMENTS AND GOALS (Contd.):

Federal plans revisions and modifications have guaranteed obtaining all available federal dollars. A major effort at maximizing federal IV-E funds has brought substantial new federal dollars to counties and more limited new federal dollars to the state. Contracts for statewide services have been efficiently administered. A consultant evaluation has given direction for improvements in our information systems. The department applied for and received a federal discretionary grant of \$60,000 to enhance a caregiver public information program in Minnesota and to provide it to 3 other states. During this coming year, the department expects to implement new monitoring procedures to assure local agency and provider compliance and efficiencies, make further gains in additional federal IV-E funding, upgrade local agency program performance to ensure their passing federal audits, and achieve the level of local resources needed for the achievement of target populations and waiver client objectives for self-sufficiency.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Rule promulgation/revisions	1	3	2	2
Reports produced and disseminated	19	20	20	20
Information requests/month	40	40	40	40
Special federal grants awarded	1	4	2	2

LEGISLATIVE ISSUES:

Legislation is being proposed to permit the one-time appropriation of startup grants to assist prospective adult foster homes to meet accessibility and fire code standards for licensing. Legislation is also being proposed to repeal the General Relief Indian Act.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except as indicated in the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: SOCIAL SERVICES

MANAGEMENT ACTIVITY: SOCIAL SERVICES ADMIN

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,912.1	2,020.7	2,056.1	1,913.5		1,913.5	1,913.5	1,891.0		1,891.0	1,891.0
LOCAL ASSISTANCE	108.3	154.7	362.5	112.5		112.5	112.5	112.5		112.5	112.5
AIDS TO INDS.					170.0	170.0					
TOTAL EXPENDITURES	2,020.4	2,175.4	2,418.6	2,026.0	170.0	2,196.0	2,026.0	2,003.5		2,003.5	2,003.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,367.2	1,344.8	1,389.9	1,374.5		1,374.5	1,374.5	1,363.2		1,363.2	1,363.2
EXPENSES & CONTRAC. SERV	522.4	603.1	611.6	489.2		489.2	489.2	480.4		480.4	480.4
SUPPLIES & MATERIALS	15.5	14.6	26.1	21.3		21.3	21.3	18.9		18.9	18.9
EQUIPMENT	7.0	58.2	28.5	28.5		28.5	28.5	28.5		28.5	28.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,912.1	2,020.7	2,056.1	1,913.5		1,913.5	1,913.5	1,891.0		1,891.0	1,891.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	973.4	817.3	821.1	824.7	170.0	994.7	824.7	822.9		822.9	822.9
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	46.9	86.8	105.0								
GIFTS AND DEPOSITS			250.0								
FEDERAL	1,000.1	1,271.3	1,242.5	1,201.3		1,201.3	1,201.3	1,180.6		1,180.6	1,180.6
TOTAL FINANCING	2,020.4	2,175.4	2,418.6	2,026.0	170.0	2,196.0	2,026.0	2,003.5		2,003.5	2,003.5
POSITIONS BY FUND											
GENERAL	14.0	13.0	12.0	12.0		12.0	12.0	12.0		12.0	12.0
FEDERAL	21.5	21.5	22.0	22.0		22.0	22.0	21.0		21.0	21.0
TOTAL POSITIONS	35.5	34.5	34.0	34.0		34.0	34.0	33.0		33.0	33.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: SOCIAL SERVICES ADMINISTRATION
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: ADULT FOSTER HOMES START-UP GRANTS

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$170.0	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVES:

The department requests the above funds to make start-up grants to potential adult foster homes. These grants will be used to make structural changes to the homes for handicapped accessibility and to meet fire codes.

DESCRIPTION/BACKGROUND:

Adult foster homes are needed in significant numbers to meet the needs of elderly, handicapped, mentally retarded, and mentally ill for community-based services.

These grants, of up to \$5.0, would be made to new individual or family providers to make required structural modifications. They in turn would agree to make their homes available for care for 5 years or return the funds.

The Accessibility Grant Program administered by the Minnesota Housing Finance Agency recently had a one-time foster care demonstration. It has been well received. It paid for accessibility modifications only in an amount up to \$10.0.

The department recommends that the following appropriation bill rider language be adopted to authorize the grants to be made from this one time appropriation:

DESCRIPTION/BACKGROUND (Contd.):

"The Commissioner may make grants, in cooperation with the Minnesota Housing Finance Agency, to private individuals who need to make minor structural changes to their homes for handicapped accessibility and to meet fire codes to be licensed as adult foster homes. The grants may not exceed \$5.0 and the recipient will agree to provide care for five years or return the funds."

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of adult foster homes	536	586	675	736
Number of grants made	0	0	60	0

RATIONALE:

The need for community-based services to avoid or reduce institutional care is extensive. The adult waiver programs and target population objectives cannot be achieved without additional facilities.

The Minnesota Housing Finance Agency has had experience with such a grant program. These funds will be administered by HFA under an inter-agency agreement. Referrals of applicants will be made by local agencies.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: GENERAL RELIEF INDIANS
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To provide up to 75% reimbursement to local agencies for a variety of services for American Indians.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Reimbursement level	30.0%	30.0%	30.0%	30.0%

ACTIVITY DESCRIPTION:

The Indian General Relief Program reimburses local agencies for up to 75% of the costs of relief provided to American Indians not residing on the Red Lake Indian Reservation. The actual reimbursement is 30%.

Funds are provided for: 1) direct relief for American Indians in their own homes; 2) medical care; 3) hospital care; 4) burial; 5) maintenance of children not under state guardianship; 6) mental health and chemical dependency treatment for children; 7) placement and family reunification services; 8) traditional healers.

ACCOMPLISHMENTS AND GOALS:

The department has reviewed this program and will be proposing major legislative revisions to current statutes to better meet current Indian needs. The funds from this activity will be redirected into the Indian Child Welfare Grant program for establishing culturally sensitive programs.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of counties claiming	24	24	24	24
Claim distribution				
Substitute care	48%	60%	60%	60%
Chemical dependency treatment	50%	38%	38%	38%
Other services	2%	2%	2%	2%

LEGISLATIVE ISSUES:

Legislation will be proposed which will eliminate this program and redirect the program's funding for the purposes of establishing child culturally sensitive program grants to better address current Indian needs.

BASE LEVEL REVIEW:

This activity has been selected for a base-level review.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: SOCIAL SERVICES

MANAGEMENT ACTIVITY: GENERAL RELIEF INDIANS

AGENCY: HUMAN SERVICES, OPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	1,239.4	1,239.0	1,239.0	1,239.0	1,239.0-			1,239.0	1,239.0-		
AIDS TO INDS.											
TOTAL EXPENDITURES	1,239.4	1,239.0	1,239.0	1,239.0	1,239.0-			1,239.0	1,239.0-		
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,239.4	1,239.0	1,239.0	1,239.0	1,239.0-			1,239.0	1,239.0-		
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,239.4	1,239.0	1,239.0	1,239.0	1,239.0-			1,239.0	1,239.0-		
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: GENERAL RELIEF INDIANS
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

The funds being eliminated reflect the dollars currently appropriated for this activity. An equal increase in funds is being requested to coincide with the proposed legislative changes to the Indian Family Preservation Act.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Request Title: ELIMINATE GENERAL RELIEF INDIANS - REDIRECT FUNDS				
Agency Request				
General Fund	(\$1,239.0)	-0-	(\$1,239.0)	-0-
Governor's Recommendation				
General Fund	(\$1,239.0)	-0-	(\$1,239.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 245.76 and M.S. 257.35				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in funding which reflects proposed legislation to eliminate this program.

DESCRIPTION/BACKGROUND:

Legislation is being proposed to repeal the General Relief Indian Act and to modify the "Indian Family Preservation Act" to provide for Indian Child Welfare Grants. Indian relief funds have been claimed by 24 counties, at 30% reimbursement level, primarily to pay for child foster care and chemical dependency treatment. The new legislation establishes child culturally sensitive program grants to better address current Indian needs.

STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of Counties Claiming	24	24	0	0
Claim Distribution				
Substitute Care	48%	60%	0	0
Chemical Dependency Treatment	50%	38%	0	0
Other Services	2%	2%	0	0

ACTIVITY: CHILDREN'S SERVICES
 Program: COMMUNITY CHILDREN'S SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

This budget activity includes the objectives for the 2 management activities that follow. The objectives of this activity are to interpret and enforce federal and state laws and department rules in the planning, provision, development, and evaluation of services to children and their families.

ACTIVITY DESCRIPTION:

The key goals for programs in this activity are permanency planning for children and self-sufficiency for adolescents facing emancipation. Target populations emphasized are: families whose children are at risk of placement outside their homes, children in placement and their families seeking reunification, children under state guardianship, children and families in the adoption process, children seeking placement across state lines, youth in foster care needing independent living skills, pregnant adolescents, adolescent parents, refugee children, and minority children. Specific functions include administering funds, providing direct services, building system capacity and developing and implementing policy.

EXPLANATION OF BUDGET REQUEST:

The SAME level funding is requested for this activity except for the changes accompanying the management activity pages that follow.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHILDRENS SERVICES

PROGRAM: COMMUNITY SOCIAL SERVICES

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	946.1	1,165.1	1,360.9	1,345.9	113.7	1,459.6	1,418.8	1,159.8	113.7	1,273.5	1,232.5
LOCAL ASSISTANCE	13,986.0	15,368.1	17,213.2	17,182.4	2,214.0	19,396.4	27,551.7	17,182.4	2,214.0	19,396.4	27,551.7
AIDS TO INDS.	1,217.3	1,284.5	1,800.0	1,800.0		1,800.0	1,800.0	1,800.0	108.3	1,908.3	1,908.3
TOTAL EXPENDITURES	16,149.4	17,817.7	20,374.1	20,328.3	2,327.7	22,656.0	30,770.5	20,142.2	2,436.0	22,578.2	30,692.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	589.8	685.8	731.7	729.4	101.7	831.1	826.3	673.1	101.7	774.8	770.0
EXPENSES & CONTRAC. SERV	94.4	150.2	296.3	278.7	8.4	287.1	258.5	150.6	8.4	159.0	130.2
SUPPLIES & MATERIALS	4.2	7.9	7.4	10.3	3.6	13.9	8.5	8.6	3.6	12.2	6.8
EQUIPMENT	5.7	14.2	16.5	18.5		18.5	16.5	18.5		18.5	16.5
OTHER EXPENSE ITEMS	252.0	307.0	309.0	309.0		309.0	309.0	309.0		309.0	309.0
TOTAL STATE OPERATIONS	946.1	1,165.1	1,360.9	1,345.9	113.7	1,459.6	1,418.8	1,159.8	113.7	1,273.5	1,232.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	6,445.6	5,648.4	4,944.1	4,944.6	2,327.7	7,272.3	15,386.8	4,944.3	2,436.0	7,380.3	15,494.6
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	2.3	24.5	60.4	5.0		5.0	5.0	5.0		5.0	5.0
FEDERAL	9,701.5	12,144.8	15,369.6	15,378.7		15,378.7	15,378.7	15,192.9		15,192.9	15,192.9
TOTAL FINANCING	16,149.4	17,817.7	20,374.1	20,328.3	2,327.7	22,656.0	30,770.5	20,142.2	2,436.0	22,578.2	30,692.5
POSITIONS BY FUND											
GENERAL		2.0	2.0	2.0	3.0	5.0	5.0	2.0	3.0	5.0	5.0
FEDERAL	16.0	16.0	19.0	19.0		19.0	19.0	16.0		16.0	16.0
TOTAL POSITIONS	16.0	18.0	21.0	21.0	3.0	24.0	24.0	18.0	3.0	21.0	21.0

ACTIVITY: CHILDREN'S SERVICES ADMINISTRATION
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To achieve permanent living arrangements for children in the homes of their natural parents, their adoptive parents, or permanent foster care; to support movement to independence of adolescents; and to strengthen parental functioning of young parents.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of children in substitute care	11,865	10,678	9,611	8,650
Number of minority children in placement	2,610	2,610	2,610	2,610
Number of children diverted from placement	600	1,200	2,100	3,000
Percentage of children leaving substitute care in less than 2 years	71	73	77	80
Number of state wards placed for adoption	341	350	310	290

ACTIVITY DESCRIPTION:

Children's Services provides leadership in shaping policy, building capacity for service delivery, installing services, assuring compliance, and improving local agency performance in providing services for children and families. These functions are performed through the activities of technical assistance, training, consultation, technology transfer, monitoring, policy development, and collaboration with advocacy and provider groups. Specific target populations are children at risk of or in out-of-home placement, pregnant teens and adolescent parents, unaccompanied refugee minors, minority children, children under state guardianship, children in adoptive placement, adopted individuals and their families, children moving across state lines for placement, and children needing a custody determination.

Children's Services will accomplish its objectives by providing leadership in shaping policies regarding these target populations; building statewide capacity for services to these target populations; piloting new services models; and assuring local agency compliance and performance in providing services for children and families. These functions are also performed through the allocation and monitoring of state and federal dollars used for these services; training and consultation with local agency staff; technology transfer; and collaboration with advocacy and provider groups in children's services policy development.

ACCOMPLISHMENTS AND GOALS:

The 1985 Permanency Planning Act has been implemented with early indications of achieving permanent living arrangements for children. A federal discretionary grant has been obtained for \$234.2 for developing and implementing a regionally based training and technical assistance program to improve county capacity to provide permanency planning

ACCOMPLISHMENTS AND GOALS (Contd.):

services. A task force on minority children has completed its study and made major recommendations on ways to improve services to minority children and families. A federal discretionary grant has been obtained for 1987 for \$60.0 to develop independent living skills for older adolescents. This program promises to help adolescents learn independent living skills and reduce their potential for becoming part of the adult welfare system. Services to Indian families face severe setbacks caused by reduced federal funding. A grant for \$225.0 was obtained from a local foundation to provide temporary program maintenance.

The major goal is to reduce out-of-home placements, which are costly in both financial and social terms. This will be accomplished by upgrading our federal compliance levels in services to children; preventing out-of-home placements and reducing the length of time children are in placement; expanding the number of children on subsidized adoptions; targeting new programs to minority families; using family-based services to divert children from foster care; and developing programs to increase the independent living skills of older adolescents now in foster care.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of children under state guardianship	660	620	580	540
Number of unaccompanied refugee minors	550	525	500	475
Number of children under Interstate Placement Compact	925	940	975	995
Number of births to minor mothers	1,640	1,630	1,620	1,610

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except as indicated on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHILDRENS SERVICES

MANAGEMENT ACTIVITY: CHILDRENS SERVICES ADMIN

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	694.1	699.7	689.4	679.9	37.9	717.8	679.9	679.9	37.9	717.8	679.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	694.1	699.7	689.4	679.9	37.9	717.8	679.9	679.9	37.9	717.8	679.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	589.8	596.9	603.6	593.6	33.9	627.5	593.6	593.6	33.9	627.5	593.6
EXPENSES & CONTRAC. SERV	94.4	86.2	64.2	64.7	2.8	67.5	64.7	64.7	2.8	67.5	64.7
SUPPLIES & MATERIALS	4.2	6.9	5.6	5.6	1.2	6.8	5.6	5.6	1.2	6.8	5.6
EQUIPMENT	5.7	9.7	16.0	16.0		16.0	16.0	16.0		16.0	16.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	694.1	699.7	689.4	679.9	37.9	717.8	679.9	679.9	37.9	717.8	679.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL					37.9	37.9			37.9	37.9	
DEDICATED APPROPRIATIONS:											
FEDERAL	694.1	699.7	689.4	679.9		679.9	679.9	679.9		679.9	679.9
TOTAL FINANCING	694.1	699.7	689.4	679.9	37.9	717.8	679.9	679.9	37.9	717.8	679.9
POSITIONS BY FUND											
GENERAL											
FEDERAL	16.0	16.0	16.0	16.0	1.0	16.0	16.0	16.0	1.0	16.0	16.0
TOTAL POSITIONS	16.0	16.0	16.0	16.0	1.0	17.0	16.0	16.0	1.0	17.0	16.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES ADMINISTRATION
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: IV-E ADMINISTRATOR	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$37.9	1.0	\$37.9	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funding and position to maximize federal IV-E funds, and assist in meeting federal reviews.

DESCRIPTION/BACKGROUND:

In the past year, the department has initiated a Title IV-E revenue enhancement project which has already resulted in increased federal administrative reimbursement claims and is expected to generate more federal administrative funds, as well as significantly more federal grant funding for county services to eligible children. The project has two phases: increasing administrative earnings by revising the method of allocating costs to social services programs, particularly Title IV-E; and increasing the number of children eligible for federal IV-E grant funding of services provided by counties. The administrative phase was begun first since increased funding could be realized more quickly. The eligibility phase has now begun. Minnesota has 28% of children in out of home placement eligible for Title IV-E. Other states have much higher percentages of eligible children. The number of Minnesota Children eligible for IV-E funding can be raised significantly. Federal financial participation in maintenance costs for IV-E eligible children in out of home placement is 53%.

In addition to increasing the amount of IV-E funding that Minnesota receives, the state must be concerned with protecting and preserving both the new funds and the funds currently being received. County IV-E operations are subject to annual program compliance

DESCRIPTION/BACKGROUND (Contd.):

reviews with decreasing levels of tolerance each year and are also subject to regular fiscal audits. Failure to pass a compliance review or fiscal audit would mean deferral or disallowance of sizable amounts of federal money. Minnesota's counties passed the 1985 compliance review which had an acceptable case load of 65% and also narrowly passed the 1986 review which had an acceptance level of 80%. The 1987 review acceptance level is 90%. Future reviews will be more difficult. Counties need assistance in preparing for these reviews.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Numbers of IV-E eligible children	1,629	1,740	2,000	2,225
Percentage of IV-E eligible children	28	29	31	34

RATIONALE:

Increasing the amount of federal administrative reimbursement received and increasing the amount of federal participation in maintenance payments for children will relieve pressure on the state CSSA appropriation and local tax levies. The revenue enhancement initiative was begun with the assistance of a consultant. Permanent staffing is needed to conclude the revenue project and to ensure preservation of the gains into the future by assisting counties to pass federal reviews, maintaining clear and defensible audit trails, and conducting negotiations with federal program staff and auditors.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: CHILDREN'S SERVICES GRANTS
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY DESCRIPTION: Children's Services makes grants to counties and individuals for children's programs throughout the state:

1) PERMANENCY PLANNING GRANTS:

Statutory Reference: M.S. 256F

Provides grants to counties based on child population for the purpose of preventing out-of-home placement of children where possible and to reduce the length of time and number of children in temporary placement by their return to own home or placement for adoption.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of state wards	660	630	630	630
State wards adopted	341	324	310	290
Number of children in out of home placement	11,865	10,678	10,678	10,678
GRANTS BY FUND	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	\$ 4,257.5	\$ 4,070.4	\$ 4,070.4	\$ 4,070.4
Federal IV-B	1,300.0	1,300.0	1,300.0	1,300.0

2) SUBSIDIZED ADOPTIONS:

Statutory Reference: M.S. 259.40

Adoption subsidies are provided by the state agency directly to families adopting a child with special needs determined to be eligible for a subsidy by the local agency. The special needs may be due to physical, mental, or emotional disabilities, age, minority, or ethnic heritage. Seventy-one percent of these children qualify for Federal IV-E matching funds.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total number of children receiving a subsidy	650	725	725	725
Average cost per subsidy				
State	\$ 2.5	\$ 2.6	\$ 2.6	\$ 2.6
Federal	\$ 3.8	\$ 4.0	\$ 4.0	\$ 4.0

ACTIVITY DESCRIPTION (Contd.):

GRANTS BY FUND	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	\$ 759.5	\$ 793.6	\$ 793.6	\$ 793.6
Federal IV-E	\$ 517.7	\$ 541.0	\$ 541.0	\$ 541.0

3) GRANTS FOR INDEPENDENT LIVING SKILLS:

Grants to counties are made to the extent federal funds are available. They are used for activities and services designed to assist eligible adolescents 16 and older to make the transition from foster care to independent living.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of adolescents age 16-18 in out-of-home placement	1,400	1,400	1,400	1,400
GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal	\$ 0	\$ 743.4	\$ 743.4	\$ 0

4) FORGOTTEN CHILDRENS' FUNDS:

This is a fund of private donations, primarily from the American Legion, which is used for children in foster care and for children with mental retardation. It pays for such things as musical instruments and class rings.

EXPLANATION OF BUDGET REQUEST:

The department requests the SAME level of funding except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHILDRENS SERVICES

MANAGEMENT ACTIVITY: CHILDRENS SERVICES GRANTS

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	252.0	307.0	476.2	494.8	75.8	570.6	632.7	309.0	75.8	384.8	446.7
LOCAL ASSISTANCE	13,986.0	15,368.1	17,213.2	17,182.4	2,214.0	19,396.4	27,551.7	17,182.4	2,214.0	19,396.4	27,551.7
AIDS TO INDS.	1,217.3	1,284.5	1,800.0	1,800.0		1,800.0	1,800.0	1,800.0	108.3	1,908.3	1,908.3
TOTAL EXPENDITURES	15,455.3	16,959.6	19,489.4	19,477.2	2,289.8	21,767.0	29,984.4	19,291.4	2,398.1	21,689.5	29,906.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES			60.8	56.0	67.8	123.8	159.9		67.8	67.8	103.9
EXPENSES & CONTRAC. SERV			104.6	128.1	5.6	133.7	160.9		5.6	5.6	32.6
SUPPLIES & MATERIALS			1.8	1.7	2.4	4.1	2.9		2.4	2.4	1.2
EQUIPMENT											
OTHER EXPENSE ITEMS	252.0	307.0	309.0	309.0		309.0	309.0	309.0		309.0	309.0
TOTAL STATE OPERATIONS	252.0	307.0	476.2	494.8	75.8	570.6	632.7	309.0	75.8	384.8	446.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	6,445.6	5,509.5	4,773.4	4,773.4	2,289.8	7,063.2	15,280.6	4,773.4	2,398.1	7,171.5	15,388.7
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	2.3	5.0	35.8	5.0		5.0	5.0	5.0		5.0	5.0
FEDERAL	9,007.4	11,445.1	14,680.2	14,698.8		14,698.8	14,698.8	14,513.0		14,513.0	14,513.0
TOTAL FINANCING	15,455.3	16,959.6	19,489.4	19,477.2	2,289.8	21,767.0	29,984.4	19,291.4	2,398.1	21,689.5	29,906.7
POSITIONS BY FUND											
GENERAL											
FEDERAL			3.0	3.0	2.0	2.0	3.0		2.0	2.0	3.0
TOTAL POSITIONS			3.0	3.0	2.0	5.0	6.0		2.0	2.0	3.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: PERMANENCY PLANNING	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 587.9	1.0	\$ 587.9	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256F				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to develop culturally sensitive permanency programs for minority children, e.g., black, Hispanic, and Southeast Asian, who are disproportionately represented in substitute care placements throughout the state. It also requests an additional \$200.0 to expand family-based services for emotionally disturbed children to enable them to remain with their families rather than be placed in restrictive out-of-home residential facilities.

DESCRIPTION/BACKGROUND:

The legislatively mandated Minority Task Force on Foster Care and Adoption issued their report in April 1986. The report identified 7 major issues with numerous recommendations in the areas of recruitment, training, licensing, record keeping, support services, and administrative policies and procedures to be implemented by the department. Many of these problems involving minority children and families have resisted solution for several years due to lack of priority to serve these populations, minimal monitoring of compliance with the order of placement preference law, and lack of culturally sensitive programs. In 1985, 22% of all children in placement were minority children, although they constitute only 5.6% of the state's child population. This is an upward trend.

DESCRIPTION/BACKGROUND (Contd.):

A special population of families that require attention in the Mental Health Initiative are families with emotionally disturbed children. Currently, many of these children are placed out of their homes; an expansion of family-based services to this population will reduce those placements.

RATIONALE:

These additional funds would make culturally sensitive child welfare services available to minority families. Grants and special projects would be initiated which would establish programs directed to helping minority children remain with their families and communities and reducing their numbers in foster care placement. Among other efforts these programs would provide family-based services, case management and recruitment and training of minority foster and adoptive families and agency staff. Also, a monitoring system would be established to accurately report and identify problems, and the department would work to achieve solutions to the issues identified in the Minority Task Force report. If the state is to meet its goal of reducing the numbers of children in out-of-home placement, an impact must be made on the placement rate of minority children. Two hundred thousand dollars of the \$550.0 grant portion of this request for each year will be awarded to programs providing intensive family-based services for emotionally disturbed children to enable them to remain with their families rather than be placed in restrictive out-of-home residential facilities. One staff person is budgeted at \$37.9.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: SUBSIDIZED ADOPTION				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 37.9	1.0	\$ 146.2	1.0
Governor's Recommendation				
General Fund	\$ 37.9	1.0	\$ 146.2	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: M.S. 259				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to administer the Subsidized Adoption Program including the new Interstate Compact on Subsidized Adoption and Medical Assistance; to provide and develop post legal adoption services and provide technical assistance and training to agency staff on adoption; to intervene in independent adoptions; and to respond to increasing numbers of disrupted and broken adoptions.

DESCRIPTION/BACKGROUND:

The subsidy program is increasing at the rate of 75 new cases per year. The degree of handicap suffered by these children is increasing in severity and recruitment of special homes is crucial to permanency planning for these wards. M.S. 259 mandates an array of services and responsibilities, including post adoption service, which requires constant supervision and direct service to the client by department staff. A 1986 county survey identified the need for state technical assistance in independent adoptions, disrupted adoptions, and post-adoption services as critical to successful adoptive placements.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Subsidized Adoptions	650	725	800	875
Grants by Fund				
General	\$780.0	\$913.7	\$1,057.9	\$1,213.3
Title IV-E	\$511.5	\$594.9	\$684.8	\$781.6

RATIONALE:

At any one time the Adoption and Guardianship Unit has approximately 6,000 open adoption cases, 660 children under state guardianship, and 650 children on subsidy. These all require direct service. Problems in the last year in the subsidy program, with independent adoptions, with the lack of training of mental health and agency staff, and with the backlog in post-adoption cases have glaringly pointed out the lack of sufficient staffing.

The increased money for grants furthers our goals to find permanent homes for children under state guardianship.

Each year of the biennium \$37.9 will be used for a staff position. No grant amount is needed for 1988, and the grant amount requested for 1989 will be \$108.3.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: INCREASE INDIAN CHILD WELFARE GRANTS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$1,239.0	-0-	\$1,239.0	-0-
Governor's Recommendation				
General Fund	\$1,239.0	-0-	\$1,239.0	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 257.35 and M.S. 245.76				

STATEMENT OF REQUEST/OBJECTIVES:

The department requests the above funds which reflect proposed legislation to establish child culturally sensitive program grants to better address current Indian needs.

DESCRIPTION/BACKGROUND:

Legislation is being proposed to repeal the General Relief Indian Act and to modify the "Indian Family Preservation Act" to provide for Indian Child Welfare Grants. Indian Relief funds have been claimed by 24 counties, at 30% reimbursement level, primarily to pay for child foster care and chemical dependency treatment. The new legislation establishes child culturally sensitive program grants to better address current Indian needs. This includes:

- 1) Indian social service grants for tribal and urban Indian child welfare programs.
- 2) Research and demonstration grants for tribes and Indian organizations.
- 3) Discretionary, special focus grants for local social service agencies, tribes and Indian organizations directed at placement prevention and family reunification.
- 4) Advisory committee (statewide).
- 5) Staff support for Indian Child Welfare program.

DESCRIPTION/BACKGROUND (Contd.):

Discretionary grants will focus on:

- 1) Permanency planning activities, consistent with the law which are directed toward the special needs of Indian families.
- 2) Youth chemical abuse prevention and treatment.
- 3) Teen-age pregnancy issues.
- 4) Independent living skills.
- 5) Other Indian child welfare activities as directed through legislation.

An evaluation and monitoring system would be established to assure quality of programs and reduction in placement of Indian children in foster care.

RATIONALE:

In 1986 only 4 of 16 programs providing federally and state mandated Indian child welfare services were refunded by the Bureau of Indian Affairs. The impact is to make the purposes of the Indian Family Preservation Act unattainable. Indian children are less than 1% of the population but 9% of the placement caseload. They are 6 times more likely than white children to be placed.

In order for the state and counties to meet permanency planning goals for Indian children and to meet the requirements of the Indian Family Preservation Act, it is critical to work with the Indian tribes. The tribal social services agencies have fulfilled the services functions needed in this cooperative effort to prevent placement, to find Indian foster and adoptive homes for children needing placement and to reunify families after a child had been placed in foster care. The Indian Family Preservation Act requires new and significant responsibilities of tribal racial services that cannot be carried out without this funding.

The funds being requested are those currently appropriated for the General Relief Indians activity. An equal decrease in funds is being requested in that activity to coincide with this program increase.

In addition to this request, \$425.0 of new funds are being requested for this activity by means of the following change page.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: INDIAN CHILD WELFARE GRANTS				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 425.0	-0-	\$ 425.0	-0-
Governor's Recommendation				
General Fund	\$ 270.0	-0-	\$ 270.0	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 257.35				

STATEMENT OF REQUEST/OBJECTIVES:

The department requests the above funds which reflect proposed legislation to establish child culturally sensitive program grants to better address current Indian needs.

DESCRIPTION/BACKGROUND:

Legislation is being proposed to repeal the General Relief Indian Act and to modify the "Indian Family Preservation Act" to provide for Indian Child Welfare Grants. Indian Relief funds have been claimed by 24 counties, at 30% reimbursement level, primarily to pay for child foster care and chemical dependency treatment. The new legislation establishes child culturally sensitive program grants to better address current Indian needs. This includes:

- 1) Indian social service grants for tribal and urban Indian child welfare programs.
- 2) Research and demonstration grants for tribes and Indian organizations.
- 3) Discretionary, special focus grants for local social service agencies, tribes and Indian organizations directed at placement prevention and family reunification.
- 4) Advisory committee (statewide).
- 5) Staff support for Indian Child Welfare program.

DESCRIPTION/BACKGROUND (Contd.):

Discretionary grants will focus on:

- 1) Permanency planning activities, consistent with the law which are directed toward the special needs of Indian families.
- 2) Youth chemical abuse prevention and treatment.
- 3) Teen-age pregnancy issues.
- 4) Independent living skills.
- 5) Other Indian child welfare activities as directed through legislation.

An evaluation and monitoring system would be established to assure quality of programs and reduction in placement of Indian children in foster care.

RATIONALE:

In 1986 only 4 of 16 programs providing federally and state mandated Indian child welfare services were refunded by the Bureau of Indian Affairs. The impact is to make the purposes of the Indian Family Preservation Act unattainable. Indian children are less than 1% of the population but 9% of the placement caseload. There are 6 times more likely than white children to be placed. Interim funding of tribal social services is being provided by the McKnight Foundation while the department seeks replacement funding.

In order for the state and counties to meet permanency planning goals for Indian children and to meet the requirements of the Indian Family Preservation Act, it is critical to work with the Indian tribes. The tribal social services agencies have fulfilled the services functions needed in this cooperative effort to prevent placement, to find Indian foster and adoptive homes for children needing placement and to reunify families after a child had been placed in foster care. The Indian Family Preservation Act requires new and significant responsibilities of tribal social services that cannot be carried out without this funding.

These funds are in addition to the same level funds being requested for this new activity, as indicated on the preceding change page.

GOVERNOR'S RECOMMENDATION:

The Governor recommends transfer of \$540.0 from permanency planning grants to partially fund this request. This recommendation restores funding provided for Indian child welfare services prior to October, 1986, when that funding was folded into county permanency planning grants. The following change request recommends a \$540.0 reduction in permanency planning grants. The balance of the requested funding should be provided through proposed Indian child welfare funding described in the preceding change request.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: CHILDREN'S SERVICES GRANTS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund				
Governor's Recommendation				
General Fund	(\$270.0)	-0-	(\$270.0)	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

GOVERNOR'S RECOMMENDATION:

The Governor recommends that funding for permanency planning grants be reduced by the above amounts and that these funds be transferred to Indian Child Welfare grants as described in the preceding change request. This transfer restores funding provided for Indian Child Welfare Services prior to establishment of permanency planning grants.

DESCRIPTION/BACKGROUND:

Prior to establishment of permanency planning grants in F.Y. 1986, funds were provided by the Department of Human Services to counties and Indian tribes for Indian Child Welfare Services. Legislation establishing permanency planning grants folded these funds into the permanency planning grants. Restoration of this funding will enable tribes to carry out responsibilities under the Indian Family Preservation Act.

RATIONALE:

As described in the preceding change request, increased funding for tribal social services is critical for the state and counties to meet permanency planning goals for Indian children.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CHILDREN'S SERVICES GRANTS
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: CHILD CARE FUND				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	\$9,230.3	2.0	\$9,230.1	2.0
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 268.91				

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding and positions in the above amounts to subsidize the costs of child care for low income families. Of the total biennial recommendations, \$12,460.4 consists of same level funding, to be transferred from the Department of Jobs and Training, and \$6,000 is new funding. The Governor further recommends that responsibility for administration of child care funds be transferred from the Department of Jobs and Training to the Department of Human Services (DHS). These recommendations will assist an increased number of low income Minnesotans to enter the work force or obtain education and training required to compete in the job market and improve the management of state child care assistance activities. This request is a component of the Governor's jobs/income support initiative.

DESCRIPTION/BACKGROUND:

Analyses of public and private sector employment and training activities have indicated the continuing critical need for child care services to support entry of low income persons into the work force. Although funding for the sliding fee program was increased during the current biennium, the demand continues to exceed available resources. Most counties have substantial waiting lists of eligible families. In some cases, this means a delay in work force entry or reentry, since wages in many jobs are not sufficient to cover child care costs and other living expenses. It may also delay participation in training/education required to make low income persons competitive in the job market.

Reorganization of state management responsibility for child care funding is crucial to optimizing state support for community child care efforts and maximizing total resources available to support these efforts. If combined effectively with federal and state

DESCRIPTION/BACKGROUND (Contd.):

resources available under the AFDC special needs program, it is estimated that state child care funding (excluding HECEB and CSSA resources) can reach \$25,000.0 in F.Y. 1988-89. Transferring child care administration to DHS will simplify the state/federal funding process, since DHS is also responsible for AFDC special needs program management. Furthermore, DHS also has responsibility for statewide development of child care resources and regulation of providers. Thus, this proposed management change reduces the needs for interagency transfers and integrates the entire continuum of state child care services.

The 2 new positions recommended (\$200.0 for the biennium) will help DHS to improve overall coordination/development and fiscal administration of child care services.

ACTIVITY: COUNCIL ON FAMILIES
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To provide information to policy makers and the public about the needs of children, youth, and families, and to recommend strategies for the development of interagency policies and programs which can address these needs. The Council seeks to strengthen families through promotion of individual and family self-sufficiency and through adoption of children's services through quality, cost-effective, and coordinated program planning.

ACTIVITY DESCRIPTION:

The Council on Families is a 23-member advisory group which provides public advocacy and support for children, youth, and families by gathering data and developing positions on significant issues for action. The council is coordinated by the Commissioner. Fifteen members are citizens with demonstrated interest in the needs of poor children and youth.

Eight state agencies have representatives on the Council: Health, Education, Human Services, Jobs and Training, Public Safety, Corrections, State Planning, and Finance.

Establishment of the Council as an ongoing body was initiated in 1977 by a Governor's Task Force on Families which recommended ways that public policies could strengthen families in Minnesota. In 1984, a Governor's Council on Families and Children was formed which updated the work of the Task Force and recommended the formation of an interagency council dedicated to improving policies and programs for children and youth in need.

A Council on Children, Youth and Families was formed in 1985 with an expanded role and mission. This Council is charged to work on a broad agenda of issues relating to poor children and youth in Minnesota including health care, child care, child welfare, and education.

ACCOMPLISHMENTS AND GOALS:

During the past 2 years, the Council has achieved the goals of developing a statewide focus on children's issues. Special attention has been given to the need for more and better child care services, to the increasing problem of poverty among children, and to the development of support programs for parents.

Promotion of the state's new early childhood family education program took place through a conference supported by an award of a national grant to Minnesota by the National Conference of State Legislatures. The Council co-sponsored this conference.

ACCOMPLISHMENTS AND GOALS (Contd.):

At the direction of the 1986 Legislature, the Council developed a major report, MAKING CHILD CARE WORK, a report on how to improve the child-care system in Minnesota.

Future goals of the Council include integration of child development expertise and a management level focus on children's needs and issues. This increased capacity will give the department technical assistance to programs which deal with children, including rule-development, quality assurance, data collection and interpretation, and budget analysis. It will provide policy direction for children's services among state agencies and with the human service delivery system at the state and local levels. The Council will also spearhead department efforts to create a proactive and coordinated approach to a wide range of interagency initiatives affecting Minnesota's children, including child care, child protection, children's health, adolescent pregnancy, juvenile justice and reform, and prevention of out-of-home placement.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of council reports and special issue papers	5	5	8	8
Numbers of statewide hearings on children's issues sponsored by the council	10	10	12	12

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHILDRENS SERVICES

MANAGEMENT ACTIVITY: COUNCIL ON FAMILIES

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS		158.4	195.3	171.2		171.2	106.2	170.9		170.9	105.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES		158.4	195.3	171.2		171.2	106.2	170.9		170.9	105.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES		88.9	67.3	79.8		79.8	72.8	79.5		79.5	72.5
EXPENSES & CONTRAC. SERV		64.0	127.5	85.9		85.9	32.9	85.9		85.9	32.9
SUPPLIES & MATERIALS		1.0		3.0		3.0		3.0		3.0	
EQUIPMENT		4.5	.5	2.5		2.5	.5	2.5		2.5	.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS		158.4	195.3	171.2		171.2	106.2	170.9		170.9	105.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL		138.9	170.7	171.2		171.2	106.2	170.9		170.9	105.9
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS		19.5	24.6								
TOTAL FINANCING		158.4	195.3	171.2		171.2	106.2	170.9		170.9	105.9
POSITIONS BY FUND											
GENERAL		2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
TOTAL POSITIONS		2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: COUNCIL ON FAMILIES
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: COUNCIL ON FAMILIES TRANSFER				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund				
Governor's Recommendation				
General Fund	(\$65.0)	-0-	(\$65.0)	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

GOVERNOR'S RECOMMENDATION:

The governor recommends the transfer of \$65.0 each year from the Department of Human Services to the Department of Education.

This transfer will fund the activities of the Governor's Council on Youth which is transferred from Human Services to Education.

DESCRIPTION/BACKGROUND:

This transfer will relocate the Governor's Council on Youth to the Department of Education which is organizationally a more appropriate location for this activity.

RATIONALE:

This request for transfer will result in the continuation of same level funding for this activity. Location of this activity in the Education Department will assure the council greater access to the state's educational system.

ACTIVITY: MENTAL RETARDATION PROGRAM
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

The objective of this activity is to develop policies and to plan, implement and supervise a wide array of services for persons with mental retardation or a related condition who are in need of services.

ACTIVITY DESCRIPTION:

This budget activity includes the objectives for the three following activities: Mental Retardation Program Office, Semi-Independent Living Services, and Family Subsidy Program. These management activities are described in the following pages.

The Mental Retardation Program is responsible for development, implementation, and management of effective program policies governing services to persons with mental retardation or a related condition.

The principles which guide service policy and management of services to persons with mental retardation or related conditions are:

- 1) individual service planning - the services a person with mental retardation or related condition receives is based on the needs and goals of the individual;
- 2) least restrictive environment - services are provided in settings used by the general public and services result in the active participation and integration of a person with mental retardation or related condition in ordinary community activities;
- 3) service effectiveness - services result in the achievement of individualized objective which allow a person with mental retardation or a related condition to become more independent in activities or daily living;
- 4) local service management - local agencies are authorized to plan and administer the provision of services based on locally assessed needs to persons with mental retardation or related conditions; and
- 5) cost control - payments for services are reasonable as determined in a competitive market and achieve the desired outcomes.

The changes in programs in Minnesota can be summarized as a shift from bricks and mortar to a program of integrated community services. Separate buildings, that is, state hospitals, ICF/MR community facilities, developmental achievement centers and sheltered

ACTIVITY DESCRIPTION (Contd.):

workshop buildings have been the key ingredients in our current system, but our priorities are gradually shifting to the use of ordinary housing and generic service and employment programs in the everyday work place. Persons are integrated into the local community where the entire community can share in the ownership of the programs and where the use of existing resources can be maximized. Persons need specialized services, not specialized buildings.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes accompanying the management activity pages that follow.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MENTAL RETARDATION PROGRAM

PROGRAM: COMMUNITY SOCIAL SERVICES

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	826.0	905.2	1,020.1	1,121.2	83.6	1,204.8	1,204.8	1,119.0	145.6	1,264.6	1,230.5
LOCAL ASSISTANCE	3,230.1	3,325.8	3,322.1	3,322.1	804.7	4,126.8	3,765.1	3,322.1	1,286.6	4,608.7	4,118.0
AIDS TO INDS.											
TOTAL EXPENDITURES	4,056.1	4,231.0	4,342.2	4,443.3	888.3	5,331.6	4,969.9	4,441.1	1,432.2	5,873.3	5,348.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	554.4	573.9	646.6	745.9	69.7	815.6	815.6	743.7	111.5	855.2	836.6
EXPENSES & CONTRAC. SERV	260.8	325.5	359.4	361.2	9.9	371.1	371.1	361.2	31.1	392.3	375.8
SUPPLIES & MATERIALS	8.0	3.8	7.1	7.1	1.0	8.1	8.1	7.1	1.5	8.6	10.1
EQUIPMENT	2.8	2.0	7.0	7.0	3.0	10.0	10.0	7.0	1.5	8.5	8.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	826.0	905.2	1,020.1	1,121.2	83.6	1,204.8	1,204.8	1,119.0	145.6	1,264.6	1,230.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	3,878.0	4,011.5	4,122.7	4,223.8	888.3	5,112.1	4,750.4	4,221.6	1,432.2	5,653.8	5,129.0
DEDICATED APPROPRIATIONS:											
GENERAL		219.5	219.5	219.5		219.5	219.5	219.5		219.5	219.5
FEDERAL	178.1										
TOTAL FINANCING	4,056.1	4,231.0	4,342.2	4,443.3	888.3	5,331.6	4,969.9	4,441.1	1,432.2	5,873.3	5,348.5
POSITIONS BY FUND											
GENERAL	20.0	20.0	18.0	18.0	3.0	21.0	21.0	18.0	4.0	22.0	21.0
TOTAL POSITIONS	20.0	20.0	18.0	18.0	3.0	21.0	21.0	18.0	4.0	22.0	21.0

ACTIVITY: MR PROGRAM DIVISION
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 366.6	\$ 381.8	\$ 434.1	\$ 489.5	\$ 503.7

ACTIVITY OBJECTIVE:

To manage and ensure the implementation of state laws and policies that call for the provision of services to persons with mental retardation or related conditions in a high quality, cost-effective manner that promotes maximum individual self-sufficiency.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Persons moving to semi-independent living from ICF/MR settings	30	30	30	30
Reduction in out-of-home placement of children	392	462	532	602
Reduction of the number of persons receiving services in large (ICF/MR) congregate care settings	273	500	820	1,140
Children residing in RTC	55	35	15	0

ACTIVITY DESCRIPTION:

This activity provides training, technical assistance, and supervision to county local agencies, regional treatment centers (RTC), and community-based programs in planning, developing, and delivering services for 15,000 persons with mental retardation. A major goal of this activity is to effectively implement the provisions of Laws of 1983, Ch. 312 that called for the implementation of the Home and Community-Based Waiver under the Medical Assistance (MA) Program. Those laws also called for a significant reduction in the number of ICF/MR beds statewide and for the development of alternative, cost-effective use and home and community-based services. This activity is responsible for the program and fiscal management (service and cost quota setting and monitoring) of the mental retardation MA Waiver. It is also responsible for coordinating all departmental efforts under the Welsch v. Levine Consent Decree.

This activity functions to: 1) reduce out-of-home placements of children by arranging for in-home and respite services; 2) reduce the number of ICF/MR beds and utilize in-state hospitals and community long-term care settings; 3) provide training, assistance, and supervision to county boards in implementing the Title XIX Waiver for persons with mental retardation; 4) assure the necessary compliance activities under the Welsch v. Levine Consent Decree; 5) develop and/or revise necessary program and fiscal rules which govern the mental retardation service system; 6) evaluate the quality, efficiency, and effectiveness of mental retardation programs and services to make recommendations for improvement; 7) develop statewide plans and provide leadership in the development of county plans; and 8) administer grant programs efficiently and effectively.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Persons served in state hospitals*	1,788	1,600	1,480	1,360
Persons served in community ICFs/MR	5,011	4,954	4,754	4,554
Persons served in semi-independent living	880	880	680	650
Persons served in developmental achievement centers	6,390	6,580	6,860	7,140
Persons served under Title XIX Waiver	570	1,000	1,483	1,966
Persons served in Family Subsidy Program	255	250	250	250

*This year end figure does not include persons on provisional discharge for which the RTCs are required to provide staffing under the Welsch Consent Decree.

ACCOMPLISHMENTS AND GOALS:

The major accomplishments of this activity have been: 1) implemented the home and community-based waiver through county social service agencies; 2) reduced by 209 the number of persons with mental retardation in state regional centers, of whom 20 were children; 3) achieved the Welsch v. Levine reduction target for state regional centers one year before due date; 4) provided alternative services to 100 community ICF/MR residents where the facility was closing; 5) established and implemented 2 community-based service projects using existing state hospital employees; and 6) completed rules governing the administration of services or funding to persons with mental retardation.

The major goals of this activity are to: 1) develop new or adapt existing community-based services to assure the net reduction of 240 persons from RTC including the placement of all children into the community; 2) develop new home and community-based waived services to serve 400 persons currently residing in community-based ICF/MRs; 3) provide intensive monitoring and technical assistance to 40 local agencies to improve case management and service planning opportunities; 4) provide intensive assistance and support in developing individualized community-based alternatives such as specialized adult foster care; and 5) provide supported work opportunities, instead of DAC services for 120 persons.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MENTAL RETARDATION PROGRAM

MANAGEMENT ACTIVITY: MR PROGRAM DIVISION

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	826.0	905.2	1,020.1	1,121.2	83.6	1,204.8	1,204.8	1,119.0	145.6	1,264.6	1,230.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	826.0	905.2	1,020.1	1,121.2	83.6	1,204.8	1,204.8	1,119.0	145.6	1,264.6	1,230.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	554.4	573.9	646.6	745.9	69.7	815.6	815.6	743.7	111.5	855.2	836.6
EXPENSES & CONTRAC. SERV	260.8	325.5	359.4	361.2	9.9	371.1	371.1	361.2	31.1	392.3	375.8
SUPPLIES & MATERIALS	8.0	3.8	7.1	7.1	1.0	8.1	8.1	7.1	1.5	8.6	10.1
EQUIPMENT	2.8	2.0	7.0	7.0	3.0	10.0	10.0	7.0	1.5	8.5	8.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	826.0	905.2	1,020.1	1,121.2	83.6	1,204.8	1,204.8	1,119.0	145.6	1,264.6	1,230.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	647.9	685.7	800.6	901.7	83.6	985.3	985.3	899.5	145.6	1,045.1	1,011.0
DEDICATED APPROPRIATIONS:											
GENERAL		219.5	219.5	219.5		219.5	219.5	219.5		219.5	219.5
FEDERAL	178.1										
TOTAL FINANCING	826.0	905.2	1,020.1	1,121.2	83.6	1,204.8	1,204.8	1,119.0	145.6	1,264.6	1,230.5
POSITIONS BY FUND											
GENERAL	20.0	20.0	18.0	18.0	3.0	21.0	21.0	18.0	4.0	22.0	21.0
TOTAL POSITIONS	20.0	20.0	18.0	18.0	3.0	21.0	21.0	18.0	4.0	22.0	21.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MENTAL RETARDATION PROGRAM DIVISION
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: MONITORING AND APPROVAL OF AVERSIVE AND DEPRIVATION PROCEDURES	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 83.6	3.0	\$111.5	3.0
Governor's Recommendation				
General Fund	\$ 83.6	3.0	\$111.5	3.0

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department is requesting the above funds and positions to implement Minnesota Statutes, section 245.825 and proposed Minnesota Rule, parts 9525.2700 to 9525.2810. The funding requested in F.Y. 1988 is for only 9 months to adjust for the phased-in hiring of the new positions. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the MR population of the RTCs.

DESCRIPTION/BACKGROUND:

In 1982, the Legislature passed Minnesota Statutes, section 245.825 which prohibited the use of certain aversive and deprivation procedures, and required the Department to promulgate a rule governing the use of aversive and deprivation procedures. Moreover, the promulgation and implementation of proposed Minnesota Rule, parts 9525.2700 to 9525.2810 was required in Agers, v. Levine DHS court order issued in March 1986. The Department appointed a task force consisting of personnel from state regional centers and community programs, consumers, advocates, attorneys, and counties to assist in developing these rules. The effective date of these rule parts is projected to be prior to July 1, 1987.

These funds will be used to:

- 1) Establish a review committee which will review, monitor, and approve the use of aversive and deprivation procedures;

DESCRIPTION/BACKGROUND (Contd.):

- 2) Ensure statewide compliance with proposed Minnesota Rule, parts 9525.2700 to 9525.2810;
- 3) Protect persons from the excessive or unauthorized use of aversive procedures;
- 4) Improve individual planning for persons with challenging behaviors by replacing the use of aversive and deprivation procedures with positive behavior management practices; and
- 5) Analyze the use of aversive and deprivation procedures and develop strategies and interventions to reduce the use of aversive and deprivation procedures.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of Cases Reviewed and Monitored	0	0	540	485
Number of Training Sessions Presented	0	0	30	20
Number of Technical Assistance Contacts	0	0	300	400

RATIONALE:

Additional funding is needed to implement Minnesota law and court orders regarding the use of aversive and deprivation procedures for persons with mental retardation or related conditions receiving services in licensed private and public facilities.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MENTAL RETARDATION PROGRAM DIVISION
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: TRAINING FOR MENTAL RETARDATION SERVICES	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	-0-	-0-	\$ 34.1	1.0
Governor's Recommendation				
General Fund	-0-	-0-	-0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: None.

STATEMENT OF REQUEST/OBJECTIVES:

The department is requesting the above funds and position to develop a statewide system of training for case managers, direct care staff, administrators, professionals providing services to persons with mental retardation or related conditions using the Area Vocational Technical Institutes (AVTI). The funding requested in F.Y. 1989 is for only 6 months to adjust for the phased-in hiring of the new position. Every attempt will be made to fill this position with current qualified employees of Regional Treatment Centers (RTCs) whose positions may be eliminated because of reductions in the MR population of the RTCs.

DESCRIPTION/BACKGROUND:

Current department rules require training; however, the amount and type of training is generally inadequate in time and content. The 6,000 persons providing the actual daily care to persons with mental retardation often have little training in basic health and safety, much less in best practices of instruction and service to clients.

This activity provide residential, vocational, and support staff case managers, administrators, and professions, basic and specialized training in the field of mental retardation initially and on a continuing basis. Basic training will include such areas as first aid, CPR, overview of best practices, the structure of public and private service systems in the state, normalization, individual program planning, and teaching basic skills. Specialized training will include such areas as case management, serving persons with severe behavior, medical or physical disorders, vocational training for adults and quality assurance. The basic training would be required for new employees within the first 30 days of employment. Specialized training would be required for new employees within the first 180 days of employment.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of persons trained	N/A	N/A	N/A	100
Total number of training hours	N/A	N/A	N/A	4,000
Number of basic training modules developed or revised	N/A	N/A	N/A	7
Number of specialized training modules developed	N/A	N/A	N/A	2

RATIONALE:

This request provides the up-front effort necessary to establish a statewide system of training for persons providing direct services to persons with mental retardation or related conditions. This training is essential to assure the ongoing health, safety, and well-being of service recipients and the provision of services which result in the reduced reliance on public programs and care systems. It enables public and private providers to partially address the personnel administration problems inherent in high turnover direct care service positions. Moreover, this effort assists in developing and expanding a community-based capacity to serve persons who have severe disabilities.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: SEMI-INDEPENDENT LIVING SERVICES
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

This activity provides grants to local agencies to reduce their utilization of intermediate care services in regional treatment centers (RTC) and community residential facilities for persons with mental retardation no longer eligible for intermediate care facility/mentally retarded (ICF/MR) services.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of persons placed from ICF/MR to SILS setting	30	30	30	30
Number of clients achieving independent living each year	44	44	34	33
Number of clients who achieved reduced service levels from previous year	176	176	136	131

ACTIVITY DESCRIPTION:

This activity provides funds to local agencies for Semi-Independent Living Services (SILS) to persons with mental retardation. The purposes of SILS are: 1) to train persons for living independently or maintain them in a semi-independent living arrangement, and 2) enable persons currently residing or at risk of placement into community-based residential facilities (ICF/MR) to be placed into more independent living and service settings. This movement frees community ICF/MR beds to serve persons placed from a state hospital.

This program assures the placement of ICF/MR residents into SILS settings; the prevention of inappropriate placements into ICF/MRs by providing SILS; and increased independence and achievement of independent living by persons with mental retardation. Moreover, SILS assists in funding alternative services for persons residing in ICF/MR which are closing and no longer eligible for ICF/MR or waived services.

SILS services include training, counseling, instruction, supervision, and other assistance required by a client's individual program plan. Specific services may include assistance in budgeting, meal preparation, shopping, personal appearance, counseling, and related social support services needed to maintain and improve the client's functioning. SILS services may be provided in community settings such as the client's own home, apartment, or rooming house. All counties are eligible to apply for a state grant to provide SILS services to eligible clients. Counties provide SILS directly or contract with private vendors. Such services must meet applicable licensing standards.

Grants are awarded to counties after their proposals are reviewed and evaluated by department staff. Each proposal is funded based on the projected cost of maintaining and expanding SILS using the following criteria on: the degree to which the proposal reduces or limits the county board's use of long-term intermediate care for mentally

DESCRIPTION/BACKGROUND (Contd.):

retarded persons in RTC and community localities and the degree to which the county's budget for services are based upon reasonable cost projections and methodologies.

M.S. 252.275 requires that county boards reimbursement for SILS services not be less than 80% and not more than 95% for their actual cost of SILS.

ACCOMPLISHMENT AND GOALS:

The major accomplishment of this activity has been to maintain caseload levels despite state funding decreases for this activity. The major goals of this activity are to: 1) provide SILS to persons residing in ICF/MRs and are not eligible for waived services and refill those ICF/MR beds with persons inappropriately placed in nursing homes; 2) provide SILS to persons in ICF/MRs and determined ineligible for continued ICF/MR funding; and 3) ensure reduced dependency on specialized services.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of participating counties	79	79	79	79
Number of licensed vendors	80	80	80	80
Number of clients served	880	880	680	655
Average annual cost per client	\$4,581	\$4,598	\$4,764	\$4,969
Number of clients in need of but not receiving SILS	328	410	495	580

LEGISLATIVE ISSUES:

The department will be proposing legislation to remove the 80% floor on the state participation rate for this program.

BASE LEVEL REVIEW:

This activity has been selected for base level review.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except as indicated in the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MENTAL RETARDATION PROGRAM

MANAGEMENT ACTIVITY: SEMI-INDEPENDENT LIVING SRV

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	2,674.3	2,620.8	2,620.8	2,620.8	443.0	3,063.8	3,063.8	2,620.8	795.9	3,416.7	3,416.7
AIDS TO INDS.											
TOTAL EXPENDITURES	2,674.3	2,620.8	2,620.8	2,620.8	443.0	3,063.8	3,063.8	2,620.8	795.9	3,416.7	3,416.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,674.3	2,620.8	2,620.8	2,620.8	443.0	3,063.8	3,063.8	2,620.8	795.9	3,416.7	3,416.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	2,674.3	2,620.8	2,620.8	2,620.8	443.0	3,063.8	3,063.8	2,620.8	795.9	3,416.7	3,416.7
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: SEMI-INDEPENDENT LIVING SERVICES (SILS)

PROGRAM: COMMUNITY SOCIAL SERVICES

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: MAINTENANCE AND EXPANSION OF SILS

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$443.0	-0-	\$795.9	-0-
Governor's Recommendation				
General Fund	\$443.0	-0-	\$795.9	-0-

Request requires statutory change: Yes No
 Statutes Affected: M.S. 252.275

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funds to maintain and increase semi-independent living services (SILS) to persons with mental retardation or a related condition. The objectives of this request are to: 1) secure or develop alternative and appropriate residential services for 180 persons with mental retardation inappropriately placed in nursing homes and thereby avoiding federal disallowance; and 2) modify state statute and the allocation methods to assure greater program efficiency and effectiveness.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of clients placed from ICF/MR to SILS setting	30	30	120	210
Persons per year	30	0	90	90
Number of clients who achieved reduced service levels from previous year	176	176	194	212
Number of clients achieving independent living each year	44	44	48	53

DESCRIPTION/BACKGROUND:

The Quality Assurance and Review Division (Department of Health) recommends the movement of approximately 80 ICF/MR residents to SILS in 1985. County boards have projected the movement of approximately 160 to 200 ICF/MR residents to SILS each year in their proposals to the department. Moreover, this continued movement is necessary to assure the appropriate use of ICF/MR funds for persons who no longer require that level of care and are not eligible for home and community-based services. The increase in client caseload for this program will assist this continued movement.

DESCRIPTION/BACKGROUND (Contd.):

Laws of Minnesota 1983, Ch. 310, Sec. 1 established the SILS Program to assist counties in limiting and reducing the utilization of intermediate care services in state hospitals and community facilities, and authorized the Commissioner to reimburse counties up to 95%, but not less than 80% of the county's costs for SILS. Part of this request for additional funds is to assure that a reasonable level of state reimbursement is provided. The average per client cost of SILS including board and lodging is approximately \$6,400 per year of which \$5,425 are state funds compared to the average cost of ICF/MR service at over \$22,000 per year of which \$9,500 are state funds.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of participating counties	79	79	80	80
Number of licensed vendors	80	80	80	80
Number of clients served	880	880	970	1,060
Annualized cost per client	\$4,581	\$4,598	\$4,764	\$4,969
Eligible persons in need, but not receiving SILS	120	240	440	640
In ICF/MR settings	143	160	90	20
In other settings	185	250	315	380

RATIONALE:

This change in funding will increase county capabilities to provide cost-effective alternatives to ICF/MR services for persons with mental retardation. This is consistent with the agency's goal to increase client self-sufficiency. This change will also assure that county boards continue to provide SILS for persons who continue to need supervision and training. This request totals \$1,238.9 of which \$420.3 is to increase the base to assure that persons continue to receive SILS, as needed; and \$818.6 to provide alternative services to persons residing in ICF/MR's, but are no longer eligible for ICF/MR or waived services. These vacated ICF/MR beds will be directed toward persons with mental retardation inappropriately placed in nursing homes, thereby eliminating the need to develop new ICF/MR's to respond to this issue. Moreover, Medical Assistance savings will occur to the extent the nursing home beds are left unoccupied or refilled with private pay recipients.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY: MENTAL RETARDATION FAMILY SUBSIDY
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To reimburse families with children with mental retardation or related conditions for specific items and costs which are needed for the child to remain in or return to their natural home.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of children returning to their natural or adoptive home per year	6	6	6	6
Number of children whose out-of-home placement was delayed by one year or more	22	22	22	22
Number of children whose out-of-placement was prevented	252	247	247	247

ACTIVITY DESCRIPTION:

This activity provides funds to counties to reimburse families with mentally retarded children up to \$250 per month, for specific items which are needed in order for the child to remain in, or return to, the natural or adoptive home.

Parents of children with mental retardation or related conditions may apply for this subsidy through their county social services or human services agency. Each child must be at risk of placement into, or already be in, a state or private residential facility or foster home. The individual program plan developed by the county agency must include specific reimbursable items such as medical costs, medications, education, babysitting, respite care, special clothing, special diet, special equipment, and transportation needed to return the child to or maintain the natural or adoptive home. The county agency must apply and send a periodic review to the Mental Retardation Program for final determination of eligibility and continued eligibility. The county agency pays the families and is reimbursed by the Department. No reimbursements are made for items eligible for financial assistance from other public or private funds. Eligibility criteria are: 1) the potential for placement of the child or return of the child to the natural home; 2) the severity of the mental retardation; 3) the severity of other physical and mental disabilities of the child; 4) the amount of emotional stress in the family; and 5) whether the family has only one parent present.

All grants can be modified at six month intervals. Grants canceled due to loss of eligibility are given to the next eligible family the month following the cancellation of the grant. The Mental Retardation Program determines waiting list order and which family will receive the grants based on county applications.

Authority for this activity is found in M.S., Sec. 252.31.

ACCOMPLISHMENTS AND GOALS:

The major accomplishment of this activity has been maintaining families on the program and the grant amounts despite reduced appropriations. The major goals of this activity are to: 1) reduce the amount of time a family has to wait to receive a grant; 2) simplify administrative procedures; and 3) target funds more effectively to prevent out-of-home placements of children.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of Grants (at any one time)	255	250	250	250
Number of Families Served (over one year period)	280	275	275	275
Average Monthly Grant	\$ 234	\$ 234	\$ 234	\$ 234
Number of Counties Participating	44	44	44	44
Number of Families on Waiting List	77	129	188	247

BASE LEVEL REVIEW:

This activity has been selected for base level review.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MENTAL RETARDATION PROGRAM

MANAGEMENT ACTIVITY: MR FAMILY SUBSIDY

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	555.8	705.0	701.3	701.3	361.7	1,063.0	701.3	701.3	490.7	1,192.0	701.3
AIDS TO INDS.											
TOTAL EXPENDITURES	555.8	705.0	701.3	701.3	361.7	1,063.0	701.3	701.3	490.7	1,192.0	701.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	555.8	705.0	701.3	701.3	361.7	1,063.0	701.3	701.3	490.7	1,192.0	701.3
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	555.8	705.0	701.3	701.3	361.7	1,063.0	701.3	701.3	490.7	1,192.0	701.3
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MENTAL RETARDATION FAMILY SUBSIDY
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: EXPANSION OF FAMILY SUBSIDY PROGRAM (FSP)

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$361.7	-0-	\$490.7	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVES:

The department requests the above funds to increase the number of grants to families in the Family Subsidy Program (FSP) by 175, thereby reducing the number of eligible families waiting to receive a grant.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of children returning to their natural homes from out-of-home placement	6	6	9	10
Number of children whose out-of-home placement was delayed one year or more	22	22	41	47
Number of children whose out-of-home placement was prevented	252	252	367	411

DESCRIPTION/BACKGROUND:

Currently, there are over 100 eligible families who have applied for Family Subsidy Grants but have not received grants due to the limited appropriations. The Family Subsidy Program was established in 1979 to provide funds to families with children with mental retardation or related conditions to enable those families to continue caring for their children in their home. Subsidies are provided to families within the limit of the appropriations available and the monthly grant limits specified in M.S. 252.32. However, the number of families who have applied and are eligible to receive a grant has been increasing due to more local agencies informing families of the program and the expanded eligibility for the program. The waiting list for this activity increases at a net rate of 60 families per year.

DESCRIPTION/BACKGROUND (Contd.):

The average per family cost in the Family Subsidy Program is \$2.8, of which \$2.8 is state funds, compared to the average cost of intermediate care facility/mentally retarded (ICF/MR) services at over \$22.0 per year, of which \$9.7 is state funds. Therefore, this program remains cost effective if it prevents the ICF/MR placement in only one third of its total case load. Over 70% of the children receiving grants under this activity have severe and profound mental retardation, compared to 84% in state regional centers and 50% in community ICF/MRs. For example, Michael is a 13 year old who has severe brain damage and is totally dependent on others for all his needs. He cannot walk, toilet, or feed himself, or communicate other than nodding his head yes or no. Since Michael's father frequently works out of town, Michael's mother provides most of his care. This family has used the grant to purchase a hospital bed, wheelchair ramp, feeding bags, bathtub lift, and respite care for Michael's mother. The family plans to use this year's grant to purchase special equipment which will enable Michael to communicate with his family for the first time.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of grants (at any one time)	255	250	379	425
Number of families served (over one year period)	280	275	417	468
Average monthly grant	\$234	\$234	\$234	\$234
Number of counties participating	44	44	54	64
Number of eligible families on waiting list by end of year	77	129	38	31

RATIONALE:

The number of families eligible and waiting to receive family subsidy grants is increasing. By increasing the number of families served in this program, out-of-home placements of children with mental retardation or related conditions can be avoided. The request totals \$852.4 to provide additional grants to families on the waiting list and thereby prevent placement of these children in more expensive service settings.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: AGING
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

The objectives for this budget activity are: 1) to promote services to benefit citizens over age 60; 2) to advocate and develop community-based support services and nutrition programs; 3) to provide long-term care ombudsman services; 4) to employ seniors to assist adults; and 5) to provide staff support to the Minnesota Board on Aging.

ACTIVITY DESCRIPTION:

The Minnesota Board on Aging as established in M.S. 256.975 has 25 members appointed by the Governor and requires the Department of Human Services to provide staff support through the special consultant on aging who is Executive Secretary to the Board. Federal Older Americans Act funds are secured through the development and administration of a state plan which meets federal requirements. This activity contains the federally-required Long-Term Care Ombudsman program. State appropriations, to supplement federal programs for Nutrition, Foster Grandparent, Senior Companion, and Retired Senior Volunteer Program (RSVP) are coordinated and administered in accordance with federal requirements. The state appropriations in this activity meet the state match requirements for the federal Older Americans Act.

This budget activity is an aggregation of the 6 management activities that follow: Aging Administration, Area Agency Planning and Services, Aging Ombudsman, Foster Grandparents, Retired Senior Volunteer Program, and the Senior Companion Program. The detailed description and statistics for each of these activities appear on the pages that follow.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested to accomplish the goals of this activity except for the changes accompanying the management activity pages that follow.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AGING

PROGRAM: COMMUNITY SOCIAL SERVICES

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,054.1	1,006.7	1,057.0	1,071.5	35.0	1,106.5	1,106.5	1,069.8	35.0	1,104.8	1,104.8
LOCAL ASSISTANCE	16,806.3	18,092.7	16,510.6	16,415.6	2,789.7	19,205.3	18,330.6	16,415.6	3,300.6	19,716.2	18,330.6
AIDS TO INDS.											
TOTAL EXPENDITURES	17,860.4	19,099.4	17,567.6	17,487.1	2,824.7	20,311.8	19,437.1	17,485.4	3,335.6	20,821.0	19,435.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	650.4	635.4	744.6	763.3	29.6	792.9	792.9	761.6	29.6	791.2	791.2
EXPENSES & CONTRAC. SERV	136.8	139.8	159.6	155.7	5.4	161.1	161.1	155.7	5.4	161.1	161.1
SUPPLIES & MATERIALS	6.5	10.4	10.8	10.5		10.5	10.5	10.5		10.5	10.5
EQUIPMENT	4.1	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
OTHER EXPENSE ITEMS	256.3	220.1	141.0	141.0		141.0	141.0	141.0		141.0	141.0
TOTAL STATE OPERATIONS	1,054.1	1,006.7	1,057.0	1,071.5	35.0	1,106.5	1,106.5	1,069.8	35.0	1,104.8	1,104.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	3,464.1	3,629.0	1,805.3	1,824.5	2,824.7	4,649.2	3,774.5	1,822.8	3,335.6	5,158.4	3,772.8
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		68.3	102.0	102.0		102.0	102.0	102.0		102.0	102.0
GIFTS AND DEPOSITS	356.9	362.3	29.8	10.0		10.0	10.0	10.0		10.0	10.0
FEDERAL	14,039.4	15,039.8	15,630.5	15,550.6		15,550.6	15,550.6	15,550.6		15,550.6	15,550.6
TOTAL FINANCING	17,860.4	19,099.4	17,567.6	17,487.1	2,824.7	20,311.8	19,437.1	17,485.4	3,335.6	20,821.0	19,435.4
POSITIONS BY FUND											
GENERAL	13.0	14.0	13.0	13.0	1.0	14.0	14.0	13.0	1.0	14.0	14.0
FEDERAL	8.0	8.0	8.0	8.0		8.0	8.0	8.0		8.0	8.0
TOTAL POSITIONS	21.0	22.0	21.0	21.0	1.0	22.0	22.0	21.0	1.0	22.0	22.0

ACTIVITY: AGING ADMINISTRATION
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 256.3	\$ 220.1	\$ 141.0	\$ 141.0	\$ 141.0

ACTIVITY OBJECTIVE:

To develop plans, secure and administer funds that will promote services to help all Minnesotans over age 60 live independent, meaningful and dignified lives, with emphasis on reducing isolation and preventing premature or unnecessary institutionalization.

ACTIVITY DESCRIPTION:

This activity provides staff and funds to support the Minnesota Board on Aging (MBA) (M.S. 256.975). The MBA is the single state agency for policy making and administration of the Older Americans Act funds. Federal Older Americans Act funds support the Aging Division and 14 Area Agencies on Aging (AAAs). Legal services, senior citizen centers, congregate and home-delivered meals, transportation, information and referral, in-home, and other services are provided through federal and state grants awarded to the AAAs. State appropriations are used to supplement federal funding for nutrition, foster grandparent, senior companion, and senior volunteers programs and to meet match requirements for federal funds.

ACCOMPLISHMENTS AND GOALS:

- 1) A state plan on aging was developed and administered to secure Older Americans Act and other federal funds of approximately \$15,600.0 per year for services, planning, advocacy, administration and training.
- 2) Gift and special grant funds of \$120.0 was obtained to carry out a special project to study and promote the development of congregate housing in smaller communities.
- 3) Long range plans and legislative programs were developed and implemented.
- 4) Plans, programs administered by area agencies on aging, foster grandparents programs, senior companion programs and retired senior volunteer programs were funded and monitored to assure compliance with state and federal requirements.
- 5) Advice and assistance was provided to other state agencies and programs in the areas of mental health, chemical dependency, social services, blind, arts, volunteer training.
- 6) Increased public awareness and recognition of the needs and potentialities of the elderly was developed by conducting 12 hearings, publishing bi-monthly newsletter.
- 7) Area agency on aging determine and report to legislature on the nutritional status of elderly in cooperation with Department of Health by July 1988.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AGING

MANAGEMENT ACTIVITY: AGING ADMINISTRATION

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	999.8	957.5	997.6	1,012.0		1,012.0	1,012.0	1,010.3		1,010.3	1,010.3
LOCAL ASSISTANCE	374.6	538.6	227.0	132.0		132.0	132.0	132.0		132.0	132.0
AIDS TO INDS.											
TOTAL EXPENDITURES	1,374.4	1,496.1	1,224.6	1,144.0		1,144.0	1,144.0	1,142.3		1,142.3	1,142.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	607.7	599.1	701.3	720.0		720.0	720.0	718.3		718.3	718.3
EXPENSES & CONTRAC. SERV	126.8	127.8	145.1	141.1		141.1	141.1	141.1		141.1	141.1
SUPPLIES & MATERIALS	4.9	9.5	9.2	8.9		8.9	8.9	8.9		8.9	8.9
EQUIPMENT	4.1	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
OTHER EXPENSE ITEMS	256.3	220.1	141.0	141.0		141.0	141.0	141.0		141.0	141.0
TOTAL STATE OPERATIONS	999.8	957.5	997.6	1,012.0		1,012.0	1,012.0	1,010.3		1,010.3	1,010.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	540.6	504.0	582.8	602.0		602.0	602.0	600.3		600.3	600.3
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		68.3	102.0	102.0		102.0	102.0	102.0		102.0	102.0
GIFTS AND DEPOSITS	356.9	362.3	29.8	10.0		10.0	10.0	10.0		10.0	10.0
FEDERAL	476.9	561.5	510.0	430.0		430.0	430.0	430.0		430.0	430.0
TOTAL FINANCING	1,374.4	1,496.1	1,224.6	1,144.0		1,144.0	1,144.0	1,142.3		1,142.3	1,142.3
POSITIONS BY FUND											
GENERAL	13.0	14.0	13.0	13.0		13.0	13.0	13.0		13.0	13.0
FEDERAL	6.5	6.5	6.5	6.5		6.5	6.5	6.5		6.5	6.5
TOTAL POSITIONS	19.5	20.5	19.5	19.5		19.5	19.5	19.5		19.5	19.5

ACTIVITY: AREA AGING PLANNING AND SERVICES
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATE REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To provide funds to area agencies to advocate for the elderly and to develop and implement plans for comprehensive, coordinated community-based service delivery systems, including social services and multipurpose senior centers.

To provide funds through Area Agencies on Aging (AAAs) to public and private community agencies providing congregate meals, home delivered meals, nutrition education, and other nutrition services to older persons in greatest social and economic need.

ACTIVITY EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Elderly served:</u>				
access (information, referral outreach, transportation)	16,000	16,000	16,000	16,000
in-home	8,900	8,900	8,900	8,900
legal services	21,000	21,000	21,000	21,000
other services	43,000	43,000	43,000	43,000
<u>Congregate dining:</u>				
Number of sites	385	385	385	385
Number of persons served	94,750	94,750	71,060	71,060
Number of meals served	3,369,000	3,369,000	2,526,750	2,526,750
<u>Home delivered meals program:</u>				
Number of persons served	10,950	10,950	10,950	10,950
Number of meals served	930,750	930,750	930,750	930,750

ACTIVITY DESCRIPTION:

The Area Agencies on Aging (AAA) designated for each of the 14 Planning and Service Areas established by the Minnesota Board on Aging are eligible to apply for annual grants to help meet program development, administration, supportive services, and nutrition program costs. An Indian area agency on aging has been established to address the unique needs of elderly on reservations. AAA planning and service grants are based on submission of 4-year plans and annual updates which meet federal and state criteria and guidelines. State appropriations for congregate meals are administered in accordance with federal regulations but accounted for separately from federal funds. A federally approved intrastate allocation formula is used to determine the amount of federal and state funds available to implement each AAA plan.

RECENT BUDGET HISTORY

\$1,915.0 state nutrition program grants of \$1,915.0 were deferred from January to July 1987 and the appropriation unallotted to compensate for state revenue shortfall.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Sources of revenue: area planning and services</u>				
Federal Title III-B	\$3,807.0	\$3,807.0	\$3,807.0	\$3,807.0
Local match	\$ 672.0	\$ 672.0	\$ 672.0	\$ 672.0
<u>Sources of revenue: nutrition dining program</u>				
Federal Title III, C, 1	\$5,198.0	\$5,198.0	\$5,198.0	\$5,198.0
Federal Title III, C, 2	\$1,051.0	\$1,051.0	\$1,051.0	\$1,051.0
U.S.D.A.	\$2,311.0	\$2,311.0	\$1,990.0	\$1,990.0
State appropriation	\$1,915.0	-0-	-0-	-0-
Local match (total)	\$1,300.0	\$3,449.0	\$2,586.7	\$2,586.7
<u>Client contribution: nutrition dining program</u>				
Congregate	\$3,449.0	\$2,586.7	-0-	-0-
Home delivered	\$1,196.0	\$1,196.0	\$1,196.0	\$1,196.0
<u>Average client contr. per meal:</u>				
Congregate	\$ 1.02	\$ 1.02	\$ 1.02	\$ 1.02
Home delivered	\$ 1.28	\$ 1.28	\$ 1.28	\$ 1.28

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AGING

MANAGEMENT ACTIVITY: AREA AGING PLANNING & SERV

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	15,423.2	16,341.7	15,056.1	15,056.1	2,516.0	17,572.1	16,971.1	15,056.1	2,753.3	17,809.4	16,971.1
AIDS TO INDS.											
TOTAL EXPENDITURES	15,423.2	16,341.7	15,056.1	15,056.1	2,516.0	17,572.1	16,971.1	15,056.1	2,753.3	17,809.4	16,971.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,915.0	1,915.0			2,516.0	2,516.0	1,915.0		2,753.3	2,753.3	1,915.0
DEDICATED APPROPRIATIONS:											
FEDERAL	13,508.2	14,426.7	15,056.1	15,056.1		15,056.1	15,056.1	15,056.1		15,056.1	15,056.1
TOTAL FINANCING	15,423.2	16,341.7	15,056.1	15,056.1	2,516.0	17,572.1	16,971.1	15,056.1	2,753.3	17,809.4	16,971.1
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: AREA AGING PLANNING AND SERVICES
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Request Title: RESTORATION OF AGING NUTRITION GRANT FUNDS				
Agency Request				
General Fund	\$1,915.0	-0-	\$1,915.0	-0-
Governor's Recommendation				
General Fund	\$1,915.0	-0-	\$1,915.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The Department requests the restoration of state aging nutrition funds that were unallotted in F.Y. 1987. The 1986 program level can be maintained in 1987 because local projects operate on a calendar year and federal funds can be used in lieu of state funds during the first half of the project year January to June 1987.

DESCRIPTION/BACKGROUND:

The congregate meals program is administered by the department through the Area Agencies on Aging. State appropriations have been used to supplement federal funds, client contributions, and local funds to support the program.

STATISTICS:

The number of meals served (3,369,000) and people served (94,750) annually will be maintained at the 1986 program level if the state aging nutrition funds are restored at \$1,915.0.

RATIONALE:

Failure to restore state funding at the 1986 level will result in about 25% reduction in people and congregate meals served in calendar years 1988-1989. It will also reduce the United States Department of Agriculture Funds Minnesota receives as partial reimbursement of meals served by about \$421.0.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: AREA AGING PLANNING AND SERVICES
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: HOME DELIVERED MEALS GRANTS/NUTRITION PROGRAM	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$359.0	-0-	\$433.3	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST:

The department requests funds to expand the Home Delivered Meals program to meet estimated need by supplementing federal Older Americans Act funds and to carry out the nutrition research project with the Department of Health.

DESCRIPTION/BACKGROUND:

The MBA, through the Area Agencies on Aging, has utilized federal Older Americans Act funds to develop new and expand existing Home Delivered Meals programs statewide since 1981. The availability of Home Delivered Meals is critical in the array of in-home services needed to help elderly live at home and avoid premature or unnecessary nursing home placement. The increasing demand is attributed to 2 main factors: 1) earlier discharge from hospitals; and 2) the increased need for long-term care services in the home as an alternative to nursing home placement. Area Agencies on Aging have placed high priority on home delivered meals and attempted to meet increased demand by taking advantage of limited opportunities to transfer funds to home delivered meals from Congregate meals funds. The state policy of helping people maintain self-sufficiency and avoiding unnecessary nursing home placement has created the need for state funds to supplement federal home delivered meals program funding in the next biennium.

DESCRIPTION/BACKGROUND (Contd.):

M.S. 144.092 (Coordinated Nutrition Data Collection) requires the MBA to "...develop a method to evaluate the nutritional status and requirements of the elderly...and report the results...and recommendations to the legislature each July 1, beginning 1988." The Department of Health has been charged with similar responsibility for adults and children. Therefore, the responsibilities of the 2 agencies will be carried out in a joint project. The Minnesota Board on Aging will, as a part of an agreement with the Department of Health, provide part of the funds for the design and testing of the research project. The Department of Health will provide research, nutrition, and computer programming expertise and arrange for automated data processing and analysis.

A joint work plan will be developed which leads to a July 1988 report and recommendations to the Legislature. The work plan will provide for: 1) search for current data on nutritional status and requirements; 2) review of methods and findings of related research; and 3) design and pilot test a research method to determine the nutritional status and requirements of the elderly.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of people to be served	10,950	10,950	13,053	13,705
Number meals to be delivered per year	930,750	930,750	1,109,505	1,164,980
Average cost per meal after U.S.D.A. reimbursement(estimated 50 cents per meal)	\$1.82	\$1.83	\$1.84	\$1.85
Estimated USDA reimbursement	\$ 465.4	\$ 465.4	\$ 554.8	\$ 582.5

The Home Delivered Meals program has expanded rapidly throughout the state for the past 5 years. The need is expected to continue to expand as more older people elect not to be placed in nursing homes. The "meals on wheels" programs sponsored by voluntary organizations continue to increase their efforts but cannot meet the projected demand. Use of volunteers to deliver meals keeps costs down. The budget request is based on a 5 percent annual increase of people who will need home delivered meals.

RATIONALE:

State appropriations of \$329.0 in 1988 and \$433.3 in 1989 will allow a rate of planned expansion of the program that is reasonably consistent with the projected increase in needs. In F.Y. 1988, \$30,000 will be used to fund a joint nutrition project with the Department of Health required by the Legislature.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: AREA AGING PLANNING AND SERVICES
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: VOLUNTEER DRIVER TRANSPORTATION GRANTS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$242.0	-0-	\$405.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funds to make grants to Area Agencies on Aging to meet mileage cost in organized volunteer driver transportation programs.

DESCRIPTION/BACKGROUND:

Transportation is a high priority in all aging needs assessments. It was the most frequently mentioned as a need at the MBA hearings in April and May 1986 and in the county aging program profile surveys done in December 1985.

The Department of Transportation grants to community agencies for capital investment in buses and vans does help meet individual needs where scheduled routes can be established. However, volunteer driver programs have been effective and efficient when:

- 1) Clientele are frail and need help negotiating steps with such things as: dressing for cold weather, carrying groceries, and getting into and out of a car.
- 2) Individuals need to get to regular scheduled appointments such as chemotherapy treatments, kidney dialysis, and congregate meals.
- 3) The costs of routing vans and busses are prohibitive because of widely dispersed riders.

DESCRIPTION/BACKGROUND (Contd.):

Volunteer driver programs are reporting increased needs for transportation over the past year, some as much as 125% over 1985.

Area agencies on aging have increased the federal funds they grant to local transportation programs from \$442,000 in 1983 to \$693,000 in 1985, an average annual increase of 25%. Local funding is expected to continue at approximately \$495,000 per year in these projects. No increase in federal funding is anticipated. Rider contribution can be expected to increase to about 25% of project cost; however, this will not meet the increased need.

STATISTICS:

The average program cost of \$90 per person, per year, is expected to be maintained for the next 2 years. The total rider contribution is expected to increase from \$165,000 in 1985 to about \$450,000 in 1988, and \$500,000 in 1989. State funds will be used to supplement the increased rider contribution to allow for an increase in the number of people served per year from about 15,200 in 1985 to 22,500 in 1989.

RATIONALE:

Additional funding for transportation is needed to enable elderly persons to continue to live independently in their own home and avoid premature nursing home placement.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: AGING OMBUDSMAN
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To provide an ombudsman service for nursing home residents to resolve residents' disputes with providers and government agencies.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Outcomes of complaint cases:				
Resolved or explained	80%	80%	80%	80%
Not resolved	5%	5%	5%	5%
Discontinued/withdrawn	15%	15%	15%	15%

ACTIVITY DESCRIPTION:

The Long-Term Care (LTC) Ombudsman Program was established in 1980 under a federal mandate to provide advocates to speak on behalf of the most frail and vulnerable persons living in nursing and boarding care homes.

It is a consumer protection program which promotes individual and group self-advocacy to resolve consumer's problems and resolve complaints through negotiation and/or referral. It also functions as a monitor mechanism through which the state is able to obtain valuable information from consumers about nursing home industry behavior which adversely affects consumers. The program provides documentation which assists in the enforcement of state policy and provides consumer input in the formulation of new public policy regarding institutional LTC.

Federal Older Americans Act funds provide for a state level ombudsman staff and 7 regional grant projects with offices in East Grand Forks, Fergus Falls, Virginia, Duluth, St. Cloud, Minneapolis, Marshall, Fairmont, and Winona. Authority for this activity is found in M.S. 256.975, and the Older Americans Act section 307(a)(12).

ACCOMPLISHMENTS AND GOALS:

- 1) Assisted over 4,000 individuals (individually and through group or class action) in recovering an estimated \$2 million in nursing home rate overcharges.
- 2) Assisted over 300 nursing home residents in appealing their case mix rate and classification assessments (an estimated 90 percent of these were resolved to the satisfaction of the residents).
- 3) To continue to formulate, influence, and advocate for system and policy changes at the federal level to improve the quality of life and quality of care for Minnesota's nursing home residents.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of potential LTC clients	45,000	45,000	45,000	45,000
Number of individual complaint resolutions	2,200	2,500	2,800	2,800
Number of individuals educated	14,000	16,000	20,000	20,000
Total individuals served	16,200	18,500	22,800	22,800

LEGISLATIVE ISSUES:

The department is proposing legislation to expand ombudsman assistance for Medicare patients in hospitals and for recipients of home care services.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AGING

MANAGEMENT ACTIVITY: AGING OMBUDSMAN

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	54.3	49.2	59.4	59.5	35.0	94.5	94.5	59.5	35.0	94.5	94.5
LOCAL ASSISTANCE		2.4	5.0	5.0		5.0	5.0	5.0		5.0	5.0
AIDS TO INDS.											
TOTAL EXPENDITURES	54.3	51.6	64.4	64.5	35.0	99.5	99.5	64.5	35.0	99.5	99.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	42.7	36.3	43.3	43.3	29.6	72.9	72.9	43.3	29.6	72.9	72.9
EXPENSES & CONTRAC. SERV	10.0	12.0	14.5	14.6	5.4	20.0	20.0	14.6	5.4	20.0	20.0
SUPPLIES & MATERIALS	1.6	.9	1.6	1.6		1.6	1.6	1.6		1.6	1.6
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	54.3	49.2	59.4	59.5	35.0	94.5	94.5	59.5	35.0	94.5	94.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL					35.0	35.0	35.0		35.0	35.0	35.0
DEDICATED APPROPRIATIONS:											
FEDERAL	54.3	51.6	64.4	64.5		64.5	64.5	64.5		64.5	64.5
TOTAL FINANCING	54.3	51.6	64.4	64.5	35.0	99.5	99.5	64.5	35.0	99.5	99.5
POSITIONS BY FUND											
GENERAL					1.0	1.0	1.0		1.0	1.0	1.0
FEDERAL	1.5	1.5	1.5	1.5		1.5	1.5	1.5		1.5	1.5
TOTAL POSITIONS	1.5	1.5	1.5	1.5	1.0	2.5	2.5	1.5	1.0	2.5	2.5

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: AGING OMBUDSMAN
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

DESCRIPTION/BACKGROUND (Contd.):

The hearings received complaints of premature discharges from hospitals, inadequate hospital discharge planning, and misunderstandings of Medicare patients' rights and benefits under the federal prospective payments system. Also heard were problems of home care recipients relating to inexperienced and untrained staff, and unreliable home care providers. In each situation, consumers were unsure where to turn to address grievances, and advocate for their rights and benefits.

Request Title: AGING OMBUDSMAN STAFF	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 35.0	1.0	\$ 35.0	1.0
Governor's Recommendation				
General Fund	\$ 35.0	1.0	\$ 35.0	1.0
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: 256.975				

RATIONALE:

Based on nursing home ombudsman program experience, it is estimated that 2,000 to 2,500 people a year will have difficulty with home care and acute care program quality and regulations. This request provides statutory authority and funding for expansion of the ombudsman program to seek resolution of disputes and address grievances of home care recipients and Medicare patients in hospitals.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to expand the Minnesota Board on Aging Long-Term Care Ombudsman Program to include the provision of ombudsman services to non-institutionalized older persons receiving acute care and/or home care services.

DESCRIPTION/BACKGROUND:

The Board on Aging intends to expand its ombudsman program for nursing and boarding care home residents to include non-institutionalized elderly receiving acute care or community-based long-term care. The program will provide these older persons with information and assistance in identifying community-based services and programs, in resolving problems that arise in accessing or using those resources, and/or ensuring that they receive quality care as required in existing state and federal law and regulation.

Through the 12 Board on Aging hearings in the Spring of 1986 approximately 1,000 individuals submitted testimony on the status and needs of older people. A consistent pattern developed in these hearings documenting the need for a stronger governmental effort to ensure quality of care for Medicare patients in hospitals and for recipients of community-based long-term care.

ACTIVITY: FOSTER GRANDPARENTS
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVES:

To provide close personal relationships and personal assistance to children with exceptional or special needs and to provide employment for low income elderly persons.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of foster grandparents employed	169	170	170	170
Number of children served	338	382	382	382
Number of hours of service	170,000	170,000	170,000	170,000

ACTIVITY DESCRIPTION:

Through this program, low income elderly persons receive a stipend to serve as foster grandparents for children with exceptional or special needs. Grants are awarded to community agencies which establish volunteer stations in residential settings, recruit, train, supervise, and pay stipends to low income elderly persons. Foster grandparents may put in a maximum of 20 hours per week; they spend an average of 10 hours per week for each child.

The state funds supplement federal funds awarded to the same grantees by the federal action agency. Recipient agencies must meet federal program and budget standards. Grants are awarded to 2 agencies responsible for the statewide program. Grants are based on an application having a program plan with measurable objectives and a budget that meets state and federal criteria. Since each of the grantee agencies is also the recipient of a Federal Foster Grandparent Grant, they must coordinate the program supported from the 2 funding sources and assure fiscal accountability and reporting for both state and federal funds. Coordination and consistency with federal guidelines is achieved by awarding the funds to the community agencies which receive federal grants.

ACCOMPLISHMENTS AND GOALS:

The program will continue to be operated in cooperation with the federal action agency and in compliance with federal requirements. To assure continued federal participation, the program will be expanded to provide more low income seniors the opportunity to increase their income and serve more children.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal funds	\$ 920.4	\$ 920.4	N/A	N/A
State funds	\$ 570.0	\$ 574.0	\$ 574.0	\$ 574.0
State funded positions	169	170	170	170
Total served				
Children served with state funds	338	340	340	340
Hourly stipend rate	\$ 2.00	\$ 2.20	\$ 2.20	\$ 2.20

BASE REVIEW LEVEL:

This activity has been selected for a base level review.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AGING

MANAGEMENT ACTIVITY: FOSTER GRANDPARENTS

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	496.5	561.5	574.0	574.0	95.7	669.7	574.0	574.0	191.3	765.3	574.0
AIDS TO INDS.											
TOTAL EXPENDITURES	496.5	561.5	574.0	574.0	95.7	669.7	574.0	574.0	191.3	765.3	574.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	496.5	561.5	574.0	574.0	95.7	669.7	574.0	574.0	191.3	765.3	574.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	496.5	561.5	574.0	574.0	95.7	669.7	574.0	574.0	191.3	765.3	574.0
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: FOSTER GRANDPARENTS
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: FOSTER GRANDPARENT PROGRAM GRANT EXPANSION	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 95.7	-0-	\$191.3	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory changes: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funds to expand the number of counties in which the Foster Grandparent Program is operated from 22 to 32.

DESCRIPTION/BACKGROUND:

Through this program, low income, elderly persons receive a stipend to serve as foster grandparents for children in residential settings. Grants are awarded to community agencies to establish volunteer stations in residential settings and to recruit, train, supervise, and pay stipends to low income elderly persons. The state funds supplement federal funds awarded to the same grantees by the federal ACTION agency. Recipient agencies must meet federal program and budget standards. Grants will be awarded to 3 agencies responsible for the statewide program. Grants are based on an application having a program plan with measurable objectives and a budget that meets state and federal criteria. Each of the grantee agencies is also the recipient of a Federal Foster Grandparent Grant. They must coordinate the program and assure fiscal accountability and reporting for both state and federal funds. Coordination and consistency with federal guidelines is achieved by awarding the funds to only those community agencies also qualifying for federal grants.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of counties	22	22	27	32
Foster grandparents	169	170	198	226
Number of children served	338	382	396	452
Number of hours of service	170,000	170,000	198,000	226,000

RATIONALE:

Increased state funding will provide additional income for low income seniors and will provide services to children in 32 counties.

Additional federal funding for this program can be expected in F.Y. 1988-89 as a result of the increased state funding.

One half of the funding increase is requested in F.Y. 1988 to allow 6 months to establish sound local projects for expansion.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: RETIRED SENIOR VOLUNTEER PROGRAM (RSVP)
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To provide senior volunteer services through local agencies.

ACTIVITY DESCRIPTION:

In accordance with M.S. 256.9753 grants are awarded to those community agencies whose Retired Senior Volunteer Program (RSVP) projects meet federal RSVP program standards. Local RSVP projects promote the use of senior volunteers to augment or complement local agencies programs and services. Volunteers are recruited, selected, and assigned to work in agencies that have appropriate use for volunteers. Specialized training of the volunteers, such as senior peer counseling, is provided or arranged by the local project and the agency in which the volunteer works. The volunteers receive travel and meal expenses but no compensation for their time. RSVP volunteer services are available to all age groups and agencies. Services include transportation, congregate nutrition, peer counseling, home delivered meals, and a variety of services in agencies such as senior centers, family and children agencies, child care centers, hospitals, libraries, public schools, Red Cross and community centers.

State funds are allocated to projects on a formula basis. These grants supplement direct federal grants made to the same local agencies and are used to increase the number of senior volunteers, participants, and hours of volunteer services provided. Measurable expansion objectives are required as part of each application. Two new projects were established in areas not previously served by RSVP as part of the expansion effort in 1985. To assure compliance with federal standards, concurrent applications are made to the Minnesota Board on Aging and to ACTION, the federal agency making RSVP grants to local projects. Action RSVP grants in Minnesota are expected to continue at about \$656.0 per year.

ACCOMPLISHMENTS AND GOALS:

- 1) Two new projects were established in 1986.
- 2) The number of volunteers was expanded from 2,540 in 1984 to 3,507 in 1986.
- 3) The goal is to expand RSVP to be available statewide by July 1989.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of local projects	21	21	21	21
Number of counties covered	60	60	60	60
Number of volunteers	3,507	3,507	3,507	3,507
Number of volunteer hours	365,960	365,960	365,960	365,960
Average cost per volunteer	\$.84	\$.84	\$.84	\$.84

BASE LEVEL REVIEW

This activity has been selected for base level review.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AGING

MANAGEMENT ACTIVITY: RETIRED SENIOR VOLUNTR PROG

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	200.0	307.5	307.5	307.5	128.0	435.5	307.5	307.5	256.0	563.5	307.5
AIDS TO INDS.											
TOTAL EXPENDITURES	200.0	307.5	307.5	307.5	128.0	435.5	307.5	307.5	256.0	563.5	307.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	200.0	307.5	307.5	307.5	128.0	435.5	307.5	307.5	256.0	563.5	307.5
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	200.0	307.5	307.5	307.5	128.0	435.5	307.5	307.5	256.0	563.5	307.5
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST
 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: RETIRED SENIOR VOLUNTEER PROGRAM (RSVP)
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: RETIRED SENIOR VOLUNTEER PROGRAM GRANT EXPANSION	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$128.0	-0-	\$256.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to expand existing RSVP projects by 20 percent and provide funding for RSVP in all 87 counties.

DESCRIPTION/BACKGROUND:

Grants are awarded to community agencies which meet federal RSVP program standards. These grants supplement federal grants and are used to expand the number of senior volunteers, participants, and hours of volunteer services provided. Measurable expansion objectives are required as part of each application. Applications from agencies in areas not previously served by RSVP were solicited as part of the expansion effort in 1982 and 1986. In addition to meeting federal ACTION project criteria, preference in selecting new RSVP grantees was given based on evidence of: 1) coordination with community agencies; 2) community support; and 3) multi-county coverage by the project. Concurrent application to ACTION are made by each agency to assure compliance with federal standards. Funds are allocated on a formula basis. Senior citizens and community representatives testifying at the Minnesota Board on Aging Hearings in April and May 1986 indicated the need for: 1) expansion of existing programs; 2) projects in 27 counties not now covered; and 3) the willingness of older Minnesotans to volunteer their services to the community, their peers, and to other age groups.

STATISTICS:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
State Funding	\$ 200.0	\$ 307.5	\$ 307.5	\$ 435.5	\$ 563.5
Number of Counties	51	60	60	75	87
Number of Projects	19	21	21	23	25
Number of Volunteers	2,540	3,000	3,507	4,945	6,383
Number of Volunteer Hours	254,000	313,800	365,960	516,000	666,000

RATIONALE:

Additional funding for this program can be expected in F.Y. 1988-89 as a result of the increased state funding.

Additional state funding will result in RSVP programs in 87 counties. Retired senior citizens are a major volunteer resource to their peers and other age groups. One-half of the funding increase is requested in F.Y. 1988 to allow 6 months to establish sound local project expansion plans.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: SENIOR COMPANION PROGRAM
 Program: COMMUNITY SOCIAL SERVICES
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To provide supportive personal assistance to adults, especially older persons in their own homes or in residential facilities, in an effort to maintain independence and to provide income from employment for low income elderly persons.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of senior companions employed	103	103	103	103
Number of persons served	515	515	515	515

ACTIVITY DESCRIPTION:

Grants are awarded to a community agency to establish volunteer stations, recruit, train, supervise, and pay stipends to low income elderly persons. This program provides low income seniors stipends to serve as companions to adults in community or residential settings. The state appropriations supplement Federal Senior Companion funds awarded to the local agency selected by the Federal ACTION Agency. The recipient agency must meet federal program and budget standards. The grant for this program is made to a single agency responsible for a statewide program based on submission of an annual application consisting of a program plan with measurable objectives and a budget which meets state and federal standards. Program coordination and fiscal accountability for two separate funds are the responsibility of the grantee. Because coordination and consistency with federal guidelines is achieved by awarding the funds to the community agency which also receives the Federal Senior Companion Grant, competing applications for this grant are not solicited. Payment to the grantee is based on the program and budget approved within the limits of the state appropriation for the Senior Companion Program.

ACCOMPLISHMENTS AND GOALS:

The program will continue to be operated in cooperation with the federal action agency and in compliance with federal requirements to assure federal participation in costs. The program will be expanded to provide more low income elderly an opportunity to increase their income and to serve more people.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Federal funding	\$270.4	\$270.4	\$270.4	\$270.4
State funding	\$341.0	\$341.0	\$341.0	\$341.0

ACTIVITY STATISTICS (Contd.):

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total volunteer stations	29	29	29	29
State funded:	16	16	16	16
Volunteer positions	103	103	103	103
Clients served	515	515	515	515
Service Hours	103,000	103,000	103,000	103,000
Hourly stipend	\$2.00	\$2.20	\$2.20	\$2.20
Counties in which services offered	17	17	17	17

BASE LEVEL REVIEW:

This activity has been selected for base level review.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AGING

MANAGEMENT ACTIVITY: SENIOR COMPANION

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	312.0	341.0	341.0	341.0	50.0	391.0	341.0	341.0	100.0	441.0	341.0
AIDS TO INDS.											
TOTAL EXPENDITURES	312.0	341.0	341.0	341.0	50.0	391.0	341.0	341.0	100.0	441.0	341.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	312.0	341.0	341.0	341.0	50.0	391.0	341.0	341.0	100.0	441.0	341.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	312.0	341.0	341.0	341.0	50.0	391.0	341.0	341.0	100.0	441.0	341.0
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

 Agency Program Activity

ACTIVITY: SENIOR COMPANION
 PROGRAM: COMMUNITY SOCIAL SERVICES
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: SENIOR COMPANION PROGRAM GRANT EXPANSION

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 50.0	-0-	\$100.0	-0-
Governor's Recommendations				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to expand the Senior Companion Program from 17 to 25 counties.

DESCRIPTION/BACKGROUND:

Through this program low-income elderly receive stipends to serve as senior companions to handicapped adults in community or residential settings. Grants are awarded to a community agency to establish volunteer stations, recruit, train, supervise, and pay stipends to low-income elderly persons. The state appropriations supplement Federal Senior Companion Funds awarded to the grantee by the federal ACTION agency. The recipient agency must meet federal program and budget standards. The grant is based on an annual application consisting of a program plan with measurable objectives and a budget which meets state and federal standards. Program coordination and fiscal accountability for two separate funds are the responsibility of the grantee.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of counties covered	17	17	20	25
Number of senior companions employed	103	103	120	134
Number of clients served	515	515	600	670
Number of hours of service	103,000	103,000	118,000	134,000

RATIONALE:

Additional federal funding for this program can be expected in 1988-89 if there is an increase in state funding.

Increased state funding will provide additional income to low income seniors and will provide services to other people in 25 counties.

One-half of the funding increase is requested in F.Y. 1988 to allow 6 months to establish sound local projects for expansion.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Program: MENTAL HEALTH
Agency: HUMAN SERVICES, DEPARTMENT OF

PROGRAM PURPOSE:

This program's purpose is to fulfill the requirements of M.S. 245.69, Subd. 1a (as amended in 1986), to create and ensure a unified, accountable, comprehensive mental health service system. It has responsibility to ensure that services are provided which promote higher functioning, stabilize and support individuals and prevent development or deepening of mental illness. These services are to be provided in an environment free from abuse and conducive to independence and self-control.

OPERATIONS:

The Mental Health Program includes three budget activities which are described in detail on the following pages.

The clients are emotionally disturbed children/adolescents, acutely and chronically mentally ill persons unable to provide for their own needs or independently engage in ordinary community activities.

The program is responsible for policy development, coordination and implementation of service delivery among state, county and other provider agencies in compliance with rule and law, technical assistance to counties and service providers, administration of categorical and federal block grants, monitoring of agency and provider standards compliance, promotion of prevention and evaluation of service effectiveness.

The program also develops appropriate, compatible and consistent data bases to provide state, counties and providers with information useful for policy development and decision making.

MAJOR POLICY ISSUES:

The current mental health service system lacks the following:

- 1) An ability to respond to crises 24 hours a day;
- 2) An array of services which are defined and accessible;
- 3) Adequate case management and other community support services that are available to all persons with severe long term illness who need it;
- 4) The capacity to measure service and program effectiveness for all publicly funded mental health services.

PROGRAM PRIORITIES:

Under the MH Program Administration Budget Activity the priorities are:

- 1) Establishment of a statewide array of defined, accessible and available mental health services.
- 2) Establish a staff and data capacity to address the policy issues identified above.

PROGRAM PRIORITIES:(Contd.)

Under the State Mental Health Grants Budget Activity the priorities are:

- 1) Provision of grants to counties at an adequate level and in a manner which will ensure a unified, accountable, comprehensive mental health service system. This will include statewide implementation of community support programs and adequate case management services for persons with severe long term illness.
- 2) Combine current grant programs to counties to provide additional flexibility to counties and begin a funding system in which dollars follow clients.

Under the Federal Mental Health Grants Budget Activity the priority will be shifted to fund demonstration programs for underserved populations.

EXPLANATION OF BUDGET REQUEST:

An increase of \$27,783.8 is requested for the biennium; \$2,854.0 in F.Y. 1988 and \$24,929.8 in F.Y. 1989. Details for these requests are contained in the pages that follow. The request for F.Y. 1989 includes \$8,060.0 in new state funds and \$16,869.8 in transfers from other funds. The transfer of funding from GAMC, MSA, and GA in F.Y. 1989 will be part of a new Mental Health Fund.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$38,617.3 for the F.Y. 1987-89 biennium for this program.

Details are found on the change level pages that follow.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: MENTAL HEALTH

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
MH PROGRAM ADMINISTRATION	397.6	253.3	259.9	260.4	760.0	1,020.4	766.4	259.6	952.0	1,211.6	893.6
STATE MENTAL HEALTH GRANTS	9,127.4	11,141.7	12,847.7	12,847.7	2,094.0	14,941.7	15,063.2	12,847.7	23,977.8	36,825.5	48,109.5
FEDERAL MH GRANTS	1,123.2	1,149.0	1,553.7	1,358.6		1,358.6	1,358.6	971.2		971.2	10,034.6
TOTAL	10,648.2	12,544.0	14,661.3	14,466.7	2,854.0	17,320.7	17,188.2	14,078.5	24,929.8	39,008.3	59,037.7
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	459.1	484.6	677.9	552.8	810.0	1,362.8	1,108.8	407.0	1,002.0	1,409.0	1,091.0
LOCAL ASSISTANCE	10,189.1	12,059.4	13,983.4	13,913.9	2,044.0	15,957.9	16,079.4	13,671.5	23,927.8	37,599.3	57,946.7
AIDS TO INDS.											
TOTAL EXPENDITURES	10,648.2	12,544.0	14,661.3	14,466.7	2,854.0	17,320.7	17,188.2	14,078.5	24,929.8	39,008.3	59,037.7
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	9,435.8	11,390.9	13,104.7	13,105.2	2,854.0	15,959.2	15,826.7	13,104.4	24,929.8	38,034.2	49,000.2
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	89.2	4.1	2.9	2.9		2.9	2.9	2.9		2.9	2.9
FEDERAL	1,123.2	1,149.0	1,553.7	1,358.6		1,358.6	1,358.6	971.2		971.2	10,034.6
TOTAL FINANCING	10,648.2	12,544.0	14,661.3	14,466.7	2,854.0	17,320.7	17,188.2	14,078.5	24,929.8	39,008.3	59,037.7
POSITIONS BY FUND:											
GENERAL	5.0	5.0	5.0	5.0	13.0	18.0	15.0	5.0	15.0	20.0	15.0
FEDERAL	5.0	13.0	12.0	7.0		7.0	7.0	7.0		7.0	7.0
TOTAL POSITIONS	10.0	18.0	17.0	12.0	13.0	25.0	22.0	12.0	15.0	27.0	22.0

ACTIVITY: MH PROGRAM ADMINISTRATION
 Program: MENTAL HEALTH
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 174.5	\$ 138.8	\$ 138.5	\$ 139.3	\$ 143.2

ACTIVITY OBJECTIVE:

To establish and monitor a statewide array of defined, accessible, and available mental health services.

ACTIVITY DESCRIPTION:

This activity is responsible for assuring high quality, cost-effective, and efficient services to all mentally ill persons in Minnesota, with particular concern for the approximately 29,000 persons who are chronically mentally ill. In order to accomplish its responsibilities, this activity works with counties, Regional Treatment Centers (RTC), other state agencies, advocacy organizations, and a variety of community-based programs to help them provide a quality continuum of services for persons with mental illness problems. Grants relating to community residential treatment, community support services and federal block grant monies are administered by this activity as well as the Gift and Deposit Account used for special need research activities. The activity also has responsibility for measuring effectiveness of the grant programs, gathering and analyzing client outcome data, and working with counties and facilities to ensure fiscal accountability of grant monies. It assists in reviews of county biennial plans required by the Community Social Services Act. This activity also seeks additional federal funding for mental health services.

ACCOMPLISHMENTS AND GOALS:

This activity has submitted three reports during the current biennium to the Legislature on mental health services in Minnesota. Residential programs for adults with mental illness (Rule 36 programs) have expanded to 29 counties with 54% of funding expended in Hennepin and Ramsey counties and 46% expended in other counties. Community support programs for chronically mentally ill adults (Rule 14 programs) have been enlarged and expanded from 35 to 45 counties. Special programs for Indians, children and adolescents, refugees, economically depressed rural areas, and hearing impaired mentally ill persons have been initiated through federal block grant funding. Two grants from the National Institute of Mental Health have been approved for funding: one for refugees in F.Y. 1986 and another for elderly mentally ill persons pending federal budget decisions.

Goals for this activity are to develop: 1) statewide community support programs; 2) statewide case management services; 3) statewide service standards and information base on service and needs; and 4) statewide access to an array of basic services.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of site visits, workshops and technical assistance consultations	40	40	*35	*35
Number of grants awarded	151	183	185	185
Federal grant applications submitted	4	3	*2	*2

* Reductions would be due to same level funding and Gramm-Rudman reductions.

LEGISLATIVE ISSUES:

M.S 1984, section 245.69 amended in 1986, charges the Commissioner to create and ensure a unified, accountable, comprehensive mental health system by 1990. In order to accomplish this mandate, the Department is proposing legislation that will create statutory authority for the Mental Health Division. In addition legislation is proposed that will establish a basic array of required mental health services.

FEDERAL ISSUES:

The Gramm-Rudman reductions to the mental health portion of the federal block grant will cause the loss of three federally funded positions. Unless these positions are funded by the state, the Division's administrative functions will be significantly reduced.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MH PROGRAM ADMINISTRATION

PROGRAM: MENTAL HEALTH

AGENCY: HUMAN SERVICES, DPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	314.6	253.3	259.9	260.4	760.0	1,020.4	766.4	259.6	952.0	1,211.6	893.6
LOCAL ASSISTANCE	83.0										
AIDS TO INDS.											
TOTAL EXPENDITURES	397.6	253.3	259.9	260.4	760.0	1,020.4	766.4	259.6	952.0	1,211.6	893.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	220.4	229.5	234.3	234.7	465.2	699.9	445.9	233.9	524.3	758.2	490.2
EXPENSES & CONTRAC. SERV	85.9	22.4	24.2	24.3	233.1	257.4	257.4	24.3	370.2	394.5	394.5
SUPPLIES & MATERIALS	2.6	1.4	1.4	1.4	2.6	4.0	4.0	1.4	4.5	5.9	5.9
EQUIPMENT	5.7				59.1	59.1	59.1		53.0	53.0	3.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	314.6	253.3	259.9	260.4	760.0	1,020.4	766.4	259.6	952.0	1,211.6	893.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	308.4	249.2	257.0	257.5	760.0	1,017.5	763.5	256.7	952.0	1,208.7	890.7
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	89.2	4.1	2.9	2.9		2.9	2.9	2.9		2.9	2.9
TOTAL FINANCING	397.6	253.3	259.9	260.4	760.0	1,020.4	766.4	259.6	952.0	1,211.6	893.6
POSITIONS BY FUND											
GENERAL	5.0	5.0	5.0	5.0	13.0	18.0	15.0	5.0	15.0	20.0	15.0
TOTAL POSITIONS	5.0	5.0	5.0	5.0	13.0	18.0	15.0	5.0	15.0	20.0	15.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MENTAL HEALTH PROGRAM ADMINISTRATION
 PROGRAM: MENTAL HEALTH
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: ADMINISTRATIVE AND SUPPORT COSTS FOR MENTAL HEALTH INITIATIVE				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$760.0	13.0	\$952.0	15.0
Governor's Recommendation				
General Fund	\$506.0	8.0	\$634.0	10.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to analyze, monitor, design, and implement service system standards, performance outcome indicators, and required rules and monitoring systems. Costs include administrative funds for information systems and technical assistance materials and efforts. It is anticipated that 5 of the new positions will be partially reimbursed through federal funds.

DESCRIPTION/BACKGROUND:

The Mental Health Mission Statement was the result of the Governor's Mental Health Commission's Mandate for Action, a Legislative Auditor's report and a 1985 department study of mental health services. Legislation is being prepared establishing a Mental Health Authority, required service arrays and definitions of services. This request will provide administrative funding to assess and monitor services and standards to create and ensure a unified, accountable, comprehensive mental health system.

In order to accomplish this new mental health system several administrative costs will be incurred. These include: \$30.0 for rule development regarding required basic services; \$30.0 for a revision of the licensing rule for adult residential treatment of mental illness (Rule 36); \$350.0 for improvements to the state's mental health data collection, analysis and evaluation capabilities; and \$75.0 for training and technical assistance to counties and providers.

DESCRIPTION/BACKGROUND (Contd.):

In addition, current staffing within this activity is inadequate to accomplish the legislative mandate. Currently there are 5 staff not funded by declining federal grants. Consequently over the biennium 15 new staff are requested. These positions will: replace existing positions which would be lost due to decreased federal funding; increase the evaluation and monitoring capacity; provide regional staff for closer contact with counties and programs; and provide staff specialists in children's mental health and Indian mental health.

Statistics	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of counties with proposed required service array*	N/A	N/A	40	87
Number of reports to Legislature	2	3	4-5	4-5
Number of grants awarded	151	183	185	**100
Number of site visits, workshops and technical assistance consultations	40	40	100	150

* These services would be: 24-hour emergency response; consultation, education, and prevention; pre-admission screening for hospitalization and residential services; case management for persons with chronic mental illness; assistance to clients applying for federal benefits; community support services; community adult residential treatment; transitional living services; supportive living residences; acute care hospitalization; state regional treatment center services; outpatient and follow-up services after hospitalization; foster care for children and adults; and children's treatment facilities.

** The number of grants would drop in F.Y. 1989 if proposed combining of state mental health grants is approved.

RATIONALE:

This request is made to fulfill the legislative mandate and meet documented need with proven, effective methods. Without these additional resources the legislative mandate cannot be met. The Governor's Mental Health Commission is preparing legislation which will amend Laws of Minnesota, 1986, Ch. 428 to further define the required array of services along with implementation dates. Clients will benefit by being treated in their own communities with an adequate array of services. Communities benefit by accessible resources and clients restored to increased self-sufficiency. Without a better coordinated and more accountable system, there would be an increasingly costly and inefficient system. More clients will get lost within the system and reappear in more intensive and expensive mental health treatment such as inpatient hospital settings.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$572.0 and 5.0 positions. This reduction can be managed by more effective utilization of existing staff and the utilization of short-term contracts where feasible.

ACTIVITY: STATE MENTAL HEALTH GRANTS
 Program: MENTAL HEALTH
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY DESCRIPTION:

This activity provides state grants to counties to ensure that all community residential facilities for adult mentally ill persons meet and maintain compliance with program licensing standards; and to help chronically mentally ill adults remain and function independently in their home communities.

1) Adult Residential Grants

Statutory Reference: M.S. 245.73

This activity was established by the Legislature in 1981 to assist facilities in meeting minimum licensure standards. To implement the legislative requirements, the Department promulgated Rule 36, which established licensing program standards; and Rule 12, which established funding criteria and procedures.

The Rule 36 standards address individual program plans, resident rights, and staffing requirements, and mandate compliance with health and fire safety standards and the Vulnerable Adults Act. Major objectives of Rule 36 are to reduce hospitalization and assist mentally ill persons in achieving a higher level of independent living. Through Rule 12, the state pays for up to 75% of program costs. Rule 12 requires these funds to be used for direct service costs only, not for room and board or capital expenditures; on the average, 94% of state Rule 12 funds are used for salary costs of direct service staff. County boards apply for Rule 12 funds on behalf of Rule 36 facilities by providing the Commissioner with a budget and program plan. Awards are based on compliance with the statute and Rule 12, reasonableness of costs, and availability of funds.

Since 1983, 26 new facilities have been developed, averaging 11 beds each and including 20 new facilities outside of Hennepin and Ramsey Counties and 6 in the metro area suburbs. Some of these new facilities have specialized services for persons who are mentally ill and hearing impaired, mentally ill and chemically dependent, or mentally ill and behaviorally aggressive. At the same time, a few of the older, larger facilities have closed. This shift to smaller facilities located closer to the client's own community has resulted in improved service but with a reduction in statewide beds at a somewhat higher cost per person.

The joint effort of the legislature, private sector, Department, and counties to bring Rule 36 facilities up to licensure standards has been highly successful. Only seven were licensed as of May 1981. Eighty were licensed as of May 1986. Each facility meets fire safety and health standards. Since June 1983, increased Rule 12 funding has resulted in licensure of 53 more Rule 36 facilities in 26 counties. The initial distribution of Rule 12 funds was 72% Hennepin and Ramsey counties and 28% other counties; it is now 54% and 46% respectively.

1) Adult Residential Grants (Contd.):

Primary goals are to maintain licensure standards and continue refinement of facility programs to more effectively and efficiently serve the chronically mentally ill residents in community placements.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Percent of funded facilities licensed	97	100	97%	93%
Number of licensed facilities	80	82	80	77
Number of licensed beds	1,876	1,818	1,770	1,709
No. facilities receiving Rule 12 funds*	77	77	75	72
Number of beds funded under Rule 12	1,678	1,588	1,540	1,479
Average cost per person per day:				
Room and board (GA, MSA, SSI)	\$17.73	\$18.50	\$19.06	\$19.82
Program (state Rule 12 and match)	\$25.67	\$27.34	\$28.16	\$29.29
Total per person per day	\$43.40	\$45.84	\$47.22	\$49.11

*Number of beds funded is less than beds licensed because a few facilities have sufficient funding from other sources to attain licensure without a grant.

2) Grants for Chronic Mentally Ill Adults

Statutory Reference: M.S. 256E.12

This activity awards grants to counties under Rule 14 to operate or contract for services to help chronically mentally ill adults function in their own community. The programs provide 6 general services: 1) day treatment; 2) case management; 3) vocational/employment; 4) socialization/recreation; 5) crisis intervention; and 6) independent living skills. Most programs combine 2 or more of these services.

In F.Y. 1987 this activity awarded grants to projects covering 45 counties across the state. Ten of these counties received their first grants in F.Y. 1987. The appropriation for the current biennium allowed this activity to also make grants to existing county programs to expand their services.

The Rule 14 programs continue to be highly effective in stabilizing the lives of the severely mentally ill persons while allowing them to remain in or near their home community. One indicator of success is the 62% reduction in the number of individuals hospitalized. Another is the increase in clients obtaining part-time and full-time employment (from 4% to 11%), as well as in clients' involvement in pre-employment training.

ACTIVITY: STATE MENTAL HEALTH GRANTS
 (Continuation)
 Program: MENTAL HEALTH
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

LEGISLATIVE ISSUES:

Legislation will be proposed to amend M.S. 256E.12 to continue Rule 14 programs through 6-30-88; and to combine Rule 12 and 14 grants with other state funds for mental health services, effective 7-1-88.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

2) Grants for Chronic Mentally Ill Adults (Contd.):

The goals for this activity include:

- a) Continue Rule 14 grants to counties that currently have grants. The goal includes funding the counties currently receiving McKnight grants for Community Support Services if additional funding is appropriated in F.Y. 1988.
- b) Assess the existing service capabilities of the counties that currently receive Rule 14 funds.
- c) Make Rule 14 services available in all counties in the state.
- d) Provide counties with technical assistance and additional funding, if available, for case management services for the chronically mentally ill clients. This funding will aim at reducing the caseload of current case managers, thereby improving the service.
- e) Provide funding to Hennepin, Ramsey and St. Louis counties specifically to provide case management services and outreach to the homeless mentally ill population.
- f) Expand its cooperative relationship with the Division of Rehabilitation Services to coordinate case management and vocational services.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of counties served	35	45	45	45
Number of projects funded	34	43	43	43
New admissions during year	1,360	1,500	1,450	1,400
Total served during year	2,900	3,200	3,100	3,000
Number of months average stay in program for discharged clients	9.6	9.6	9.6	9.6
Percent reduction in clients hospitalized while in program compared to year before	62%	62%	60%	58%
Percent of clients with job as primary source of income at admission	4%	4%	4%	4%
Percent of clients with job as primary source of income after receiving Rule 14 services	11%	11%	10%	10%

GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Adult residential grants from general fund	\$ 8,200.6	\$ 9,164.0	\$ 9,164.0	\$ 9,164.0
Chronic MI grants from general fund	\$ 2,941.1	\$ 3,683.7	\$ 3,683.7	\$ 3,683.7
Totals	\$11,141.7	\$12,847.7	\$12,847.7	\$12,847.7

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: STATE MENTAL HEALTH GRANTS

PROGRAM: MENTAL HEALTH

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS					50.0	50.0	50.0		50.0	50.0	50.0
LOCAL ASSISTANCE	9,127.4	11,141.7	12,847.7	12,847.7	2,044.0	14,891.7	15,013.2	12,847.7	23,927.8	36,775.5	48,059.5
AIDS TO INDS.											
TOTAL EXPENDITURES	9,127.4	11,141.7	12,847.7	12,847.7	2,094.0	14,941.7	15,063.2	12,847.7	23,977.8	36,825.5	48,109.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV					50.0	50.0	50.0		50.0	50.0	50.0
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS					50.0	50.0	50.0		50.0	50.0	50.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	9,127.4	11,141.7	12,847.7	12,847.7	2,094.0	14,941.7	15,063.2	12,847.7	23,977.8	36,825.5	48,109.5
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	9,127.4	11,141.7	12,847.7	12,847.7	2,094.0	14,941.7	15,063.2	12,847.7	23,977.8	36,825.5	48,109.5
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE MENTAL HEALTH GRANTS
 PROGRAM: MENTAL HEALTH
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

DESCRIPTION/BACKGROUND (Contd.):

- 4) Ongoing case management for persons with chronic mental illness;
- 5) Assistance to the client in applying for federal benefits, including Supplemental Security Income (SSI), Medicaid and Medicare.

The case manager, together with the client, should be able to choose from the following treatment services in order to provide those services which will most assist the individual to attain self-sufficiency:

- 1) Community support services, including day treatment and pre-vocational services;
- 2) Community residential treatment licensed under Rule 36 for adults;
- 3) Transitional living;
- 4) Supportive living residences;
- 5) Acute care hospitalization;
- 6) State regional treatment center services;
- 7) Outpatient and follow-up services after hospitalization;
- 8) Foster care for both children and adults;
- 9) Children's treatment facilities.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$2,094.0	-0-	\$23,977.8	-0-
Governor's Recommendation				
General Fund	\$2,215.5	-0-	\$35,261.8	-0-
Federal Fund	\$ -0-	-0-	\$ 9,063.4	-0-

Request requires statutory change: Yes No
 Statutes Affected: M.S. 245.73; 256E.12; 256D.01; 256D.37

Clients need different services at different points in their lives. As clients move toward self-sufficiency, it is essential that funds not be restricted to particular services. Therefore, the agency proposes to move to a funding system where the dollars will follow the client. Legislation is being proposed to combine a number of existing mental health funding sources, effective 7-1-88. The new Mental Health Fund will be allocated to counties on a formula basis and will provide county case managers with significantly increased flexibility to choose services appropriate to client needs. Not more than 7.5% of total funds will be set aside for statewide low incidence needs. For example, for persons who have both a mental illness and hearing impairment need significantly more intensive services than others. The set-aside funds will also be available for counties with very unusual increases in caseload or need for services.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to combine existing grants and provide new grants to counties to create and ensure a unified, accountable, comprehensive mental health system. The request amount for F.Y. 1989 assumes approval of a separate change request under the Medical Assistance activity. If this separate change request is not approved additional state funding totaling \$7,008.9 will be needed under this activity for F.Y. 1989. Most of the funds in this request are transfers from existing funds; new funds total \$2,094.0 for F.Y. 1988, and \$7,108.0 for F.Y. 1989.

The increased flexibility provided to counties will increase efficiency by reducing inappropriate services. In addition to the gains from this increased efficiency, the agency recognizes that new funds are needed to fill in gaps in service availability. The following services are particularly lacking in statewide availability:

DESCRIPTION/BACKGROUND:

The Mental Health Mission Statement was the result of the Governor's Mental Health Commission's Mandate for Action, a Legislative Auditor's report and a 1985 Department study of mental health services. Legislation is being proposed establishing a Mental Health Authority, required service arrays and definitions of services.

The primary focus of the proposed legislation is system and case management to ensure that services are coordinated and appropriate to individual needs. This primary focus includes the following basic services:

- 1) 24-hour emergency response (telephone hotline/information and referral);
- 2) Consultation, education and prevention;
- 3) Pre-admission screening for hospitalization and residential services;

1) Case management:

The problems associated with severe, long-term, mental illness typically are so disabling that individuals and their families need assistance in being able to identify and make appropriate use of needed services. Availability of case management services is a vital mechanism in helping with: a) development of an appropriate and unified treatment plan; b) identification of the needed services and follow-through with the referral process; c) providing the on-going coordination and linkages between the involved provider agencies to assure continuity of all the needed services; and d) effective use of appropriate ancillary supporting services, i.e. vocational, housing, and supportive living services.

CHANGE REQUEST

1987-89 Biennial Budget

DESCRIPTION/BACKGROUND (Contd.):

Agency Program Activity
(Continuation)

ACTIVITY: STATE MENTAL HEALTH GRANTS
PROGRAM: MENTAL HEALTH
AGENCY: HUMAN SERVICES, DEPARTMENT OF

DESCRIPTION/BACKGROUND (Contd.):

The need for expanded case management was cited in a recent report by the Office of the Legislative Auditor entitled, Deinstitutionalization of Mentally Ill People (Feb. 1986). The report expressed concern about the high case loads which are preventing adequate case management. The department requests funds to help counties with the cost of providing necessary case management services to chronically mentally ill persons who need assistance to access existing resources. The objective is for every county to have the capability of providing case management services at an average of 30 clients for each case manager.

The department will supervise the county case management system to ensure that it is effective and meets the standards in the proposed legislation. A separate budget page requests new state positions to provide training and technical assistance for the county case managers. These new positions will be located regionally and will monitor county performance against standards.

2) Community support services:

Persons with severe, long-term mental health problems need a variety of services over an extended period of time, possibly a life-time for many individuals, if they are to maintain some degree of independence and continue living in or near their home community. An appropriately designed community support program will offer individuals a combination of services designed to help during periods of crisis and acute stages of their illness, with on-going training and support services to help with adjustment to community living. The alternatives for many are frequent, extended periods of hospitalization and isolation from the mainstream of the community.

The department requests funds for community support programs to: a) fund existing community support projects currently funded by the McKnight Foundation which will expire in F.Y. 1988 and which are appropriate for Rule 14 funding; b) fund new counties that do not now have Rule 14 funding arrangements; c) fund existing Rule 14 funded counties that do not have sufficient services to meet identified needs; d) provide special grants to Hennepin, Ramsey and St. Louis counties for services to severely mentally ill homeless persons; and e) fund two employment/training demonstration projects in cooperation with the Department of Jobs and Training. The request includes funds to address these needs through Rule 14 grants in F.Y. 1988. Top priority for new funding will go to counties that do not have a community support project now.

At the present time only 45 counties have state funding for community support programs and services. This proposal is for funding to make these services available statewide. This plan is consistent with the recommendations of a report from the Office of the Legislative Auditor, the recommendations of the Governor's Mental Health Commission Report and the Mental Health Mission Statement passed by the 1986 Legislature. The Legislative Auditor and the Mental Health Commission cite that many rural counties presently lack an array of services necessary to help chronically mentally ill persons adjust to independent living in or near their home community.

3) Residential treatment for adults with mental illness:

Facilities licensed under Rule 36 to serve adult mentally ill persons are now located in 29 counties. In February 1986, the Legislative Auditor's report, "Deinstitutionalization of Mentally Ill People", expressed concern that "mentally ill persons in 57 counties cannot be served in their own communities and must travel long distances to the nearest Rule 36 facility." In response to this concern, the department has reallocated over \$100,000 in Rule 12 funds from Ramsey County to other counties. These monies were available due to closure of two facilities. However, additional shifting of funds out of the metro area will be counter-productive by reducing services urgently needed by metro residents. Therefore, additional funds are needed to develop facilities in unserved areas of the state.

Most existing Rule 36 programs do not have sufficient staff and services to meet the needs of residents who suffer from both mental illness and other disorders, such as chemical dependency, behavioral aggressiveness, mental retardation and physical disabilities. Some staff at existing programs have received training to deal with these special needs. However, many of these "dual-disorder" clients simply require more staff than is possible under the current level of funding.

The request includes funds to develop three to four new facilities to address the above needs, beginning with funding through Rule 12 in F.Y. 1988 and continuing under the new Mental Health Fund in F.Y. 1989.

4) Outpatient services:

In 1985, the department completed a report mandated by the Legislature, entitled "Study of the Availability of Services to People with Mental Illness Problems." That report recommended significant new funding, particularly for outpatient services, to fill in gaps in service availability and accessibility.

5) Public education:

The request includes funds to contract for services to increase understanding and awareness of mental illness and reduce the stigma now associated with mental illness.

CHANGE REQUEST

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

Agency Program Activity
(Continuation)

ACTIVITY: STATE MENTAL HEALTH GRANTS
PROGRAM: MENTAL HEALTH
AGENCY: HUMAN SERVICES, DEPARTMENT OF

The Governor recommends the funding as requested except for the following: (1) A biennial reduction of \$1,973.3 in transfers as detailed below and described in related change requests. Changes to GA, MSA, and GAMC reduce the base of these activities, thus reducing the estimated amounts to be expended for mental health services. (2) A biennial increase of \$515.9 for grants. The additional grants funding should provide a margin required to assure maintenance of existing service levels and adequate funding for expanded services as this complex initiative is implemented. (3) Transfer of F.Y. 1989 funds to this activity from the Community Social Services Act - Title XX Grants activity in the following amounts: General Fund: \$12,862.9; Federal Fund: \$9,063.4. This transfer will enhance performance of the proposed new funding system and ensure maintenance of the current level of state and county fiscal support for mental health services. The Commissioner of Human Services will submit proposed legislation required to implement this recommendation. The amount to be transferred is based on projected mental health expenditures in county 1987 CSSA plans.

DESCRIPTION/BACKGROUND (Contd.):

The department will seek federal and private funding for as many of the above needs as possible. A separate change request proposes \$3,068.6 in F.Y. 1989 for the state share of additional MA coverage. Under projected federal policies for F.Y. 1989, the state MA funds will be matched by an additional \$3,940.3 in federal funds, and \$341.0 in county funds. The following table summarizes the new funds needed, along with the existing funds to be transferred into the new Mental Health Fund.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Components of "MH Fund"	N/A	N/A	\$2,094.0*	\$36,825.5
New funds requested	N/A	N/A	2,094.0	\$7,108.0
Service expansion	N/A	N/A	2,094.0	\$4,641.1
Shift GAMC to current payments	N/A	N/A	N/A	\$2,466.9
Transfers from other funds	N/A	N/A	N/A	\$16,869.8
GAMC	N/A	N/A	N/A	\$7,400.8
MSA	N/A	N/A	N/A	\$6,178.0
GA	N/A	N/A	N/A	\$3,291.0
Total "CHANGE" request	N/A	N/A	\$2,094.0	\$23,977.8
Total "SAME LEVEL" request	\$11,141.7	\$12,847.7	\$12,847.7	\$12,847.7

*MH Fund to begin in F.Y. 1989. The F.Y. 1988 cost is for service expansion under existing programs only.

RATIONALE:

The request for new funds, along with the more efficient use of existing mental health funds, will enable the department of Human Services to create and ensure a unified, accountable and comprehensive mental health services system, as directed by the Legislature. Coordinated and appropriate services will be provided, under clear and consistent standards, to assist persons with mental illness to achieve as much self-sufficiency and independence as possible.

Transfer	Transfer Reductions	
	F.Y. 1988	F.Y. 1989
General Assistance	(\$ -0-)	(\$1,172.6)
Minnesota Supplemental Aid	(\$ -0-)	(142.0)
General Assistance Medical Care	(\$ -0-)	(658.7)
Total	(\$ -0-)	(\$1,973.3)

ACTIVITY: FEDERAL MENTAL HEALTH GRANTS
 Program: MENTAL HEALTH
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY DESCRIPTION: This activity receives and administers two federal mental health grants.

1) Mental Health Portion of the Federal Alcohol, Drug Abuse, and Mental Health Services Block Grant:

Statutory Reference: M.S. 245.70 to 245.718

This activity covers the 30% of the federal Alcohol, Drug Abuse and Mental Health Services Block Grant which supports mental health services in Minnesota. State statute provides for allocation of funds to counties for the provision of community mental health services, a set-aside for special Indian mental health services, and makes provision for special demonstration projects.

The federal law obligates the states to complete the balance of eight year federal commitments to qualifying community mental health centers. Only the Northland Mental Health Center qualifies, therefore, the state provided NMHC federal block grant funds through 9-30-86. A second requirement is that all community grantees must assure provision of five services: 1) outpatient counseling; 2) 24-hour emergency services; 3) screening of individuals being considered for placement in state hospitals; 4) day treatment; and 5) consultation and education services.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of counties receiving grants	71	71	71	*0
Number of Indian tribal organizations receiving grants	7	7	7	7
Number of grants for demonstration projects for services to underserved populations	7	8	*8	*10

* Estimated counties and projects funded if legislative proposal below is approved.

<u>Grants by Fund:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Federal	\$1,100.8	\$1,413.6	\$1,188.4	\$946.1
Total	\$1,100.8	\$1,413.6	\$1,188.4	\$946.1

LEGISLATIVE ISSUES:

Amend M.S. 245.713 to specify the purposes for which the federal funds may be used. The proposed change would eliminate the separate allocation to counties due to the small amount of funding available, which is difficult to monitor for federal audit purposes. Currently over half of the counties have allocations of less than \$5,000.

2) Office of Refugee Mental Health:

This office was funded by National Institute of Mental Health (NIMH) to be the state level focal point for addressing refugee mental health issues. The program was funded to improve/increase culturally sensitive services to an estimated 31,000 refugees in the state of Minnesota.

A multi-level committee structure has been developed which includes participation of providers and consumers in the mental health planning process. The participants will provide input to the development of training, outcome evaluations, improvement of culturally sensitive diagnostic capabilities, identification of model programs, and the development of ongoing assessment processes.

Technical assistance and training are being provided statewide.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of refugee ethnic groups represented on committees	8	8	8	0
Number of organizations contacted	105	150	175	0
Number of participants attending training sessions	95	400	450	0

<u>GRANTS BY FUND:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Federal	\$48.2	\$140.0	\$170.0	\$25.0
Total	\$48.2	\$140.0	\$170.0	\$25.0

FEDERAL ISSUES:

The Office of Refugee Mental Health is funded under a federal grant which will end in August, 1988.

EXPLANATION OF BUDGET REQUEST:

No state funding is requested for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FEDERAL MH GRANTS

PROGRAM: MENTAL HEALTH

AGENCY: HUMAN SERVICES, DPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	144.5	231.3	418.0	292.4		292.4	292.4	147.4		147.4	147.4
LOCAL ASSISTANCE	978.7	917.7	1,135.7	1,066.2		1,066.2	1,066.2	823.8		823.8	9,887.2
AIDS TO INDS.											
TOTAL EXPENDITURES	1,123.2	1,149.0	1,553.7	1,358.6		1,358.6	1,358.6	971.2		971.2	10,034.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	125.4	160.8	357.0	201.3		201.3	201.3	136.3		136.3	136.3
EXPENSES & CONTRAC. SERV	19.0	65.3	56.0	86.1		86.1	86.1	10.3		10.3	10.3
SUPPLIES & MATERIALS	.1	.7	5.0	5.0		5.0	5.0	.8		.8	.8
EQUIPMENT		2.4									
OTHER EXPENSE ITEMS		2.1									
TOTAL STATE OPERATIONS	144.5	231.3	418.0	292.4		292.4	292.4	147.4		147.4	147.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
FEDERAL	1,123.2	1,149.0	1,553.7	1,358.6		1,358.6	1,358.6	971.2		971.2	10,034.6
TOTAL FINANCING	1,123.2	1,149.0	1,553.7	1,358.6		1,358.6	1,358.6	971.2		971.2	10,034.6
POSITIONS BY FUND											
FEDERAL	5.0	13.0	12.0	7.0		7.0	7.0	7.0		7.0	7.0
TOTAL POSITIONS	5.0	13.0	12.0	7.0		7.0	7.0	7.0		7.0	7.0

Fiscal Summary for Mental Health Portion of the
Federal Alcohol, Drug Abuse, and Mental Health Services
Block Grant

Agency: HUMAN SERVICES, DEPARTMENT OF
Federal Grant Title: ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES
BLOCK GRANT
State Legal Authority: M.S. 245.70 TO 245.718

ANTICIPATED RECEIPT DATES:

Funds are available for obligation for a two year period com- mencing at the beginning of the Federal Fiscal Year in which funds are appropriated. Ini- tial grant award notices have been received between November and January, with the balance of funds awarded in quarterly allotments throughout the fiscal year.

GRANT OBJECTIVES:

- 1) To make grants to Indian tribal organizations for special Indian mental health services.
- 2) To fund support costs of the State Indian Mental Health Advisory Committee.
- 3) To award special statewide demonstration project grants for underserved populations and other special projects.
- 4) To provide statewide planning and evaluation activities.

FEDERAL AND STATE PERMITTED USES AND USE RESTRICTIONS:

Federal law states that funds may be used for planning, establishing, maintaining, coordinating, and evaluating projects for more effective prevention, treatment, and rehabilitation programs and activities to deal with mental health. Federal and state restrictions are: at least 10% be spent to initiate and provide new mental health services for severely disturbed children and adolescents, and new comprehensive community mental health programs for unserved areas or for underserved populations; not more than 12% be spent for mental health services and advisory committees for Indian organizations; and not more than 10% be spent on administration. Funds cannot be used to supplant state, local and other funds which would otherwise be availble; only public and non-pro- fit private agencies are eligible grantees; funds cannot be used for inpatient hospital services or for acquisition of land or construction. Local grant recipients must provide five required services.

PAST CHANGES IN ALLOCATIONS:

- 1) For those funds used beginning on 10-1-85 the following changes were made via past legislative actions:
 - a) The federally required 10% set aside for children and other underserved populations began.
 - b) The set aside for Indians was increased from 5% to 12%.
- 2) The federal obligation to provide special funding for the Northland Mental Health Center ended on 9-30-86.
- 3) On 11-13-86 the LAC authorized the use of funds for statewide planning.

ALLOCATION RECOMMENDED BY AGENCY:

- 1) 10% set aside for state administration;
- 2) 12% set aside for Indian tribal organizations for special mental health services;
- 3) 10% set aside for statewide demonstration projects for services to children and underserved populations;
- 4) 68% to be used for statewide planning, evaluation, and demonstration projects.

This recommendation eliminates the allocation to counties and places these funds in the account for statewide planning, evaluation, and demonstration projects; it simplifies federal tracking requirements; and it assumes that counties will receive new funds through other mental health initiatives.

<u>GRANT USE:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Financial assistance to political subdivision and non-profit agencies					
Indian Tribal Organizations	\$ 0.2	\$ 132.0	\$ 169.6	\$ 142.6	\$ 113.5
Children, underserved and demonstration grants	\$ 0.0	\$ 64.5	\$ 141.3	\$ 601.0	\$ 710.3
Northland Mental Health Center	\$ 612.0	\$ 200.0	\$ 208.0	\$ 0.0	\$ 0.0
County allocations	\$ 398.7	\$ 521.2	\$ 616.7	\$ 322.5	\$ 0.0
SUBTOTAL	\$ 1,010.9	\$ 917.7	\$ 1,135.6	\$ 1,066.1	\$ 823.8
State Agency Operations					
Administration	\$ 112.3	\$ 110.0	\$ 141.3	\$ 118.8	\$ 94.6
Planning and Advisory Committees	\$ 0.0	\$ 73.1	\$ 136.7	\$ 3.5	\$ 27.7
SUBTOTAL	\$ 112.3	\$ 183.1	\$ 278.0	\$ 122.3	\$ 122.3
TOTAL THIS GRANT	\$ 1,123.2	\$ 1,100.8	\$ 1,413.6	\$ 1,188.4	\$ 946.1

Required State Match None
Required Local Match None
Agency Complement authorized by LAC for this grant

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
	5.0	10.0	9.0	4.0	4.0

PROGRAM PURPOSE:

The income maintenance programs provide cash assistance, food stamps, and payments to providers of medical and health care services to and on behalf of eligible citizens of the state. These cash assistance and medical payments exist to provide a basic standard of living and enable low income citizens to have access to quality medical care for both acute and chronic health-related problems. Through this assistance, low income citizens have access to the basic necessities of life food, clothing, shelter, and medical care.

In addition, the income maintenance activity provides the management support function of quality control review in Aid to Families with Dependent Children (AFDC), Food Stamps (FS), and Medical Assistance (MA); reviews local agency management of the Food Stamp program; and gathers necessary data to claim federal funds, complete a wide variety of internal management reports, budget forecasts and reports to the Legislature.

Cost containment results because of the division's abuse and fraud component. The Health Care and Assistance Payments Divisions' fraud and abuse control efforts result in cost containment and prevention of loss of program funds.

OPERATIONS:

State agency staff provide program guidelines to local agencies in the form of rules and instructions which are designed to maximize federal funding while ensuring that the needs of low income citizens are met. In addition, state agency staff make payments to providers of medical and health services, as well as conduct post-payment audits to detect abuse and/or fraud by recipients and providers of the Medical Assistance program and recipients of the cash assistance and Food Stamp programs. Local agency staff determine individual eligibility for all programs, make cash assistance payments, and issue food stamps. The major goal of the income maintenance program is to provide the appropriate cash assistance, non-cash benefits or medical benefits to all eligible citizens in an effective and efficient manner.

The following number of low income citizens were served by Income Maintenance programs in an average month during F.Y. 1986:

Aid to Families with Dependent Children (AFDC)	158,300
General Assistance Maintenance (GA)	24,000
Work Readiness (WR)	8,900
Medical Assistance (MA)	163,200
General Assistance Medical Care (GAMC)	21,500
Minnesota Supplemental Aid (MSA)	10,800
Food Stamps (FS)	227,500

Since most of the recipients of cash assistance are eligible for Food Stamps and all recipients of AFDC and MSA are eligible for MA, the same persons are counted in several of these programs. The number of people requiring assistance and the cost of programs

OPERATIONS (Contd.):

fluctuate in relation to the demographic changes, as well as changes in national and state economic conditions. The depressed economic conditions of the past several years are reflected by increases in the program caseloads.

MAJOR POLICY ISSUES:

- 1) Cost containment strategies
- 2) Health care coverage for the working poor and underinsured
- 3) GA grants to unmarried persons with children

PROGRAM PRIORITIES:

- 1) Increased emphasis on pre-natal care
- 2) Prevention of federal fiscal sanctions
- 3) Major computer systems modifications
- 4) AFDC/FS program automation

EXPLANATION OF BUDGET REQUEST:

An increase of \$118,212.3 is requested for the biennium; \$37,104.5 in F.Y. 1988 and \$81,107.8 in F.Y. 1989. Details for this request are contained in the pages that follow.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$42,516.5 for the F.Y. 1987-89 biennium for this program.

Details are found on the change level pages that follow.

The Governor further recommends the following modifications to Work Readiness Services grants:

- Establishment of a county match of 25% of total costs. This change will bring this activity into line with the current county match for Work Readiness grants and ensure that all counties are active partners in these services.
- Allocation of funding to counties on the basis of the number of Work Readiness services recipients in a county rather than the current method (\$50/registrant for administration, \$100/registrant for direct expenses, and \$100 additional for direct expenses of registrants in the program for more than two months). This new method shall result in a more equitable distribution of available funding.

The Commissioner of Human Services will submit proposed legislation required to implement these recommendations.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: INCOME MAINTENANCE

AGENCY: HUMAN SERVICES, DPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
HEALTH CARE PROGRAMS	1089,777.5	1129,668.8	1269,797.5	1326,435.1	29,578.1	1356,013.2	1334,074.2	1378,711.8	75,812.4	1454,524.2	1403,588.2
AP DIVISION	343,465.4	338,934.9	346,988.7	353,100.8	7,526.4	360,627.2	357,320.7	358,394.1	5,295.4	363,689.5	364,175.2
TOTAL	1433,242.9	1468,603.7	1616,786.2	1679,535.9	37,104.5	1716,640.4	1691,394.9	1737,105.9	81,107.8	1818,213.7	1767,763.4
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	14,976.0	15,714.6	16,945.3	16,806.3	5,339.4	22,145.7	23,734.4	16,828.2	5,435.2	22,263.4	18,912.9
LOCAL ASSISTANCE	339,603.8	333,913.5	341,196.4	347,019.2	3,169.8	350,189.0	345,697.9	352,322.2	1,193.0	353,515.2	356,162.1
AIDS TO INDS.	1078,663.1	1118,975.6	1258,644.5	1315,350.2	28,595.3	1343,945.5	1321,602.4	1367,595.3	74,479.6	1442,074.9	1392,328.2
INTERAGENCY TRANSFERS				360.2		360.2	360.2	360.2	360.2	360.2	360.2
TOTAL EXPENDITURES	1433,242.9	1468,603.7	1616,786.2	1679,535.9	37,104.5	1716,640.4	1691,394.9	1737,105.9	81,107.8	1818,213.7	1767,763.4
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	548,743.6	530,368.1	607,138.3	607,930.0	37,104.5	645,034.5	619,789.0	607,999.4	81,107.8	689,107.2	638,656.9
DEDICATED APPROPRIATIONS:											
GENERAL	195,210.2	200,049.3	206,594.1	216,283.5		216,283.5	216,283.5	221,764.4		221,764.4	221,764.4
SPECIAL REVENUE		234.6	940.4	75.0		75.0	75.0	75.0		75.0	75.0
AGENCY			65.4								
GIFTS AND DEPOSITS	50.9	10.5	10.8	10.8		10.8	10.8	10.8		10.8	10.8
FEDERAL	689,238.2	737,941.2	802,037.2	855,236.6		855,236.6	855,236.6	907,256.3		907,256.3	907,256.3
TOTAL FINANCING	1433,242.9	1468,603.7	1616,786.2	1679,535.9	37,104.5	1716,640.4	1691,394.9	1737,105.9	81,107.8	1818,213.7	1767,763.4
POSITIONS BY FUND:											
GENERAL	265.0	263.0	262.0	262.0	45.0	307.0	296.0	262.0	49.0	311.0	296.0
FEDERAL	14.5	19.0	21.0	21.0		21.0	21.0	21.0		21.0	21.0
TOTAL POSITIONS	279.5	282.0	283.0	283.0	45.0	328.0	317.0	283.0	49.0	332.0	317.0

ACTIVITY: HEALTH CARE PROGRAMS
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

This budget activity includes the objectives for the management activities that follow. These objectives include:

- 1) Administering the Medical Assistance (MA), General Assistance Medical Care (GAMC), and the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) programs.
- 2) Maximizing federal dollars available to Minnesota for the health needs of low income persons.
- 3) Developing and maintaining prevention oriented programs to support the delivery of effective prenatal care services.
- 4) Initiating the development and funding of cost effective health services to enable persons to remain in the community as an alternative to institutional care.
- 5) Ensuring that MA and GAMC expenditures are made according to state and federal requirements and to secure recovery of expenditures where fraud, abuse or misuse is established.
- 6) Ensuring that medical care and services provided under the MA and GAMC programs are medically necessary and are delivered in an appropriate, timely, and cost effective manner.
- 7) Maximizing use of third party payments for the cost of medical care given to recipients of MA and GAMC.
- 8) Operating a centralized medical claims processing and reimbursement system for MA and GAMC.
- 9) Exploring and initiating alternate health care delivery and funding strategies to maximize efficient use of tax dollars while maintaining or improving health care services.

ACTIVITY DESCRIPTION:

This activity manages major health care programs for the Department. It is an aggregation of the 9 management activities that follow: Health Care Supervision, Surveillance and Utilization Review, Health Care Professional Services, Benefit Recovery, Central Medical Disbursement, Medical Assistance Grants, General Assistance Medical Care Grants, Medical Assistance Demonstration Grants and Preadmission Screening/Alternative Care Grants. The detailed description and statistics of each of these management activities appear on the individual sheets that follow.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested to accomplish the goals of this activity except for the changes accompanying this activity and the management activity pages that follow.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH CARE PROGRAMS

PROGRAM: INCOME MAINTENANCE

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	10,998.8	11,317.0	12,113.0	12,044.9	982.8	13,027.7	13,431.8	12,076.5	1,332.8	13,409.3	12,220.0
LOCAL ASSISTANCE	2,823.9	1,690.4	1,240.0	1,240.0		1,240.0	1,240.0	1,240.0		1,240.0	1,240.0
AIDS TO INDS.	1075,954.8	1116,661.4	1256,444.5	1313,150.2	28,595.3	1341,745.5	1319,402.4	1365,395.3	74,479.6	1439,874.9	1390,128.2
TOTAL EXPENDITURES	1089,777.5	1129,668.8	1269,797.5	1326,435.1	29,578.1	1356,013.2	1334,074.2	1378,711.8	75,812.4	1454,524.2	1403,588.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	4,980.3	5,094.7	5,454.2	5,537.0	659.8	6,196.8	6,299.1	5,503.8	805.7	6,309.5	5,639.2
EXPENSES & CONTRAC. SERV	5,802.8	5,877.5	6,543.6	6,402.7	278.2	6,680.9	6,929.4	6,467.5	453.8	6,921.3	6,473.6
SUPPLIES & MATERIALS	99.5	124.2	80.6	75.6	8.6	84.2	100.6	75.6	20.4	96.0	76.6
EQUIPMENT	116.2	220.6	34.6	29.6	36.2	65.8	102.7	29.6	52.9	82.5	30.6
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	10,998.8	11,317.0	12,113.0	12,044.9	982.8	13,027.7	13,431.8	12,076.5	1,332.8	13,409.3	12,220.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	367,133.0	372,244.6	440,703.6	441,235.5	29,578.1	470,813.6	448,874.6	441,314.6	75,812.4	517,127.0	466,191.0
DEDICATED APPROPRIATIONS:											
GENERAL	195,210.2	200,049.3	206,594.1	216,283.5		216,283.5	216,283.5	221,764.4		221,764.4	221,764.4
SPECIAL REVENUE		234.6	675.0	75.0		75.0	75.0	75.0		75.0	75.0
FEDERAL	527,434.3	557,140.3	621,824.8	668,841.1		668,841.1	668,841.1	715,557.8		715,557.8	715,557.8
TOTAL FINANCING	1089,777.5	1129,668.8	1269,797.5	1326,435.1	29,578.1	1356,013.2	1334,074.2	1378,711.8	75,812.4	1454,524.2	1403,588.2
POSITIONS BY FUND											
GENERAL	188.0	183.0	181.0	181.0	18.0	199.0	196.0	181.0	22.0	203.0	196.0
TOTAL POSITIONS	188.0	183.0	181.0	181.0	18.0	199.0	196.0	181.0	22.0	203.0	196.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: HEALTH CARE PROGRAMS
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: HEALTH CARE PROGRAMS STAFF				
Agency Request				
General Fund	\$344.3	10.0	\$344.3	10.0
Governor's Recommendation				
General Fund	\$ 35.0	1.0	\$ 35.0	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to:

- 1) Manage the in-patient hospital prospective payment system;
- 2) Coordinate the analysis, development, and implementation of policy related to federal financial participation in the Medical Assistance (MA) program, as reflected in the state plan;
- 3) Develop criteria for amount, duration, and scope of services provided under MA and for reimbursement available for these services; and
- 4) Communicate policy to local agencies and health care providers.

DESCRIPTION/BACKGROUND:

The Medicaid program continues to undergo significant changes through federal and state legislation. Cost control initiatives in the areas of eligibility, services delivery systems, and payment mechanisms have added a tremendous burden to the existing staff. Many of these initiatives are not replacements to existing systems but rather "add-ons" that must be accommodated while managing existing systems. New initiatives require significant staff resources for analysis or available alternatives, selection of the most effective and efficient option and the implementation of that option.

DESCRIPTION/BACKGROUND (Contd.):

Two positions are requested for Hospital Reimbursement for analysis of payment trends and for resolving appeals and cost settlements. Forty-two appeals are currently pending; some of them from 1984. At current staffing levels, only 20 appeals per year can be resolved. Cost settlements for the previous reimbursement system remain from 1982. Lack of staff to resolve appeals and cost settlements causes cash flow problems for hospitals and eventually causes need for additional payment adjustments by DHS. Neither expenditures nor the impact of the new system, including changes in lengths of stay and rates of premature discharges, can be analyzed because of lack of staff.

Five positions are requested for the Health Care Policy Section. Maximization of federal financial participation is necessary in order to undertake legislatively directed initiatives such as the Chemical Dependency Consolidated Treatment Fund. Analysis and/or policy development as a result of 1986 federal legislation is necessary in the following areas: hospice, targeted case management, organ transplants, pre-vocational and supported employment for the developmentally disabled, eligibility for pregnant women and Medicare-eligible persons, medical support, and the Income Eligibility Verification System. However, the policy section currently has little analytic or planning capacity. State plan issues and options are not given sufficient attention due to lack of staff and management of day-to-day communications with HCFA and local agencies suffer.

Three positions are requested for the Professional Services Section for the development and communication of policies with respect to parameters of services provided and reimbursement for these services. Provider manuals currently contain policies which are 5 to 10 years out of date due to changes as a result of federal regulations, state statute, and contemporary standards. To date, this activity has relied on existing staff to effect these changes and it is evident that the work exceeds the available resources.

RATIONALE:

Federal and state legislation have made and continue to make significant changes in eligibility, covered services, service delivery, and cost controls in the MA program. Such initiatives have added significantly to the workload of this activity and have reached a point where staff resources are insufficient to respond to changes within mandated deadlines. Current staff are barely able to process the necessary day-to-day transactions required to keep the program operating. As a result, the department not only faces the risk of federal fiscal sanctions but also cannot fully realize cost savings because moves toward economy are delayed due to understaffing.

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding for one position for the inpatient hospital rate setting division. This position will be responsible for payment and information analysis and for resolving appeals and cost settlements.

ACTIVITY: HEALTH CARE SUPERVISION
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 851.6	\$ 677.1	\$ 929.3	\$ 919.1	\$ 946.5

ACTIVITY OBJECTIVE:

- 1) To manage the Medical Assistance (MA), General Assistance Medical Care (GAMC), and the Early and Periodic Screening (EPSDT) programs so that eligible persons receive adequate and cost effective health care services which promote well being and independence.
- 2) To maximize the federal dollars available to Minnesota for the health needs of low income persons.
- 3) To develop and maintain prevention oriented programs to support the delivery of effective maternal and child care services.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Percentage of eligible children screened through EPSDT	22.2	23.0	23.5	23.5
Average additional MA expenditure for poor pregnancy related outcomes per eligible recipient giving birth	\$ 2,160	\$ 2,160	\$ 2,000	\$ 1,900
State dollars saved through pre-paid health MA	\$ 143.0	\$ 143.0	\$ 141.0	\$ 142.0
GAMC	\$ 347.0	\$ 948.0	\$1,274.0	\$1,353.0
Number of recipients enrolled in prepaid health plans	7,500	15,000	22,500	23,000

ACTIVITY DESCRIPTION:

This activity manages the MA, GAMC and EPSDT programs in compliance with state law and federal regulations. This requires the development and implementation of policies which are consistent with federal regulations without compromising the autonomy of Minnesota health care policy. The activity develops rules and policies on recipient eligibility, and provides technical assistance, consultation, and training to local agency staff to ensure the effective local implementation of the respective programs.

This activity is responsible for maintaining the state plan, which is the basis for federal financial participation, and for federal quality control review. The state plan incorporates all components of the Medicaid program, including eligibility, medical services, administration, and payment mechanisms, and must be effectively maintained to prevent deferral or disallowance of federal funds.

ACCOMPLISHMENTS AND GOALS:

During this biennium, this activity has: 1) reduced state and local GAMC costs by implementing federal options to shift coverage of certain categories of pregnant women to MA; 2) participated in the development of an 11 state adoption compact to promote the support of children with special needs; 3) administered the MA program to minimize the potential loss of funds due to quality control difference, amounting to 10 million dollars in one instance alone; and 4) developed the administrative rule for MA eligibility that was presented for public hearing in July 1986.

During the coming biennium, the goals of this activity are to: 1) resolve all federal quality control differences so that error rates are significantly reduced and maintained at an acceptable level; 2) complete the development and promulgation of a comprehensive package of rules and policies to stabilize administration of the MA, GAMC, and EPSDT programs; 3) implement a major initiative to combat health conditions which negatively affect women and children and lead to much higher costs for subsequent health care; 4) maximize prevention oriented services for all populations to reduce the trend toward costly, preventable acute care; and 5) develop cost effective policies to implement service alternatives recently approved by federal legislation such as case management and hospice care.

New initiatives, within the constraints of federal regulations, will be developed to restructure the delivery of home health care services to populations which would have to be served in hospitals or long term care settings if an alternative were not available.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Average number of recipients/month				
MA	163,177	171,146	177,188	183,696
GAMC	21,501	24,476	26,564	27,547
Policy interpretations rendered to local agencies	1,075	1,500	1,100	1,100
Number of infants born to MA recipients with compromised neo-natal health	6,025	6,025	6,000	5,950
Number of pre-paid contracts:				
MA	6	6	6	6
GAMC	6	7	8	
Number of EPSDT screenings	29,380	32,173	33,916	35,077

ACTIVITY: HEALTH CARE SUPERVISION
(Continuation)
Program: INCOME MAINTENANCE
Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

FEDERAL ISSUES:

Federal policy initiatives related to eligibility must be studied. Differences between Minnesota's current system and federally mandated components of the eligibility process place Minnesota in jeopardy of major federal disallowances.

The cost effectiveness of expanded delivery options authorized in recent federal legislation (Public Law 99-272, COBRA) must be evaluated. These options include case management and hospice care.

LEGISLATIVE ISSUES:

The department is proposing legislation initiatives to: 1) bring the treatment of real and personal property in conformance with federal requirements; 2) conduct an in-depth study of state/federal contrasts on eligibility policy to include fiscal impact of change, population affected, and the nature of that affect; 3) fund unemployment and workers' compensation for Personal Care Attendants (PCA); and 4) allocate resources to support initiatives in policy development and alternative delivery systems.

RECENT BUDGET HISTORY:

Federal sanctions, which provided the impetus for eliminating the Federal Benefit Disregard on 7-1-86, were calculated at \$1.3 million for FY 85. Minnesota remains at risk for additional sanctions until July, 1987.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH CARE PROGRAMS

MANAGEMENT ACTIVITY: HEALTH CARE SUPERVISION

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,504.8	1,450.4	2,394.5	1,769.3	305.4	2,074.7	2,107.7	1,766.5	255.4	2,021.9	1,861.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,504.8	1,450.4	2,394.5	1,769.3	305.4	2,074.7	2,107.7	1,766.5	255.4	2,021.9	1,861.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	663.4	681.4	903.1	827.8	238.1	1,065.9	964.2	825.0	238.1	1,063.1	918.0
EXPENSES & CONTRAC. SERV	800.3	568.7	1,456.8	916.9	61.3	978.2	1,116.9	916.9	15.3	932.2	918.9
SUPPLIES & MATERIALS	7.2	23.1	23.7	18.7		18.7	18.7	18.7		18.7	18.7
EQUIPMENT	33.9	177.2	10.9	5.9	6.0	11.9	7.9	5.9	2.0	7.9	5.9
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,504.8	1,450.4	2,394.5	1,769.3	305.4	2,074.7	2,107.7	1,766.5	255.4	2,021.9	1,861.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,504.8	1,215.8	1,719.5	1,694.3	305.4	1,999.7	2,032.7	1,691.5	255.4	1,946.9	1,786.5
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		234.6	675.0	75.0		75.0	75.0	75.0		75.0	75.0
TOTAL FINANCING	1,504.8	1,450.4	2,394.5	1,769.3	305.4	2,074.7	2,107.7	1,766.5	255.4	2,021.9	1,861.5
POSITIONS BY FUND											
GENERAL	24.5	23.5	23.5	23.5	5.0	28.5	26.5	23.5	5.0	28.5	26.5
TOTAL POSITIONS	24.5	23.5	23.5	23.5	5.0	28.5	26.5	23.5	5.0	28.5	26.5

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: HEALTH CARE SUPERVISION
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

It is necessary to study all the issues involved in retaining or changing Minnesota's current status in order to appropriately plan future policy direction and development for Medical Assistance and determine the effect on program participants and administrative costs at the state and local levels. This funding is necessary to conduct this study.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. If a priority, the study should be undertaken with current DHS contractual/administrative funds.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: MEDICAL ASSISTANCE ELIGIBILITY STUDY				
Agency Request				
General Fund	\$50.0	-0-	-0-	-0-
Governor's Recommendation				
General Fund	-0-	-0-	-0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funding to conduct a study of the options available in administering Medical Assistance (MA) eligibility.

DESCRIPTION/BACKGROUND:

As originally enacted, Medicaid required participating states to provide MA to individuals who were receiving cash payments under any one of the 4 welfare programs established in the Social Security Act (Aid to Families With Dependent Children, Aid to the Blind, Aid to the Aged, and Aid to the Disabled). In 1972, Congress restructured the Medicaid program and replaced cash assistance programs for the aged, blind, and disabled with Supplemental Security Income (SSI).

States whose MA state plan allows them to operate MA eligibility in a manner consistent with their 1972 plan are ordinarily referred to as "209 (b) states". The reference arises because Section 209 (b) of Public Law 92-603 added 1902 (f) to the Social Security Act. There are currently 14 states which administer MA programs based upon election of the 209 (b) option. The 209 (b) option was supposed to allow states to contain Medicaid costs by operating their programs in a more restrictive manner than the federal SSI program. Many states, including Minnesota, use the 209 (b) option.

Many of the eligibility policy issues that are in dispute between Minnesota and the federal agency are related to this state's status as a 209 (b) state. These issues have been, and are likely to continue to be, a source of fiscal sanctions in the quality control process.

CHANGE REQUEST

1987-89 Biennial Budget

 Agency Program Activity

ACTIVITY: HEALTH CARE SUPERVISION
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: UNEMPLOYMENT AND WORKERS' COMPENSATION FOR PERSONAL CARE ATTENDANTS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$90.0	-0-	\$90.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to pay unemployment and workers' compensation claims for Personal Care Attendants (PCA's).

DESCRIPTION/BACKGROUND:

M.S. 268.04, Subd. 9; and 176.011, Subd. 9, define PCA's as employees of the state for purposes of unemployment and worker's compensation benefits. The department does not receive funding for these benefits and has historically used the regular salary accounts for PCA compensation. This expenditure does not receive federal financial participation.

RATIONALE:

The increase in the numbers of PCA's and the costs of paying such benefits is placing a significant strain on the Department's salary accounts which have received less than full funding.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. DHS is proposing changes to the PCA program that should relieve the Department's liability for these claims. Furthermore, DHS should be receiving federal financial participation under the program administration portion of Medical Assistance.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: HEALTH CARE SUPERVISION
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: HOSPITAL RATE STUDY	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Governor's Recommendation				
General Fund	\$200.0	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

GOVERNOR'S RECOMMENDATION:

The Governor recommends that \$200.0 be appropriated to the Department of Human Services (DHS) to contract for a study of the current prospective hospital payment system. The study should be completed by 1-1-88.

DESCRIPTION/BACKGROUND:

In 1983, DHS implemented a prospective payment system for inpatient hospital services provided to Medical Assistance (MA) and General Assistance Medical Care (GAMC) recipients. Payments to inpatient hospital facilities were based on a rate per admission using each hospital's individual cost index. Beginning 7-1-85, DHS began to reimburse hospitals based upon a diagnostic classification system. The classification system used in the Minnesota Medical Assistance Program is unlike the diagnostic classification payment system in any other state, and it is unlike the medical diagnostic-related group (DRG) payment system.

RATIONALE:

Reimbursement of inpatient hospital services has changed significantly as a result competitive pressures in the health care market. Furthermore, changes in service delivery have created changes in patient utilization and length of stay averages. DHS has not undertaken an independent study of inpatient hospital rates to determine the appropriateness of the amounts reimbursed to inpatient hospitals in the MA/GAMC programs. This appropriation will allow them to undertake such an evaluation and develop recommendations for hospital reimbursement.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: HEALTH CARE SUPERVISION
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: PREPAYMENT STAFF	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Governor's Recommendation				
General Fund	\$103.4	7.0	\$ 60.0	2.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

GOVERNOR'S RECOMMENDATION:

The Governor recommends 2 permanent staff positions for the biennium and 5 temporary staff positions in 1988 for the proposed Aid to Families with Dependent Children (AFDC)/Medicare prepayment initiative. The 2 permanent staff positions are to be dedicated to information systems and rate setting efforts.

DESCRIPTION/BACKGROUND:

Currently, the Department of Human Services (DHS) has 10 professional and 2 clerical staff working in the area of prepaid demonstration projects. This includes the Medicaid Prepaid Demonstration Project in Dakota, Hennepin and Itasca Counties, and the General Assistance Medical Care (GAMC) prepaid demonstration projects. The majority of professional staff effort is in the areas of policy setting, program development, and program implementation. Currently, 3 staff are devoted to the areas of information systems development, technical assistance to counties, contracts, and rate-setting.

RATIONALE:

To implement the Governor's prepaid health care initiative for AFDC/Medicare recipients, DHS will need professional staff in the areas of information systems, rate-setting, and technical assistance to counties. In addition to these needs, DHS will have temporary need for staff as recipients, providers, and county staff contact the department for information in the initial months of program implementation.

ACTIVITY: SURVEILLANCE AND UTILIZATION REVIEW
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 474.8	\$ 453.9	\$ 462.0	\$ 484.5	\$ 498.2

ACTIVITY OBJECTIVE:

To ensure that Medical Assistance (MA) and General Assistance Medical Care (GAMC) expenditures are made according to federal and state requirements and to secure recovery of expenditures where fraud, abuse, or misuse is established.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Dollars recovered	\$ 805.9	\$ 900.0	\$ 900.0	\$ 900.0
Providers suspended	14	15	15	15
Percent of referred recipients restricted	60	65	65	65
Medical providers enrolled	20,770	21,000	21,000	21,000

ACTIVITY DESCRIPTION:

Surveillance and Utilization Review (SURS) is a federally mandated activity performing two major post-payment functions relative to MA providers and recipients: 1) medical providers are reviewed to determine if incorrect payments were made as a result of fraud, abuse, or misuse in the MA and GAMC programs; and 2) recipient usage of medical services is monitored and corrective action taken against those abusing the services. In addition, SURS is responsible for enrolling medical providers in the MA program.

Potential fraud and abuse in MA and GAMC is identified either through exception reports generated from the Medicaid Management Information System (MMIS) or from complaints. Each incident is investigated and monetary recovery established, if warranted. In addition, SURS refers appropriate cases to the Attorney General's Office for civil action or criminal prosecution and works with this office to resolve cases.

SURS works with local human services agencies and a review committee of providers to identify and take corrective action against recipients who make excessive (and sometimes dangerous) use of medical services. Normally, such individuals are restricted to medical providers of their choice (e.g., a doctor or pharmacist) to avoid further abuse.

SURS is responsible for the enrollment and updating of the provider file to ensure that only those providers meeting federal and state requirements are reimbursed for services.

ACCOMPLISHMENTS AND GOALS:

Major initiatives during the current biennium have been in the areas of long-term care and inpatient hospital and physician services. These 3 categories of service accounted for 73% of MA expenditures in Minnesota during F.Y. 1986. Working cooperatively with

ACCOMPLISHMENTS AND GOALS (Contd.):

the department's Audit Division, the Attorney General's Office and the Hospital Rates Unit, we have collected \$634,000 in overpayments for these 3 groups of services. Working with Blue Cross and Blue Shield of Minnesota, we are beginning to recoup payments to inpatient hospitals where medical necessity does not warrant patient transfers and early discharges. We have been instrumental in enforcing the state's equalization laws for nursing home residents to ensure that recipients of MA are afforded the same rights and privileges as private paying residents.

The major new initiative for the remainder of this biennium and the next will be the development of post-payment review of prepaid health plans. Pre-paid health care initiatives will represent the major issue facing this activity during this and the next biennium. The focus of post-payment review will involve medical necessity judgments to a degree not previously addressed. Such judgments will have to be made with the assistance of health care professionals in consultation with SURS.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Allegations from all sources	2190	2300	2300	2300
Investigations undertaken	638	650	650	650
Cases referred to the Attorney's General for civil or criminal action	29	32	32	32
Number of recipients restricted	131	150	150	150
Investigations of recipients undertaken	1,255	1,300	1,300	1,300

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH CARE PROGRAMS

MANAGEMENT ACTIVITY: SURS-SURVEILLANCE

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	839.0	815.1	857.3	896.5	50.0	946.5	896.5	893.6	50.0	943.6	893.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	839.0	815.1	857.3	896.5	50.0	946.5	896.5	893.6	50.0	943.6	893.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	777.4	760.1	795.8	834.3		834.3	834.3	831.4		831.4	831.4
EXPENSES & CONTRAC. SERV	56.3	50.5	55.9	56.6	50.0	106.6	56.6	56.6	50.0	106.6	56.6
SUPPLIES & MATERIALS	5.3	4.5	2.4	2.4		2.4	2.4	2.4		2.4	2.4
EQUIPMENT			3.2	3.2		3.2	3.2	3.2		3.2	3.2
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	839.0	815.1	857.3	896.5	50.0	946.5	896.5	893.6	50.0	943.6	893.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	839.0	815.1	857.3	896.5	50.0	946.5	896.5	893.6	50.0	943.6	893.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	839.0	815.1	857.3	896.5	50.0	946.5	896.5	893.6	50.0	943.6	893.6
POSITIONS BY FUND											
GENERAL	25.0	25.0	25.0	25.0		25.0	25.0	25.0		25.0	25.0
TOTAL POSITIONS	25.0	25.0	25.0	25.0		25.0	25.0	25.0		25.0	25.0

CHANGE REQUEST

 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: SURVEILLANCE AND UTILIZATION REVIEW

PROGRAM: INCOME MAINTENANCE

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: PEER REVIEW CONSULTING SERVICES				
General Fund	\$50.0	-0-	\$50.0	-0-
Governor's Recommendation.				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to contract with peer review organizations qualified to make judgments of care quality and medical necessity.

DESCRIPTION/BACKGROUND:

Recent legislative changes have encouraged new methods of funding health care programs for recipients of Medical Assistance (MA) and General Assistance Medical Care (GAMC). Federal waivers have been secured to operate demonstration projects where the agency contracts with health maintenance organizations (HMO's) to provide the full array of health services to eligible recipients. The surveillance function is a federal requirement for continuing the waivers. Additionally, several projects are being conducted in the GAMC program.

Surveillance activity under the traditional fee-for-service medical delivery system was concerned with overutilization of services by providers and recipients. Recent initiatives in prepaid health care has changed the basis of potential abusive practice to underutilization, where services are not rendered even though they are medically necessary. The issue of medical necessity in many instances, is difficult to establish due to the broad scope of practice within the medical professions. Our ability to identify and take corrective action against health care providers who maximize profit at the expense of recipients receiving less than adequate care will be directly linked to our ability to make judgments as to the medical needs of the individual and the extent to which those needs were met.

RATIONALE:

The changes occurring in health care delivery and funding systems in Minnesota require changes in the way these systems are monitored and evaluated. For the foreseeable future, the 2 systems of fee-for-service and pre-paid plans will exist simultaneously. We believe the surveillance function can be achieved with existing staff. The support of qualified health care professionals on a contractual basis will be needed to take accurate and supportable action against providers who would abuse the system and the people it is designed to serve.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. DHS currently has health care professionals under contract to provide the department with the expertise required.

ACTIVITY: HEALTH CARE PROFESSIONAL SERVICES
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 772.3	\$ 784.9	\$ 826.2	\$ 842.6	\$ 867.9

ACTIVITY OBJECTIVE:

To ensure that medical care and services provided under the Medical Assistance (MA) and General Assistance Medical Care (GAMC) programs are medically necessary and are delivered in an appropriate, timely, and cost effective manner.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of hospital admissions:				
MA	60,605	60,100	59,600	59,100
GAMC	13,243	13,000	12,500	12,500
Resolution of rate appeals	18	20	20	20
Percent of medical providers enrolled:				
Physicians	49	50	50	50
Dentists	62	65	65	65
Pharmacies	96	96	96	96
Psychoologists	46	50	50	50

ACTIVITY DESCRIPTION:

This activity manages the health care services provided by the MA and GAMC programs. Responsibilities include the development and operation of the inpatient hospital prospective payment system, initiation and administration of the volume purchase contracts, interpretation of state and federal laws and regulations, development of health care services policies and standards, determination of community practice standards, promulgation of administrative rules, preparation of provider manuals and bulletins and other types of instructional materials, utilization review activities of most provider types including inpatient hospitals, and professional reviews to determine disability status of program applicants. The prior authorization system, under which requests for specific medical services or goods are reviewed by professional staff and consultants to ascertain medical necessity, is administered under this activity.

ACCOMPLISHMENTS AND GOALS:

This activity has completed the promulgation of 3 program administrative rules during the 1985-87 biennium. Prior to the close of the biennium, it will complete amendments to 2 rules and significantly assist in the promulgation of the major MA rule.

It has undertaken the responsibility for provider education and manuals during the 1985-87 biennium and has developed a revised manual format which integrates bulletins as updates. Costs will be reduced and materials will always be current.

ACCOMPLISHMENTS AND GOALS (Contd.):

It has expanded volume purchase contracts in the areas of medical equipment and will pursue appropriate legislation and waivers to extend competitive bidding to a variety of inpatient hospital services during the coming biennium.

It is the goal of this activity, during the 1987-89 biennium, to significantly develop and clarify policy and standards for the health services paid by the MA and GAMC programs. Appropriate policies and standards will have a positive fiscal effect on program expenditures by controlling provider and recipient utilization. Prior authorization of individual service requests will be diminished.

An additional goal of this activity is the continued development of the prospective reimbursement system for inpatient hospital services. As the agency's second highest service expenditure type, it needs additional efforts to develop appropriate diagnostic categories specific to the service population with reduced variances, acuity divisions, and computerized rate calculations. This will enhance proper claims payments.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Inpatient hospital costs: MA	\$123,442.5	\$130,919.0	\$131,625.0	\$141,915.0
GAMC	\$34,822.0	\$33,366.0	\$38,620.0	\$41,030.0
Number of second surgical opinions	1,656	1,700	1,750	1,800
Number of prior authorization requests	57,120	51,000	46,000	41,000

LEGISLATIVE ISSUES:

Cost-containment legislation will be proposed in the areas of utilization review and inpatient hospital rates, although only one area, relating to inpatient hospital competitive bidding, will have budget impact.

BASE LEVEL REVIEW:

Hospital rates reimbursement has been selected for base level review.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for changes detailed on the health care budget activity change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH CARE PROGRAMS

MANAGEMENT ACTIVITY: HEALTH CARE PROF SERVICES

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,365.3	1,409.4	1,533.1	1,557.7	178.9	1,736.6	1,557.7	1,555.5	178.9	1,734.4	1,555.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,365.3	1,409.4	1,533.1	1,557.7	178.9	1,736.6	1,557.7	1,555.5	178.9	1,734.4	1,555.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	545.3	588.1	609.4	634.0	160.6	794.6	634.0	631.8	160.6	792.4	631.8
EXPENSES & CONTRAC. SERV	806.6	799.0	915.1	915.1	10.3	925.4	915.1	915.1	14.3	929.4	915.1
SUPPLIES & MATERIALS	13.0	7.0	6.1	6.1	1.0	7.1	6.1	6.1	2.0	8.1	6.1
EQUIPMENT	.4	15.3	2.5	2.5	7.0	9.5	2.5	2.5	2.0	4.5	2.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,365.3	1,409.4	1,533.1	1,557.7	178.9	1,736.6	1,557.7	1,555.5	178.9	1,734.4	1,555.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,365.3	1,409.4	1,533.1	1,557.7	178.9	1,736.6	1,557.7	1,555.5	178.9	1,734.4	1,555.5
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,365.3	1,409.4	1,533.1	1,557.7	178.9	1,736.6	1,557.7	1,555.5	178.9	1,734.4	1,555.5
POSITIONS BY FUND											
GENERAL	15.5	15.5	16.5	16.5	5.0	21.5	16.5	16.5	5.0	21.5	16.5
TOTAL POSITIONS	15.5	15.5	16.5	16.5	5.0	21.5	16.5	16.5	5.0	21.5	16.5

ACTIVITY: BENEFIT RECOVERY
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	ESTIMATE F.Y. 1985 \$ 9,774.5	ESTIMATE F.Y. 1986 \$11,933.8	ESTIMATE F.Y. 1987 \$ 7,155.8	ESTIMATE F.Y. 1988 \$ 6,287.9	ESTIMATE F.Y. 1989 \$ 7,097.9
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ACTIVITY OBJECTIVE:

To maximize utilization of third party payments for the cost of medical care given to Minnesota recipients of Medical Assistance (MA) and General Assistance Medical Care (GAMC).

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Percent of MA expenditures recovered	1.7	1.3	1.1	1.1
Percent of recipients with insurance coverage	7.9	8.5	9.2	9.5

It is not possible to accurately estimate the effect of cost avoidance on revenue generation and avoided MA costs in the immediate future. The majority of other states have had cost avoidance systems in place to varying degrees and lengths of time and have been unable to devise an acceptable method for measuring total cost avoidance where claims are never submitted to the state agency for reimbursement. The federal Health Care Financing Administration (HCFA) has received an allocation to contract with an organization to develop a means to determine cost savings.

ACTIVITY DESCRIPTION:

Federal regulation and state statute require that MA be the payor of last resort for reimbursement of the cost of medical care for eligible recipients. Historically, Minnesota has allowed medical providers the option of billing liable third party payors or the MA program. An automated system of post-payment recovery is used to pursue available Third Party Liability (TPL) after the claim is paid by MA. Third party resources are also pursued for the GAMC program for counties participating in the Centralized Disbursement system. Third party resources include health insurance, no-fault automobile insurance, workers' compensation, casualty/liability insurance, and settlements awarded in Tort actions. As a condition of eligibility, recipients are required to cooperate in assigning benefits accruing to themselves and their dependents under health or automobile insurance, to cooperate in any legal action to collect payment of medical expenses or subsistence, and to report any legal action initiated against a liable third party.

Recent changes in federal regulations require states to operate their third party liability system on a cost-avoidance approach as opposed to post-payment recovery. These changes will have a significant impact on the dollar recoveries realized by the Benefit Recovery section during the remainder of this and the next biennium. Conversely, MA expenditures for clients with third party coverage will be reduced by the amount of third party payments received prior to billing MA.

ACCOMPLISHMENTS AND GOALS:

Benefit Recovery operations have been changed to a primary focus on cost avoidance with secondary emphasis on post-payment recovery. Major systems and resource changes were necessary to accomplish this goal according to federal requirements. Subsistence recoveries increased by 52% over the previous fiscal year. Future goals include: 1) identification of new third party resources through child support orders of health care coverage and data matches with other state data bases; 2) use of personal computers to establish and build case file data bases for Tort actions; 3) increased awareness of potential savings with greater county involvement and reporting; and 4) investigation of insurance denials.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total Medicare cost avoidance	\$110,747.9	\$114,000.0	\$117,500.0	\$120,000.0
Total third party recoveries	\$18,813.2	\$15,000.0	\$14,000.0	\$14,000.0
Benefit recovery	\$13,204.9	\$8,500.0	\$7,000.0	\$7,500.0
Provider reported	\$5,608.3	\$6,500.0	\$7,000.0	\$7,200.0
Total excess assets	\$7,552.2	\$6,000.0	\$5,000.0	\$5,500.0
Total subsistence recoveries	\$484.7	\$600.0	\$700.0	\$770.0

FEDERAL ISSUES:

Recent federal law and regulation changes will require several new initiatives to assure compliance. These efforts will effectively maximize revenue generation, provided there are sufficient resources to program and staff the following functions: 1) data matches with workers' compensation, Public Safety, Jobs and Training, Revenue and major insurance companies; 2) retroactive billing of health insurance; 3) retroactive Medicare billing; and 4) timely update of insurance information file.

LEGISLATIVE ISSUES:

The department will propose legislation to facilitate maximum collection of third party liability. Reporting requirements, lien statute changes, and full reimbursement provisions will also be sought.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH CARE PROGRAMS

MANAGEMENT ACTIVITY: BENEFIT RECOVERY

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	567.6	643.0	660.2	715.2	48.5	763.7	763.7	713.1	48.5	761.6	761.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	567.6	643.0	660.2	715.2	48.5	763.7	763.7	713.1	48.5	761.6	761.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	501.5	558.1	558.4	613.4	42.4	655.8	655.8	611.3	42.4	653.7	653.7
EXPENSES & CONTRAC. SERV	58.6	72.0	80.0	80.0	2.6	82.6	82.6	80.0	4.1	84.1	84.1
SUPPLIES & MATERIALS	7.5	12.9	12.8	12.8	.5	13.3	13.3	12.8	1.0	13.8	13.8
EQUIPMENT			9.0	9.0	3.0	12.0	12.0	9.0	1.0	10.0	10.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	567.6	643.0	660.2	715.2	48.5	763.7	763.7	713.1	48.5	761.6	761.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	567.6	643.0	660.2	715.2	48.5	763.7	763.7	713.1	48.5	761.6	761.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	567.6	643.0	660.2	715.2	48.5	763.7	763.7	713.1	48.5	761.6	761.6
POSITIONS BY FUND											
GENERAL	24.0	22.0	23.0	23.0	2.0	25.0	25.0	23.0	2.0	25.0	25.0
TOTAL POSITIONS	24.0	22.0	23.0	23.0	2.0	25.0	25.0	23.0	2.0	25.0	25.0

CHANGE REQUEST

 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: BENEFIT RECOVERY
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: BENEFIT RECOVERY STAFF				
Agency Request				
General Fund	\$48.5	2.0	\$48.5	2.0
Governor's Recommendation				
General Fund	\$48.5	2.0	\$48.5	2.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to conduct federally mandated data matches to obtain third party liability information, and to pursue additional liable parties for reimbursement of Medical Assistance (MA) and General Assistance Medical Care (GAMC) expenditures.

DESCRIPTION/BACKGROUND:

Sound state fiscal policy and new federal regulations, require the department to conduct data matches with Labor and Industry (Workers' Compensation), Motor Vehicle Division, and State Wage Information Collection Agency (SWICA) to obtain information about third parties legally liable for medical and/or subsistence payments for Medicaid recipients. The results of these data matches must be confirmed and collection efforts initiated according to statute. These data matches will increase the staff time required to initiate and document Department of Human Services (DHS) intervention claims.

Increased efforts in the identification and billing of liable third party payers will return dollars to the general fund when the recipient and DHS are successful in their claims.

Additionally, poor compliance with these federal requirements could result in reduction of federal financial participation.

RATIONALE:

The average grant recovery per case is \$2,780 for Aid to Families with Dependent Children and \$900 for General Assistance. The average medical expense recovery is \$700 per case. An increase in recoveries of 10% due to data matches would result in an estimated \$100,000 annual return of state dollars to the general fund.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY: CENTRAL MEDICAL DISBURSEMENT
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 3,698.9	\$ 3,757.7	\$ 3,542.2	\$ 3,576.6	\$ 3,683.7

ACTIVITY OBJECTIVE:

To reimburse medical providers through the operation of a centralized claims processing system for health care services provided to Minnesota recipients of Medical Assistance (MA) and General Assistance Medical Care (GAMC).

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Percent of claims processed				
within 30 days	87.0	85.5	88.0	90.0
within 60 days	95.0	92.0	96.0	98.0
within 90 days	98.0	95.0	98.0	99.0
Percent of claims received electronically	46.0	55.0	60.0	65.0

ACTIVITY DESCRIPTION:

This activity is responsible for administering a centralized medical payment system so that health care services are provided to a monthly average of 163,000 MA and 21,500 GAMC recipients. There are currently over 20,000 enrolled providers. This activity receives, edits, and adjudicates over 9,000,000 claims per year.

In order to maximize federal dollars, it is necessary to ensure claims meet the requirements of state and federal laws, rules, and regulations. Claims are passed through a series of approximately 800 system edits which validate the information submitted, check for accuracy, determine appropriate coverage, compute reimbursement, assure that the claim has not been previously paid or does not conflict with another claim, and finally validate recipient eligibility. Claims failing the edits are manually reviewed. The data collected from adjudicated claims provides the base for management and operational reports, surveillance and utilization review, and the database for computing reimbursement rates. This database is the Medicaid Management Information System (MMIS).

The Invoice Processing section operates a provider hot-line eight hours per business day and receives in excess of 200 calls daily. Information sought by providers includes types of covered services, proper procedure codes, recipient eligibility, reimbursement requirements, payment levels, and status of suspended claims.

Additionally, this activity maintains a recipient eligibility system in which local agencies record case and recipient eligibility data. This is essential for the proper payment of claims and recovery of money from other liable third parties. Local agencies are provided system manuals, training, and bulletins. This activity is also responsible for printing and mailing the recipient Explanation Of Monthly Benefits (EOMB) and the monthly MA identification cards.

ACCOMPLISHMENTS AND GOALS:

- Several system enhancements were added during the current biennium including:
- 1) Development and installation of Diagnostic Related Groups (DRGS) which permits payments to hospitals based on medical groupings rather than length of stay.
 - 2) HMO pilot projects systems support and service tracking programs.
 - 3) Implementation of systems supported waived services options including care for the elderly, mentally retarded, and chronically ill children.
 - 4) Federally mandated Uniform Billing Form (UB-82).
 - 5) Case mix rate structure was expanded from 4 to 11 rates based on MA status; and,
 - 6) Drug formulary system to pay generic drug cost, thereby reducing MA and GAMC expenditures for drugs.

Goals based on the current MMIS include: reduce paper claim submission using electronic media, and enhance most of automated claim error resolution through on-line equipment. Activity goals for the next biennium will revolve principally around the updating and streamlining of the current MMIS and a revamping of the current system whose structure is based on pre-1970 technology.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of claims received	9,630,053	9,997,000	9,200,000	9,200,000
Rejected claims	1,185,551	1,250,000	500,000	500,000
Paid claims:				
MA	7,708,998	7,973,000	8,000,000	8,000,000
GAMC	735,993	774,000	700,000	700,000
Average days from receipt to payment	20	23	20	20
Pre-paid encounter claims received	193,000	490,000	560,000	560,000

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for changes detailed in the agency-wide change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH CARE PROGRAMS

MANAGEMENT ACTIVITY: CENTRAL MEDICAL DISBURSE

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	6,535.7	6,747.8	6,572.9	7,011.2	400.0	7,411.2	8,011.2	7,100.3	800.0	7,900.3	7,100.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	6,535.7	6,747.8	6,572.9	7,011.2	400.0	7,411.2	8,011.2	7,100.3	800.0	7,900.3	7,100.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,455.8	2,486.9	2,559.0	2,599.0	218.7	2,817.7	3,182.3	2,590.0	364.6	2,954.6	2,590.0
EXPENSES & CONTRAC. SERV	3,933.3	4,156.9	3,969.3	4,367.6	154.0	4,521.6	4,691.7	4,465.7	370.1	4,835.8	4,465.7
SUPPLIES & MATERIALS	65.8	76.5	35.6	35.6	7.1	42.7	60.1	35.6	17.4	53.0	35.6
EQUIPMENT	80.8	27.5	9.0	9.0	20.2	29.2	77.1	9.0	47.9	56.9	9.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	6,535.7	6,747.8	6,572.9	7,011.2	400.0	7,411.2	8,011.2	7,100.3	800.0	7,900.3	7,100.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	6,535.7	6,747.8	6,572.9	7,011.2	400.0	7,411.2	8,011.2	7,100.3	800.0	7,900.3	7,100.3
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	6,535.7	6,747.8	6,572.9	7,011.2	400.0	7,411.2	8,011.2	7,100.3	800.0	7,900.3	7,100.3
POSITIONS BY FUND											
GENERAL	99.0	97.0	93.0	93.0	6.0	99.0	103.0	93.0	10.0	103.0	103.0
TOTAL POSITIONS	99.0	97.0	93.0	93.0	6.0	99.0	103.0	93.0	10.0	103.0	103.0

ACTIVITY: MEDICAL ASSISTANCE
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To reimburse providers for health care services delivered to eligible program recipients.

ACTIVITY DESCRIPTION:

Medical Assistance (MA) coverage is provided automatically to cash grant recipients of Aid to Families with Dependent Children (AFDC), and Minnesota Supplemental Aid (MSA). Eligibility is also available to the elderly, disabled, blind, children under 21 years of age, and families and pregnant women if income and assets are within standards. Persons with excess income may qualify through the spenddown process by incurring sufficient medical bills. Payments are made directly to health care providers, not to MA clients.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average number of recipients per month	163,177	166,607	172,467	178,787
Average expenditure per recipient per month:				
Institutionalized recipients	\$1,694.13	\$1,842.09	\$1,953.90	\$2,085.64
Non-institutionalized recipients	\$ 211.29	\$ 222.80	\$ 237.19	\$ 254.07

LEGISLATIVE ISSUES:

The Department will present a number of legislative initiatives dealing with cost containment and compliance with federal law changes.

FEDERAL ISSUES:

The 1986 Consolidated Omnibus Budget Reconciliation Act (COBRA), requires the federal Department of Health and Human Services (HHS) to calculate federal match rates on an annual basis.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH CARE PROGRAMS

MANAGEMENT ACTIVITY: MEDICAL ASSISTANCE

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	1,290.0	1,349.0	700.0	700.0		700.0	700.0	700.0		700.0	700.0
AIDS TO INDS.	1007,767.8	1037,436.8	1156,683.9	1211,085.9	20,691.6	1231,777.5	1222,166.5	1260,968.4	62,432.3	1323,400.7	1293,154.0
TOTAL EXPENDITURES	1009,057.8	1038,785.8	1157,383.9	1211,785.9	20,691.6	1232,477.5	1222,866.5	1261,668.4	62,432.3	1324,100.7	1293,854.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	294,373.4	291,445.8	342,250.0	342,250.0	20,691.6	362,941.6	353,330.6	342,250.0	62,432.3	404,682.3	374,435.6
DEDICATED APPROPRIATIONS:											
GENERAL	188,607.4	192,515.3	196,975.2	205,186.4		205,186.4	205,186.4	209,315.0		209,315.0	209,315.0
FEDERAL	526,077.0	554,824.7	618,158.7	664,349.5		664,349.5	664,349.5	710,103.4		710,103.4	710,103.4
TOTAL FINANCING	1009,057.8	1038,785.8	1157,383.9	1211,785.9	20,691.6	1232,477.5	1222,866.5	1261,668.4	62,432.3	1324,100.7	1293,854.0
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: MEDICAL ASSISTANCE FORECAST INCREASES	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$22,146.9	-0-	\$62,904.3	-0-
Governor's Recommendation				
General Fund	\$20,107.2	-0-	\$53,073.8	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to pay for medical services provided to eligible program recipients.

DESCRIPTION/BACKGROUND:

Payments are made to providers of medical care on behalf of eligible individuals. Medical providers must meet state or federal licensing requirements and supply necessary program enrollment information. Categories of providers eligible for payment are specified by state law.

RATIONALE:

This request is based on the department's forecast of program expenditures as they exist under current law.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for reductions of \$2,039.7 in F.Y. 1988 and \$9,830.5 in F.Y. 1989. These reductions are a result of: (1) Decreases in the amount of inflation forecast for F.Y. 1988 and F.Y. 1989. (2) A reduction in projected expenditures in the Waiver program for mentally retarded persons which

GOVERNOR'S RECOMMENDATION (Contd.):

reflects a phase-in of new recipients receiving waived services over the course of the biennium. (3) Modifying the level of federal financial participation (FFP) anticipated by the state in F.Y. 1989. This reduction assumes no change in the amount of FFP from 1988 to 1989.

The following displays reductions to the forecast by major categories for each fiscal year.

	F.Y. 1988	F.Y. 1989
- Inflationary reductions:		
Nursing homes	\$ 800.0	\$2,300.0
Inpatient hospitals	\$ 200.0	\$1,400.0
Capitated rates	\$ 200.0	\$700.0
- Federal Financial Participation	\$ -0-	\$4,500.0
- Waiver for Mentally Retarded Persons	\$ 839.7	\$ 930.5
Total	<u>\$2,039.7</u>	<u>\$9,830.5</u>

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: MEDICARE PART B BUY-IN				
Agency Request				
General Fund	\$ -0-	-0-	(\$400.0)	-0-
Governor's Recommendation				
General Fund	\$.-0-	-0-	(\$400.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256B.02, Subd. 8				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the Medical Assistance (MA) appropriation reflecting proposed legislation which will allow DHS to purchase from state funds, Medicare Part B coverage for eligible MA recipients (Chapter 256B) who are not eligible for the Medical Assistance Buy-in.

DESCRIPTION/BACKGROUND:

This request for state funds is to pay for Medicare Part B premiums for those recipients of MA who are eligible for Part B but are not eligible for federal participation in the premiums through the "buy-in" process. Medicare Part B encompasses clinic and doctor visits, outpatient services, etc. that are medically necessary.

RATIONALE:

The reimbursement received for these services normally paid in full by MA would exceed the cost of the Medicare Part B premiums thereby saving state dollars in the MA program.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

 Agency Program Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Request Title: SECOND SURGICAL OPINIONS FOR OUTPATIENT SURGICAL PROCEDURES				
Agency Request				
General Fund	(\$50.3)	-0-	(\$125.6)	-0-
Governor's Recommendation				
General Fund	(\$50.3)	-0-	(\$125.6)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 265B.02, Subd. 8(1)				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the Medical Assistance appropriation which reflects proposed legislation authorizing DHS to promulgate rules to establish a list of surgical procedures that require a second medical opinion.

DESCRIPTION/BACKGROUND:

The 7-2-85 report of the Administrative Law Judge concerning the proposed adoption of Department of Human Services rules governing the second surgical opinion requirement noted that the list of surgeries published in the State Register for which a second surgical opinion was required was only applicable to inpatient procedures. The proposed rules would have subjected both inpatient and outpatient elective surgeries named in the list to the second surgical opinion procedures outlined in the rule. The Administrative Law Judge, for this reason, ruled that the rule was defective. The correction prescribed for the defect was elimination of reference to outpatient elective procedures from the rule.

RATIONALE:

The statutory change would allow the state to apply the second surgical opinion requirements to surgeries listed in the State Register which are performed in an outpatient setting.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: MEDICAL ASSISTANCE RATE ADJUSTMENTS FOR NEW PROVIDERS				
Agency Request				
General Fund	(\$743.5)	-0-	(\$905.6)	-0-
Governor's Recommendation				
General Fund	(\$743.5)	-0-	(\$905.6)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: Laws of Minnesota 1985, Ch.9, Art. I, Sec. 2				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the Medical Assistance (MA) appropriation reflecting proposed legislation to reimburse new providers (those providers not enrolled in the MA program prior to or during the base year) at the average customary charges applicable to enrolled providers.

DESCRIPTION/BACKGROUND:

New providers are reimbursed at a higher rate than providers enrolled during or prior to the base year. The individual customary charge is based on historical data specific to that provider. In the absence of historical data, the new provider is reimbursed at the maximum allowed charge. New providers are not subject to the customary charge limitation since they did not submit claims during the base year. Thus, new providers are reimbursed at a higher rate than established providers.

RATIONALE:

This change would provide more equity in the reimbursement levels to providers and not unduly favor new enrollees in the MA program.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. DHS currently has statutory authority to competitively bid inpatient hospital services in the areas of mental health and chemical dependency treatment. This authority has not been exercised. Furthermore, Governor's initiatives in the areas of prepayment of health care services and a study of the hospital rate setting system should be implemented before DHS attempts additional hospital initiatives.

Request Title: COMPETITIVE BIDDING FOR INPATIENT SERVICES	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ -0-	-0-	(\$585.4)	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256.969, Subd.2				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the Medical Assistance (MA) appropriation reflecting proposed legislation to purchase selected inpatient hospital services through a competitive bidding process.

DESCRIPTION/BACKGROUND:

The competitive bidding process is currently authorized by statute for chemical dependency and mental illness diagnoses. This process is designed to be cost effective and to ensure quality of care. By expanding this authority to specific providers of high volume, high cost or specialized inpatient hospital services, cost savings can be realized. It would enable the department to specify a plan of care for each contracted service ensuring that appropriate care is given the recipient. Additionally, the care given for many diagnoses and procedures, such as a normal delivery is fairly standard.

The department, if granted this authority, would be required to seek a waiver from the Health Care Finance Administration (HFCA) for the free choice of vendor provisions of the federal regulations. For the F.Y. 87-89 biennium, only Twin City metropolitan hospitals would be included.

RATIONALE:

The competitive bid process would provide a quality service to recipients at the lowest possible cost to the state.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: PROVIDER REIMBURSEMENT FOR PRE-NATAL CARE				
Agency Request				
General Fund	\$492.3	-0-	\$658.1	-0-
Governor's Recommendation				
General Fund	\$ 71.5	-0-	(\$1,010.0)	-0-
Request requires statutory change:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Statutes Affected:	M.S. 256B.02, Subd.8			

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to reimburse medical providers that provide pre-natal care to pregnant women assessed to be at high risk of poor pregnancy outcomes.

DESCRIPTION/BACKGROUND:

The Medical Assistance (MA) program currently spends approximately \$20,000.0 dollars per year on problem pregnancies and poor birth outcomes such as low birth weight infants requiring expensive and often long-term care. Low birth weight babies account for approximately 6.8% of all live births nationally but occur disproportionately to women eligible for state funded medical care services. During F.Y. 1985, 914 Minnesota infants of the 8,430 delivered, whose medical care was paid through MA and General Assistance Medical Care (GAMC), carried primary diagnoses of low birth weight. Additional infants were diagnosed as having conditions such as respiratory distress syndrome, which are associated with low birth weight and pre-term birth.

Low birth weight babies often require neonatal intensive care therapy initially and many require rehospitalizations during their first year of life. The average cost of these admissions in the Twin Cities in 1983 was \$19,000. National studies indicate that significant numbers of all low birth weight infants discharged from neonatal intensive

DESCRIPTION/BACKGROUND Contd.):

care units experience residual handicaps preventing normal functioning, such as cerebral palsy, severe mental retardation, blindness, and deafness. For children of low income families, most of the costs of neonatal intensive care or later medical and habilitation services are paid by MA.

Improved prenatal care is accepted as an important factor in maximizing chances of positive pregnancy outcomes and reducing both short term (first year of life) and longer term expenditures. In order to determine which women require additional services to improve the probability of positive pregnancy outcomes, local medical and public health officials recommend that risk assessment be utilized. This recommendation is consistent with recommendations from groups such as the Department of Health's Maternal and Child Health Division, the Minnesota Coalition on Health Care Costs, and groups in other states as well as the Institute of Medicine.

In addition, women at high risk of poor pregnancy outcomes frequently require additional prenatal visits. Current MA reimbursement methods effectively limit the number of visits for which providers will be paid, thus discouraging provision of the needed care. This method, conversely, reimburses at a higher rate for poor pregnancy outcomes, paying for services which might not have been necessary had prenatal interventions been utilized. DHS proposes to reimburse for prenatal risk assessment and for more intensive care during the prenatal period if such care is indicated as a result of the risk assessment. Provision of these services should reduce the likelihood that more extensive and expensive services will be necessary in the first year of life. (A request for funds to evaluate this effort is included in the Health Care Supervision activity.)

RATIONALE:

Poor birth outcomes can be reduced by increasing the number of pre-natal visits and by providing case management and other enhanced pre-natal services. The National Institute of Medicine estimates savings of \$3.38 for every additional \$1.00 spent on pre-natal care for low income women. Other studies in states offering enhanced prenatal care have indicated savings consistent with the Institute of Medicine's estimate, ranging from \$2 to \$10.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives. Reductions to the MA account in F.Y. 1989 have been included to reflect savings as a result of this initiative. In F.Y. 1988 the cost of this initiative will be \$492.3 with a savings of \$420.8 for a net MA increase of \$71.5. In F.Y. 1989 the cost of this initiative will be \$658.1 with a savings of \$1,668.1 for a net MA decrease of \$1,010.0.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

These changes are required in order to receive federal financial participation in the MA program and to avoid federal compliance actions.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: COMPLIANCE WITH FEDERAL REQUIREMENTS				
Agency Request				
General Fund	(\$308.0)	-0-	(\$308.0)	-0-
Governor's Recommendation				
General Fund	(\$308.0)	-0-	(\$308.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 268.121; 256B.37; 256.06, Subd.1; 256B.07; 256B.13				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the Medical Assistance (MA) appropriation reflecting proposed legislation to meet federal MA program requirements resulting from federal law, regulation, and court orders.

DESCRIPTION/BACKGROUND:

Current Minnesota statutes contain conflicts with recent federal changes. These changes include:

- 1) A requirement to identify and report health insurance available to recipients through employers;
- 2) A requirement that recipients utilize, prior to MA, all third party health coverage including private HMO benefits available through employment or absent parents;
- 3) The elimination of undue hardship waivers for excess assets, property offered for sale and non-homestead real property as exclusions when determining MA eligibility; and;
- 4) Excluding the assets of a trade or business when determining MA eligibility.

The net impact of these changes will save \$308,000 each year of the next biennium. A corollary change to the General Assistance Medical Care Program is also being proposed.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request to initiate a physician utilization control effort. DHS is currently involved in various prepayment demonstrations and this budget includes provisions to increase that effort.

The savings projected on this request are attributable to the Medicare therapy limits in long-term care and have been included in the Governor's recommendation for the change request titled "Utilization of Therapy Services in Long Term Care."

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Request Title: HEALTH CARE UTILIZATION CONTROL INITIATIVE				
Agency Request				
General Fund	(\$999.8)	-0-	(\$3,733.1)	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$. -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256.969				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the Medical Assistance (MA) appropriation reflecting proposed legislation to enable the department to enter into contractual agreements with physicians to manage the access of MA recipients to health care services; and to contract with a review agent to review plans of care in order to ensure that therapy provided to MA recipients in long term care facilities are subject to the same limits as Medicare.

DESCRIPTION/BACKGROUND:

This change request would enable the department to initiate actions which would result in a cost effective health care delivery system without negative impact on the MA recipient and with a minimum amount of government interference in the relationship between providers and recipients of service.

RATIONALE:

The most cost effective and least bureaucratic method of providing utilization control of health care services is to involve the primary care provider in access decisions. This change proposal would accomplish this goal without impacting the scope of services or modification of payment methodologies.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: UTILIZATION OF THERAPY SERVICES IN LONG TERM CARE				
Agency Request				
General Fund	(\$335.0)	-0-	(\$730.0)	-0-
Governor's Recommendation				
General Fund	(\$999.8)	-0-	(\$3,733.1)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256B.48, Subd. 1(f) and 256B.064, Subd.1a				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the Medical Assistance (MA) appropriation reflecting proposed legislation to reduce or eliminate negative fiscal incentives and statutory protections which contribute to over-provision of therapy services in the long term care setting.

DESCRIPTION/BACKGROUND:

Under current statutory law, incentives and protections exist which permit business transactions which are contrary to cost effective administration of the Medical Assistance Program. In those situations where the long term care facility is the actual provider of therapy, the statute prohibits an evaluation of the medical necessity of those services, if those services were ordered by a physician. This protection does not reflect the reality of therapy service provision in long term care. The therapist, normally an employee of the home, evaluates the patient and recommends therapy to the attending physician who is not normally a specialist in rehabilitative medicine. The medical necessity of the evaluation and recommendation must be subject to scrutiny to ensure cost effective administration.

In service situations where the therapist is an independent practitioner, the statute prohibits a contractual nursing home from requesting a fee other than as payment for renting or leasing space and equipment. Current law does not specify that the fee should reasonably relate to the nursing home for providing those services, thereby, raising the possibility of fraud and subsequent increased utilization.

DESCRIPTION/BACKGROUND (Contd.):

Medical Assistance expenditures for therapy in the long term care setting increased 25.1% from F.Y. 1984 to F.Y. 1986. This figure compares to an overall increase of 10.3% for all Medicaid expenditures, and to a 7.5% increase in payments to skilled nursing facilities for residential/nursing care. The inflated increase is due in part to a lack of statutory language permitting effective oversight of therapy services. In the absence of deterrent mechanisms, utilization increases disproportionately.

RATIONALE:

The proposed legislative changes and subsequent budget adjustments focus on present provisions in statute which contribute to the excessive provision of services. Statutory protection negates the potential deterrent effect of medical necessity, oversight; Permissive transaction language fosters the potential for fraud. Eliminating these provisions will encourage judicious therapy provision by long term care providers, and will eliminate business transactions which provide the facilities and independent therapists with a financial incentive to unnecessarily increase therapy.

This request is based on the premise that expenditures for therapy services will increase at a rate approximately equal to the projected rate of growth of the program.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to decrease the Medical Assistance (MA) appropriation by taking the following actions in the area of therapy services in long-term care:

- Subject therapy services provided in the MA program to the same service limitations as allowed in the Medicare program.
- Remove statutory language which protects nursing homes from overpayment recoveries when therapy services are deemed inappropriate.
- Allow nursing homes to recover only the cost of the support they furnish to independent services therapists providing care to nursing home recipients.
- Reduce the amount of profit over cost nursing homes and independent providers achieve through the provision of therapy services to long-term care recipients.

As a result of the above actions, the MA appropriation will be decreased by \$4,732.9 over the 1988-89 biennium.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

DESCRIPTION/BACKGROUND (Contd.):

The income standard used to compute MA eligibility is currently the same as the grant payment in the AFDC program, placing the MA standard at approximately 71% of the federal poverty level. Language included in the 1986 OBRA permits the state to raise the MA eligibility level for pregnant women and infants to 100% of the federal poverty level and to grant presumptive eligibility to pregnant women for a maximum of 45 days. The federal match is available for prenatal care provided during this 45-day period even if the woman is found ineligible for MA.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: MA INCOME STANDARDS AT 100% OF FEDERAL POVERTY LEVEL OF INFANTS AND PREGNANT WOMEN				
Agency Request				
General Fund	\$1,600.0	-0-	\$4,100.0	-0-
Governor's Recommendation				
General Fund	\$1,400.0	-0-	\$2,200.0	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 246B.06, Subd. 1; 256B.065 (new section)				

RATIONALE:

Provision of Medical Assistance to 100% of the federal poverty level and implementation of presumptive eligibility for MA-covered prenatal care provides an opportunity to improve the probability of delivery of full-term, normal birth weight infants. Many of the women receiving early prenatal care because of the increase in income eligibility standards or because of presumptive eligibility would qualify for MA when their medical bills permitted them to spend-down to current MA income standards. Others would become eligible when their infants were born sick or handicapped. Offering a method for these women to obtain care early in the pregnancies could have an impact on the ultimate costs of the services for which they were eligible. These measures are also basic to decreasing the number of uninsured persons in Minnesota. They also provide methods by which these women may receive medical care without receiving public assistance grants, thus encouraging women to seek or retain employment.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to increase the Medical Assistance (MA) eligibility standards for infants and pregnant women to 100% of the federal poverty level and to provide presumptive eligibility without an asset test to low income pregnant women applying for MA for a maximum of 45 days. Eligibility for infants would be available up to age 1 until 10-01-87; each year thereafter, eligibility for infants would be extended by 1 year until children to age 5 were covered.

For those pregnant women whose incomes are just over the 100% of poverty level, this income eligibility standard will provide less assistance than setting the standard at 133 1/3% of the AFDC standard. These women will have to spend-down to the current MA income standard in order to be eligible for MA. In these instances, the 100% of poverty level could be viewed as a barrier to seeking or retaining employment.

DESCRIPTION/BACKGROUND:

Access to early and consistent prenatal care has been found repeatedly to be critical for reducing the risks of preterm births and the delivery of low birth weight infants. Financial barriers often deter or delay pregnant women from seeking care. Data from the Minnesota Department of Health indicates that in 1982 at least 22% of the state's pregnant women delayed prenatal care until the second or third trimester or received no prenatal care at all.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives. The Governor's recommendation for funding has been adjusted to accurately reflect the actual amount this initiative will cost in the F.Y. 1988-89 biennium.

CHANGE REQUEST

 Agency Program Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY: MEDICAL ASSISTANCE
PROGRAM: INCOME MAINTENANCE
AGENCY: HUMAN SERVICES, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: MENTAL HEALTH SERVICES				
Agency Request				
General Fund	\$ -0-	-0-	\$3,068.6	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$3,068.6	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256B.02, Subd. 8				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds reflecting proposed legislation to create and ensure a unified accountable, comprehensive mental health system. The department proposes to maximize federal participation by funding part of the mental health initiative through the Medical Assistance (MA) program.

DESCRIPTION/BACKGROUND:

Currently, MA pays for hospitalization and certain outpatient services for mentally ill clients who qualify for MA. The department proposes to add case management as a reimbursable MA service for persons with chronic mental illness. Case management is seen as the key to ensure that all other services received by the client are effective and appropriate to individual needs. In addition, the department proposes to expand MA coverage for outpatient services, including expanded preadmission screening for hospitalization and residential services, to maximize federal reimbursement for as much of the state mental health initiative as is allowed by federal regulations.

RATIONALE:

Because this change will require legislative approval, federal approval, rule revision, and certification of case management providers, the additional services are not projected to begin until 7-1-88. The amount requested is based on the state share of expanded MA services for an estimated 4,500 MA-eligible persons with chronic mental illness.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: SUBROGATION OF INSURANCE BENEFITS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Governor's Recommendation				
General Fund	(\$ 25.0)	-0-	(\$ 25.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 246.50				

GOVERNOR'S RECOMMENDATION:

The Governor recommends a decrease of \$50.0 in the Medical Assistance (MA) appropriation in the 1988-89 biennium as a result of a statutory change that will allow the Department of Human Services (DHS) the right of subrogation of insurance benefits.

DESCRIPTION/BACKGROUND:

Under the current system of subrogation of insurance benefits for institutionalized Medicaid eligible recipients, DHS does not have any claim until all other beneficiaries have been paid. Often, settlements have been unavailable to DHS, or placed into a conservative trust.

RATIONALE:

New statutory authority will allow DHS to be brought into consideration at the time of negotiation and allow the department to be paid prior to beneficiaries receiving funds.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Governor's Recommendation				
General Fund	(\$230.5)	-0-	(\$5,948.5)	-0-

Request Title: AFDC/MEDICARE PREPAYMENT AND REIMBURSEMENT MODIFICATIONS

Request requires statutory change: Yes No
 Statutes Affected: M.S. 256.966, Sub. 2

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the Department of Human Services (DHS) implement mandatory prepaid health care enrollment in the Medical Assistance (MA) program for Aid to Families with Dependent Children (AFDC) and Medicare recipients. It is further recommended that payment to prepaid health providers be made at 85% of the payment amount in the fee-for-service system and that payment for services be made the first of the month following service provision. These initiatives will reduce the MA appropriation by \$6,179.0 in the 1988-89 biennium. It is estimated that this initiative will also produce an additional \$15,000.0 in savings in the 1990-91 biennium.

DESCRIPTION/BACKGROUND:

Since 1974, DHS has enrolled AFDC recipients voluntarily in prepaid health plans as a method of providing comprehensive health services at reduced costs. In the 1985 legislative session, DHS presented an initiative that would have required mandatory enrollment of all AFDC and noninstitutionalized Medicare eligible recipients wherever more than one prepaid health plan was available in a service area. Estimated savings of this initiative were \$10,000.0 in the 1986-87 biennium. Although the effort did not pass in 1985, it was again presented in the 1986 supplemental budget recommendations with an estimated cost savings of \$1,000.0 for the remainder of the 1986-87 biennium. The cost savings projected for the 1988-89 biennium would have reached \$20,000.0. Currently, DHS is operating a Medicaid Prepaid Demonstration Project under authority from the federal government in Dakota and Itasca Counties, and with one-third of Hennepin County eligible MA recipients. This demonstration project includes the provision of prepaid health care services to all MA

DESCRIPTION/BACKGROUND (Contd.):

eligible clients, including aged, blind, and disabled recipients. To date, virtually no projects have attempted to provide prepaid health care to all Medicaid-eligible groups, although numerous states have implemented prepaid programs for AFDC and Medicare/Medicaid eligible recipients. The Minnesota Medicaid Demonstration Project began December 1, 1985, and will be completed December 31, 1988. Any evaluation of this project would be premature, although the most important test of this project is the enrollment of the aged, blind, and disabled in prepaid health care arrangements.

Current payments to prepay health providers are made at 90% of the usual charge for care under the fee-for-service system.

RATIONALE:

This initiative will continue DHS in the same policy and program direction established in previous legislative sessions. While many other states and the non-public assistance Minnesota population have taken advantage of our competitive health care market, the state has not achieved the same comprehensive health care system and cost savings for its MA recipients. Furthermore, the state should make payments to prepaid health providers at a level comparable to other states, as well as in a manner comparable to other payors.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Governor's Recommendation				
General Fund	(\$1,200.0)	-0-	(\$1,600.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: Laws of 1985, Ch. 9, Art. I, Sec. 2				

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the pharmacy dispensing fee be reduced to a level that is comparable to the amount reimbursed by other third party payors. This initiative will lower the Medical Assistance (MA) appropriation by \$2,800.0 in the 1988-89 biennium.

DESCRIPTION/BACKGROUND:

In the 1985 legislative session, the pharmacy dispensing fee was increased from \$3.90 per prescription to \$4.30 per prescription. The current pharmacy dispensing fee of \$4.30 is one of the highest when compared to other payors.

RATIONALE:

As a prudent purchaser of health care services, the state should set the dispensing fee paid to pharmacies no higher than the amount paid by other third party payors. By reducing the fee to \$3.25 DHS will reimburse pharmacists at a level comparable to other payors.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: REDUCTION IN INPATIENT MEDICAL ASSISTANCE EXPENDITURES				
Governor's Recommendation				
General Fund	(\$1,500.0)	-0-	(\$2,700.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256.969				

GOVERNOR'S RECOMMENDATION:

The Governor recommends a decrease of \$4,200.0 in the Medical Assistance (MA) appropriation in the F.Y. 1988-89 biennium as a result of savings in the area of inpatient hospital rate payment. These savings will be a result of:

1. Redetermination of disproportionate population adjustments for hospitals that have experienced a decline in MA, General Assistance Medical Care (GAMC), and Medicare Crossover Utilization. This does not require a change in statute.
2. Increased monitoring of readmissions within 7 days to avoid payment on those readmissions for a diagnosis that is the same or related to the diagnosis of first admission. This does not require change in statute.
3. Capping selected items of the current pass-through costs using annual CPA. This would require change in statute.

DESCRIPTION/BACKGROUND:

After the department had submitted its budget, staff determined that there was a possibility of additional savings available by denying payment for certain readmissions

DESCRIPTION/BACKGROUND (Contd.):

to inpatient hospital facilities. A recent study of hospital payments indicated that hospitals are being paid on claims for hospital care provided to recipients who had been readmitted within 7 days of discharge from an acute care hospital for treatment of the same or related diagnosis. Increased detection and evaluation of these readmissions and subsequent payment denial for some readmissions will result in a savings for the department. These savings will be gained through cost avoidance, not post-payment recovery. Through the authority of Amendments to 9500.1135, the department can revise the disproportionate population adjustment for changes in utilization. Since advent of a prospective payment system, hospitals have been allowed to increase payments by amounts budgeted by hospital staff. The Department of Human Services (DHS) feels that these are savings to be gained by capping selected pass-through costs that are reasonably under the the control of hospitals.

RATIONALE:

Since the department has made significant progress in the implementation of a prospective payment system, emphasis can be placed in enforcing the readmission criteria contained in Rule 9500.1130.

Authority in Rule 9500.1135 allows the department to be more precise in reimbursing hospitals serving a disproportionate share of recipients.

Selected pass through costs, specifically interest expense, depreciation expense, and expenses related to rents and leases are subject to hospital control and could reasonably be capped or limited to annual increases in consumer price index. This action would force hospitals to make more efficient financial decisions.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Governor's Recommendation				
General Fund	\$ -0-	-0-	(\$1,680.0)	-0-

Request requires statutory change: Yes No
 Statutes Affected: M.S. 256.969

GOVERNOR'S RECOMMENDATION:

The Governor recommends a decrease of \$1,680.0 in the Medical Assistance (MA) appropriation as a result of removing mental health service-related admissions from the inpatient hospital rate setting base.

DESCRIPTION/BACKGROUND:

In 1983, the Department of Human Services (DHS) began reimbursing inpatient hospitals based on a facility-specific prospective payment system. This new payment system paid one rate for all admissions which was based upon a hospital's historical cost and utilization experience. In 1985, this system was altered to make payments to hospitals based upon 37 separate classifications of admission, although the individual hospital's previous cost and utilization experience remained the base for payment.

This proposal will take the costs of all mental health services out of the base for inpatient hospital rates as well as for other outpatient mental health services.

RATIONALE:

The cost savings in this request represent the efficiencies that will be achieved by removing mental health service-related admissions from the hospital rate base.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MEDICAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: MA PROVIDER REDUCTIONS				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	(\$4,330.0)	-0-	(\$6,210.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256B.03				

GOVERNOR'S RECOMMENDATION:

The Governor recommends a decrease of \$10,540.0 in the Medical Assistance (MA) appropriation for the 1988-89 biennium as a result of reducing payments made to providers in the MA program.

DESCRIPTION/BACKGROUND:

In the 1985 legislative session, medical providers in the MA program received payment increases that ranged from 17% to 31% over previously reimbursed amounts. Reimbursement was effectively raised from the 50th percentile of usual and customary charges in 1979 to the 50th percentile of usual and customary charges in 1982. Charges do not necessarily equate with the actual cost of service.

RATIONALE:

Minnesota is consistently at or near the top of amounts reimbursed for health care services when compared to other state's payment levels for service to public assistance clients. Furthermore, in the 1986 supplemental budget session, providers did not share in any of the cuts that were taken in other program areas to balance the budget.

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To reimburse providers for health care services delivered to eligible program recipients.

ACTIVITY DESCRIPTION:

The purpose of General Assistance Medical Care (GAMC) is to pay for medical services rendered to low income individuals who do not meet the eligibility requirements of the Medical Assistance (MA) program. The program is funded by 90% state and 10% county dollars. Those persons eligible for General Assistance (GA) will be eligible for GAMC; however, separate application must be made.

Payments are made for inpatient and outpatient hospital care, drugs and medical supplies, physician services, prosthetic devices, dental care, eye care, chiropractic services, and medical transportation on behalf of eligible individuals. Categories of providers eligible for payment are specified in state law.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average number of recipients per month	21,501	24,476	26,564	27,547
Average monthly expenditure per recipient	\$ 243.74	\$ 255.46	\$269.43	\$281.99

LEGISLATIVE ISSUES:

The department will present a number of legislative initiatives dealing with cost containment.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH CARE PROGRAMS

MANAGEMENT ACTIVITY: GENERAL ASST MEDICAL CARE

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	1,413.9	175.9									
AIDS TO INDS.	59,664.1	64,399.9	80,091.0	81,054.3	3,268.9	84,323.2	75,299.9	81,836.9	2,284.1	84,121.0	71,292.2
TOTAL EXPENDITURES	61,078.0	64,575.8	80,091.0	81,054.3	3,268.9	84,323.2	75,299.9	81,836.9	2,284.1	84,121.0	71,292.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	55,163.8	58,185.3	72,081.9	72,081.9	3,268.9	75,350.8	66,327.5	72,081.9	2,284.1	74,366.0	61,537.2
DEDICATED APPROPRIATIONS:											
GENERAL	5,914.2	6,390.5	8,009.1	8,972.4		8,972.4	8,972.4	9,755.0		9,755.0	9,755.0
TOTAL FINANCING	61,078.0	64,575.8	80,091.0	81,054.3	3,268.9	84,323.2	75,299.9	81,836.9	2,284.1	84,121.0	71,292.2
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

 Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE

PROGRAM: INCOME MAINTENANCE

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: GAMC FORECAST INCREASE

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$8,669.3	-0-	\$15,712.8	-0-
Governor's Recommendation				
General Fund	\$7,869.3	-0-	\$13,112.8	-0-

Request requires statutory change: Yes No

Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to pay for medical services provided to eligible program recipients as required by current law.

DESCRIPTION/BACKGROUND:

Payments are made for services provided to low income individuals not eligible for the Medical Assistance Program. Medical providers must meet state licensing requirements and supply necessary program enrollment information. Categories of providers eligible for payment are specified by state law.

RATIONALE:

The change request is based on the department's forecast of program expenditures under current law.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for reductions of \$800.0 in F.Y. 1988 and \$2,600.0 in F.Y. 1989. These reductions are a result of a decrease in the amount of inflation forecast for F.Y. 1988 and 1989 in the area of inpatient hospital rates and inflationary rates for capitated payments made to prepaid health providers. The inpatient hospital inflation forecast reduction amounts to \$100.0 in F.Y. 1988 and \$700.0 in F.Y. 1989. The capitated rate inflation forecast reduction amounts to \$700.0 in F.Y. 1988 and \$1,900.0 in F.Y. 1989.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: GAMC RATE ADJUSTMENTS FOR NEW PROVIDERS				
Agency Request				
General Fund	(\$88.7)	-0-	(\$118.3)	-0-
Governor's Recommendation				
General Fund	(\$88.7)	-0-	(\$118.3)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: Laws of Minnesota 1985, Ch.9, Art. I, Sec.2				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the General Assistance Medical Care (GAMC) appropriation reflecting proposed legislation to reimburse new providers (those providers not enrolled in the GAMC program prior to or during the base year) at the average customary charges applicable to enrolled providers.

DESCRIPTION/BACKGROUND:

New providers are reimbursed at a higher rate than providers enrolled during or prior to the base year. The individual customary charge is based on historical data specific to that provider. In the absence of historical data, the new provider is reimbursed at the maximum allowed charge. New providers are not subject to the customary charge limitation since they did not submit claims during the base year. Thus, new providers are reimbursed at a higher rate than established providers.

RATIONALE:

This change would provide more equity in the reimbursement levels to providers and not unduly favor new enrollees in the GAMC program.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. DHS currently has statutory authority to competitively bid inpatient hospital services in the areas of mental health and chemical dependency treatment. This authority has not been exercised. Furthermore, Governor's initiatives in the areas of prepayment of health care services and a study of the hospital rate setting system should be implemented before DHS attempts additional hospital initiatives.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: COMPETITIVE BIDDING FOR INPATIENT SERVICES				
Agency Request				
General Fund	(\$19.5)	-0-	(\$78.0)	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256.969, Subd. 2				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the General Assistance Medical Care (GAMC) appropriation reflecting proposed legislation to purchase selected inpatient hospital services through a competitive bidding process.

DESCRIPTION/BACKGROUND:

The competitive bidding process is currently authorized by statute for chemical dependency and mental illness diagnoses. This process is designed to be cost effective and to ensure quality of care. By expanding this authority to inpatient hospital services to specific providers for high volume, high cost or specialized procedures, cost savings can be realized. It would enable the department to specify a plan of care for each contracted service ensuring that appropriate care is given the recipient. Additionally, the care given for many diagnoses and procedures, such as a normal delivery is fairly standard.

RATIONALE:

The competitive bid process would provide a quality service to recipients at the lowest possible cost to the state.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	(\$5,179.5)	-0-	(\$5,697.7)	-0-
Governor's Recommendation				
General Fund	(\$4,827.3)	-0-	(\$5,190.6)	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the General Assistance Medical Care (GAMC) appropriation reflecting the transfer of this amount of money to the Consolidated Chemical Dependency Fund as required by Laws of Minnesota 1986, Ch. 394.

DESCRIPTION/BACKGROUND:

The Consolidated Chemical Dependency Treatment Fund legislation provides that GAMC will no longer cover chemical dependency treatment. Chemical dependency treatment for GAMC clients will be provided by the Consolidated CD Fund. Under the Consolidated CD Fund law persons eligible for GAMC are entitled to receive CD treatment and the law provided that the state and counties will share the cost of these services.

RATIONALE:

The amount to be transferred is estimated based on existing expenditures adjusted in accord with the overall GAMC program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the transfer as requested except for a biennial reduction of \$859.3. This reduction results from the ratable reduction change to the General Assistance Medical Care activity described in a GAMC change request. This change lowers the GAMC base and therefore also lowers the amount to be transferred to the CD fund.

CHANGE REQUEST

1987-89 Biennial Budget

 Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE

PROGRAM: INCOME MAINTENANCE

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: GAMC TRANSFER TO MENTAL HEALTH FUND	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ -0-	-0-	(\$7,400.8)	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	(\$6,742.1)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256D.03, Subd. 4				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the General Assistance Medical Care (GAMC) appropriation reflecting the transfer of this amount of money to the State Mental Health Fund as indicated in proposed legislation.

DESCRIPTION/BACKGROUND:

Currently, GAMC pays for hospitalization and certain outpatient services for mentally ill clients who qualify for GAMC. The department is proposing legislation to combine funding for mental health services from a number of existing funding sources. This change will provide counties with more flexibility to use funds more efficiently to meet client needs.

RATIONALE:

The amount to be transferred is estimated based on existing expenditures adjusted in accord with the overall GAMC program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the transfer as requested except for a F.Y. 1989 reduction of \$658.7 required by the ratable reduction change to the agency's GAMC request. This change, which is described in a GAMC change request, lowers the GAMC base and therefore also lowers the amount to be transferred to the Mental Health Fund.

CHANGE REQUEST

 Agency Program Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Request Title: SECOND SURGICAL OPINIONS FOR OUTPATIENT SURGICAL PROCEDURES				
Agency Request				
General Fund	(\$13.7)	-0-	(\$34.9)	-0-
Governor's Recommendation				
General Fund	(\$13.7)	-0-	(\$34.9)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256B.02, Subd. 8(1)				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the General Assistance Medical Care (GAMC) appropriation to reflect proposed legislation to promulgate rules to establish a list of surgical procedures that require a second medical opinion.

DESCRIPTION/BACKGROUND:

The 7-2-85 report of the Administrative Law Judge concerning the proposed adoption of Department of Human Services rules governing the second surgical opinion requirement noted that the list of surgeries published in the State Register for which a second surgical opinion was required was only applicable to inpatient procedures. The proposed rules would have subjected both inpatient and outpatient elective surgeries named in the list to the second surgical opinion procedures outlined in the rule. The Administrative Law Judge, for this reason, ruled that the rule was defective. The correction prescribed for the defect was elimination of reference to outpatient elective procedures from the rule.

RATIONALE:

The statutory change would allow the state to apply the second surgical opinion requirements to surgeries listed in the State Register which are performed in an outpatient setting.

CHANGE REQUEST

 Agency Program Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: GAMC CONFORMANCE WITH MA				
Agency Request				
General Fund	(\$99.0)	-0-	(\$99.0)	-0-
Governor's Recommendation				
General Fund	(\$99.0)	-0-	(\$99.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256D				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the General Assistance Medical Care (GAMC) appropriation reflecting proposed legislation changing asset exclusions and use of health insurance in conformance with the policies governing the Medical Assistance program.

DESCRIPTION/BACKGROUND:

The GAMC program is administered by county social service agencies under state supervision in the same manner as the MA program. Historically, GAMC program policies and requirements have followed the federal MA program in order to have a coordinated health care program in Minnesota. It would be administratively cumbersome and costly to have separate policies and procedures in the GAMC program. In addition, some families are comprised of both MA and GAMC eligibles. Details of the changes to the MA program required by the federal government may be found in the change page titled "Compliance with Federal Requirements."

RATIONALE:

This change request reflects the fiscal changes which result from the proposed legislation.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: REDUCTION IN INPATIENT HOSPITAL GENERAL ASSISTANCE MEDICAL CARE EXPENDITURES				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
Governor's Recommendation				
General Fund	(\$900.0)	-0-	(\$1,600.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256.969				

GOVERNOR'S RECOMMENDATION:

The Governor recommends a decrease of \$2,500.0 in the General Assistance Medical Care (GAMC) appropriation in the F.Y. 1988-89 biennium as a result of savings in the area of inpatient hospital rate payments. These savings will be a result of:

1. Redetermination of disproportionate population adjustments for hospitals that have experienced a decline in Medical Assistance (MA), GAMC, and Medicare Crossover Utilization. This does not require a change in statute.
2. Increased monitoring of readmissions within 7 days to avoid payment on those readmissions for a diagnosis that is the same or related to the diagnosis of first admission. This does not require change in statute.
3. Capping selected items of the current pass-through costs using annual CPA. This would require change in statute.

DESCRIPTION/BACKGROUND:

After the department had submitted its budget, staff determined that there was a possibility of additional savings available by denying payment for certain readmissions

DESCRIPTION/BACKGROUND (Contd.):

to inpatient hospital facilities. A recent study of hospital payments indicated that hospitals are being paid on claims for hospital care provided to recipients who had been readmitted within 7 days of discharge from an acute care hospital for treatment of the same or related diagnosis. Increased detection and evaluation of these readmissions and subsequent payment denial for some readmissions will result in a savings for the department. These savings will be gained through cost avoidance, not post-payment recovery. Through the authority of Amendments to 9500.1135, the department can revise the disproportionate population adjustment for changes in utilization. Since advent of a prospective payment system, hospitals have been allowed to increase payments by amounts budgeted by hospital staff. The Department of Human Services (DHS) feels that these are savings to be gained by capping selected pass-through costs that are reasonably under the the control of hospitals.

RATIONALE:

Since the department has made significant progress in the implementation of a prospective payment system, emphasis can be placed in enforcing the readmission criteria contained in Rule 9500.1130.

Authority in Rule 9500.1135 allows the department to be more precise in reimbursing hospitals serving a disproportionate share of recipients.

Selected pass through costs, specifically interest expense, depreciation expense, and expenses related to rents and leases are subject to hospital control and could reasonably be capped or limited to annual increases in consumer price index. This action would force hospitals to make more efficient financial decisions.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

Minnesota is consistently at or near the top of amounts reimbursed for health care services when compared to other state's public assistance programs. Furthermore, in the supplemental budget session, providers did not share in any of the cuts that were taken in other program areas to balance the budget.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: MAINTAIN GAMC RATABLE REDUCTIONS				
Governor's Recommendation				
General Fund	(\$5,500.0)	-0-	(\$7,800.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256D.03				

GOVERNOR'S RECOMMENDATION:

The Governor recommends continuation of the ratable reductions in the General Assistance Medical Care (GAMC) program at the levels in effect on 1-1-87.

DESCRIPTION/BACKGROUND:

In 1982, the legislature placed ratable reductions on payments made to providers in the GAMC program. These reductions were set according to different types of services provided in the program. Although the reductions were to sunset by the end of F.Y. 1985, the reductions continued into the 1986-87 biennium. The following chart displays a brief history of the amounts reduced on particular GAMC provider payments:

	<u>7-84 to 12-85</u>	<u>1-86 to 12-86</u>	<u>1-87 to 6-87</u>
Inpatient/outpatient CD and MI services	30%	20%	10%
Other inpatient hospital services	20%	15%	10%
Other services	10%	5%	5%

Current statutory language would eliminate all GAMC reductions by 7-87.

CHANGE REQUEST

1987-89 Biennial Budget

 Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE

PROGRAM: INCOME MAINTENANCE

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: GAMC PREPAYMENT REIMBURSEMENT MODIFICATIONS

Agency Request	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	(\$1,841.0)	-0-	(\$880.6)	-0-

Request requires statutory change: Yes No

Statutes Affected: M.S. 256B

GOVERNOR'S RECOMMENDATION:

The Governor recommends 2 modifications to the current method of reimbursement to prepaid health providers. The first change would set payment to prepaid health care providers at 85% of the cost of services under the fee-for-service system. The second change would require that payments to prepaid health care providers be made on the first day of the month following service.

DESCRIPTION/BACKGROUND:

Prior to 1985, statute set the payment levels for prepaid health care providers in General Assistance Medical Care (GAMC) at 85% of the amount that would be reimbursed under the fee-for-service system. Currently, Lake, Itasca and Ramsey Counties contract with the Department of Human Services (DHS) to provide prepaid health care services. Other states reimburse prepaid health providers in the range of 80% to 90% of the costs of health care under the fee-for-service system.

RATIONALE:

DHS should take advantage of a one-time savings available by making payments to prepaid health care providers in much the same manner as payments are made by other payors. Also, DHS should reduce costs in the GAMC program by purchasing health care services at the lowest comparable rate. Both of these recommendations are consistent with the goal of having the state be a prudent purchaser of all services, including health care.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: REDUCE PHARMACY DISPENSING FEE				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	(\$354.0)	-0-	(\$472.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: Laws of Minnesota 1985, chapter 9, art. I				

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the pharmacy dispensing fee be reduced to a level that is comparable to the amount reimbursed by other third party payors. This initiative will lower the Medical Assistance (MA) appropriation by \$826.0 in the 1988-89 biennium.

DESCRIPTION/BACKGROUND:

In the 1985 legislative session the pharmacy dispensing fee was increased from \$3.90 per prescription to \$4.30 per prescription. The current pharmacy dispensing fee of \$4.30 is one of the highest when compared to other payors.

RATIONALE:

As a prudent purchase of health care services, the state should set the dispensing fee paid to pharmacists no higher than the amount paid by other third party payors. By reducing the fee to \$3.25, DHS will reimburse pharmacists at a level comparable to other payors.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE MEDICAL CARE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Governor's Recommendation				
General Fund	\$ -0-	-0-	(\$720.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256B				

GOVERNOR'S RECOMMENDATION:

The Governor recommends a decrease of \$720.0 in the General Assistance Medical Care (GAMC) appropriation as a result of removing mental health service-related admissions from the inpatient hospital rate setting base.

DESCRIPTION/BACKGROUND:

In 1983, the Department of Human Services (DHS) began reimbursing inpatient hospitals based on a facility-specific prospective payment system. This new payment system paid one rate for all admissions which was based upon a hospital's historical cost and utilization experience. In 1985, this system was altered to make payments to hospitals based upon 37 separate classifications of admission, although the individual hospital's previous cost and utilization experience remained the base for payment.

The DHS mental health initiative proposed in the biennial budget will take the costs of all mental health services out of the base of inpatient hospital services as well as other outpatient services.

RATIONALE:

The cost savings in this request represent the efficiencies that will be achieved by removing the mental health service-related admissions from the hospital rate base. The cost savings are a result of the mental health initiative and do not reduce the amount of funding currently supporting mental health services.

ACTIVITY: MEDICAL ASSISTANCE DEMONSTRATION PROJECTS
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To demonstrate the cost containment effectiveness of prepayment reimbursement systems for the Medical Assistance (MA) program.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
MA dollars saved	\$ 4.0	\$ 158.0	\$ 563.0	\$ 415.0*

*The MA demonstration project sunsets on 12-31-88

ACTIVITY DESCRIPTION:

This activity is designed to demonstrate the cost effectiveness of substituting a prepaid, per capita reimbursement system for the existing fee-for-service system for the entire range of MA eligible populations in 3 Minnesota counties. This includes virtually the entire MA population in Dakota and Itasca counties, and 35% of the MA population in Hennepin county. This project includes recipients eligible for Aid to Families with Dependent Children (AFDC), and MA recipients such as the elderly, blind, and disabled, except those individuals in state residential facilities, spend-down cases, refugees, and recipients currently receiving personal care attendant services.

The per capita, or capitation, payment has been calculated based on the historical cost of the MA program in those counties and is paid directly to competing health plans in Dakota and Hennepin counties, and directly to the social services department in Itasca County. In Dakota and Hennepin counties, this system is designed to create competition between health plans to serve the MA population. In Itasca County, the county has individually contracted with a majority of the providers in the area to ensure accessibility of services.

Capitation rates incorporate adjustments for age, sex, category of eligibility, county of residence, institutional status, and Medicare coverage. The state shares part of the financial risk for both aggregate losses and individual claims for inpatient hospital services above certain limits according to contractual provisions. Aggregate risk sharing applies only to the first 2 years of the project.

Health plans are responsible for delivering or arranging for the delivery of the full array of MA covered services to their enrolled populations. As a result, the health plans receiving the capitation payment are "umbrella" organizations, contracting with a broad array of acute and long-term care providers (hospitals, physicians, dentists, nursing homes, home health agencies, pharmacists, etc.). Health plans are required to meet a number of criteria related to scope of service, target markets, cost/utilization reporting, quality assurance, and grievance procedures, before contracting with the Department.

ACTIVITY DESCRIPTION (Contd.):

The Department administers this project directly, including contracting with health plans, making capitation payments, monitoring/collecting cost and utilization statistics, surveying recipients for satisfaction, and reviewing grievances and appeals.

ACCOMPLISHMENTS AND GOALS:

Through this demonstration project, the Department has developed the ability to deal with the purchase of health care for assistance recipients in the same manner as employers do for their work force. The problems specific to assistance recipients were addressed as the Department brought together the traditional providers of health care (hospitals, physicians, nursing homes, etc.) and prepaid health plans to develop awareness and ability to serve these specific needs. Also, new types of health care plans were developed using prepayment principles of regular insurance plans and the University of Minnesota. The major accomplishment of this activity is the inclusion of the elderly, blind, and disabled populations in a prepaid delivery system.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of providers under contract	7	7	7	7
Number of different prepayment models in place	3	3	3	3
Number of recipients enrolled	11,806	34,000	34,000	34,000
Number of enrollee grievances filed	1	5	3	1

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH CARE PROGRAMS

MANAGEMENT ACTIVITY: MA DEMO PROJECTS

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	186.4	251.3	95.0	95.0		95.0	95.0	47.5		47.5	47.5
LOCAL ASSISTANCE	120.0	165.5	540.0	540.0		540.0	540.0	540.0		540.0	540.0
AIDS TO INDS.											
TOTAL EXPENDITURES	306.4	416.8	635.0	635.0		635.0	635.0	587.5		587.5	587.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	36.9	20.1	28.5	28.5		28.5	28.5	14.3		14.3	14.3
EXPENSES & CONTRAC. SERV	147.7	230.4	66.5	66.5		66.5	66.5	33.2		33.2	33.2
SUPPLIES & MATERIALS	.7	.2									
EQUIPMENT	1.1	.6									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	186.4	251.3	95.0	95.0		95.0	95.0	47.5		47.5	47.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	120.0	322.4	540.0	540.0		540.0	540.0	540.0		540.0	540.0
DEDICATED APPROPRIATIONS:											
FEDERAL	186.4	94.4	95.0	95.0		95.0	95.0	47.5		47.5	47.5
TOTAL FINANCING	306.4	416.8	635.0	635.0		635.0	635.0	587.5		587.5	587.5
POSITIONS BY FUND											
TOTAL POSITIONS											

ACTIVITY: PREADMISSION SCREENING/ALTERNATIVE CARE
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To support frail, elderly persons with in-home or community based alternative care services in order to delay or prevent entry to a nursing home at a higher cost to the Medical Assistance (MA) program.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of MA nursing home applicants screened	2,254	4,100	4,700	5,300
Number of nursing home applicants diverted to other alternatives	5,590	7,390	9,190	10,990

ACTIVITY DESCRIPTION:

Persons, age 65 and over, who are considering admission to a nursing home, are screened by a team that includes a county public health nurse, a county social worker and, as appropriate, a physician. The screening determines if the person needs nursing home care or if their needs could be met by lower cost community alternatives. The individual makes the final decision regarding nursing home placement or accepting community services.

Alternative Care Grant (ACG) funds are allocated to local social service or human service agencies only after a program plan has been approved by the Commissioner. The local agency must assure the state and federal program requirements will be met, and must provide a narrative description of the program's design and operation. Health care providers in the program who are otherwise eligible for MA participation must comply with MA program requirements for licensing and reimbursement.

Payment to local agencies for alternative care services is made on a fee for service basis, via the normal MA reimbursement system. Services covered are: homemaker, home health aide, adult day care, foster care, respite care, personal care, and case management. ACG funds also cover client supplies and equipment (purchase or rental) and administrative costs.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH CARE PROGRAMS

MANAGEMENT ACTIVITY: PREADMIT SCREEN ALT CARE

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE											
AIDS TO INDS.	8,522.9	14,824.7	19,669.6	21,010.0	4,634.8	25,644.8	21,936.0	22,590.0	9,763.2	32,353.2	25,682.0
TOTAL EXPENDITURES	8,522.9	14,824.7	19,669.6	21,010.0	4,634.8	25,644.8	21,936.0	22,590.0	9,763.2	32,353.2	25,682.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	6,663.4	11,460.0	14,488.7	14,488.7	4,634.8	19,123.5	15,414.7	14,488.7	9,763.2	24,251.9	17,580.7
DEDICATED APPROPRIATIONS:											
GENERAL	688.6	1,143.5	1,609.8	2,124.7		2,124.7	2,124.7	2,694.4		2,694.4	2,694.4
FEDERAL	1,170.9	2,221.2	3,571.1	4,396.6		4,396.6	4,396.6	5,406.9		5,406.9	5,406.9
TOTAL FINANCING	8,522.9	14,824.7	19,669.6	21,010.0	4,634.8	25,644.8	21,936.0	22,590.0	9,763.2	32,353.2	25,682.0
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: PRE-ADMISSION SCREENING/ALTERNATIVE CARE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding this activity at an increase of \$4,018.0 for the biennium. This amount reflects an increase in funding for 900 clients in each year of the biennium. In addition, it is recommended that the county share for 180-day eligible clients be increased to 20% of the total cost for services. This increase in county share will encourage counties to place greater effort in the areas of other third party payors, particularly Medicare, and increased effort in the area of client collections. This Governor's recommendation will require statutory change at M.S. 256B.091, Subd. 8.

Request Title: PAS/ACG PROGRAM INCREASE	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$4,634.8	-0-	\$9,763.2	-0-
Governor's Recommendation				
General Fund	\$ 926.0	-0-	\$3,092.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to allow for the screening of all mandated clients and to provide alternative care for those individuals who can be kept in the community at a cost less than nursing home care.

DESCRIPTION/BACKGROUND:

The PAS/ACG program is designed to screen and divert individuals from nursing home placement in order to provide the most appropriate community based health care services at lowest possible cost.

RATIONALE:

The change request is based on the department's forecast of program expenditures for the biennium.

ACTIVITY: ASSISTANCE PAYMENTS DIVISION
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

This budget activity includes the objectives for the management activities that follow. These objectives are to:

- 1) Administer financial aid grants;
- 2) Supervise local agency operations;
- 3) Develop, issue and administer income transfer program rules and instructions;
- 4) Perform quality control and corrective action functions;
- 5) Prepare state and federal income maintenance reports; and
- 6) Forecast income maintenance trends and expenditures.

The management activities included are:

- 1) Assistance Payments Programs
- 2) Assistance Payments Information Management
- 3) Statewide Automated Eligibility Project
- 5) Refugee Assistance Program
- 6) Aid to Families with Dependent Children
- 7) General Assistance
- 8) Work Readiness
- 9) Minnesota Supplemental Aid
- 10) Quality Control/Corrective Action
- 11) Reports and Analyses

ACTIVITY DESCRIPTION:

This activity has overall management responsibility for the income transfer programs: Aid to Families with Dependent Children (AFDC), Minnesota Supplemental Aid (MSA), General Assistance (GA), Work Readiness (WR), Food Stamps (FS), Refugee Assistance, and Work and Training. Federal and state laws are analyzed. Rules are developed and promulgated. Instructions are issued so that programs are implemented at the local level. Training, program interpretation, and program consultation are provided to local agencies. Quality control and mandated administrative reviews are conducted and corrective action is taken where needed. Forecasting of program trends and expenditures, budget preparation and tracking, and preparation of necessary reports are conducted. This activity has responsibility for development and implementation of the statewide automated eligibility system authorized during the last legislative session.

ACTIVITY DESCRIPTION (Contd.):

The work of this division is intended to facilitate effective and efficient delivery of service by the local agencies. This is accomplished by providing training and assistance to local agencies, monitoring their performance, taking timely corrective action, and doing accurate budgeting and forecasting. In addition to the regular reporting and forecasting done by the division, the Reports and Analyses activity has responsibility for providing fiscal notes on legislative proposals, providing detailed legislative testimony on program expenditures, and providing consultation to the Governor's staff, legislators, and legislative staff regarding legislative proposals. The division performed extensive analytical work and consultation for subcommittees of both legislative bodies during the 1985 and 1986 legislative sessions.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested to accomplish the goals of this activity except for the changes accompanying this activity and the management activity pages that follow.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

PROGRAM: INCOME MAINTENANCE

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,977.2	4,397.6	4,832.3	4,761.4	4,356.6	9,118.0	10,302.6	4,751.7	4,102.4	8,854.1	6,692.9
LOCAL ASSISTANCE	336,779.9	332,223.1	339,956.4	345,779.2	3,169.8	348,949.0	344,457.9	351,082.2	1,193.0	352,275.2	354,922.1
AIDS TO INDS.	2,708.3	2,314.2	2,200.0	2,200.0		2,200.0	2,200.0	2,200.0		2,200.0	2,200.0
INTERAGENCY TRANSFERS				360.2		360.2	360.2	360.2		360.2	360.2
TOTAL EXPENDITURES	343,465.4	338,934.9	346,988.7	353,100.8	7,526.4	360,627.2	357,320.7	358,394.1	5,295.4	363,689.5	364,175.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,811.4	3,175.4	3,352.8	3,486.4	751.3	4,237.7	4,143.0	3,476.7	683.6	4,160.3	3,820.6
EXPENSES & CONTRAC. SERV	635.2	731.0	1,006.4	826.9	3,206.7	4,033.6	5,436.2	826.9	2,647.7	3,474.6	2,421.7
SUPPLIES & MATERIALS	35.2	78.5	26.6	16.6	17.1	33.7	36.6	16.6	17.1	33.7	16.6
EQUIPMENT	110.2	40.5	43.5	28.5	381.5	410.0	283.8	28.5	754.0	782.5	31.0
OTHER EXPENSE ITEMS	385.2	372.2	403.0	403.0		403.0	403.0	403.0		403.0	403.0
TOTAL STATE OPERATIONS	3,977.2	4,397.6	4,832.3	4,761.4	4,356.6	9,118.0	10,302.6	4,751.7	4,102.4	8,854.1	6,692.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	161,610.6	158,123.5	166,434.7	166,694.5	7,526.4	174,220.9	170,914.4	166,684.8	5,295.4	171,980.2	172,465.9
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE			265.4								
AGENCY			65.4								
GIFTS AND DEPOSITS	50.9	10.5	10.8	10.8		10.8	10.8	10.8		10.8	10.8
FEDERAL	161,803.9	160,800.9	180,212.4	186,395.5		186,395.5	186,395.5	191,698.5		191,698.5	191,698.5
TOTAL FINANCING	343,465.4	338,934.9	346,988.7	353,100.8	7,526.4	360,627.2	357,320.7	358,394.1	5,295.4	363,689.5	364,175.2
POSITIONS BY FUND											
GENERAL	77.0	80.0	81.0	81.0	27.0	108.0	100.0	81.0	27.0	108.0	100.0
FEDERAL	14.5	19.0	21.0	21.0		21.0	21.0	21.0		21.0	21.0
TOTAL POSITIONS	91.5	99.0	102.0	102.0	27.0	129.0	121.0	102.0	27.0	129.0	121.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: ASSISTANCE PAYMENTS DIVISION
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: ASSISTANCE PAYMENTS DIVISION STAFF				
Agency Request				
General Fund	\$267.5	6.0	\$267.5	6.0
Governor's Recommendation				
General Fund	\$ 75.0	2.0	\$ 75.0	2.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to meet the demands of increased workloads resulting from the complexity of federal and state policy requirements and the need for the department to work more closely with local agencies in administering public assistance programs. Six full-time positions and appropriate funding are requested. In addition, funding for 2 noncomplement quality control positions is requested.

DESCRIPTION/BACKGROUND:

The workload of the Assistance Payments Division has increased substantially in the areas of program development, program supervision, and quality control and corrective action. The following 4 sections explain the request in detail.

1) AFDC/General Assistance Staff

The department must develop and maintain administrative rules in a timely manner and maintain operating manuals for the General Assistance (GA), Work Readiness (WR), and Aid to Families With Dependent Children (AFDC) programs. Administrative rule development is required under the Administrative Procedures Act (APA) to implement most program changes and ensure public input into program operations. Maintenance of operating manuals is vital to ensure local agencies properly interpret and apply program policies, and to avoid AFDC errors. The AFDC, GA, and WR programs have become increasingly complex, necessitating increased rule and manual development. Two positions are requested. This increase in staff will enhance the agency's capacity for development of rules and maintenance of program operating manuals.

DESCRIPTION/BACKGROUND (Contd.):

2) Monitoring and Review Staff

The complexity of assistance payments programs and increasing changes in federal and state program requirements make program administration on the local level increasingly difficult. The Department's supervisory role is weakened due to lack of monitoring personnel to review and oversee compliance with federal and state policy.

Two positions are requested. These additional staff will significantly enhance the monitoring and evaluation capacity of the Assistance Payments Division. The current staff complement in this function is utilized full-time in the mandatory monitoring and evaluation of local agency food stamp administration. Requests from local agencies and county boards for review of other income maintenance program administration are not being met. Requests from legal advocates and consumer groups to investigate local agency practices are delayed and not responsive. Consequently, the supervisory role of the department is severely compromised and uniformity in administration of assistance payments programs at the local level is unevaluated.

It is estimated that with the requested additional staff, one-third of Minnesota's local human service agencies would receive a monitoring review of all assistance payments programs (AFDC, GA, MSA, and FS) within the first year. Additionally, the department would be responsive to consumer and advocate complaints within 5 days of notification. In the second year of the biennium, one-half of the state's local agencies will have received a monitoring review and post-compliance reviews will have been conducted on all previously identified problems.

3. Quality Control Review Staff

The Department must staff the Assistance Payments Division adequately so that quality control reviews may be completed within federally required time limits. The quality control review workload has increased substantially due to case load growth (Quality Control reviews a statistically valid sample of the case load) and an expansion of the scope of the quality control review. Federal directives have increased the number of items to be reviewed. A quality control case review requires a more in-depth review than is done at the time of application, and requires a home visit. This necessitates an extensive amount of travel.

Quality Control review assignments have increased from 13 cases per reviewer per month to 15 cases per reviewer per month due to the limited number of workers and the increased case sample size. This case load size is considerably larger than that of Quality Control reviewers in other states. The time necessary to complete monthly assignments for each reviewer has increased to a point where they are unable to complete them in a 40 hour work week. Approximately 10 additional hours per month are now needed to complete each reviewer's assignment.

CHANGE REQUEST

Agency Program Activity
(Continuation)

ACTIVITY: ASSISTANCE PAYMENTS DIVISION
PROGRAM: INCOME MAINTENANCE
AGENCY: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

DESCRIPTION/BACKGROUND (Contd.):

The federal agencies set specific standards for the timeliness of reviews . If the department does not meet these standards, the federal agency will deny the state's request to waive error rate sanctions based on good faith effort to control errors. In addition, a subsample of the state's quality control reviews is checked by the federal agents. If this subsample is not correct, any additional errors found by the federal agents will increase the state's sanction liability proportionately more than if the state reviewer had discovered the error. Timeliness and accuracy have a direct connection to Minnesota's sanction liability.

It is anticipated that the Statewide Automated Eligibility System will contribute to a reduction in the quality control workload requirements. Until this is accomplished funding for 2 unclassified staff is necessary to meet federal standards for the timeliness and accuracy of reporting on sample AFDC and Medical Assistance cases. If the state does not meet the federal requirements, error rate sanction liabilities will be increased.

4. Corrective Action Staff

The department must increase the efficiency and effectiveness of its efforts to reduce payment errors in the public assistance programs and to avoid potential federal fiscal sanctions amounting to millions of state dollars. The federal error targets for the Aid to Families with Dependent Children, Medical Assistance, and Food Stamp programs have been reduced to unrealistically low levels. The department is facing potential fiscal sanctions in all three programs. The Corrective Action Unit presently consists of 4 staff. Available staff resources have been increasingly burdened by the requirements of the formal federal sanction process, such as appeals on individual federal payment error cases and requests for waiver of fiscal sanctions. Two positions are requested.

The Corrective Action Unit is responsible for the coordination of the new federally mandated Income and Eligibility Verification System (IEVS), a comprehensive system of computer data exchanges to detect unreported client income and resources. A position to manage this system is requested on a separate change page. The unit also has responsibility for the monthly household income reporting system which is a major error reduction tool. These 2 efforts have diverted staff resources which should be directed to planning and implementing corrective actions to reduce the error rates below current levels. Staff resources cannot presently perform the research/evaluation functions necessary to support continued cost-efficient and effective corrective action activities. Without the ability to make reductions in the payment error rates, the state will remain at risk of increasingly expensive fiscal sanctions.

DESCRIPTION/BACKGROUND (Contd.):

The additional positions to analyze and evaluate corrective action efforts will allow the unit to target resources, which are currently strained, to those actions which can have the greatest impact on the error rates. Without the addition of staff resources and the capability to further analyze the error rates and corrective actions options, the current level of corrective action activity can no longer be expected to achieve the error reductions necessary to avoid sanctions.

STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Rule parts in development	55	30	35	35
Manual revisions completed	22	30	35	35
County visits/reviews completed	113	110	140	140
QC reviews for AFDC, MA and FS	9280	9280	9280	9280
Cases which must be completed within:				
75 days	90%	90%	90%	90%
105 days	95%	95%	95%	95%
120 days	100%	100%	100%	100%
Second party case reviews	625	625	650	650
Federal CA plans completed	7	7	7	7
Federal error findings rebutted	72	72	72	75
Federal error decisions appealed	4	4	5	5
Sanction waiver requests completed	2	2	3	3
Major county technical assistance projects	5	57	7	7

RATIONALE:

The additional staff requested on this change page are necessary for the department to more fully carry out its responsibilities under state and federal law. Without the addition of the staff resources the tasks described in the above narrative cannot be performed to the extent necessary to adequately issue program instructions, supervise local agency administration, perform quality control reviews within federal requirements and develop corrective actions for error reduction.

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding of \$75.0 and 2 positions for each year of the biennium. Other spending priorities preclude full funding of this request.

ACTIVITY: ASSISTANCE PAYMENTS PROGRAMS
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 411.2	\$ 474.8	\$ 412.9	\$ 511.5	\$ 526.2

ACTIVITY OBJECTIVE:

To manage Aid to Families with Dependent Children (AFDC), Food Stamps, General Assistance (GA), Work Readiness (WR), Minnesota Supplemental Aid, Work & Training, and Refugee Assistance Programs, and to provide program information and assistance to agencies or individuals.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Policy inquiries cleared in 5 days	80%	70%	70%	70%
Scheduled reviews completed	100%	95%	95%	95%
Client problems resolved within 10 days	84%	86%	88%	90%
Rule parts developed and issued promptly	67%	65%	65%	65%
County agencies with anti-fraud programs	50%	60%	60%	60%

ACTIVITY DESCRIPTION:

This activity manages the assistance payments programs and supervises their administration by local agencies. This is accomplished by: analysis and preparation of legislation; rulemaking; policy interpretation; issuance of instructions and training to local agencies; monitoring and evaluation of local agencies; budget preparation; management of human resources; liaison to, and for, federal and executive policy decision-making; and development of division information systems. This activity also responds to inquiries from agencies or individuals, resolves complaints, coordinates anti-fraud activities including wage and case computer matches, and resolves disputes concerning county residency. Results are: 1) improved administration of policies; 2) maximized policy options that lead to increased recipient self-sufficiency; 3) efficient budget control and planning; 4) increased staff productivity; and 5) clarification of legal authorities.

ACCOMPLISHMENTS AND GOALS:

Accomplishments 1) A complete revision of all AFDC program administrative rules. 2) Implementation of the Work Readiness Program. 3) Effective response to a wide variety of inquiries and complaints. 4) Fraud detection and prevention such that incidence of fraud has been contained at a low level.

Goals 1) Complete revision of the GA Program Manual. 2) Development of a WR Program Manual. 3) Development and implementation of an MSA Program Administrative Rule.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
County visits/reviews completed	113	110	110	110
Training programs conducted	57	60	60	60
Rule parts in development	55	30	25	30
Rule parts completed	62	30	25	25
Civil Rights reviews completed	35	30	30	30
Policy inquiries answered	3,700	4,500	4,000	4,000
Responses to citizen inquiries	1,300	1,350	1,400	1,400
County fraud investigations reported	4,100	4,500	4,800	4,500
County residency disputes resolved	320	320	400	240

BASE LEVEL REVIEW:

MSA Payments to negotiated rate facilities have increased in recent years. There is no authority to impose uniform procedures for determination of rates. All decisions are made independently by counties. They have asked the Department to impose standard procedures. This has been selected for base level review.

LEGISLATIVE ISSUES:

Current law results in an unmarried couple with mutual children receiving more GA than a married couple with children. This discrepancy may be resolved by making an unmarried adult legally responsible for the other parent of their children. The Department is developing legislation to resolve this issue.

FEDERAL ISSUES:

Federal law requires states to operate an Income Eligibility Verification System (IEVS) which matches information about each AFDC, MA, or FS recipient with wage and asset information held in state and federal computer files. IEVS has verification and reporting requirements which are nearly impossible to meet without a statewide recipient database. Minnesota has a rudimentary database for AFDC and Medical Assistance (MA) recipients, but no database for FS recipients. IEVS will be integrated into the automated eligibility system being developed.

EXPLANATION OF BUDGET REQUEST: The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

MANAGEMENT ACTIVITY: AP PROGRAMS

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	726.5	852.6	766.2	946.0	713.4	1,659.4	1,021.0	943.3	713.4	1,656.7	1,018.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	726.5	852.6	766.2	946.0	713.4	1,659.4	1,021.0	943.3	713.4	1,656.7	1,018.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	515.9	647.1	590.9	770.4	527.2	1,297.6	840.4	767.7	527.2	1,294.9	837.7
EXPENSES & CONTRAC. SERV	175.3	197.2	171.4	171.7	171.1	342.8	174.2	171.7	171.1	342.8	174.2
SUPPLIES & MATERIALS	6.9	6.2	3.4	3.4	6.6	10.0	3.4	3.4	6.6	10.0	3.4
EQUIPMENT	28.4	2.1	.5	.5	8.5	9.0	3.0	.5	8.5	9.0	3.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	726.5	852.6	766.2	946.0	713.4	1,659.4	1,021.0	943.3	713.4	1,656.7	1,018.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	726.5	852.6	766.2	946.0	713.4	1,659.4	1,021.0	943.3	713.4	1,656.7	1,018.3
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	726.5	852.6	766.2	946.0	713.4	1,659.4	1,021.0	943.3	713.4	1,656.7	1,018.3
POSITIONS BY FUND											
GENERAL	14.7	19.2	21.2	21.2	16.0	37.2	23.2	21.2	16.0	37.2	23.2
TOTAL POSITIONS	14.7	19.2	21.2	21.2	16.0	37.2	23.2	21.2	16.0	37.2	23.2

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: ASSISTANCE PAYMENTS PROGRAMS
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: FRAUD CONTROL STAFF				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$208.4	4.0	\$208.4	4.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256.981				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to coordinate statewide anti-fraud efforts, to train county staff relative to recipient welfare fraud investigation and to improve methods used to pursue recoveries.

DESCRIPTION/BACKGROUND:

The DHS fraud unit will manage all computer matching efforts, assume responsibility for all recovery efforts and provide specialized investigative and auditing services. It will also train local agency staff and monitor and evaluate their investigative efforts.

New federal regulations require computer matching in Aid to Families with Dependent Children (AFDC), Medical Assistance (MA), and Food Stamps. This effort will involve wages, unemployment compensation, IRS, records and full interstate matches. This will cause a significant increase in investigative demands of a type which part-time units will not be able to handle. Extensive efforts must also be undertaken to increase the recovery and recoupment of overpayments. Sanctions for failing to do so will far exceed the cost of the proposed unit. Training and monitoring efforts are proving necessary to upgrade investigative skills and insure maximum investigative activity in all 87 counties.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Food Stamp Disqualifications	169	250	350	450
Food Stamp Recoupments	\$109.0	\$200.0	\$300.0	\$400.0
AFDC Match Fraud Convictions:				
Case Match	50	100	150	150
Dollar Amount	\$475.0	\$750.0	\$1000.0	\$1000.0
Training Sessions	N/A	4	8	10
County Reviews	N/A	12	24	36

RATIONALE:

This request is necessary to provide sufficient recipient fraud control to improve the level of financial recovery and lessen the possibility of federal sanctions.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: ASSISTANCE PAYMENTS PROGRAMS
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

The statute requires the monitoring of several requirements. This monitoring requires the use of reporting documents. It is necessary that these documents be by the actual sampling of case records, review of intake registers, and client contacts.

The addition of 6 full-time staff and commensurate travel budget is necessary to fulfill the monitoring activity at the level required by statute. This staffing complement would allow for quarterly on-site monitoring in each of 84 local food stamp program offices and monthly monitoring of the 3 larger metropolitan program offices (Hennepin, Ramsey, and St. Louis).

The department has been informed that rulemaking is required to implement the provisions of statute. One of the positions included in this request is designated to develop and maintain the required rule.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Request Title: MONITORING FOOD STAMP PROGRAM ACTIVITY	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$237.5	6.0	\$237.5	6.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to monitor local agency delivery of the Food Stamp Program and expedited issuance of benefits, and to promulgate rules for this function as required by M.S. 1986, Ch. 404, Sec. 11, Subd. 10 and Sec. 12, Subd. 10a.

DESCRIPTION/BACKGROUND:

The above statute requires the Commissioner to monitor county agency compliance with a comprehensive listing of food stamp program delivery and issuance requirements. The statute, furthermore, requires that the monitoring activity be separate from the federally required Management Evaluation survey. In order to accomplish the level of monitoring activity demanded by this legislation, additional resources are needed. The legislature did not establish positions or appropriate funds for this additional activity.

ACTIVITY: ASSISTANCE PAYMENTS INFORMATION MGMT
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 235.4	\$ 295.6	\$ 287.1	\$ 291.1	\$ 300.7

ACTIVITY OBJECTIVE:

To provide accurate and current management information to the assistance payments program staff through the use of manual and automated information systems, and to provide administrative support for central office and county staff.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
County forms sent to printer within 30 days	65%	75%	80%	85%
Overdue eligibility redeterminations processed within 30 days	70%	75%	75%	75%
Food Stamp overpayment claims processed within 15 days	80%	85%	90%	90%
Aid to Families with Dependent Children (AFDC) Housing Allowance reports processed within 1 day	95%	95%	95%	95%
Central Resource files completed	35%	65%	90%	100%
Division staff using automation for information management	80%	90%	95%	95%

ACTIVITY DESCRIPTION:

This activity provides information management support to the Assistance Payments Division by selecting and introducing automated and manual information storage and retrieval systems; maintaining central resource files for the use of division staff of administrative rule documentation, federal regulations and correspondence, court cases, client appeals, and other important documents; managing the design, purchase, and inventory of assistance payments forms used by counties; administering the corrective action program to reduce the number of overdue eligibility redeterminations for the AFDC program; and providing administrative support for AFDC Housing Allowance and the recovery of overpayments of Food Stamp benefits to recipients.

ACCOMPLISHMENTS AND GOALS:

During the past 2 years substantial progress has been made toward the goal of improving the quality of management information about assistance payments programs through the introduction of staff to computers and other office automation technology. To improve the accessibility of documents and data, central resource files, both paper and

ACCOMPLISHMENTS AND GOALS (Contd.):

electronic, are being established with security and record retention controls. Forms management has been improved by streamlining the process for forms redesign and printing, thereby assuring that counties have adequate supplies of recipient forms which reflect the latest policy changes. Data processing improvements are planned for more efficient processing of Food Stamp overpayment claims and AFDC Housing Allowance cases.

The effort of the Assistance Payments Division through the work being done by this unit has become a model for development of office automation for the Department. The electronic central file created in the division is an exceptional example of the value of office automation.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
County forms in inventory	130	145	145	145
Overdue eligibility redeterminations processed	1,500	1,500	1,500	1,500
Food Stamp claims processed	7,500	8,000	8,500	8,500
AFDC Housing Allowance cases processed	23,000	23,000	23,000	23,000

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

MANAGEMENT ACTIVITY: AP INFORMATION MANAGEMENT

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	415.9	530.9	532.7	539.7		539.7	539.7	539.0		539.0	539.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	415.9	530.9	532.7	539.7		539.7	539.7	539.0		539.0	539.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	248.7	223.2	264.1	271.0		271.0	271.0	270.3		270.3	270.3
EXPENSES & CONTRAC. SERV	147.6	255.6	255.4	255.5		255.5	255.5	255.5		255.5	255.5
SUPPLIES & MATERIALS	9.0	37.0	2.7	2.7		2.7	2.7	2.7		2.7	2.7
EQUIPMENT	10.6	15.1	10.5	10.5		10.5	10.5	10.5		10.5	10.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	415.9	530.9	532.7	539.7		539.7	539.7	539.0		539.0	539.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	415.9	530.9	532.7	539.7		539.7	539.7	539.0		539.0	539.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	415.9	530.9	532.7	539.7		539.7	539.7	539.0		539.0	539.0
POSITIONS BY FUND											
GENERAL	7.8	8.3	6.5	6.5		6.5	6.5	6.5		6.5	6.5
TOTAL POSITIONS	7.8	8.3	6.5	6.5		6.5	6.5	6.5		6.5	6.5

ACTIVITY: STATEWIDE AUTOMATED ELIGIBILITY PROJECT
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To automate statewide operations for administering and supervising the Aid to Families with Dependent Children (AFDC), Food Stamp, and General Assistance programs, and to integrate those operations into the Intake, Referral, and Inventory System (IRIS).

ACTIVITY DESCRIPTION:

The functions to be automated include eligibility determination, benefit calculation and issuance, case management, and accounting. Automation of these functions will provide a cornerstone for the state's efforts to reduce fiscal sanctions imposed by the federal government. The projected sanctions of \$4,000,000 annually exceed the costs of developing and operating the system. Automation of routine tasks performed by local agency financial workers throughout Minnesota will eliminate most types of errors which provoke sanctions. The system will provide administrative efficiencies which will allow faster and better client service. It will also provide a statewide database for program coordination, forecasting, simulation, analysis, budgeting, fiscal management, planning, and fraud control, and it will establish automated coordination with those state/local programs within the Intake, Referral, and Inventory System (IRIS). The project will require approximately 3 years to complete.

Because the system requirements cannot be determined until they are specified through a "requirements analysis" of state and local agency functions, accurate projections regarding specific schedules, costs, and system capabilities will not be available until F.Y. 1988. The project's current budget is based on estimates provided by a consultant for a centrally-based system developed through a standard systems development schedule. If a locally-based system is needed, the consultant's estimates, particularly those for hardware, could significantly underrepresent the actual costs.

The need for this system is clearly established. There has been a great deal of pressure from the federal Departments of Health and Human Services and Agriculture to upgrade Minnesota's present systems capabilities, and recent federal food stamp law now requires it. Transfer of systems technology from other states is likely.

ACCOMPLISHMENTS AND GOALS:

Accomplishments: In F.Y. 1986, the Department gathered information to analyze the feasibility and cost-effectiveness of the project. The findings were presented to the 1986 Legislature. The project was officially established in F.Y. 1987 under authorization of the 1986 Special Session of the Legislature. Project planning began in July 1986.

ACCOMPLISHMENTS AND GOALS (Contd.):

Goals: Development and implementation of the majority of system functions by the end of the biennium.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of states operating like systems at 80% or more federal share	8	12	20	33

FEDERAL ISSUES:

Under current federal law, the AFDC portions of the system are reimbursed at 90% and the Food Stamp portions are reimbursed at 75%. Because the state/county General Assistance program will also be included in the system, the net reimbursement rate is projected at 80% for development and 75% for hardware. Since the proposed Fund 20 (revolving account) budget relies on capture of the federal share to match with the requested state appropriation, any reduction in federal reimbursement rates would require a supplemental appropriation.

RECENT BUDGET HISTORY:

In the 1986 Special Session, the department was authorized to develop the system and was authorized to deposit the federal matching funds relating to expenditures for this system into a Fund 20 revolving account. However, no state funding was appropriated. To begin the project, the Department pooled its staff resources with IRIS funds made available through an interagency agreement with the Office of Full Productivity and Opportunity and the Department of Jobs and Training.

EXPLANATION OF BUDGET REQUEST:

This activity was not funded by an appropriation in the last biennium. The budget request and supporting information are detailed in the agency-wide change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

MANAGEMENT ACTIVITY: STWIDE AUTOMATED ELIG PROJ

AGENCY: HUMAN SERVICES, OPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS			265.4		1,759.5	1,759.5	3,000.0		2,105.2	2,105.2	
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES			265.4		1,759.5	1,759.5	3,000.0		2,105.2	2,105.2	
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES			65.4		190.2	190.2	312.7		122.5	122.5	
EXPENSES & CONTRAC. SERV			175.0		1,186.8	1,186.8	2,414.5		1,227.7	1,227.7	
SUPPLIES & MATERIALS			10.0		10.0	10.0	20.0		10.0	10.0	
EQUIPMENT			15.0		372.5	372.5	252.8		745.0	745.0	
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS			265.4		1,759.5	1,759.5	3,000.0		2,105.2	2,105.2	
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL					1,759.5	1,759.5	3,000.0		2,105.2	2,105.2	
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE			265.4								
TOTAL FINANCING			265.4		1,759.5	1,759.5	3,000.0		2,105.2	2,105.2	
POSITIONS BY FUND											
GENERAL					10.0	10.0	10.0		10.0	10.0	10.0
TOTAL POSITIONS					10.0	10.0	10.0		10.0	10.0	10.0

ACTIVITY: WORK AND TRAINING
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 74.3	\$ 60.8	\$ 37.4	\$ 41.8	\$ 43.1

ACTIVITY OBJECTIVE:

To implement the Minnesota Jobs Act of 1985 in coordination with the Department of Jobs and Training (DJT) and the Office of Full Productivity and Opportunity (OFPO), to manage employment and training programs serving exclusively public assistance recipients, and to ensure these recipients have access to employment and training programs serving the general population.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of participating counties:*				
WIN	27	21	17	17
CWEP Demonstration	7	7	7	7
AFDC Grant Diversion	1	20	35	50
AFDC Grant Diversion with supported work component	1	15	20	25
WR Grant Diversion (Includes GA)	3	7	7	7
Food Stamp Job Search	29	29	29	29
Work Readiness	87	87	87	87

*The number of counties participating in job search and employment activities varies due to differences in resources and local job opportunities.

ACTIVITY DESCRIPTION:

This activity is under the functional supervision of, and is co-located with the DJT. It develops, implements, evaluates, and reports on state employment and training programs. These tasks are accomplished through the cooperation of the staff of DHS, DJT, and OFPO. Tasks include design of new programs; administrative rulemaking; review and analysis of federal and state laws, regulations, and proposed legislation; preparation of instructional and informational material; response to inquiries; and reporting and evaluation for the Work Incentive Program (WIN), Grant Diversion (GD), the Community Work Experience Program (CWEP) and Work Readiness (WR). This activity is liaison between DHS and DJT, develops and recommends coordination strategies between the various jobs service programs, and assists DJT in developing employment and training programs and reporting related to those programs. These functions are essential to achieving the mandates of the Jobs Act of 1985.

ACCOMPLISHMENTS AND GOALS:

The major accomplishments of this activity have been successfully achieved as a result of the joint efforts of DHS, DJT, and OFPO. They are: 1) implementation of AFDC Grant Diversion; 2) development of WR Grant Diversion Rule; 3) implementation of an Employment Search component for the CWEP counties; 4) integration of Supported Work projects with AFDC grant diversion, and with the Minnesota Employment and Economic Development (MEED)

ACCOMPLISHMENTS AND GOALS (Contd.):

discretionary fund grants; 5) increase in available funds for employment and training costs for AFDC (through WIN and Employment Special Needs); and 6) establishment of reporting and monitoring procedures on Work Readiness.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
New WIN Registrants	21,000	19,500	18,500	18,500
Total WIN Registrants	36,000	34,500	33,500	33,500
CWEP Participants	400	400	400	400
AFDC Grant Diversion Participants	25	300	500	700
GA/WR Grant Diversion Participants	0	50	100	150
Food Stamp Job Search Participants	9,684	10,500	11,000	11,000
Work Readiness Participants	N/A	N/A	31,661	33,009

LEGISLATIVE ISSUES:

WIN is likely to be reduced again in the next federal fiscal year, thereby reducing the number of participating counties. Reduction of WIN affects statewide availability of employment and training services for AFDC. The WR program requires availability of statewide services for WR clients and certain GA recipients. Services are not available statewide in a systematic fashion. Options for statewide extension include county outreach to recipients and referral to MEED, Jobs Training and Partnership Act (JTPA) and Job Service implementation of Title IV-A (AFDC) Employment Search.

WR Grant Diversion implementation is hindered by the 2-month benefit limitation. Authority is needed to extend the benefit period for purposes of WR job development. If this authority is not established, grant diversion should not be an employment strategy for WR.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity. This request does not include changes related to proposed income support and jobs initiatives. Those changes have been deferred, at the request of the Coordinator of Full Productivity and Opportunity, for inclusion in the Governor's income support/jobs policy proposal.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

MANAGEMENT ACTIVITY: WORK & TRAINING

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	411.0	409.5	294.4	302.5		302.5	905.0	302.4		302.4	904.9
LOCAL ASSISTANCE	1,533.5	5,359.7	5,435.2	5,075.0		5,075.0	7,310.0	5,075.0		5,075.0	9,452.5
AIDS TO INDS.											
INTERAGENCY TRANSFERS				360.2		360.2	360.2	360.2		360.2	360.2
TOTAL EXPENDITURES	1,944.5	5,769.2	5,729.6	5,737.7		5,737.7	8,575.2	5,737.6		5,737.6	10,717.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	192.6	168.6	115.0	122.9		122.9	362.9	122.8		122.8	362.8
EXPENSES & CONTRAC. SERV	24.7	18.3	41.8	42.0		42.0	404.5	42.0		42.0	404.5
SUPPLIES & MATERIALS	3.0	12.6	1.4	1.4		1.4	1.4	1.4		1.4	1.4
EQUIPMENT	.7		1.2	1.2		1.2	1.2	1.2		1.2	1.2
OTHER EXPENSE ITEMS	190.0	210.0	135.0	135.0		135.0	135.0	135.0		135.0	135.0
TOTAL STATE OPERATIONS	411.0	409.5	294.4	302.5		302.5	905.0	302.4		302.4	904.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	316.5	3,969.3	3,929.6	3,937.7		3,937.7	6,775.2	3,937.6		3,937.6	8,917.6
DEDICATED APPROPRIATIONS:											
FEDERAL	1,628.0	1,799.9	1,800.0	1,800.0		1,800.0	1,800.0	1,800.0		1,800.0	1,800.0
TOTAL FINANCING	1,944.5	5,769.2	5,729.6	5,737.7		5,737.7	8,575.2	5,737.6		5,737.6	10,717.6
POSITIONS BY FUND											
GENERAL	2.0	1.0	1.0	1.0		1.0	7.0	1.0		1.0	7.0
FEDERAL	4.0	4.0	4.0	4.0		4.0	4.0	4.0		4.0	4.0
TOTAL POSITIONS	6.0	5.0	5.0	5.0		5.0	11.0	5.0		5.0	11.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: WORK AND TRAINING
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

DESCRIPTION/BACKGROUND (Contd.):

conducted jointly by local institutions. From these sessions, priority recipients will be screened out for assessment and completion of an employability development plan. Priority recipients will then be referred into appropriate employment, training, or education activities.

Recipients of AFDC-Unemployed Parent (UP) will be included in the orientation sessions. AFDC-UP recipients will then proceed through a job search, either assisted or unassisted, depending upon individual need.

In addition, the Governor recommends funding for grant diversion and supported work. Because the cost of administering these programs is high, counties and employment and training providers need financial assistance as an incentive to provide services. This money will reimburse these local providers for staff time.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Governor's Recommendation				
General Fund	\$2,475.0	6.0	\$4,617.5	6.0
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 268.672 to 268.82				

State Funding Summary

Activity	F.Y. 1988	F.Y. 1989
Administration	\$ 240.0	\$ 240.0
Long-term recipients	380.0	1,380.0
Orientation	586.0	991.5
Assessment/EDP	584.0	1,166.0
Job search	530.0	530.0
Grant diversion/supp. work	155.0	310.0
Total	\$2,475.0	\$4,617.5

GOVERNOR'S RECOMMENDATION:

The Governor recommends the above amounts and positions be provided to fund initiatives to assist Aid to Families with Dependent Children (AFDC) recipients in securing employment. The funds will be supplemented by federal employment search, Title IV-A, and Job Training Partnership Act (JTPA) funds. This request is a component of the Governor's jobs/income support initiative.

DESCRIPTION/BACKGROUND:

A total of \$1,760.0 of the new funds will be awarded to local communities, employment and training providers, training institutions or other groups on a competitive basis to serve long-term (over 24 months) AFDC recipients. Groups awarded grants will be required to match state funds with other funds (federal, local, private, school, etc.). Programs will help recipients achieve self-sufficiency through skill training, support services, child care, and ultimately, a job. It is expected that 800 recipients can be served in the biennium.

The remainder of the funds will be administered by the Department of Human Services (DHS), which will supervise and oversee the activities outlined below, utilizing 6 positions (\$240,000 with 50% federal reimbursement). Actual administration of these activities will be carried out by the state's regional employment and training system.

The Governor recommends that the state adopt 3 priority groups within the AFDC population: teenage parents, recipients who have been on AFDC for more than 24 months, and recipients without high school diplomas. All recipients would be provided with orientation on available employment, training, education, and support services,

RATIONALE:

Over half of Minnesota's AFDC population is off of assistance in less than 2 years. For these people, the system works. The above activities target those recipients for whom the system does not work: long-term recipients and those at risk of becoming long-term recipients. Since long-term recipients are the most costly to the state, targeting this group offers the greatest potential savings.

The strategy of the activities proposed above is to not intervene too quickly. The fact that over half of recipients leave assistance within 2 years demonstrates that the current system is working for some recipients. The Governor's recommendations try not to interfere with those for whom the system works, other than ensuring that all recipients have an opportunity to receive employment, training, and education services.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: WORK AND TRAINING
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: MINNESOTA AFDC ENTREPRENEURSHIP PROGRAM	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Governor's Recommendation				
General Fund	\$362.5	-0-	\$362.5	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: 256.00				

GOVERNOR'S RECOMMENDATION:

The Governor recommends the above funding for the state share (46.5%), in collaboration with private sector (38.3%) and federal Job Training Partnership Act (JTPA) monies (15.2%), for the Aid to Families with Dependent Children (AFDC) Entrepreneurship national demonstration project. The Department of Human Services (DHS), in cooperation with the Department of Jobs and Training, Department of Energy and Economic Development, and the Office of Full Productivity and Opportunity, proposes implementation of the Individual Enterprise pilot program authorized by the 1985 Minnesota Jobs Act: M.S. 268.95, Subd. 4. The overall objective of the project will be to determine the effectiveness of modifying AFDC regulations to allow recipients to start and expand micro-businesses to the point of self-sufficiency. The pilot will be the first such program in the United States, and involves Minnesota as the lead state among a consortium of states working with the federal government. Any funding balance in F.Y. 1988 will be carried over into F.Y. 1989. This request is a component of the Governor's jobs/income support initiative.

DESCRIPTION/BACKGROUND:

Planning for the AFDC Entrepreneurship Program and completion of the necessary federal demonstration application was initiated 2 years ago when a coalition of women's organizations, and public and private agencies asked DHS to request a waiver of certain federal AFDC regulations which effectively prevented recipients from using self-employment as a route to self-sufficiency. In response to those requests and legislative directives, DHS designed, through an interagency process, a program to remove policy disincentives and provide the following: a process for identifying and screening potential entrepreneurs; pre-self-employment education and technical assistance; start-up and ongoing technical assistance and support services; modest loans for start-up costs and capital investment; and quality control and evaluation.

DESCRIPTION/BACKGROUND (Contd.):

The program, including start-up and follow-up phases, will last 4 years with a total of 450 business start-ups at 2 multi-county sites in Minnesota (Twin Cities and a rural area). Since more than half of the 450 business start-ups will occur in this biennium, costs for the remainder of the program will be less (\$915,000, of which \$428,000 would be state money in F.Y. 1990 and F.Y. 1991).

EFFECTIVENESS MEASURES

	F.Y. 1988	F.Y. 1989	Total
Business start-ups	50	210	260
Participants with consulting contracts	75	315	390
Participants at orientation sessions	113	477	590
Participants off welfare	-0-	34	34
Loan default rate of less than 20%			
Business success rate of 60%			

The numbers of participants who reach self-sufficiency are low in the first 2 years of the 4-year project because of the length of the program and because start-up phases involve few participants. Even if the program did not continue after the first biennium (no new businesses started), the number of participants reaching self-sufficiency would continue to grow for another year. By the second quarter of F.Y. 1990, a total of 184 participants will have left welfare as a result of the program.

Budget Breakdown	State	Private Sector	JTPA	Total
Program Administration	\$127.0	\$-0-	\$ -0-	\$127.0
Technical Assistance and Services	118.0	118.0	236.0	472.0
Loan Fund (to be repaid)	480.0	480.0	-0-	960.0
Total:	\$725.0	\$598.0	\$236.0	\$1,559.0

RATIONALE:

The pilot program will not show a net savings in this biennium because of one time developmental and research costs. However, the net cost of the pilot program at the end of the fourth year is estimated at only \$120.0. A successful pilot project would give Minnesota a model which could be replicated statewide. An estimated ongoing statewide program could facilitate business start-ups for 350 AFDC recipients a year. Estimates show a total benefit of over \$1 million at the end of the 4-year pilot program, with 93% of the benefits in the form of reduced welfare costs. From a pragmatic standpoint, the Department believes that only a minority of people are potentially successful entrepreneurs and that this minority is distributed across all strata of the community. Given the vital importance of new small business in a growing economy, it would be a waste of human resources to allow the potential entrepreneurs on AFDC to be permanently frustrated by poverty and an unresponsive bureaucracy. This program is proposed in part because it is believed that the more routes to self-sufficiency which can be developed, the more likely it is a recipient will find a way off public welfare.

ACTIVITY: REFUGEE ASSISTANCE PROGRAM
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To provide for the effective resettlement and economic self-sufficiency of refugees moving to the State of Minnesota.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of refugees in state	31,000	33,000	35,000	36,000
Refugees participating in programs	65%	65%	65%	65%

ACTIVITY DESCRIPTION:

The Refugee Assistance Program (RAP) administers programs for refugees according to federal regulations, goals, and priorities. The goal of refugee economic self-sufficiency within the shortest possible time is to be achieved through the planned and coordinated use of support services, and cash and medical assistance as transitional aid where necessary. Economic self-sufficiency is defined as gainful employment in non-subsidized jobs with at least 90-day retention and receipt of a wage adequate for the basic economic needs of the person and family without reliance on public financial assistance.

The funds allotted to this activity assist existing agencies in providing services to support the eligible refugee population. Special refugee cash and medical assistance is available for the first 18 months an eligible refugee is in the United States. One hundred percent reimbursement for the non-federal share is available to the state for refugees qualifying for standard public assistance programs (Aid to Families with Dependent Children (AFDC), General Assistance (GA), Minnesota Supplemental Aid (MSA), General Assistance Medical Care (GAMC), and Medicaid for an additional 15 months). Social services are focused mainly toward employment. The costs for all services are paid by the federal government.

Since 1975, Minnesota has resettled over 30,000 refugees and currently receives an average of 280 arrivals per month. About 80% of the refugees live in Hennepin and Ramsey Counties. It is anticipated that 3,000 new refugees will resettle in Minnesota in 1988-89.

Authority for this activity is found in M.S. 256.01, Subd. 2; Sect. 412(a)(6)(B) of the Immigration and Nationality Act; and Refugee Act of 1980 and Amendments, P.L. 96-212.

ACCOMPLISHMENTS AND GOALS:

- 1) Improved monitoring and evaluation of social service programs and policies.
- 2) Establishment of comprehensive data system for refugee programs and funding
- 3) Continued development of refugee assistance organizations.
- 4) Technical assistance and workshops for refugee community leaders and members.
- 5) Timely processing of refugee social service contracts.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Average monthly RAP recipients (0-31 months)	4,562	4,600	4,600	4,600
Average monthly benefit per recipient	\$164	\$164	\$164	\$164

FEDERAL ISSUES:

- 1) The federal budget for F.F.Y. 1987 (10-1-86 to 9-30-87) contains the following:
 - a) reimbursement for cash and medical assistance and related administrative costs reduced from the first 31 months to the first 18 months after a refugee's arrival in the U.S. The state would lose approximately \$1 million per year;
 - b) establishment of an all Refugee Cash Assistance program, removing all refugees from AFDC during their first 18 months in the U.S.;
 - c) elimination of refugee children's education assistance (a loss to Minnesota schools of approximately \$600,000 per year);
 - d) elimination of Targeted Assistance for Ramsey and Hennepin Counties (a loss of approximately \$1 million per year).
- 2) The federal government has proposed a plan to phase out the Southeast Asian refugee program and to establish an immigration program for Southeast Asians still in refugee camps in Thailand and East Asia. Such a plan would treat Southeast Asians as other immigrants without additional federal support and without access to federal financial assistance programs (AFDC, MA, SSI).

EXPLANATION OF BUDGET REQUEST:

No state funds are requested.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

MANAGEMENT ACTIVITY: REFUGEE ASSISTANCE PROGRAM

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	627.8	681.6	912.8	912.9		912.9	912.9	912.9		912.9	912.9
LOCAL ASSISTANCE	9,991.3	11,067.7	10,898.0	9,998.0		9,998.0	9,998.0	9,998.0		9,998.0	9,998.0
AIDS TO INDS.	2,708.3	2,314.2	2,200.0	2,200.0		2,200.0	2,200.0	2,200.0		2,200.0	2,200.0
TOTAL EXPENDITURES	13,327.4	14,063.5	14,010.8	13,110.9		13,110.9	13,110.9	13,110.9		13,110.9	13,110.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	291.0	429.7	540.5	540.5		540.5	540.5	540.5		540.5	540.5
EXPENSES & CONTRAC. SERV	107.9	80.7	98.8	98.9		98.9	98.9	98.9		98.9	98.9
SUPPLIES & MATERIALS	3.6	7.5	2.5	2.5		2.5	2.5	2.5		2.5	2.5
EQUIPMENT	30.1	1.5	3.0	3.0		3.0	3.0	3.0		3.0	3.0
OTHER EXPENSE ITEMS	195.2	162.2	268.0	268.0		268.0	268.0	268.0		268.0	268.0
TOTAL STATE OPERATIONS	627.8	681.6	912.8	912.9		912.9	912.9	912.9		912.9	912.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	50.9	10.5	10.8	10.8		10.8	10.8	10.8		10.8	10.8
FEDERAL	13,276.5	14,053.0	14,000.0	13,100.1		13,100.1	13,100.1	13,100.1		13,100.1	13,100.1
TOTAL FINANCING	13,327.4	14,063.5	14,010.8	13,110.9		13,110.9	13,110.9	13,110.9		13,110.9	13,110.9
POSITIONS BY FUND											
FEDERAL	10.5	15.0	17.0	17.0		17.0	17.0	17.0		17.0	17.0
TOTAL POSITIONS	10.5	15.0	17.0	17.0		17.0	17.0	17.0		17.0	17.0

ACTIVITY: AID TO FAMILIES WITH DEPENDENT CHILDREN
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To fund income assistance to low income families with minor children who are experiencing a deprivation of parental support or care.

ACTIVITY DESCRIPTION:

This activity provides grants to eligible children and families. In addition to deprivation of parental support or care, income and resources must be within the allowable limits set forth by Congress and the Minnesota Legislature. The income standards for the Aid to Families with Dependent Children (AFDC) Program vary depending on the size and composition of the family. In no event can gross countable income exceed 185% of the standard of need established by the legislature. The AFDC Program also provides emergency assistance for families with children under age 21 who are facing destitution and who cannot resolve the crisis with available resources.

This program is funded with approximately 53% federal funds, 40% state funds and 7% local funds. It provides opportunities for self-support through various employment incentives. It also provides an opportunity to strengthen family life by keeping families together.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total expenditures	\$279,509.0	\$299,599.4	\$308,761.4	\$318,566.0
Average monthly number of recipients	158,277	167,584	172,728	178,326
Average monthly grant per recipient	\$147	\$149	\$149	\$149

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

MANAGEMENT ACTIVITY: AID FAM DEPENDENT CHILDREN

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	252,967.0	245,778.9	246,897.9	253,980.9	586.1	254,567.0	258,058.0	259,283.9	3,131.4	262,415.3	268,905.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	106,067.6	80,830.9	82,485.5	82,485.5	586.1	83,071.6	86,562.6	82,485.5	3,131.4	85,616.9	92,106.7
DEDICATED APPROPRIATIONS:											
FEDERAL	146,899.4	164,948.0	164,412.4	171,495.4		171,495.4	171,495.4	176,798.4		176,798.4	176,798.4
TOTAL FINANCING	252,967.0	245,778.9	246,897.9	253,980.9	586.1	254,567.0	258,058.0	259,283.9	3,131.4	262,415.3	268,905.1
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: AID TO FAMILIES WITH DEPENDENT CHILDREN
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for the following: (1) A biennial increase of \$13,200.0 required because of adjustments made to Mortgage and Deed Tax estimates submitted by the agency. By law, a portion of county Mortgage Registration Tax and Deed Transfer Tax receipts are credited against the state share of AFDC costs. The agency's AFDC forecast of state share requirements is reduced by the estimated tax receipts. Review of the agency's F.Y. 1988-89 estimates by the Department of Finance indicated a need for a reduction of \$13,200.0. The Department of Finance believes that the high level of realty transactions reflected in the growth of the receipts during the past several years will not be maintained during the new biennium. Thus, estimated receipts were reduced from \$38,600.0 to \$34,000.0 for F.Y. 1988 and from \$40,600.0 to \$32,000.0 for F.Y. 1989. (2) A reduction of \$1,000.0 in F.Y. 1989 required by modification of the rate of federal financial participation (FFP). The agency's forecast assumed that FFP beginning October 1, 1988 would be 53.48%. This would be a reduction from the preceding year rate of 53.98%. Changes in FFP are based on changes in Minnesota's per capita personal income in relation to the nation as a whole. Upon review of relevant data by Department of Finance Economic Analysis staff, it was determined that this state-national income relationship would not change significantly during the applicable period. Thus, the assumed rate was increased from 53.48% to 53.98%. This resulted in an increased federal share and a reduced state share.

Request Title: AFDC GRANT FUNDING FORECAST	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General fund	\$586.1	-0-	\$3,131.4	-0-
Governor's Recommendation				
General Fund	\$5,186.1	-0-	\$10,731.4	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to provide maintenance grants at the level required by current state law.

DESCRIPTION/BACKGROUND:

Aid to Families with Dependent Children grants are provided to eligible families for children who are without support. Income and resources limits are established in law. This change is requested to provide grants at the currently authorized level.

RATIONALE:

This change request is based on the department's forecast of program expenditures under current law.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: AID TO FAMILIES WITH DEPENDENT CHILDREN
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Governor's Recommendation				
General Fund	(\$637.0)	-0-	(\$637.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 393.07				

GOVERNOR'S RECOMMENDATION:

The Governor recommends a reduction in the above amounts to reflect anticipated savings to be achieved as a result of the proposed new county child support enforcement fiscal incentive. The proposed incentive, which is an offset to this reduction, is described in a Child Support Enforcement activity change request.

BACKGROUND/DESCRIPTION:

A review of the state's child support enforcement system indicated the need for incentives to improve county support collections. Increased collections returned to the state reduce the state's share of Aid to Families with Dependent Children grant costs.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: AID TO FAMILIES WITH DEPENDENT CHILDREN
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Governor's Recommendation				
General Fund	(\$472.0)	-0-	(\$473.2)	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

GOVERNOR'S RECOMMENDATION:

The Governor recommends a reduction in Aid to Families with Dependent Children (AFDC) funding contingent on the approval of the funding and positions requested in the Child Support Judgment Recovery Change Request.

DESCRIPTION/BACKGROUND:

The approval of the Child Support Judgment Recovery Initiative will increase child support collections which are refunded to the AFDC program. Refer to the Child Support Enforcement section of the budget.

ACTIVITY: GENERAL ASSISTANCE
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To fund maintenance grants to individuals and families not eligible for Aid to Families with Dependent Children (AFDC), or other monthly income assistance programs.

ACTIVITY DESCRIPTION:

This activity provides General Assistance grants to meet shelter, utility, basic and special needs of Minnesota residents whose net monthly income does not exceed grant standards, and who meet program eligibility criteria.

This program is funded with 75% state and 25% local funds, up to the state standard.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total expenditures	\$54,395.3	\$54,812.0	\$58,828.9	\$62,107.6
Average monthly number of recipients	24,015	22,735	24,872	26,115
Average monthly individual grant per recipient	\$212	\$223	\$219	\$220

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

MANAGEMENT ACTIVITY: GENERAL ASSISTANCE

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	57,847.1	40,428.3	40,780.2	40,780.2	314.5	41,094.7	28,282.9	40,780.2	649.5-	40,130.7	28,776.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	57,847.1	40,428.3	40,780.2	40,780.2	314.5	41,094.7	28,282.9	40,780.2	649.5-	40,130.7	28,776.8
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	57,847.1	40,428.3	40,780.2	40,780.2	314.5	41,094.7	28,282.9	40,780.2	649.5-	40,130.7	28,776.8
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: GENERAL ASSISTANCE GRANT FUNDING FORECAST				
Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$2,988.5	-0-	\$5,427.8	-0-
Governor's Recommendation				
General Fund	\$2,964.5	-0-	\$5,286.1	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to provide maintenance grants at the level required by current state law.

DESCRIPTION/BACKGROUND:

General Assistance (GA) grants are provided to persons who meet eligibility standards and are not eligible for a federally funded program. Grants may provide for shelter, utility, basic, and special needs.

RATIONALE:

This change request is based on the department's forecast of program expenditures under current law.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$165.7 for negotiated rate facility inflation. Inflation rates of 3.9% in 1988 and 4.4% in 1989 assumed in the forecast have been adjusted to 2.5% each year to be consistent with the treatment of other activities. The Commissioner of Human Services will submit proposed legislation required to implement this recommendation.

CHANGE REQUEST

1987-89 Biennial Budget

 Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund Transfer	(\$2,674.0)	-0-	(\$2,786.3)	-0-
Governor's Recommendation				
General Fund	(\$1,765.5)	-0-	(\$1,794.5)	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the General Assistance (GA) appropriation reflecting the transfer of this amount of money to the Consolidated Chemical Dependency Fund as required by Laws of Minnesota 1986, Ch. 394.

DESCRIPTION/BACKGROUND:

General Assistance (GA) is now used to pay for the cost of room and board for GA recipients residing in chemical dependency treatment programs which are not part of a hospital. These clients will be covered under the Consolidated Chemical Dependency Treatment Fund and GA will no longer pay for room and board in chemical dependency treatment facilities.

RATIONALE:

The amount to be transferred is estimated based on existing expenditures adjusted in accord with the overall GA program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the transfer as requested except for a biennial reduction of \$1,900.3. This reduction results from changes to the General Assistance (GA) activity which are described in State Administrative Aid and GA change requests. These changes lower the GA base and therefore also lower the amount to be transferred to the chemical dependency fund.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

GOVERNOR'S RECOMMENDATION:

The Governor recommends the transfer as requested except for a F.Y. 1989 reduction of \$1,172.6 required by changes to the agency's request. These changes, which are described in State Administrative Aid and GA change requests, lower the GA base and therefore also lower the amount to be transferred to the Mental Health Fund.

Request Title: GENERAL ASSISTANCE TRANSFER TO MENTAL HEALTH FUND				
Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ -0-	-0-	(\$3,291.0)	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	(\$2,118.4)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256D.01, Subd. 1b				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the General Assistance (GA) appropriation reflecting the transfer of this amount of money to the State Mental Health Fund as indicated in proposed legislation.

DESCRIPTION/BACKGROUND:

Currently, GA pays for negotiated rate room and board costs for mentally ill clients who qualify for GA and reside in facilities licensed under Rule 36 (Minnesota Rules, parts 9520.0500-9520.0690). The department is proposing legislation to combine funding for mental health services from a number of existing funding sources. This change will provide counties with more flexibility to use funds more efficiently to meet client needs.

RATIONALE:

The amount to be transferred is estimated based on existing expenditures adjusted in accord with the overall GA program.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: GENERAL ASSISTANCE
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: REDUCE STATE PARTICIPATION AND REDIRECT SAVINGS TO STATE ADMINISTRATIVE AID ACCOUNT				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	(\$13,696.3)	-0-	(\$13,376.6)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256D				

GOVERNOR'S RECOMMENDATION:

After review of this activity, the Governor recommends a reduction of \$13,696.3 in F.Y. 1988 and \$13,376.6 in F.Y. 1989. This reduction results from reducing the state's participation rate in General Assistance (GA) from the current 75% state/25% county to 50% state/50% county. Savings from this change would be redirected to the State Administrative Aid account. The rationale for this proposal is described in a State Administrative Aid change request. The Commissioner of Human Services will submit proposed legislation required to implement this recommendation.

DESCRIPTION/BACKGROUND:

An analysis of the State Administrative Aid activity indicated that fundamental changes to the activity were necessary to improve effectiveness. These proposed changes are described in a State Administrative Aid change request.

ACTIVITY: WORK READINESS
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To fund maintenance grants to individuals not eligible for General Assistance, or other monthly assistance programs.

ACTIVITY DESCRIPTION:

This activity provides Work Readiness grants to meet shelter, utility and basic needs to Minnesota residents whose net monthly income does not exceed grant standards, and who meet eligibility criteria. Grants are limited to 2 or 6 months depending on the recipients status.

This program is funded with 75% state and 25% local funds, up to the state standard.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total expenditures	\$18,753.0	\$22,719.4	\$21,862.9	\$21,027.7
Average monthly number of recipients	8,877	10,610	10,210	9,820
Average monthly grant per recipient	\$ 188	\$ 190	\$ 190	\$ 190

EXPLANATION OF BUDGET REQUEST:

The SAME level funding is requested for this activity except for the changes detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

MANAGEMENT ACTIVITY: WORK READINESS

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE		14,059.5	17,039.5	17,039.5	642.4-	16,397.1	19,097.1	17,039.5	1,268.7-	15,770.8	19,170.8
AIDS TO INDS.											
TOTAL EXPENDITURES		14,059.5	17,039.5	17,039.5	642.4-	16,397.1	19,097.1	17,039.5	1,268.7-	15,770.8	19,170.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL		14,059.5	17,039.5	17,039.5	642.4-	16,397.1	19,097.1	17,039.5	1,268.7-	15,770.8	19,170.8
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING		14,059.5	17,039.5	17,039.5	642.4-	16,397.1	19,097.1	17,039.5	1,268.7-	15,770.8	19,170.8
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: WORK READINESS
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	(\$642.4)	-0-	(\$1,268.7)	-0-
Governor's Recommendation				
General Fund	(\$642.4)	-0-	(\$1,268.7)	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above decrease in funds to provide maintenance grants at the level required by current state law.

DESCRIPTION/BACKGROUND:

Work Readiness grants are provided to persons who meet eligibility standards and are not eligible for a federally funded program or General Assistance. Grants may provide for shelter, utility, and basic needs. Grants are limited to 2 or 6 months depending on the recipients status.

RATIONALE:

This change request is based on the department's forecast of program expenditures under current law.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: WORK READINESS
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Governor's Recommendation				
General Fund	\$2,700.0	-0-	\$3,400.0	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256D.051				

GOVERNOR'S RECOMMENDATION:

The Governor recommends the above amounts to extend the period of eligibility for Work Readiness (WR) services from the current 2 months in 24 to 6 months in 12. This change should improve the effectiveness of WR services by ensuring that a sufficient period of time is available to serve those individuals whose peculiar needs require assistance beyond the current 2 months of eligibility. This request is a component of the Governor's jobs/income support initiative.

DESCRIPTION/BACKGROUND:

Under current law, most WR recipients are eligible for 2 months of services during a 24 month period. Review of this activity has indicated that some individuals who have multiple barriers to becoming competitive in the job market cannot be effectively served in 2 months. Data indicates that many counties are now extending the period of eligibility for good-faith participants an additional 4 months. Since experience has demonstrated that many recipients cannot be effectively served within the 2 month limitation, it is recommended that the period of eligibility for all recipients be extended to 6 months.

ACTIVITY: MINNESOTA SUPPLEMENTAL AID
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To fund a monthly supplemental payment to aged, blind, or disabled persons whose income from federal Supplemental Security Income (SSI) or other sources is below state assistance standards.

ACTIVITY DESCRIPTION:

This activity provides grants to persons who are aged, blind, or disabled if their net income is below the state standard and they meet the established eligibility limits.

- 1) Aged means persons over 65 years of age.
- 2) Disabled means persons under 65 years of age, but disabled according to standards in use in the Aid to the Disabled (AD) Program in 1973.
- 3) Blind means persons medically determined to be legally blind according to the standards in use in the Aid to the Blind (AB) Program in 1973.

This program is funded with 85% state and 15% local funds.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total Expenditures	\$19,126.3	\$22,241.8	\$25,619.1	\$29,330.3
Average monthly number of recipients	10,766	11,287	11,882	12,498
Average monthly grant per recipient	\$148	\$164	\$180	\$196

BASE LEVEL REVIEW:

This activity has been selected for base level review.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

MANAGEMENT ACTIVITY: MINN SUPPLEMENTAL AID

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE											
AIDS TO INDS.	14,441.0	15,529.0	18,905.6	18,905.6	2,911.6	21,817.2	21,711.9	18,905.6	20.2-	18,885.4	18,618.9
TOTAL EXPENDITURES	14,441.0	15,529.0	18,905.6	18,905.6	2,911.6	21,817.2	21,711.9	18,905.6	20.2-	18,885.4	18,618.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	14,441.0	15,529.0	18,905.6	18,905.6	2,911.6	21,817.2	21,711.9	18,905.6	20.2-	18,885.4	18,618.9
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	14,441.0	15,529.0	18,905.6	18,905.6	2,911.6	21,817.2	21,711.9	18,905.6	20.2-	18,885.4	18,618.9
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MINNESOTA SUPPLEMENTAL AID GRANTS
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: MSA GRANT FUNDING FORECAST				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$2,870.6	-0-	\$6,025.1	-0-
Governor's Recommendation				
General Fund	\$2,765.3	-0-	\$5,616.6	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to provide maintenance grants at the level required by current state law.

DESCRIPTION/BACKGROUND:

Minnesota Supplemental Aid Grants are provided to aged, blind and disabled persons whose income is below the state standard of need and who are within established income and resource limits. These grants are a supplement to other income to ensure that basic needs are met.

RATIONALE:

The change request is based on the department's forecast of program expenditures under current law.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$513.8 for negotiated rate facility inflation. Inflation rates of 3.9% in 1988 and 4.4% in 1989 assumed in the forecast have been adjusted to 2.5% each year to be consistent with the treatment of other activities. The Commissioner of Human Services will submit proposed legislation required to implement this reduction.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

ACTIVITY: MINNESOTA SUPPLEMENTAL AID
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

The Governor recommends the transfer as requested except for a F.Y. 1989 reduction of \$142.0 required by a change in inflation for negotiated rate facilities. This change, which is described in the Minnesota Supplemental Assistance (MSA) forecast change request, lowers the MSA base and, therefore, also lowers the amount to be transferred to the Mental Health Fund.

Request Title: MINNESOTA SUPPLEMENTAL AID TRANSFER TO MENTAL HEALTH FUND	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ -0-	-0-	(\$6,178.0)	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	(\$6,036.0)	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 256D.37, Subd. 1				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the Minnesota Supplemental Assistance (MSA) appropriation reflecting the transfer of this amount of money to the State Mental Health Fund as indicated in proposed legislation.

DESCRIPTION/BACKGROUND:

Currently, MSA pays for negotiated rate room and board costs for mentally ill clients who qualify for MSA and reside in facilities licensed under Rule 36. The department is proposing legislation to combine funding for mental health services from a number of existing funding sources. This change will provide counties with more flexibility to use funds more efficiently to meet client needs.

RATIONALE:

The amount to be transferred is estimated based on existing expenditures adjusted in accord with the overall MSA program.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MINNESOTA SUPPLEMENTAL AID
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: EXPANSION OF SILS				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$41.0	-0-	\$132.7	-0-
Governor's Recommendation				
General Fund	\$41.0	-0-	\$132.7	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to pay for the room and board expenses associated with moving persons with mental retardation or related conditions from an ICF/MR to semi-independent living setting. The objective of this request is to secure or develop alternative and appropriate residential services for 180 persons with mental retardation inappropriately placed in nursing homes and thereby avoiding federal disallowance.

EFFECTIVENESS MEASURES:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of clients placed from ICF/MR to SILS setting	30	30	120	210
Persons per year	30	0	90	90
Number of clients who achieved reduced service levels from previous year	176	176	194	212
Number of clients achieving independent living each year	44	44	48	53

DESCRIPTION/BACKGROUND:

The Quality Assurance and Review Division (Department of Health) recommends the movement of approximately 80 ICF/MR residents to SILS in 1985. County boards have projected the movement of approximately 160 to 200 ICF/MR residents to SILS each year in their proposals to the department. Moreover, this continued movement is necessary to assure the appropriate use of ICF/MR funds for persons who no longer require that level of care and are not eligible for home and community-based services. The increase in client case load for this program will assist this continued movement.

DESCRIPTION/BACKGROUND (Contd.):

The SILS grants which are authorized by the Laws of 1983, Ch. 310, Sec. 1, pay for the training and supervision of a person with mental retardation or related condition in a semi-independent living setting. MSA, along with federal entitlement programs pays for the board and room costs for most persons living semi-independently. The average per client cost of SILS including board and lodging is approximately \$6,400 per year of which \$5,425 are state funds compared to the average cost of ICF/MR service at over \$22,000 per year of which \$9,500 are state funds.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of participating counties	79	79	80	80
Number of licensed vendors	80	80	80	80
Number of clients served	880	880	970	1,060

RATIONALE:

This change in funding will increase county capabilities to provide cost-effective alternatives to ICF/MR services for persons with mental retardation. This is consistent with the agency's goal to increase client self-sufficiency. This request totals \$173.7 which was determined based on 60% of the new persons (90 each year) receiving the average monthly aid payment of \$148.72 in F.Y. 1988 and \$160.61 in F.Y. 1989. These vacated ICF/MR beds will be directed toward persons with mental retardation inappropriately placed in nursing homes, thereby eliminating the need to develop new ICF/MRs to respond to this issue.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY: QUALITY CONTROL/CORRECTIVE ACTION
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 670.0	\$ 720.8	\$ 758.3	\$ 746.6	\$ 767.8

ACTIVITY OBJECTIVE:

To meet federal quality control requirements for the Aid to Families with Dependent Children (AFDC), Medical Assistance (MA), and Food Stamps (FS) Programs; to reduce state-determined payment error rates in the AFDC, MA, and FS Programs through the development and implementation of corrective management tools and activities; and to minimize the state's sanction liability.

ACTIVITY DESCRIPTION:

This activity performs the following functions necessary for cost containment: conducts federally mandated quality control reviews on a statewide random sample of AFDC, MA, and FS cases; determines causes of errors; and proposes changes to reduce errors and improve administration.

Federal law requires the federal Departments of Health and Human Services and Agriculture to impose fiscal sanctions on states which do not achieve specified error rates. Seven corrective action plans are written each year which identify state initiatives to reduce errors and control or reduce sanctions.

Forecasts indicate that we are in a period of considerable risk of sanctions due to the unpredictable effect of policy differences, statistical variations, and numerous complex program changes. Sanctions are also more likely because federal tolerance standards have decreased to unrealistic levels. Actual imposition of sanctions will be affected by appeals, litigation and a congressionally mandated national study of the quality control system.

Minnesota's Food Stamp Quality Control is performed by county agency employees. The DHS provides "technical" supervision to this staff but has no authority to hire or fire. This system operates under a waiver of the federal requirement that reviewers be state employees. There is a need to seriously consider abandoning this practice and create state level positions to conduct the food stamp quality control reviews. Administrative and functional efficiencies will result.

ACCOMPLISHMENTS AND GOALS:

AFDC: Minnesota has an excellent record of performance, with error rates consistently among the lowest in the nation. The state will be sanctioned if errors exceed 3%. Current initiatives to automate AFDC will help maintain Minnesota's accomplishments. The federal government, however, has expanded the areas included in the error rate. Due to the federal procedures used, it is unrealistic to expect even states with Minnesota's record to consistently achieve the 3% target and avoid sanctions. The federal sanction system has come under sever criticism and has been vigorously challenged in recent years. State Human Services Commissioners and Quality Control Directors have called for a major overhaul of the QC system, emphasizing management information and providing a more rational basis for sanctions.

ACCOMPLISHMENTS AND GOALS (Contd.):

Medical Assistance: Minnesota's reported error rate in this program has historically been less than 1%. The federal Health Care Financing Administration (HCFA) has disagreed with a number of policies in Minnesota's program. HCFA has forced compliance on these issues, regardless of Minnesota Statutes, by citing quality control errors and inflating the state's error rate. Minnesota will, therefore be subject to a Medical Assistance sanction of \$2.1 million for F.F.Y. 1985 and is at risk of substantially higher sanctions in subsequent periods if these issues are not resolved.

Food Stamps: Minnesota's FS error rate is higher than either AFDC or MA. We have initiated several projects to reduce errors, but the most successful solution will be corrective measures based on and integrated into the automated eligibility system that was authorized last session. We provide extensive technical assistance to local agencies, but success is dependent on local agencies taking actions and committing resources necessary to control the rate of agency error in the program.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Quality Control (QC) Reviews for AFDC	2,880	2,880	2,880	2,880
QC Reviews for MA	4,200	4,200	4,200	4,200
QC Reviews for FS	2,200	2,200	2,200	2,200
MA claims processing review	5,000	5,000	5,000	5,000
MA third-party liability reviews	3,740	3,740	3,740	3,740
Second Party Case Reviews	625	625	625	625
Sanction waiver requests completed	2	2	2	2
Major county technical assistance projects	5	5	5	5

FEDERAL ISSUES:

Low error rates will be maintained in AFDC and reductions in error rates will be achieved in the FS and MA programs. However, major changes in federal policies and assessment procedures make future state error rates and the state's sanction liability impossible to predict. State statute provides for distributing 50% of these sanctions to counties based on the proportion of county expenditures in the sanctioned program. Other alternatives for distribution between the counties have been considered, but there is no consensus at the county level for change nor is there a clear corrective action benefit to changing.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

MANAGEMENT ACTIVITY: QC-CORRECTIVE ACTION

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,184.0	1,294.3	1,407.2	1,381.1	1,883.7	3,264.8	3,244.8	1,376.8	1,283.8	2,660.6	2,640.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,184.0	1,294.3	1,407.2	1,381.1	1,883.7	3,264.8	3,244.8	1,376.8	1,283.8	2,660.6	2,640.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,053.4	1,169.5	1,261.0	1,240.1	33.9	1,274.0	1,274.0	1,235.8	33.9	1,269.7	1,269.7
EXPENSES & CONTRAC. SERV	112.1	119.1	142.5	137.3	1,848.8	1,986.1	1,967.1	137.3	1,248.9	1,386.2	1,367.1
SUPPLIES & MATERIALS	7.9	5.7	2.8	2.8	.5	3.3	2.8	2.8	.5	3.3	2.8
EQUIPMENT	10.6		.9	.9	.5	1.4	.9	.9	.5	1.4	.9
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,184.0	1,294.3	1,407.2	1,381.1	1,883.7	3,264.8	3,244.8	1,376.8	1,283.8	2,660.6	2,640.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,184.0	1,294.3	1,341.8	1,381.1	1,883.7	3,264.8	3,244.8	1,376.8	1,283.8	2,660.6	2,640.5
DEDICATED APPROPRIATIONS:											
AGENCY			65.4								
TOTAL FINANCING	1,184.0	1,294.3	1,407.2	1,381.1	1,883.7	3,264.8	3,244.8	1,376.8	1,283.8	2,660.6	2,640.5
POSITIONS BY FUND											
GENERAL	35.5	35.5	37.3	37.3	1.0	38.3	38.3	37.3	1.0	38.3	38.3
TOTAL POSITIONS	35.5	35.5	37.3	37.3	1.0	38.3	38.3	37.3	1.0	38.3	38.3

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: QUALITY CONTROL/CORRECTIVE ACTION
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: INCOME ELIGIBILITY AND VERIFICATION SYSTEM (IEVS)				
Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$83.7	1.0	\$83.8	1.0
Governor's Recommendation				
General Fund	\$63.7	1.0	\$63.7	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to operate a computer case match system to detect unreported income and assets of AFDC, MA, and Food Stamp clients. This system will be part of the national Income and Eligibility Verification System (IEVS) required by the Deficit Reduction Act of 1984, P.L. 98-369.

DESCRIPTION/BACKGROUND:

In the past several years there has been increasing emphasis on computer matching as a means of dealing with case errors and fraud. IEVS establishes a uniform system of computer matches on public assistance clients which will allow data exchanges with federal agencies and with public assistance agencies of other states. Six different matches will be routinely conducted to detect unreported wages, unemployment compensation, social security benefits, federal pensions, interest and dividend income and other types of earned and unearned income.

BACKGROUND/DESCRIPTION (Contd.):

Preliminary work has been done using staff and funds temporarily drawn from other activities. This results in staff and budgetary restrictions elsewhere. This action was necessary because of an 10-1-86 implementation date for the IEVS system. The requested funding is needed to finalize the implementation and maintain the system.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Data match-6 state and federal files: (Wage match, Bendix, BEER, SDX, IRS and Unemployment Compensation)				
Monthly applicant matches	N/A	263,700	358,100	371,600
Recipient matches required monthly	N/A	3,932,800	5,419,100	5,612,700
Recipient matches required quarterly	N/A	1,070,900	1,473,600	1,524,800
Recipient matches required annually	N/A	357,000	368,400	381,200
Total projected yearly matches	N/A	5,624,400	7,619,200	7,890,300

(The matches are required at varying intervals during the year, i.e., monthly, quarterly, annually depending on the type of match being done.)

RATIONALE:

This system will improve the use of wage, unemployment compensation, federal benefit and tax return computer matches for error reduction and fraud control. The use of the information will ensure the accuracy of eligibility and benefit determinations for AFDC, MA, and Food Stamps. The state can expect fiscal returns in the fraud settlements and the recoupment of overpaid benefits.

The implementation of this system according to federal specifications is required by law. Failure to do so could result in the loss of federal administrative dollars in all 3 federal income maintenance programs.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for \$40.0 for the biennium for computer service costs. These costs can be funded from the agency's existing systems base.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: QUALITY CONTROL/CORRECTIVE ACTION
 PROGRAM: INCOME MAINTENANCE
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

Food Stamp error rates continue above the federal tolerance levels (see discussion on activity description page). The state will have to pay 50% of the \$1.5 million sanction for F.F.Y. 1984 in the first year and 50% of the \$3.8 million sanction projected for F.F.Y. 1985 in the second year of the biennium. County agencies will pay the other 50%.

Minnesota's Medical Assistance program was sanctioned \$2.1 million for F.F.Y. 1985 because the federal agency cited errors on Minnesota's policies on resources and the Federal Benefit Disregard. The actual disallowance is expected during F.Y. 1988.

AFDC errors in Minnesota have historically been the lowest in the nation. However, in F.F.Y. 1981 2 paperwork errors cited by the federal government caused the error rate to exceed the federal target and causing a \$600,000 sanction. Congress placed a moratorium on the collection of this sanction until F.Y. 1989 when it will be payable.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested. However, since there is some uncertainty as to exactly when these sanctions will be imposed, it is recommended that these funds be appropriated to the Legislative Advisory Committee for appropriation only when sanctions are imposed.

Request Title: FOOD STAMP, MA, AND AFDC SANCTIONS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$1,800.0	-0-	\$1,200.0	-0-
Governor's Recommendation				
General Fund	\$1,800.0	-0-	\$1,200.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to pay actual sanctions in the Food Stamp, Medical Assistance (MA), and Aid to Families with Dependent Children (AFDC) programs which are payable in each year of the biennium.

DESCRIPTION/BACKGROUND:

Minnesota has been notified of sanctions by the federal government because of quality control errors that have exceeded federal targets. These sanctions are expected to be imposed during the biennium.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Food Stamp Quality Control (50%)*	-0-	-0-	\$ 750.0	\$1,900.0
MA Quality Control (50%)*	-0-	-0-	\$1,050.0	-0-
AFDC Quality Control (50%)*	-0-	-0-	-0-	\$ 300.0
Total	-0-	-0-	\$1,800.0	\$1,200.0

* Counties pay the other 50%.

ACTIVITY: REPORTS AND ANALYSES
 Program: INCOME MAINTENANCE
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 346.3	\$ 350.1	\$ 352.3	\$ 367.4	\$ 377.9

ACTIVITY OBJECTIVE:

To forecast income maintenance expenditures for state and federal budget purposes, to meet state and federal financial and statistical reporting requirements regarding income maintenance programs, and to analyze issues or trends having implications for management of programs.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Percent forecast accuracy	97.8	98.0	97.0	97.0

ACTIVITY DESCRIPTION:

This activity: 1) forecasts biennial income maintenance expenditures, monitors expenditures, and updates the biennial forecast periodically; 2) prepares fiscal notes on bills and analyzes the impact of changes in federal law regarding Income Maintenance programs; 3) produces statistical reports on case loads, costs, and trends in Income Maintenance programs; 4) responds to requests from the Governor, the legislature, department staff, and the public regarding income maintenance case loads, expenditures, and forecasts; 5) analyzes long-term trends and specific issues having fiscal or programmatic impact.

Reports and forecasts on Aid to Families with Dependent Children (AFDC) and Medical Assistance are required by the federal Department of Health and Human Services for continued federal funding of those programs. Reports on Food Stamps are required by the federal Department of Agriculture for continued participation in the Food Stamp program. Major forecasts are based on numerous analyses in various programs. Reporting on General Assistance and General Assistance Medical Care (GAMC) is required by M.S. 256D.04.

ACCOMPLISHMENTS AND GOALS:

This activity has accomplished its major goals of: 1) at least 97% forecast accuracy in the aggregate forecast of expenditures in income maintenance programs for the 1986-1987 biennium and 2) satisfying federal reporting requirements.

Reports published for state purposes have been reviewed critically, modified in format, and reduced in number. A new annual report on the GAMC program has been published for F.Y. 1985.

Increased automation has permitted the assumption of additional reporting duties concerning the Food Stamp program without additional staff.

ACCOMPLISHMENTS AND GOALS (Contd.):

Goals for the next biennium: Ninety-seven percent accuracy in the income maintenance forecast; satisfy federal reporting requirements in AFDC, Medical Assistance, and Food Stamps; and preparation of fiscal notes in a professional, nonpartisan manner on income maintenance programs for use by the Legislature.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Major forecast statements	5	3	5	3
Fiscal notes and analyses(1)	8	30	10	30
Research studies	3	3	3	3
Information requests per month	70	80	80	80
Major federal reports	14	15	17	17
Minor federal reports	49	53	53	53
Published state reports	15	10	10	10

(1) Only formally reported and initial analyses are counted. A fiscal note on an omnibus bill is counted as one item, despite the presence of several analyses.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: AP DIVISION

MANAGEMENT ACTIVITY: REPORTS & ANALYSES

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	612.0	628.7	653.6	679.2		679.2	679.2	677.3		677.3	677.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	612.0	628.7	653.6	679.2		679.2	679.2	677.3		677.3	677.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	509.8	537.3	515.9	541.5		541.5	541.5	539.6		539.6	539.6
EXPENSES & CONTRAC. SERV	67.6	60.1	121.5	121.5		121.5	121.5	121.5		121.5	121.5
SUPPLIES & MATERIALS	4.8	9.5	3.8	3.8		3.8	3.8	3.8		3.8	3.8
EQUIPMENT	29.8	21.8	12.4	12.4		12.4	12.4	12.4		12.4	12.4
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	612.0	628.7	653.6	679.2		679.2	679.2	677.3		677.3	677.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	612.0	628.7	653.6	679.2		679.2	679.2	677.3		677.3	677.3
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	612.0	628.7	653.6	679.2		679.2	679.2	677.3		677.3	677.3
POSITIONS BY FUND											
GENERAL	17.0	16.0	15.0	15.0		15.0	15.0	15.0		15.0	15.0
TOTAL POSITIONS	17.0	16.0	15.0	15.0		15.0	15.0	15.0		15.0	15.0

PROGRAM: LONG TERM CARE MANAGEMENT
AGENCY: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE:

This program administers a range of Long Term Care (LTC) services including services provided by LTC facilities and home and community-based services for the elderly and for chronically-ill children. The objectives of this program are to establish reimbursement systems that encourage efficiently operated services; to calculate payment rates for LTC facilities based on allowable and reasonable costs; to conduct on-site audits to verify that costs were properly claimed in accordance with reimbursement rules; to resolve appeals; to manage the development and implementation of home and community based services; to screen nursing home applicants and to divert them to less costly home-based services; to propose legislation that ensures access to quality care; and to perform utilization reviews of facilities in conformity with federal regulations.

OPERATIONS:

This program encompasses the following operations.

- 1) Planning, implementing and managing of cost effective LTC services for elderly persons, physically handicapped children and adults, and persons with mental retardation through the use of LTC facilities, and home and community-based services.
- 2) Establishing payment rates for 775 LTC facilities through desk audits with the final verification of the allowability of the claimed costs performed on a field audit and providing an appeal process to settle disputes arising from audit adjustments.

MAJOR POLICY ISSUES:

Due to the increasing cost of institutionalizing a person, the state has developed a range of home and a community-based services to allow elderly and disabled persons to remain in the community if appropriate. The success of home and community-based services has stimulated demand for those services and additional resources must be appropriated to fully fund the program.

PROGRAM PRIORITIES:

- 1) To prevent or delay the institutionalization of elderly and disabled citizens by providing an appropriate mix of home and community-based services.
- 2) To develop a client-based reimbursement system for intermediate care facilities that serve persons with mental retardation.
- 3) To improve the computer-based rate setting system so that management information is available for research, planning, budgeting, and evaluation.
- 4) To save public dollars and increase accountability through increased field auditing of vendors.

EXPLANATION OF BUDGET REQUEST:

An increase of \$1,234.1 is requested for the biennium; \$556.7 in F.Y. 1988 and \$677.4 in F.Y. 1989. Details for these requests are contained in the pages that follow. Based on the above request the Medical Assistance budget will be decreased by \$1,612.0 for the biennium; \$806.0 in F.Y. 1988 and \$806.0 in F.Y. 1989.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$1,098.1 for the F.Y. 1987-89 biennium for this program.

Details are found on the change level pages that follow.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: LONG TERM CARE MANAGEMENT

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY: LONG TERM CARE MANAGEMENT	5,183.2	6,603.3	7,838.4	8,410.5	556.7	8,967.2	8,899.2	8,595.0	677.4	9,272.4	9,204.4
TOTAL	5,183.2	6,603.3	7,838.4	8,410.5	556.7	8,967.2	8,899.2	8,595.0	677.4	9,272.4	9,204.4
EXPENDITURES BY CATEGORY: STATE OPERATIONS	5,183.2	6,603.3	7,838.4	8,389.2	556.7	8,945.9	8,877.9	8,573.7	677.4	9,251.1	9,183.1
LOCAL ASSISTANCE											
AIDS TO INDS.				21.3		21.3	21.3	21.3		21.3	21.3
INTERAGENCY TRANSFERS											
TOTAL EXPENDITURES	5,183.2	6,603.3	7,838.4	8,410.5	556.7	8,967.2	8,899.2	8,595.0	677.4	9,272.4	9,204.4
SOURCES OF FINANCING: DIRECT APPROPRIATIONS: GENERAL	3,350.5	3,587.2	4,177.4	4,306.4	556.7	4,863.1	4,795.1	4,300.6	677.4	4,978.0	4,910.0
DEDICATED APPROPRIATIONS: SPECIAL REVENUE		256.2	400.0	400.0		400.0	400.0	400.0		400.0	400.0
FEDERAL	1,832.7	2,759.9	3,261.0	3,704.1		3,704.1	3,704.1	3,894.4		3,894.4	3,894.4
TOTAL FINANCING	5,183.2	6,603.3	7,838.4	8,410.5	556.7	8,967.2	8,899.2	8,595.0	677.4	9,272.4	9,204.4
POSITIONS BY FUND: GENERAL	46.0	50.5	65.5	53.5	12.0	65.5	65.5	53.5	12.0	65.5	65.5
TOTAL POSITIONS	46.0	50.5	65.5	53.5	12.0	65.5	65.5	53.5	12.0	65.5	65.5

ACTIVITY: LONG TERM CARE MANAGEMENT
 Program: LONG TERM CARE MANAGEMENT
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

This budget activity includes the following management activity objectives:

- 1) To develop, implement, and manage Long Term Care (LTC) delivery systems so that clients receive appropriate care at reasonable cost.
- 2) To establish reimbursement rates for LTC facilities based on allowable and reasonable costs.
- 3) To conduct on-site audits of LTC facilities to verify the costs claimed on cost reports.
- 4) To resolve provider appeals arising from audit disallowances issued by the rate setting and field audit functions.

ACTIVITY DESCRIPTION:

The activity is responsible for administering the overall LTC policy for the department. For the 775 LTC facilities participating in the Medical Assistance program, this activity, through legislation and rulemaking, establishes reimbursement systems as required by M.S. 256B.41 256B.51. Utilizing these rules, a payment rate is set by desk auditing cost reports submitted by LTC providers. Field audits are performed on a periodic basis for all LTC providers to determine if the costs claimed by them are allowable and properly supported. To ensure proper application of the laws and rules, an appeal process has been implemented to resolve disagreements over the disallowances of claimed costs by the rate setting and field audit divisions.

Although LTC facilities constitute the largest outlay of public funds, they are only one side of a total LTC delivery system. This activity administers home and community-based services for the elderly, physically handicapped children and adults. The activity also conducts long range research, consults with various organizations, proposes and implements legislative changes, coordinates LTC policy, and ensures access to available non-institutional services.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested to accomplish the goals of this activity except for the changes accompanying the management activity pages that follow.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LONG TERM CARE MANAGEMENT

PROGRAM: LONG TERM CARE MANAGEMENT

AGENCY: HUMAN SERVICES, DPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	5,183.2	6,603.3	7,838.4	8,389.2	556.7	8,945.9	8,877.9	8,573.7	677.4	9,251.1	9,183.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
INTERAGENCY TRANSFERS				21.3		21.3	21.3	21.3		21.3	21.3
TOTAL EXPENDITURES	5,183.2	6,603.3	7,838.4	8,410.5	556.7	8,967.2	8,899.2	8,595.0	677.4	9,272.4	9,204.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,287.0	1,576.7	2,004.3	1,718.9	348.6	2,067.5	2,067.5	1,713.1	348.6	2,061.7	2,061.7
EXPENSES & CONTRAC. SERV	3,777.9	5,004.1	5,810.1	6,646.3	201.1	6,847.4	6,779.4	6,836.6	319.8	7,156.4	7,088.4
SUPPLIES & MATERIALS	39.3	17.1	11.8	11.8	2.5	14.3	14.3	11.8	2.5	14.3	14.3
EQUIPMENT	79.0	5.4	12.2	12.2	4.5	16.7	16.7	12.2	6.5	18.7	18.7
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	5,183.2	6,603.3	7,838.4	8,389.2	556.7	8,945.9	8,877.9	8,573.7	677.4	9,251.1	9,183.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	3,350.5	3,587.2	4,177.4	4,306.4	556.7	4,863.1	4,795.1	4,300.6	677.4	4,978.0	4,910.0
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		256.2	400.0	400.0		400.0	400.0	400.0		400.0	400.0
FEDERAL	1,832.7	2,759.9	3,261.0	3,704.1		3,704.1	3,704.1	3,894.4		3,894.4	3,894.4
TOTAL FINANCING	5,183.2	6,603.3	7,838.4	8,410.5	556.7	8,967.2	8,899.2	8,595.0	677.4	9,272.4	9,204.4
POSITIONS BY FUND											
GENERAL	46.0	50.5	65.5	53.5	12.0	65.5	65.5	53.5	12.0	65.5	65.5
TOTAL POSITIONS	46.0	50.5	65.5	53.5	12.0	65.5	65.5	53.5	12.0	65.5	65.5

ACTIVITY: MANAGEMENT AND PLANNING
 Program: LONG TERM CARE MANAGEMENT
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 746.1	\$ 674.6	\$ 682.8	\$ 779.7	\$ 802.8

ACTIVITY OBJECTIVE:

To develop and manage cost effective Long Term Care (LTC) service systems and alternatives for persons requiring those services.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Increase in expenditures over previous year	-1.5%	5.0%	4.5%	7.2%
Average number of medical assistance residents in nursing homes	29,133	29,100	29,100	29,100
Number of MA nursing home applicants screened	2,254	4,100	4,700	5,300
Number of nursing home applicants diverted to Alternative Care Program	5,590	7,390	9,190	10,990
Number of chronically ill children receiving home and community-based services	16	32	50	50
Estimated cost savings of keeping elderly persons and chronically ill children out of institutions	\$6,000.0	\$8,700.0	\$11,300.0	\$15,100.0

ACTIVITY DESCRIPTION:

This activity develops legislation, rules, procedures, and systems to reimburse 775 LTC facilities participating in the MA program as required by M.S. 2256B.41 256B.51. Facilities include nursing homes, boarding care homes, and Intermediate Care Facilities for the Mentally Retarded (ICF/MR). This activity also administers home and community-based services for the elderly, physically handicapped children and adults between the ages of 21 and 65, and provides support to the waiver for persons with mental retardation. The major functions of this activity are: 1) developing, reviewing, and analyzing alternative methods of reimbursing LTC services; 2) analyzing cost and program data to contain costs and improve services; 3) developing and implementing state and federal legislation; 4) performing utilization control review of LTC facilities mandated by federal regulations; 5) coordinating and disseminating state LTC policy; 6) ensuring access to home and community-based services; and 7) administering nursing home property appraisals and related appeals.

ACCOMPLISHMENTS AND GOALS:

The passage of Chapter 199 revolutionized the method of reimbursing nursing homes. Before 1983, expenditures were increasing over 10% per year. This was reduced to 3% per year during F.Y. 1985-87 and a projection of 5.5% per year for F.Y. 1987-89. In addition, the

ACCOMPLISHMENTS AND GOALS (Contd.):

nursing homes' spending patterns were changed by limiting overhead costs, freezing property costs, and eliminating increases for sales and reorganizations. We have implemented the results of the "case mix" and "rental concept" studies. A permanent rule was promulgated to establish the rental method of property payment and general reimbursement principles and guidelines. Currently the "case mix" system of reimbursing operating costs has been established in a temporary rule. This rule will be promulgated as a permanent rule by June 30, 1987.

The other major accomplishment was the development of a new reimbursement rule for ICF's/MR that limits the amount of public funds spent on administrative and property costs. The permanent rule was promulgated and used to establish the 10-1-86 payment rates. We are also conducting a mandated study to determine if the ICF/MR reimbursement system can be based on client needs.

Home and community-based services have been expanded while the cost per person has been kept at a minimum. The targeting of these services has allowed the state to successfully maintain a moratorium on LTC facility construction and to reduce the MA case loads in nursing homes.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Rules promulgated	2	1	2	2
State dollars paid on nursing homes, boarding care homes, and ICF/MR	\$231,852.9	\$243,359.0	\$254,298.7	\$271,635.1
State dollars paid on community-based services	\$10,173.1	\$14,262.5	\$18,850.7	\$23,925.1
Number of policy inquiries handled	250	300	250	250
Number of presentation, training sessions, and workshops	74	81	81	81

LEGISLATIVE ISSUES: Legislation will be proposed in the areas of defining the composition and authority of the Interagency Board.

FEDERAL ISSUES: This activity will make application for a home and community-based waiver for adult physically handicapped individuals.

BASE LEVEL REVIEW: Utilization Control has been selected for base level review.

EXPLANATION OF BUDGET REQUEST: The same level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LONG TERM CARE MANAGEMENT

MANAGEMENT ACTIVITY: MANAGEMENT & PLANNING

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	4,257.2	5,374.3	6,114.9	6,931.9	67.4	6,999.3	6,999.3	7,119.5	161.4	7,280.9	7,280.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
INTERAGENCY TRANSFERS				21.3		21.3	21.3	21.3		21.3	21.3
TOTAL EXPENDITURES	4,257.2	5,374.3	6,114.9	6,953.2	67.4	7,020.6	7,020.6	7,140.8	161.4	7,302.2	7,302.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	508.2	692.9	723.0	796.1		796.1	796.1	793.4		793.4	793.4
EXPENSES & CONTRAC. SERV	3,668.0	4,673.9	5,382.7	6,126.6	67.4	6,194.0	6,194.0	6,316.9	161.4	6,478.3	6,478.3
SUPPLIES & MATERIALS	13.4	7.0	8.0	8.0		8.0	8.0	8.0		8.0	8.0
EQUIPMENT	67.6	.5	1.2	1.2		1.2	1.2	1.2		1.2	1.2
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	4,257.2	5,374.3	6,114.9	6,931.9	67.4	6,999.3	6,999.3	7,119.5	161.4	7,280.9	7,280.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,424.5	2,614.4	2,853.9	3,249.1	67.4	3,316.5	3,316.5	3,246.4	161.4	3,407.8	3,407.8
DEDICATED APPROPRIATIONS:											
FEDERAL	1,832.7	2,759.9	3,261.0	3,704.1		3,704.1	3,704.1	3,894.4		3,894.4	3,894.4
TOTAL FINANCING	4,257.2	5,374.3	6,114.9	6,953.2	67.4	7,020.6	7,020.6	7,140.8	161.4	7,302.2	7,302.2
POSITIONS BY FUND											
GENERAL	18.0	20.5	23.5	23.5		23.5	23.5	23.5		23.5	23.5
TOTAL POSITIONS	18.0	20.5	23.5	23.5		23.5	23.5	23.5		23.5	23.5

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MANAGEMENT AND PLANNING
 PROGRAM: LONG TERM CARE MANAGEMENT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

As described above, this increase is only required because this contract is funded as a supply and expense item for the Department of Human Services and represents primarily salary costs for the Minnesota Department of Health. No increase has been projected for the supply and expense portion of the MDH budget.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Request Title: MINNESOTA DEPARTMENT OF HEALTH CONTRACT	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$67.4	-0-	\$161.4	-0-
Governor's Recommendation				
General Fund	\$67.4	-0-	\$161.4	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to provide for survey and certification activities as well as the inspection of care and case mix reimbursement activities which are carried out by the Health Department (MDH) under contract to the Department of Human Services (DHS) for Medicaid. The above increase in funds is requested to allow for currently negotiated and anticipated increases in personnel costs for these activities to be funded during the biennium. This item is carried in the Department of Human Services' budget for the purposes of obtaining federal financial participation under the Medical Assistance (MA) program for the cost of the survey and certification activity.

DESCRIPTION/BACKGROUND:

Title XIX of the Social Security Act requires that each state survey and certify each nursing home for the purposes of participation in the Medicaid program. It also requires that each nursing home patient whose care is paid for under Medicaid be annually evaluated for the appropriateness and adequacy of the care provided. Under M.S. 144.071 and 144.0722 this inspection of care has been expanded to include all patients in Medicaid certified nursing homes for the purposes of the case-mix reimbursement system. These activities are carried out by the MDH under contract. Because an inflationary increase is not included for supplies and expenses and actual supply and expense costs for the MDH account for only 12% of our contracted costs, a change request is necessary to cover the anticipated increase in personnel costs and indirect costs which the MDH will incur. This does not represent an increase in activity or personnel for the MDH.

ACTIVITY: AUDIT DIVISION
 Program: LONG TERM CARE MANAGEMENT
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 524.0	\$ 541.7	\$ 713.2	\$ 571.9	\$ 588.1

ACTIVITY OBJECTIVE:

To manage an effective and cost-efficient system of auditing Long Term Care (LTC) facilities, grantees, and contractors of the Department. Reimbursement rates are set for nursing homes and Intermediate Care Facilities for the Mentally Retarded (ICF/MR) to assure quality services are provided at a reasonable cost.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Rates set on time	86%	100%	100%	100%
Required nursing home audits completed	13%	100%	50%	50%
Rate setting audits with adjustments	100%	100%	100%	100%
Field audits with adjustments	96%	90%	50%	50%
Nursing home appeals resolved	12%	6%	4%	4%
ICF/MR appeals resolved	27%	19%	10%	7%
Backlogged appeals resolved:	42%	35%	29%	33%

ACTIVITY DESCRIPTION:

This activity is responsible for auditing approximately 445 nursing homes, 330 ICF's/MR and on a request basis over 200 grantees and contractors of the Department. These audits are coordinated with the federal, state, and legislative auditors to reduce any duplication of effort. This activity also establishes rates for LTC facilities paid through the Medical Assistance (MA) program by desk auditing cost reports in accordance with the state's reimbursement rules. The appeals process is handled by staff attorneys who attempt to negotiate and clarify issues before utilizing the formal hearing process.

The major functions of this activity are: 1) establishing payment rates for all LTC facilities; 2) resolving appeals; 3) verifying that contractors, grantees, and local agencies report costs accurately, meet the performance standards, budgets and expenditure limitations of their agreements; 4) field auditing all nursing homes over a 4-year period as required by M.S. 256B.27; 5) verifying that established vendor rates are correct and that reported costs meet state and federal requirements through on-site review of the books and records of nursing homes and ICF's/MR; and 6) evaluating the Department's control of expenditures and compliance with standards through internal audits.

ACCOMPLISHMENTS AND GOALS:

Major accomplishments in rate setting were realized over the last 4 years. As the result of legislation during the 1983 Legislative session, 2 new methods of reimbursing nursing homes and ICF's/MR were developed and implemented as Rule 50 (nursing home) and Rule 53 (ICF/MR). The 2 completely manual rate setting systems under the old reimbursement rules were replaced with computerized systems that allow the audit staff more time to analyze the cost reports rather than perform clerical accuracy checks. The change in reimbursement systems meant the simultaneous operation of 4 different methods of reimbursing LTC facilities for over a year. This resulted in a backlog of 300 cost reports that were not

ACCOMPLISHMENTS AND GOALS (Contd.):

desk audited on time in F.Y. 1985 and F.Y. 1986. This backlog was eliminated as of 9-30-86 by extensive use of auditor overtime.

A critical goal during the F.Y. 1987-89 Biennial Budget is to reduce the number of outstanding and backlogged appeals. Although more than 20% of our staff is now engaged in appeals settlement, the number of appeals arising from the new rules have more than doubled from F.Y. 1985 to F.Y. 1987. Considerably more effort is needed to substantially reduce these appeals by 6-30-89. We have also increased our effort by hiring additional staff and outside litigation attorneys for a special project to settle backlogged appeals arising from audits of costs claimed under the old reimbursement rules. These efforts resulted in refunds to the state amounting to over \$3,191.4 (\$1,500.0 of state funds) during F.Y. 1986. At least another \$2,000.0 (state share: \$940.0) is projected for F.Y. 1987. Over 500 appeals were settled during F.Y. 1985 and F.Y. 1986.

Because of the efforts in rate setting and appeals settlement, only 24 field audits were completed during F.Y. 1985 and 25 during F.Y. 1986. However, the total dollar amount of disallowance for field audits is going up with \$1,300.0 (state share: \$611.0) in F.Y. 1985 and \$1,800.0 (state share: \$846.0) in F.Y. 1986. The Governor in the unallotment process provided \$400.0 in state funds to hire 12 auditors to audit cost reports and the required number of field audits should be conducted during F.Y. 1987. To accomplish the required number of field audits after F.Y. 1987 the additional allotment of 12 auditors should be made permanent.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of rates set	1,375	830	775	775
Amount of rate setting adjustments	\$37,500.0	\$14,300.0	\$13,800.0	\$13,800.0
Number of field audits	25	190	95	95
Amount of audit disallowances (state share)	\$ 846.0	\$ 1,370.0	\$ 705.0	\$ 705.0
Number of outstanding appeals	1,920	2,470	2,770	3,270
Number of appeals completely resolved	281	450	250	250
Recoveries (state share)	\$ 1,458.9	\$ 940.0	\$ 522.0	\$ 522.0

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LONG TERM CARE MANAGEMENT

MANAGEMENT ACTIVITY: AUDIT DIVISION

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	926.0	1,229.0	1,723.5	1,457.3	489.3	1,946.6	1,878.6	1,454.2	516.0	1,970.2	1,902.2
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	926.0	1,229.0	1,723.5	1,457.3	489.3	1,946.6	1,878.6	1,454.2	516.0	1,970.2	1,902.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	778.8	883.8	1,281.3	922.8	348.6	1,271.4	1,271.4	919.7	348.6	1,268.3	1,268.3
EXPENSES & CONTRAC. SERV	109.9	330.2	427.4	519.7	133.7	653.4	585.4	519.7	158.4	678.1	610.1
SUPPLIES & MATERIALS	25.9	10.1	3.8	3.8	2.5	6.3	6.3	3.8	2.5	6.3	6.3
EQUIPMENT	11.4	4.9	11.0	11.0	4.5	15.5	15.5	11.0	6.5	17.5	17.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	926.0	1,229.0	1,723.5	1,457.3	489.3	1,946.6	1,878.6	1,454.2	516.0	1,970.2	1,902.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	926.0	972.8	1,323.5	1,057.3	489.3	1,546.6	1,478.6	1,054.2	516.0	1,570.2	1,502.2
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		256.2	400.0	400.0		400.0	400.0	400.0		400.0	400.0
TOTAL FINANCING	926.0	1,229.0	1,723.5	1,457.3	489.3	1,946.6	1,878.6	1,454.2	516.0	1,970.2	1,902.2
POSITIONS BY FUND											
GENERAL	28.0	30.0	42.0	30.0	12.0	42.0	42.0	30.0	12.0	42.0	42.0
TOTAL POSITIONS	28.0	30.0	42.0	30.0	12.0	42.0	42.0	30.0	12.0	42.0	42.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: AUDIT DIVISION
 PROGRAM: LONG TERM CARE MANAGEMENT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$240.0	8.0	\$266.7	8.0
General Fund (Savings to MA)	(\$388.0)	-0-	(\$388.0)	-0-
Governor's Recommendation				
General Fund	\$240.0	8.0	\$266.7	8.0
Savings to MA	(\$388.0)	-0-	(\$388.0)	-0-

Request Title: FIELD AUDIT STAFF

Request requires statutory change: Yes No

Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to field audit long term care facilities as required under M.S. 256B.27.

DESCRIPTION/BACKGROUND:

For the past several years the number of on-site audits of nursing homes and intermediate care facilities for the mentally retarded has been considerably less than the number required by state and federal rules and regulations. About 200 of the 775 facilities should be audited every year. Current staffing only allows for auditing about 25 long term care facilities every year. During the 1986 Legislative session the Senate's overall budget appropriation bill (S.F. 2305) directed the department to derive savings for the Medical Assistance program during F.Y. 1987 of \$1,370.0 (state share) from field auditing long term care facilities. The Senate bill proposed the appropriation of \$400.0 for the purpose of completing the field audit project. When considered by the Conference Committee, Senate and House conferees appeared to be in agreement regarding this project. However, no bill was enacted and unallotments were necessary. In the development of the department's unallotment amounts, the Governor directed the department to achieve the \$1,370.0 savings by implementing a temporary field audit project. The temporary project began 6-4-86 with unallotment funds used to hire temporary staff. Without a permanent increase in the audit staff, the Department at best will be able to perform less than half of the required audits during F.Y. 1988 and F.Y. 1989. Not doing the required audits will reduce state recoveries by approximately \$2,914.0 during the biennium.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Required nursing home audits completed	13%	100%	75%	75%
Field audit with adjustments	96%	90%	90%	90%
Number of field audits	25	190	150	150
Amount of audit disallowance (state share)	\$846.0	\$1,370.0	\$1,092.8	\$1,092.8

RATIONALE:

If the department does not field audit 1981, 1982 and 1983 cost reports immediately, the department will be prevented from ever field auditing these years. The 1981 and 1982 cost reports not previously audited will be completed during F.Y. 1987. Over 200 F.Y. 1983 cost reports must be audited during each of fiscal years 1988 and 1989. As indicated by the Legislative Auditor's management review of the department, the only alternative is to lower the audit requirement. At this time, that would not be prudent or cost effective. For fiscal years 1985 and 1986 a total of 49 audits resulted in the disallowance of almost \$1,457.0 (state share).

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

Agency Program Activity

ACTIVITY: AUDIT DIVISION
 PROGRAM: LONG TERM CARE MANAGEMENT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of outstanding appeals	1,920	2,470	2,770	3,064
Number of appeals completely resolved	281	450	450	500
Recoveries (state share)	\$1,458.9	\$940.0	\$940.0	\$940.0

RATIONALE:

Although the consultant attorney costs could continue to be paid out of the revolving fund set up under M.S. 256.01, this source of legal counsel would only be available for the old Rule 49 and Rule 52 appeals since the settlement of these appeals would result in monies being reimbursed to the state. In appeals resulting from disallowances under the new reimbursement rules, permanent staff would be the correct approach since the appeal settlements may result in additional amount of funds being expended by the state. Currently the medical assistance program has a potential liability of \$20,600.0 (state share \$10,300.0) from unresolved appeals. Although the state will not recover additional funds from the resolution of appeals under the new reimbursement rules, it is essential to resolve these appeals in a timely manner to assure the equitable administration of the program. The resolution of these appeals should establish valuable precedents for both the providers and the state which in the future can serve to mitigate conflict.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$181.3	4.0	\$181.3	4.0
General Funds (Savings to MA)	(\$418.0)	-0-	(\$418.0)	-0-
Governor's Recommendation				
General Fund	\$181.3	4.0	\$181.3	4.0
Savings to MA	(\$418.0)	-0-	(\$418.0)	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions so that long term care rate appeals can be processed in a timely manner.

DESCRIPTION/BACKGROUND:

Because of a shortage of staff, a backlog of more than 1,200 long term care rate appeals accumulated by 6-30-85. During F.Y. 1986 almost 1,000 new appeals were received and the department anticipates another 1,000 during F.Y. 1987. During F.Y. 1985 almost 600 appeals were resolved with collections of about \$500.0 (state share: \$235.0). Most of the settlements were small and non-controversial. Those that were left are larger amounts and more controversial as evidenced by the F.Y. 1986 appeals settlements resulting in paybacks to the state of \$3,104.0 (about \$1,552.0 state share). During July 1985 the department decided that the settlement of the old Rule 49 and Rule 52 appeals would be an excellent project to maximize reimbursements under M.S. 256.01, Subd. 2(15). Consultant attorneys were hired in November 1985 and 15 facilities involving 150 appeals and possible collections of \$2,000.0 (state share: \$940.0) have been turned over to them.

CHANGE REQUEST

 Agency Program Activity

1987-89 Biennial Budget

GOVERNOR'S RECOMMENDATION:

ACTIVITY: AUDIT DIVISION
 PROGRAM: LONG TERM CARE MANAGEMENT
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

The Governor does not support the agency's request for this item. The agency is directed to finance this item from its centralized medical disbursement account.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: COMPUTER SUPPORT FOR RATE SETTING				
Agency Request				
General Fund	\$68.0	-0-	\$68.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funds to purchase computer time from the Department of Administration's Information Management Bureau.

DESCRIPTION/BACKGROUND:

During the 1983 session the Legislature mandated major changes to the nursing home reimbursement system. Given the time constraints for establishing rates, Chapter 199, 1983 Laws of Minnesota, contained funds to computerize the nursing home rates system. In addition, Chapter 312, 1983 Laws of Minnesota, instructed the department to promulgate a new Intermediate Care Facility/Mentally Retarded (ICF/MR) reimbursement rule. To save time and expenses, we have computerized the ICF/MR rate system in a manner which makes it compatible with the nursing home rate system.

RATIONALE:

Because Chapter 199 initially funded a computerized system only for the nursing home facilities, we are requesting funds to purchase the additional computer time for the ICF/MR payment rate system and to further improve the capabilities of the total system. The present system is expanding from its original function of just setting rates into a management information system which also generates statistical and informational reports. Additional funds are necessary to pay the Department of Administration Information Management Bureau for their costs associated with this expansion.

PROGRAM PURPOSE:

This program works to develop and sustain a statewide system of quality, cost-effective human services which promote maximum self-sufficiency for persons who are 1) deaf, 2) chemically dependent, 3) vulnerable children and adults, and; 4) persons receiving services from programs licensed by the Department. Protective services are provided to assist agencies to deal effectively with children and adults in reported abuse and neglect situations; and providing guardianship services to adults with mental retardation. Licensing services are provided to assure basic protection of the health, safety, and program quality for persons served in Department of Human Services licensed programs.

OPERATIONS:

This program includes the following operations:

- 1) The Chemical Dependency Division works to reduce the harmful effects of chemical use on Minnesota's citizens, and to assure access to cost-effective, quality services for public clients. It develops and implements policies, plans, and information needed for decision-making, as well as coordinates service delivery among state and local agencies. It provides technical support to counties and service providers, administers state and federal grants, promotes prevention services and strategies, and evaluates the outcomes and effectiveness of services.
- 2) The Deaf Services Division seeks to foster client self-sufficiency; to enhance the availability of human services to the hearing-impaired (HI), and to link-up these services to handicapped persons through its network of Regional Service Centers. It plans and evaluates services; provides information for policy-making; provides technical assistance and training to counties and other agencies; designs services to fill gaps; manages state grants to deaf and deaf-blind clients; and evaluates service outcomes. The division is also responsible to monitor a court order (HI/Mentally Ill Mediated Settlement Agreement) which specifies the quality of services provided to selected HI state residential treatment center clients.
- 3) The Licensing Division is responsible for assuring the basic protection of the health, safety, and quality of services for children and youth and adults in day, habilitation, and treatment programs by inspecting and licensing 16,938 programs. The division is also responsible for supervising and assisting the county licensing staff who inspect 14,335 programs annually and make recommendations to the Commissioner for licensing action.
- 4) The Protective Services/Quality Assurance Division works to assure that children and adults live in abuse-free environments; that services to various target populations are of high quality; and that decisions made on behalf of adult mentally retarded wards of the Commissioner are appropriate and promote self-sufficiency of the ward.

MAJOR POLICY ISSUES:

The major policy issues are as follows:

- 1) Chemical Dependency - the major reforms needed to assure quality cost-effective services are embodied in the consolidated chemical dependency treatment fund which is

- being implemented. Remaining issues to be addressed are development of even more effective prevention strategies, and meeting the needs of special populations such as American Indians, refugees, women and dually disabled persons.
- 2) Deaf Services - to remove funding barriers in a variety of public and third-party payment mechanisms so persons who are deaf receive the services needed to obtain self-sufficiency; and development of the needed array of services for sub-target groups such as deaf-blind and refugees.
 - 3) Licensing Division - to revise the Public Welfare Licensing Act by reconceptualizing Minnesota's regulatory policy; to focus on regulating those key elements of programs which have a major, direct link to a quality outcomes for clients; to create the capacity to rapidly and efficiently investigate complaints and abuse reports in licensed facilities; and to enhance the department's capacity to supervise, train, and assist county licensing workers.
 - 4) Protective Services/Quality Assurance - to provide the statewide program leadership demanded by the complex problem of abuse of vulnerable children and adults; and to promote a quality assurance program which improves the quality of services in a variety of human service programs.

PROGRAM PRIORITIES:

The major program priorities are as follows:

- 1) Chemical Dependency Division - to implement the consolidated chemical dependency treatment fund and to maintain the information system necessary to monitor and evaluate the new funding system.
- 2) Deaf Services Division - to provide community-based services for deaf-blind persons; to provide interpreter funding; to complete the division's information system; to develop training materials; and to design and implement an incidence and prevalence study of HI persons.
- 3) Licensing Division - to maintain licensor case loads at F.Y. 1986 levels; and to enhance the department's capacity to supervise, train, and assist county licensing workers.
- 4) Protective Services/Quality Assurance Division - to provide leadership on a wide range of child and adult protection issues; to develop standards and provide training and technical assistance to local agencies; to design evaluation methods for work with regional treatment centers and local agencies; and to provide better services to the 6,700 mentally retarded wards of the Commissioner.

EXPLANATION OF BUDGET REQUEST:

An increase of \$53,042.6 is requested for the biennium; \$26,063.9 in F.Y. 1988 and \$26,978.7 in F.Y. 1989. Details for this request are contained in the pages that follow.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$47,500.1 for the F.Y. 1987-89 biennium for this program.

Details are found on the change level pages that follow.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: CD-DEAF-PROTECTION

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
QUALITY ASSURANCE PROGRAM	527.4	780.2	924.1	944.0		944.0	944.0	942.7	370.0	1,312.7	942.7
CHEMICALLY DEPEND PROGRAM	5,156.7	5,400.6	5,712.3	5,308.0	25,913.9	31,221.9	27,430.9	5,306.8	26,298.7	31,605.5	29,822.0
LICENSING	1,103.7	1,527.4	1,849.1	1,613.4	150.0	1,763.4	1,793.4	1,610.0	310.0	1,920.0	1,770.0
HEARING IMPAIRED SERVICES	518.0	1,295.0	1,625.2	1,787.7		1,787.7	1,787.7	1,783.6		1,783.6	1,783.6
TOTAL	7,305.8	9,003.2	10,110.7	9,653.1	26,063.9	35,717.0	31,956.0	9,643.1	26,978.7	36,621.8	34,318.3
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,031.6	4,180.0	4,909.2	5,068.8	623.8	5,692.6	5,258.8	5,058.8	908.1	5,966.9	5,228.8
LOCAL ASSISTANCE	4,274.2	4,823.2	4,973.2	4,584.3	573.5-	4,010.8	3,944.3	4,584.3	573.5-	4,010.8	3,944.3
AIDS TO INDS.			228.3		26,013.6	26,013.6	22,752.9		26,644.1	26,644.1	25,145.2
TOTAL EXPENDITURES	7,305.8	9,003.2	10,110.7	9,653.1	26,063.9	35,717.0	31,956.0	9,643.1	26,978.7	36,621.8	34,318.3
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	4,030.8	4,911.4	5,532.0	5,670.1	26,063.9	31,734.0	28,234.0	5,660.1	26,978.7	32,638.8	30,596.3
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE			228.3								
AGENCY	7.3	8.0	15.0	15.0		15.0	15.0	15.0		15.0	15.0
FEDERAL	3,267.7	4,083.8	4,335.4	3,968.0		3,968.0	3,707.0	3,968.0		3,968.0	3,707.0
TOTAL FINANCING	7,305.8	9,003.2	10,110.7	9,653.1	26,063.9	35,717.0	31,956.0	9,643.1	26,978.7	36,621.8	34,318.3
POSITIONS BY FUND:											
GENERAL	48.5	77.5	80.5	80.5	11.0	91.5	91.5	80.5	28.0	108.5	96.5
FEDERAL	28.0	31.0	32.0	32.0		32.0	32.0	32.0		32.0	32.0
TOTAL POSITIONS	76.5	108.5	112.5	112.5	11.0	123.5	123.5	112.5	28.0	140.5	128.5

ACTIVITY: QUALITY ASSURANCE PROGRAM
Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To ensure the development, enactment, and enforcement of laws, rules, and policies which enhance the protection of children, adults, mentally handicapped adult wards of the commissioner, and clients of state-operated Regional Treatment Centers, from abuse, neglect, or exploitation. Such activity shall be aimed at timely, fair, and accurate diagnosis of abuse/neglect. Improvements to the investigating process shall be directed at minimizing the trauma to reported victims and their families. Immediate services will be provided as needed to all family members following the investigation, recognizing the individual rights and needs of each member. Treatment plans will be devised to provide the least disruption to families, at the same time protecting rights of victims and eliminating revictimization by the protection system.

ACTIVITY DESCRIPTION:

- 1) Develops legislation, rule, and policy regarding the mandatory reporting and investigation of abuse, neglect, or exploitation of children and adults, and of adult mentally retarded wards of the commissioner.
- 2) Enforce legislation, rules, and policies through educational, training, and consultation activities for the general public, advocacy groups, and local agency staff, as well as for advocates and review boards of Regional Treatment Centers.
- 3) Coordinates and monitors the implementation and compliance by Regional Treatment Centers of the State Quality Assurance Plan along with other criteria of effective program performance.
- 4) Identify issues and trends in delivering effective protection services and coordinates with other state and local agencies, public and private, to develop policies to improve the efficiency and effectiveness of human service programs.
- 5) Develops an effective, outcome-oriented statewide data system to use in planning, evaluating, and assigning state level resources to assure quality protection services are available throughout the state.

ACCOMPLISHMENTS:

In addition to the revision of manual materials and continued training and consultation to local agencies, the following special projects were completed:

- 1) The design and delivery of junior high age abuse prevention program (Sexual Health, and Responsibility).

ACCOMPLISHMENTS (Contd.):

- 2) Training of almost 400 professionals in investigation skills in child sexual abuse (in cooperation with the Bureau of Criminal Apprehension).
- 3) Policy development and statewide training in infant medical neglect (Baby Doe).
- 4) Training of 900 persons in the responsibility of reporting and investigating under the Vulnerable Adults Act.
- 5) Developing a training program about adult protective services for the White Earth Indian Reservation.
- 6) Completing the Guardianship Task Force report mandated by the 1985 Legislature, and phasing in the shift of guardianship services to counties along with new policy and training in managing the needs of wards of the commissioner.

MAJOR ISSUES:

To provide effective leadership in the development of policy and training of local staff, the Division is committed to completing a consolidation of the adult and child protection functions. The process of reporting abuse and the techniques and procedures of investigation utilize the same skills and similar techniques for both children and adults. This consolidation will assure the maximum utilization of limited resources. The Protection Unit operates with eight staff to meet all of the federal and state mandates in child, adult, and guardianship programs.

The Public Guardianship Task Force, the Attorney General's Task Force on Child Abuse in the Family, the League of Women Voters, "Protecting Minnesota's Children Public Issues 1986," all support the need for the Department to provide leadership in protection services and to offer technical assistance beyond the capacity of the current number of protection staff. Minnesota compares poorly in its resource commitment with states considered leaders in protective services programs. The State of Virginia (also a state-supervised, locally administered system) has 16 Child Protection Specialists; this does not include Adult Specialists. In addition, most states have statewide information systems vital to planning and evaluating programs.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: QUALITY ASSURANCE PROGRAM

PROGRAM: CD-DEAF-PROTECTION

AGENCY: HUMAN SERVICES, DPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	426.9	699.4	845.8	865.7		865.7	865.7	864.4	370.0	1,234.4	864.4
LOCAL ASSISTANCE	100.5	80.8	78.3	78.3		78.3	78.3	78.3		78.3	78.3
AIDS TO INDS.											
TOTAL EXPENDITURES	527.4	780.2	924.1	944.0		944.0	944.0	942.7	370.0	1,312.7	942.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	330.6	534.7	642.2	661.4		661.4	661.4	660.1	312.6	972.7	660.1
EXPENSES & CONTRAC. SERV	53.2	125.4	197.3	198.0		198.0	198.0	198.0	55.4	253.4	198.0
SUPPLIES & MATERIALS	11.0	29.4	5.4	5.4		5.4	5.4	5.4	2.0	7.4	5.4
EQUIPMENT	32.1	9.9	.9	.9		.9	.9	.9		.9	.9
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	426.9	699.4	845.8	865.7		865.7	865.7	864.4	370.0	1,234.4	864.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	295.4	476.8	523.9	543.7		543.7	543.7	542.4	370.0	912.4	542.4
DEDICATED APPROPRIATIONS:											
FEDERAL	232.0	303.4	400.2	400.3		400.3	400.3	400.3		400.3	400.3
TOTAL FINANCING	527.4	780.2	924.1	944.0		944.0	944.0	942.7	370.0	1,312.7	942.7
POSITIONS BY FUND											
GENERAL	7.0	8.0	9.0	9.0		9.0	9.0	9.0	9.0	18.0	9.0
FEDERAL	6.0	7.0	7.0	7.0		7.0	7.0	7.0		7.0	7.0
TOTAL POSITIONS	13.0	15.0	16.0	16.0		16.0	16.0	16.0	9.0	25.0	16.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: QUALITY ASSURANCE PROGRAM
 PROGRAM: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ -0-	-0-	\$370.0	9.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request Title: PROTECTIVE SERVICES/QA PROGRAM STAFF

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above identified funds and to enhance the quality of protective services to children, adults, and mentally handicapped adult wards of the state. These funds are for 9 staff positions and related training and support costs. The funds will not increase the overall staff complement for the department beyond the F.Y. 1987 levels due to a corresponding reduction being proposed in the mental retardation programs. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs. The transfer of positions will assure the department meets its goal of providing training and coordination to review boards; providing increased support to Quality Assurance program monitoring at the treatment centers and other licensed facilities; providing quality support to counties for child and adult protection services, and for persons who are mentally retarded wards of the commissioner. These positions will be phased in during the second year of the biennium.

DESCRIPTION/BACKGROUND:

The purpose of this request is to:

- 1) Provide local agencies with 4 Regional Protective Service Consultants (RPSCs) and 1 support staff person to perform the following functions:

DESCRIPTION/BACKGROUND (Contd.):

- a) Consultation and technical assistance to local agencies in the area of child/adult protection and mental retardation guardianship management, including policies, rules, standards, laws, and manuals.
 - b) Technical support, training, and resource development in establishing interdisciplinary child and adult protection teams.
 - c) System monitoring for program compliance, quality of treatment plans, and identification of training needs and issues for policy development.
 - d) Assist central office personnel to develop standards for case management, and to provide training to county protective service staff in conducting abuse/neglect investigations, treatment planning, and resource development.
- 2) Improve department capacity to manage programs and provide statewide leadership:
 - a) A Review Board Coordinator/Trainer for the 9 review boards of the regional treatment centers. The sole advocacy staff member supervises the advocates at the 10 treatment centers and monitors 8,000 patient incident reports and family/community complaints. Training, coordinating, and monitoring review boards is an unmet need. Review boards are to review patient admissions, retentions, and actions of treatment review panels under M.S. 253B.22.
 - b) A second Quality Assurance Consultant will provide additional support to the quality assurance monitoring of regional treatment programs as well as other providers licensed by the department. Divisions within the department and provider groups have requested assistance in establishing quality assurance programs. Such requests cannot be met with current resources. One support staff person is needed to assist the quality assurance, advocacy, and review board staff.
 - c) An additional professional staff person is needed to work in MR guardianship, county supervision, and rule writing for MR guardianship. The current staff to ward ratio is 1 to 6,700, which is inadequate to support a quality guardianship program. This request is supported by the 1986 Report to the Legislature entitled Public Guardianship Study.

RATIONALE:

The department is the target of criticism voiced statewide by local agencies, political leaders, community organizations, and other professionals. The 1986 Attorney General's Task Force on Child Abuse in the Family heard testimony and received written comment from 275 witnesses. The department is charged with a lack of leadership, with the absence of a data system on which to base sound policy directives, insufficient staff to provide training to local staff, and failure to set standards for staff competency and case load management. This provides legitimate issues for advocacy groups and encourages court challenges against our state-supervised system. As the supervising authority, the department has an obligation to take the leadership role in setting standards to meet the objective of protection of abused/neglected children and adults. The Attorney General's Task Force calls for mandatory interdisciplinary teams, regional training and treatment programs, a 24-hour hotline, a central information system for planning and evaluation, and

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity
(Continuation)

ACTIVITY: QUALITY ASSURANCE PROGRAM
PROGRAM: CHEMICAL DEPENDENCY, DEAF, PROTECTION
AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE (Contd.):

the development of worker competency standards. The report includes 83 recommendations the task force is committed to seeing implemented. The division will coordinate with other state agencies (Corrections and Public Safety) in a feasibility study of a family violence registry, which meets the requirements of law, to be utilized in formulating violence profiles to target prevention efforts and to develop treatment resources to break the cycle of multi-generational violence. The department will seek legislative authority to develop standards in rule for the competencies of protection workers, as well as establish case load size and practices. The department will monitor against these established standards of practice.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: CHEMICAL DEPENDENCY PROGRAM
 Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVES:

To reduce the harmful effects of chemical use on the citizens of Minnesota and to assure access to the appropriate level of cost-effective, high quality services for public clients, particularly those with special needs.

ACTIVITY DESCRIPTION:

This budget activity includes the following activities: 1) improving the quality of chemical dependency (CD) services through rule development and enforcement, complaint investigations, technical assistance, and training; 2) developing and implementing needed changes in CD funding and other policy issues; 3) collecting and disseminating information on trends in drug and alcohol problems and resources to deal with those problems; 4) operating a normative evaluation system and conducting special research and evaluation studies; 5) managing grants and contracts for American Indian CD programs, statewide prevention efforts, and demonstration projects funded with state and federal funds, including federal alcohol and drug abuse block grant funds and funds received from the forfeited property provisions of M.S. 152.19; 6) reviewing the CD plans and programs of local and state agencies, and 7) implementing and monitoring the Consolidated Chemical Dependency Treatment Fund passed by the 1986 Legislature.

This budget activity is an aggregation of the following management activities: Chemical Dependency Program Administration, American Indian Chemical Dependency Grants, Chemical Dependency Demonstration Grants, Chemical Dependency Prevention Grants, Chemical Dependency Evaluation Grants, Federal Alcohol and Drug Abuse Block Grant, Consolidated Chemical Dependency Treatment Fund.

MAJOR ISSUES:

Twenty-eight million dollars in state funds for chemical dependency treatment formerly included in American Indian treatment grants, the federal alcohol and drug abuse block grant, regional treatment center budgets, Medical Assistance, General Assistance Medical Care, and General Assistance, have now been combined into the Consolidated Chemical Dependency Treatment Fund, as required by Ch. 394, Laws of 1986.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested to accomplish the goals of this activity, except for the changes accompanying the management activities that follow.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHEMICALLY DEPEND PROGRAM

PROGRAM: CD-DEAF-PROTECTION

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,033.0	1,017.9	1,052.2	1,088.1	473.8	1,561.9	1,098.1	1,086.9	228.1	1,315.0	1,096.9
LOCAL ASSISTANCE	4,123.7	4,382.7	4,431.8	4,219.9	573.5-	3,646.4	3,579.9	4,219.9	573.5-	3,646.4	3,579.9
AIDS TO INDS.			228.3		26,013.6	26,013.6	22,752.9		26,644.1	26,644.1	25,145.2
TOTAL EXPENDITURES	5,156.7	5,400.6	5,712.3	5,308.0	25,913.9	31,221.9	27,430.9	5,306.8	26,298.7	31,605.5	29,822.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	802.2	803.7	893.6	912.9	259.2	1,172.1	922.9	911.7	147.4	1,059.1	921.7
EXPENSES & CONTRAC. SERV	209.2	197.2	151.6	167.7	147.9	315.6	167.7	167.7	68.7	236.4	167.7
SUPPLIES & MATERIALS	12.0	5.9	6.8	7.3	25.5	32.8	7.3	7.3	2.0	9.3	7.3
EQUIPMENT	9.6	11.1	.2	.2	41.2	41.4	.2	.2	10.0	10.2	.2
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,033.0	1,017.9	1,052.2	1,088.1	473.8	1,561.9	1,098.1	1,086.9	228.1	1,315.0	1,096.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,359.0	2,177.0	2,385.6	2,401.3	25,913.9	28,315.2	24,524.2	2,400.1	26,298.7	28,698.8	26,915.3
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE			228.3								
AGENCY	7.3	8.0	15.0	15.0		15.0	15.0	15.0		15.0	15.0
FEDERAL	2,790.4	3,215.6	3,083.4	2,891.7		2,891.7	2,891.7	2,891.7		2,891.7	2,891.7
TOTAL FINANCING	5,156.7	5,400.6	5,712.3	5,308.0	25,913.9	31,221.9	27,430.9	5,306.8	26,298.7	31,605.5	29,822.0
POSITIONS BY FUND											
GENERAL	8.5	8.5	8.5	8.5	11.0	19.5	19.5	8.5	12.0	20.5	20.5
FEDERAL	13.0	14.0	14.0	14.0		14.0	14.0	14.0		14.0	14.0
TOTAL POSITIONS	21.5	22.5	22.5	22.5	11.0	33.5	33.5	22.5	12.0	34.5	34.5

ACTIVITY: CHEMICAL DEPENDENCY PROGRAM ADMINISTRATION
 Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 183.7	\$ 182.5	\$ 183.7	\$ 192.6	\$ 198.0

ACTIVITY OBJECTIVE:

To increase the cost-effectiveness and quality of chemical dependency (CD) services in Minnesota and to ensure appropriate use of publicly-funded services.

ACTIVITY DESCRIPTION:

The Department serves as the State Authority on Alcohol and Drug Abuse, whose duties are established in M.S. 254A. The major activities of the Chemical Dependency Program Division include: 1) improving the quality of CD services through rule development and enforcement, complaint investigations, technical assistance, and training; 2) developing and implementing needed changes in CD funding and other policy issues; 3) collecting and disseminating information on trends in drug and alcohol problems and resources to deal with those problems; 4) operating a normative evaluation system and conducting special research and evaluation studies; 5) managing grants and contracts for American Indian CD programs, statewide prevention efforts, and demonstration projects funded with state and federal funds, including federal alcohol and drug abuse block grant funds and funds received from the forfeited property provisions of M.S. 152.19; and 6) reviewing the CD plans and programs of local and state agencies.

There are an estimated 494,000 "high-risk" chemical users in Minnesota. About 80,000-100,000 people receive some type of CD service annually. The direct costs of dealing with chemical abuse problems in Minnesota are approximately \$115 million per year. The state pays \$27 million, the private sector pays \$55 million, local government pays \$13 million, and the federal government pays \$20 million. The total economic impact of by chemical abuse exceeds \$1.5 billion annually.

ACCOMPLISHMENTS AND GOALS:

Major accomplishments during the current biennium include development of the Consolidated CD Treatment Fund legislation (Chapter 394); development, promulgation, and training on Rule 25 (establishing assessment and placement criteria for public CD clients); revision of Rule 35 (establishing program standards for all residential CD programs); 1985 Directory of Chemical Dependency Programs In Minnesota; all required state and federal reports; all regular Drug and Alcohol Abuse Normative Evaluation System (DAANES) reports plus special report on women in treatment; state and local reports on trends in drug and alcohol-related problems; AIDS brochures for intravenous drug users; CD training events at each regional treatment center; format for mandatory reporting on juvenile clients.

ACCOMPLISHMENTS AND GOALS (Contd.):

Goals for the next biennium include implementation and monitoring of the Consolidated CD Treatment Fund and Rule 25; revision of Rule 43 (standards for outpatient programs); updated information on incidence and prevalence; linking DAANES to the Consolidated CD Treatment Fund billing system; and continued efforts to reduce risk of AIDS.

ACTIVITY STATISTICS

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Rules drafted/promulgated	0	1	2	1
Number of Participants in training events	2,322	4,650	3,800	3,240
Number of grants	86	80	65	65
DAANES reports produced	1,256	1,778	2,036	2,036
Other major reports produced	5	6	4	5

MAJOR ISSUES:

This activity will continue to seek ways to reduce the costs to society of alcohol and drug abuse through improved funding systems (e.g., the Consolidated CD Treatment Fund), uniform assessment and placement procedures, the use of the results of research and evaluation in matching clients to the least expensive, most appropriate level of care, and the development of low-cost alternatives for those for whom expensive treatment and detox programs have repeatedly failed (e.g., chronic alcoholics).

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHEMICALLY DEPEND PROGRAM

MANAGEMENT ACTIVITY: CD PROGRAM ADMINISTRATION

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	370.3	367.0	386.7	402.4		402.4	402.4	401.2		401.2	401.2
LOCAL ASSISTANCE	7.3	8.0	15.0	15.0		15.0	15.0	15.0		15.0	15.0
AIDS TO INDS.											
TOTAL EXPENDITURES	377.6	375.0	401.7	417.4		417.4	417.4	416.2		416.2	416.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	324.6	327.7	340.8	356.0		356.0	356.0	354.8		354.8	354.8
EXPENSES & CONTRAC. SERV	43.3	38.5	42.4	42.9		42.9	42.9	42.9		42.9	42.9
SUPPLIES & MATERIALS	2.4	.8	3.3	3.3		3.3	3.3	3.3		3.3	3.3
EQUIPMENT			.2	.2		.2	.2	.2		.2	.2
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	370.3	367.0	386.7	402.4		402.4	402.4	401.2		401.2	401.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	370.3	367.0	386.7	402.4		402.4	402.4	401.2		401.2	401.2
DEDICATED APPROPRIATIONS:											
AGENCY	7.3	8.0	15.0	15.0		15.0	15.0	15.0		15.0	15.0
TOTAL FINANCING	377.6	375.0	401.7	417.4		417.4	417.4	416.2		416.2	416.2
POSITIONS BY FUND											
GENERAL	8.5	8.5	8.5	8.5		8.5	8.5	8.5		8.5	8.5
TOTAL POSITIONS	8.5	8.5	8.5	8.5		8.5	8.5	8.5		8.5	8.5

ACTIVITY: AMERICAN INDIAN CHEMICAL DEPENDENCY GRANTS
 Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To provide grants to reduce the harmful effects of chemical dependency and abuse on the state's American Indian population and to assist in community awareness and education efforts aimed at improved chemical health in American Indian communities.

<u>EFFECTIVENESS MEASURES</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
First time detox admissions on or near reservations (-10%)	583	525	472	425
American Indian DWI arrests (-5%)	831	790	751	714
American Indians certified as Chemical Dependency Practitioners (+20%)	18	22	26	31

ACTIVITY DESCRIPTION:

This activity provides funds to federally-recognized American Indian tribes and other organizations and local units of government for the following types of services for American Indians: 1) prevention; 2) education and training; 3) detoxification; 4) intervention and counseling; and 5) a resource and training center for American Indian women.

Almost half of the total American Indian population is seriously affected by alcoholism. In Minnesota approximately 16,000 Indians are chemically dependent. Alcohol use and abuse is considered the single most serious health problem of American Indians because it contributes to the 3 leading causes of death in this population: cirrhosis of the liver, suicide, and homicide.

Grants are awarded on a competitive basis based on reviews of grant applications and recommendations by Department of Human Services staff, the Grants Review Committee of the American Indian Advisory Council, and the full American Indian Advisory Council. Applicants are required to submit proposals specifying goals and objectives, proposed budget expenditures by line item, and other sources of income. Funding recommendations are based on documentation of need, reasonableness and necessity of budget items, the ability of the applicant to perform the work, past performance and available funds.

ACCOMPLISHMENTS AND GOALS:

Accomplishments this biennium include: 1) development of a specific American Indian chemical health curriculum; 2) establishment of a demonstration adolescent treatment program; 3) funding for the Minnesota Indian Women's Resource Center; 4) LAC review of Indian grants with no problems reported.

Goals for the coming biennium include: 1) continuing support for prevention, education, information and referral services to reduce Indian alcohol and drug abuse; 2) continued support for training activities to improve the quality of services to American Indians; and 3) development of guidelines for Indian family treatment services.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Information & Referral (clients)	2,568	2,600	2,625	2,626
Prevention/Education (clients)	2,707	2,700	2,725	2,750
Training (Summer Institute students)	80	52	130	130
Women's Resource Center (individuals trained)	869	850	850	850
Residential	300	350	0	0
Outpatient Counseling	64	145	0	0

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHEMICALLY DEPEND PROGRAM

MANAGEMENT ACTIVITY: AMERICAN INDIAN CD GRANTS

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	10.0										
LOCAL ASSISTANCE	1,639.5	1,611.9	1,705.3	1,705.3	640.0-	1,065.3	1,065.3	1,705.3	640.0-	1,065.3	1,065.3
AIDS TO INDS.											
TOTAL EXPENDITURES	1,649.5	1,611.9	1,705.3	1,705.3	640.0-	1,065.3	1,065.3	1,705.3	640.0-	1,065.3	1,065.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	10.0										
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	10.0										
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,649.5	1,611.9	1,705.3	1,705.3	640.0-	1,065.3	1,065.3	1,705.3	640.0-	1,065.3	1,065.3
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,649.5	1,611.9	1,705.3	1,705.3	640.0-	1,065.3	1,065.3	1,705.3	640.0-	1,065.3	1,065.3
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: AMERICAN INDIAN CHEMICAL DEPENDENCY GRANTS
 PROGRAM: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	(\$640.0)	-0-	(\$640.0)	-0-
Governor's Recommendation				
General Fund	(\$640.0)	-0-	(\$640.0)	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the appropriation for this activity of \$640.0, reflecting the transfer of this amount of money to the Consolidated Chemical Dependency Fund as required by Laws of Minnesota 1986, Ch. 394.

DESCRIPTION/BACKGROUND:

Grant funds being transferred include American Indian primary inpatient, outpatient, and halfway house treatment programs. Five grants are to Minnesota reservations and 1 is to a metro area program. During F.Y. 1987, training and technical assistance will be provided to assist grantees in the transition to the Consolidated CD fund.

RATIONALE:

The amount of money to be transferred is based on the amount identified in the statute establishing the Consolidated Chemical Dependency Fund.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY: CHEMICAL DEPENDENCY TREATMENT GRANTS
 Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To provide grants to demonstrate more cost-effective ways to deliver needed chemical dependency services for hard-to-treat populations. These funds are currently used to develop more cost-effective alternatives for chronic alcoholics.

ACTIVITY DESCRIPTION:

This activity has provided start-up funds for domiciliary care grants and funding of other chronic alcoholism alternatives.

The purpose of these facilities is to provide humane care, food, and shelter within a safe environment for chronic alcoholics. The question of the most cost-effective approach to the problems of the chronic alcoholic has been a major concern of state and local government in Minnesota for some time. Domiciliary care is one approach that appears to be successful for part of this population, estimated to number 3,200 persons statewide. Since 1978 the Department has assisted in the development of 21 facilities, of which 20 are still operating without state support. During S.F.Y. 1985 the Department issued a Request for Proposals for these funds and received \$300,000 in requests for \$75,000 in available funds, demonstrating that there is still a need for these small, one-time, start-up grants.

Applicants are required to submit proposals specifying their goals and objectives as well as proposed budgets by line item and other sources of revenue. Applications are reviewed by a special review committee, Department staff, and the Grants Committee of the State Alcohol and Other Drug Abuse Council. Recommendations for funding are based on documentation of need, reasonableness and necessity of proposed budget items, the ability of the applicant to perform the work, and available funds.

These grant funds are not being transferred to the Consolidated Chemical Dependency (CD) Treatment Fund because they are not for on-going treatment and because board and lodging and other services for chronic alcoholics are not covered by the CD Treatment Fund. In addition, even after the Consolidated CD Treatment Fund is implemented, there will still be a need for some grant funds to demonstrate new, more cost-effective approaches for various difficult-to-treat populations.

ACCOMPLISHMENTS AND GOALS:

Accomplishments this biennium included: 1) establishment of two new board and lodging facilities, in Glenco and in Grand Rapids; 2) a grant to Breakaway, Inc., in Minneapolis to assure continuation of a program housing 45 chronic alcoholics and offering employment services and aftercare support; and 3) two grants to upgrade existing board and

ACCOMPLISHMENTS AND GOALS (Contd.):

lodging facilities to achieve more space efficiencies and better fire and health regulation compliance. The grants were to Aldor Homes in Crookston and Center of Human Environment in Mahanomen.

Goals for the coming biennium include: 1) to continue to support the development of alternatives for chronic alcoholics, such as board and lodging, to reduce detoxification and other community services costs; 2) to support a pilot project in case management for chronic alcoholics and drug dependent people to assure better efficiency in client placement; and 3) to upgrade existing board and lodging facilities where necessary to meet basic client care and safety needs. These are board and lodging facilities that have had no upgrading since 1978 and will need renovation of physical plant to keep the facility up-to-date.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of grants	3	2	3	3
Clients served	60	40	60	60
New beds	30	20	30	30

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHEMICALLY DEPEND PROGRAM

MANAGEMENT ACTIVITY: CD TREATMENT GRANTS

AGENCY: HUMAN SERVICES, DPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	10.2										
LOCAL ASSISTANCE	64.8	47.0	60.7	60.7	20.0	80.7	60.7	60.7	20.0	80.7	60.7
AIDS TO INDS.											
TOTAL EXPENDITURES	75.0	47.0	60.7	60.7	20.0	80.7	60.7	60.7	20.0	80.7	60.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV	10.2										
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	10.2										
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	75.0	47.0	60.7	60.7	20.0	80.7	60.7	60.7	20.0	80.7	60.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	75.0	47.0	60.7	60.7	20.0	80.7	60.7	60.7	20.0	80.7	60.7
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CHEMICAL DEPENDENCY TREATMENT GRANTS
 PROGRAM: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: RESTORATION OF CHEMICAL DEPENDENCY DEMONSTRATION GRANTS				
Agency Request				
General Fund	\$20.0	-0-	\$20.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:	None			

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds in order to restore the previous level of funding. The \$40,000 request is to provide for the planned development of domiciliary care facilities and demonstrate more cost effective ways of delivering services to chronic alcoholics. One additional facility will be funded each fiscal year with these funds.

DESCRIPTION/BACKGROUND:

This activity has provided funding for the development of domiciliary care facilities each state fiscal year since 1978. With the 1986 unallotment the department's capacity of meeting the demand for domiciliary care was reduced by approximately 10 beds serving 20 additional clients. It is estimated that there are 32,000 chronic alcoholics in the state and domiciliary care is 1 approach that appears successful for part of this population. It is estimated that detox admissions, medical, and social service costs are reduced by 40% for this population when domiciliary care services are provided. In a recent 1986 study supported by Federal Block Grant Funds, the Minnesota Institute of Public Health showed an average annual cost of \$22,841 per person per year for a Hennepin County sample of 43 chronic alcoholics. This compares to an average annual cost of \$5,500 for domiciliary care services for this population.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of grants	3	2	4	4
Clients served	60	40	80	80
New beds	30	20	40	40

RATIONALE:

Recent cuts in both state and federal funds has left the department and local agencies with limited resources to develop alternatives for the approximately 31,000 chronic alcoholics in Minnesota. It costs approximately 75% less to provide domiciliary care services to chronic alcoholics vs. utilizing detox, medical, and other social service systems. These small start-up grants have proven to be a cost-effective way to get needed programs started, with ongoing support provided through other sources of funds (e.g., General Assistance, SSI, MSA, Title XX, pensions, retirement funds, etc.)

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: CHEMICAL DEPENDENCY PREVENTION GRANTS
 Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To provide grants to reduce the costs and other impacts of chemical use problems on the citizens of Minnesota by funding statewide prevention, education, and early intervention activities.

ACTIVITY DESCRIPTION:

This activity funds a single statewide prevention resource center to assist in providing alcohol and drug abuse education, information, and training. The funds are used to offer all Minnesota communities accurate up-to-date information, prevention programs, speakers, and assistance in planning and generating local prevention efforts. Available information includes film and print materials on marijuana and other drugs, parent training, alcohol and drug education for senior citizens, fetal alcohol syndrome, server training, and other materials designed to prevent alcohol and drug abuse.

State funds are currently awarded to a non-profit organization selected through competitive bidding procedures. The grantee is reviewed annually to determine whether the grant should be renewed based on past performance, reasonableness of budget, and ability to perform the work in a cost-effective manner. A single statewide resource center has proven to be a more cost-effective approach to delivering prevention services rather than regional centers or individual grants to local communities.

ACCOMPLISHMENTS AND GOALS:

Special projects this biennium included a planning guide for post-prom/graduation parties, a review of research on drug education, an AIDS brochure for drug users, and seminars for 10,000 students on drinking and driving. During the coming year special youth awareness campaigns will be targeted at 8-12 and 13-17 year olds. These funds will continue to be used to address emerging trends and issues related to the prevention of drug and alcohol abuse.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Audiovisual materials loaned	672	816	856	900
Printed materials distributed	30,800	37,400	39,270	41,233
Number of on-site consultation visits	96	110	122	128

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHEMICALLY DEPEND PROGRAM

MANAGEMENT ACTIVITY: CD PREVENTION GRANTS

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	199.1	151.1	167.8	167.8	46.5	214.3	167.8	167.8	46.5	214.3	167.8
AIDS TO INDS.											
TOTAL EXPENDITURES	199.1	151.1	167.8	167.8	46.5	214.3	167.8	167.8	46.5	214.3	167.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	199.1	151.1	167.8	167.8	46.5	214.3	167.8	167.8	46.5	214.3	167.8
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	199.1	151.1	167.8	167.8	46.5	214.3	167.8	167.8	46.5	214.3	167.8
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: CHEMICAL DEPENDENCY PREVENTION GRANTS
 PROGRAM: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

Currently, the department funds 1 major statewide prevention resource center. In the past efforts have focused on the elderly, Blacks, Hispanics, youth, women, American Indians, and drunk driving. Future efforts will be needed in the area of drunk driving and boating, Southeast Asian prevention, and higher education institutions (especially in light of the increase in the legal drinking age to 21). Without the availability of these funds these problems will go unaddressed.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$46.5	-0-	\$46.5	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds in order to restore the level of prevention service provided prior to the 1986 unallotment.

DEMONSTRATION/BACKGROUND:

This activity funds a statewide resource center to assist in providing alcohol and drug abuse education, information and training. The funds are used to offer all Minnesota communities accurate up-to-date information, prevention programs, speakers, and assistance in planning and generating local prevention efforts. The reduction by the 1986 Legislature of \$101,500 has significantly reduced the state's capacity to carry out this responsibility. An increased need for these services is also expected because of the recent change in the drinking age and because of increased national concern over drug abuse.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Audiovisual materials loaned	672	816	1,323	1,389
Printed materials distributed	30,800	37,400	60,637	63,669
Number of consultation visits	96	116	190	200

ACTIVITY: CHEMICAL DEPENDENCY EVALUATION GRANTS
 Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To provide funds for research and evaluation grants and activities in order to improve the efficiency and effectiveness of chemical dependency (CD) programs.

ACTIVITY DESCRIPTION:

This activity provides funds to perform research and evaluation studies. Authority for this activity is found in M.S. 254A, which mandates the Department to: 1) conduct and foster research relating to the causes, prevention, and methods of diagnosis and treatment of chemically dependent persons; 2) gather and disseminate facts and information about the efficiency and effectiveness of prevention and treatment programs; and 3) evaluate programs providing services for CD prevention and treatment. The Department is also mandated to provide reports to the legislature on the effectiveness of the state's alcohol and drug abuse block grant funds and recommendations concerning improved efficiency, effectiveness, coordination and quality of state services, and decrease of service duplication and cost. Special reports on specific programs are also mandated by the legislature.

Input on topics for major research/evaluation projects is obtained from the Department's advisory councils, policy makers, and CD professionals before projects are selected and implemented. Topic selection is also based on Department strategic planning efforts. Most projects are performed under contract. Large projects utilize a competitive RFP process, and all grants and contracts are reviewed utilizing the usual division and Department procedures, including review by the State Alcohol and Drug Abuse Advisory Council.

ACCOMPLISHMENTS AND GOALS:

During the current biennium a major study comparing the effectiveness of inpatient vs. outpatient treatment was completed. This 3 year study, conducted by the St. Paul-Ramsey Medical Education and Research Foundation, found that outpatient treatment may be effective for a much broader range of clients than previously thought. The results of this study have major implications for Minnesota's current CD delivery system, and were used in developing the Department's rule on assessment and placement criteria for publicly-funded CD clients.

During the next biennium these funds will be used to contract for an incidence and prevalence survey to provide updated information on the nature and extent of drug and alcohol problems in Minnesota, particularly among special population groups. This survey will be used to improve the targeting of treatment and prevention services for different regions and sub-populations of Minnesota. This survey will also provide baseline data for assessing the effectiveness of treatment and prevention activities.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Studies in progress	1	1	1	1
Major reports produced	1	1	1	1

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHEMICALLY DEPEND PROGRAM

MANAGEMENT ACTIVITY: CD EVALUATION GRANTS

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	65.1		65.1	65.1		65.1	65.1	65.1		65.1	65.1
AIDS TO INDS.											
TOTAL EXPENDITURES	65.1		65.1	65.1		65.1	65.1	65.1		65.1	65.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	65.1		65.1	65.1		65.1	65.1	65.1		65.1	65.1
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	65.1		65.1	65.1		65.1	65.1	65.1		65.1	65.1
POSITIONS BY FUND											
TOTAL POSITIONS											

ACTIVITY: CHEMICAL DEPENDENCY BLOCK GRANT FEDERAL
 Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To distribute Federal Alcohol, Drug Abuse, and Mental Health Block Grant monies to improve access to chemical dependency (CD) services for special populations (e.g., women, various minority groups, and dual disability clients); provide education and prevention services to Minnesota communities, including American Indian communities; and support research, evaluation, and training activities aimed at improving the quality and cost-effectiveness of public CD services.

ACTIVITY DESCRIPTION:

This activity distributes 70% of the federal alcohol, drug abuse, and mental health block grant (30% goes to mental health). It provides funds for projects of statewide impact and for services to special populations. The fund is identified as a block grant, but federal law stipulates that at least 35% be spent on alcohol abuse, at least 35% on drug abuse, at least 20% on prevention, and not more than 10% on administration. In addition, at least 5% of this block grant must be spent on new or expanded services for women. The state may use funds provided under this block grant for "planning, establishing, maintaining, coordinating, and evaluation projects for the development of more effective prevention, treatment, and rehabilitation programs and activities to deal with chemical abuse and dependency".

Eligible grantees are public and nonprofit private agencies and organizations. Funds must be used to supplement and increase the level of state, local and other nonfederal funds and in no event are to supplant such funds. In certain instances, grantees, such as counties, may act as fiscal agents for disbursement of funds to local programs with the approval of DHS. Grants and contracts are solicited in accord with a block grant spending plan developed by DHS and reviewed at public hearings before the legislature. Primary consideration for the use of these funds is given to carrying out the responsibilities of the State Authority on Alcohol and Drug Abuse as specified in M.S. 254A.03. Applicants for grant funds are required to submit a proposal specifying goals, objectives, activities, and the total project budget, including other sources of funds. Proposals are reviewed by DHS staff and the Alcohol and Other Drug Abuse Advisory Council or American Indian Advisory Council.

It should be noted that approximately \$1,050,000 of federal block grant funds for on-going treatment services will be transferred to the Consolidated CD Treatment Fund as of July 1, 1987, as required by Chapter 394, Laws of 1986.

ACCOMPLISHMENTS AND GOALS:

Major accomplishments this biennium included the development of a model women's treatment program and assessment training for county and program personnel. Funds were also used to develop and distribute brochures for intravenous (IV) drug users on AIDS and

ACCOMPLISHMENTS AND GOALS (Contd.):

video tapes for chemical dependency (CD) treatment and county personnel dealing with hearing impaired persons. A school prevention program for Southeast Asian students within the Minneapolis school system was also funded. New treatment resource developments included treatment for incarcerated persons within local county jails and outpatient treatment for the Black and Hispanic communities. Major accomplishments in evaluation and research included completion of a comparative study of inpatient and outpatient treatment; a report on the effectiveness of separate vs. combined treatment programs for women; a report on chemical use among the elderly in Minnesota; a report on the feasibility of chronic case management; and support for DAANES.

Goals for the coming biennium include developing and expanding specialized services for women, Blacks, Hispanics, Southeast Asians, chronic and dual disability populations; and monitoring the Consolidated Treatment Fund and Rule 25.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Drug Treatment Clients	1,054	1,100	200	200
Special Population Clients	658	600	120	120
Needs Assessment Reports	90	90	90	90
DAANES Reports	1,256	1,778	2,036	2,036
Programs on DAANES	163	163	188	188
Clients on DAANES	41,669	44,966	46,666	46,666
Participants in Training Events	2,322	4,650	3,800	3,240
Drug Education Classes	147	147	155	155
Drug Education Participants	1,095	1,095	1,150	1,150
Drug Information Requests	2,842	3,000	3,250	3,400

MAJOR ISSUES:

Federal Issues:

This block grant was reduced by \$460,650 (14%) in FY 1986 during budget reductions under the Gramm-Rudman-Hollins Act.

EXPLANATION OF BUDGET REQUEST:

No state funds requested.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHEMICALLY DEPEND PROGRAM

MANAGEMENT ACTIVITY: CD BLOCK GRANT FEDERAL

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	642.5	650.9	665.5	685.7		685.7	685.7	685.7		685.7	685.7
LOCAL ASSISTANCE	2,147.9	2,564.7	2,417.9	2,206.0		2,206.0	2,206.0	2,206.0		2,206.0	2,206.0
AIDS TO INDS.											
TOTAL EXPENDITURES	2,790.4	3,215.6	3,083.4	2,891.7		2,891.7	2,891.7	2,891.7		2,891.7	2,891.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	477.6	476.0	552.8	556.9		556.9	556.9	556.9		556.9	556.9
EXPENSES & CONTRAC. SERV	145.7	158.7	109.2	124.8		124.8	124.8	124.8		124.8	124.8
SUPPLIES & MATERIALS	9.6	5.1	3.5	4.0		4.0	4.0	4.0		4.0	4.0
EQUIPMENT	9.6	11.1									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	642.5	650.9	665.5	685.7		685.7	685.7	685.7		685.7	685.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
FEDERAL	2,790.4	3,215.6	3,083.4	2,891.7		2,891.7	2,891.7	2,891.7		2,891.7	2,891.7
TOTAL FINANCING	2,790.4	3,215.6	3,083.4	2,891.7		2,891.7	2,891.7	2,891.7		2,891.7	2,891.7
POSITIONS BY FUND											
FEDERAL	13.0	14.0	14.0	14.0		14.0	14.0	14.0		14.0	14.0
TOTAL POSITIONS	13.0	14.0	14.0	14.0		14.0	14.0	14.0		14.0	14.0

Fiscal Summary for Alcohol and Drug Abuse Portion of the
Federal Alcohol, Drug Abuse, and Mental Health Services
Block Grant

Agency: HUMAN SERVICES, DEPARTMENT OF
Federal Grant Title: ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES
BLOCK GRANT
State Legal Authority: 254A.03(i)
Dollars (in 000): \$2,891.5

ANTICIPATED RECEIPT DATES:

Funds are available for obligation for a two year period commencing at the beginning of the Federal Fiscal Year in which funds are appropriated. Initial grant award notices have been received between November and January, with the balance of funds awarded in quarterly allotments throughout the fiscal year.

GRANT OBJECTIVES:

- 1) Demonstrate more cost effective approaches to chemical dependency services.
- 2) Improve access to appropriate treatment services for special population groups.
- 3) Evaluate chemical dependency services and the extent of chemical abuse problems.
- 4) Promote community education, prevention and intervention to reduce chemical abuse problems.

FEDERAL AND STATE PERMITTED USES AND USE RESTRICTIONS:

Federal law states that funds may be used for planning, establishing, maintaining, coordinating and evaluating projects for more effective prevention, treatment, and rehabilitation programs and activities to deal with alcohol and drug abuse. Federal restrictions are: at least 35% be spent on alcohol abuse activities; at least 35% be spent on drug abuse activities; at least 20% be spent on prevention and early intervention activities; at least 5% be spent on new or expanded services for women; not more than 10% be spent on administration; funds cannot be used to supplant state, local and other funds which would otherwise be available; only public and non-profit private agencies are eligible grantees; funds cannot be used for inpatient hospital services or for acquisition of land or construction. Chapter 394, Laws of 1986 stipulates that \$1,050,000 of ADM Block Grant funds be dedicated to the Consolidated Chemical Dependency Treatment Fund.

ALLOCATION RECOMMENDED BY AGENCY:

The department prepares an annual spending plan for allocation of these funds. This spending plan is reviewed by the Legislature each fall prior to submission of an application for funds.

<u>GRANT USE:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Financial assistance to political subdivision and non-profit agencies				
Prevention/Intervention	\$ 379.1	\$ 299.2	\$ 229.2	\$ 229.2
Special Population Services and Treatment	1,569.1	1,550.4	1,561.8	1,561.8
American Indians	462.3	459.3	405.0	405.0
Training	21.9	97.1	10.0	10.0
Research/Evaluation	29.9	12.1	0	0
SUBTOTAL	2,462.3	2,418.1	2,206.0	2,206.0
State Agency Operations				
Prevention/Intervention	37.3	38.5	39.7	39.7
Special Population Services and Treatment	65.9	71.0	76.0	76.0
Training	37.9	41.0	45.0	45.0
Research/Evaluation	231.1	253.2	265.0	265.0
Administration	242.5	261.8	259.9	259.9
SUBTOTAL	614.0	665.5	685.6	685.6
TOTAL THIS GRANT	3,077.1	3,083.5	2,891.5	2,891.5
Required State Match:	None			
Required Local Match:	None			
Agency Complement funded by this grant	14.0	14.0	14.0	14.0

ACTIVITY: CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT FUND 1987-89 Biennial Budget
 Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 Agency: HUMAN SERVICES, DEPARTMENT OF

ACTIVITY OBJECTIVE:

To improve chemical dependency treatment services provided with public funds by: allowing services to be provided in the most appropriate setting based on individual client needs; standardizing cost sharing between the state and counties; providing uniform, statewide information regarding services and costs.

ACTIVITY DESCRIPTION:

The Consolidated Chemical Dependency (CD) Treatment Fund was enacted by the 1986 Legislature (Chapter 394). This law requires that the following state appropriations be combined for the biennium beginning July 1, 1987: General Assistance, General Assistance Medical Care, State Regional Treatment Centers, and state and federal block grant treatment grants administered by the Department of Human Services (DHS). The law will remove restraints on the types of providers currently eligible as vendors under these funds.

Existing restrictions include the limitation of General Assistance Medical Care to hospital programs, the limitation of Medical Assistance inpatient care to hospital programs and the limitation of Regional Treatment Center services to inpatient programs. The local share of these existing programs ranges from approximately 4.5% to 25%.

The Consolidated CD Fund will create a uniform local share of 15%, institute a statewide fee scale, and assure access for public assistance clients. Reservations will receive allocations to serve American Indian residents. The Consolidated CD Treatment Fund removes restrictions on the types of licensed treatment programs eligible to provide services and eliminates financial incentives favoring certain providers over others. This allows services to be provided based on individual client needs, promoting both efficiency and effectiveness in the expenditure of public funds.

Funds will be allocated to counties according to a formula including population, income, and welfare case load. Twelve percent of the Consolidated CD Treatment Fund will be designated for American Indian clients, evenly divided between reservation and non-reservation residents. If the need for services exceeds the county's allocation and the county has met a maintenance of effort requirement, the state and county will share the cost of services to public assistance eligible clients.

Each county and reservation will be responsible for assessment and referral of their CD clients, using uniform placement criteria matching clients to the appropriate level of care. Covered services will include outpatient and inpatient primary treatment, extended care, and halfway houses. All licensed CD programs providing these services will be eligible to receive reimbursement. Hospital-based programs who wish to be vendors must be licensed by DHS. All vendors must participate in the Drug and Alcohol Abuse

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY DESCRIPTION (Contd.):

Normative Evaluation System or a comparable information system approved by DHS. Counties and reservations will be responsible for negotiating rates based on their needs and the services available in their area. CD services mandated and funded under the Community Social Services Act (e.g., detox, assessment, aftercare) will not be covered by the treatment fund.

Participation of Medical Assistance clients in this program is dependent on the approval of necessary waivers by the Federal Department of Health and Human Services.

ACCOMPLISHMENTS AND GOALS:

The implementation of the Consolidated CD Treatment Fund is a high priority of DHS. An advisory committee representing counties, providers, professional groups, unions, other state agencies, and consumers is reviewing the implementation planning on an ongoing basis. Because the CD Fund is a consolidation of separately administered, existing programs, it is a complex task involving activities such as: developing a billing, accounting, and collections system; rule making in several areas; application for and receipt of Medical Assistance waivers; training and capacity building within the regional treatment centers, counties, and reservations; and development of monitoring and reporting systems. Pilot projects have been established in Hubbard, Beltrami, and Cook Counties and on the Grand Portage Indian Reservation to design and test procedures for implementing this new funding system.

EXPLANATION OF BUDGET REQUEST:

The Consolidated CD Treatment Fund combines current expenditures of state and federal funds. Change requests are included in the activities affected and on the following change pages.

ACTIVITY: CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT FUND 1987-89 Biennial Budget
 (Continuation)
 Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 Agency: HUMAN SERVICES, DEPARTMENT OF

EXPLANATION OF BUDGET REQUEST:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General Assistance			\$ 2,674.0	\$2,786.3
General Assistance Medical Care			5,179.5	5,697.7
Regional Treatment Centers*			17,520.1	17,520.1
American Indian Chemical Dependency Grants			640.0	640.0
Sub-Total General Fund			\$26,013.6	\$26,644.1
Federal Alcohol, Drug Abuse and Mental Health Block Grant			1,050.0	1,050.0
Total Transfer to CCDF			\$27,063.6	\$27,694.1

*Statute requires this amount to be increased by the amount of salary supplement funds allocated for CD services.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHEMICALLY DEPEND PROGRAM

MANAGEMENT ACTIVITY: CD CONSOLIDATED TREATMENT

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS					473.8	473.8	10.0		228.1	228.1	10.0
LOCAL ASSISTANCE											
AIDS TO INDS.			228.3		26,013.6	26,013.6	22,752.9		26,644.1	26,644.1	25,145.2
TOTAL EXPENDITURES			228.3		26,487.4	26,487.4	22,762.9		26,872.2	26,872.2	25,155.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES					259.2	259.2	10.0		147.4	147.4	10.0
EXPENSES & CONTRAC. SERV					147.9	147.9			68.7	68.7	
SUPPLIES & MATERIALS					25.5	25.5			2.0	2.0	
EQUIPMENT					41.2	41.2			10.0	10.0	
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS					473.8	473.8	10.0		228.1	228.1	10.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL											
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE			228.3		26,487.4	26,487.4	22,762.9		26,872.2	26,872.2	25,155.2
TOTAL FINANCING			228.3		26,487.4	26,487.4	22,762.9		26,872.2	26,872.2	25,155.2
POSITIONS BY FUND											
GENERAL					11.0	11.0	11.0		12.0	12.0	12.0
TOTAL POSITIONS					11.0	11.0	11.0		12.0	12.0	12.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT FUND
 PROGRAM: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT FUND	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$26,013.6	-0-	\$26,644.1	-0-
Governor's Recommendation				
General Fund	\$22,752.9	-0-	\$25,145.2	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to establish a Consolidated Chemical Dependency Treatment Fund as required by Laws of Minnesota 1986, Ch. 394.

DESCRIPTION/BACKGROUND:

Laws of Minnesota 1986, Ch. 394, requires the establishment of a Consolidated Chemical Dependency Treatment Fund. The law provides that all existing state funds earmarked for chemical dependency treatment be transferred to the consolidated fund. The funds affected include those for General Assistance, General Assistance Medical Care, American Indian Chemical Dependency Grants, the Federal Alcohol, Drug Abuse and Mental Health Block Grant, and the regional treatment centers.

F.Y. 1986 F.Y. 1987 F.Y. 1988 F.Y. 1989

Source of Fund Transfers*

General Assistance	N/A	N/A	\$ 2,674.0	\$ 2,786.3
General Assistance Medical Care	N/A	N/A	\$ 5,179.5	\$ 5,697.7
Regional Treatment Centers	N/A	N/A	\$17,520.1	\$17,520.1
American Indian Chemical Dependency Grants	N/A	N/A	\$ 640	\$ 640

* Note: \$1,050,000 in federal funds from the Alcohol, Drug Abuse and Mental Health Block Grant are also included in the Consolidated Chemical Dependency Treatment Fund.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$4,759.6 required by changes to the agency's request which are described below and in related change requests. Changes to General Assistance and General Assistance Medical Care reduce the base of these activities thus reducing the estimated amounts to be expended for chemical dependency treatment. The transfer of regional treatment center funds is reduced to provide a financial reserve to help maintain the solvency of regional treatment center chemical dependency programs.

Change	F.Y. 1988	F.Y. 1989	Biennium
General Assistance	(\$ 908.5)	(\$991.8)	(\$1,900.3)
GAMC	(\$ 352.2)	(\$507.1)	(\$ 859.3)
Regional Treatment Center Reserve	(\$2,000.0)	(\$ -0-)	(\$2,000.0)
Total	(\$3,260.7)	(\$1,498.9)	(\$4,759.6)

It is anticipated that new federal funds provided by the Drug Enforcement, Education, and Control Act of 1986 will be available to supplement state resources in the consolidated fund.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT FUND
 PROGRAM: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT FUND BILLING, COLLECTION AND DRUG AND ALCOHOL ABUSE NORMATIVE EVALUATION SYSTEM				
Agency Request				
General Fund	\$395.7	9.0	\$150.0	10.0
Governor's Recommendation				
General Fund	\$ -0-	9.0	\$ -0-	10.0
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: Laws of Minnesota 1986, Ch.394, Sec. 13, Subd. 5				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to expand the Drug and Alcohol Abuse Normative Evaluation System (DAANES), to link DAANES with the state regional treatment centers' billing and collections system, and to create a dedicated administrative account within the Consolidated Chemical Dependency Treatment Fund to cover the costs of billing and collection for the fund.

DESCRIPTION/BACKGROUND:

The development of DAANES was funded with federal block grant monies. DAANES includes basic client descriptors, alcohol and drug use patterns, previous treatment experience, information on other problems related to abuse or dependency, and six-month follow-up information. Currently included are all CD clients in regional treatment centers and all treatment programs receiving state or federal block grant dollars. A separate sub-system collects data on most of the admissions to state detoxification centers.

The funds requested for DAANES (\$100.0 in F.Y. 1988, and \$150.0 in F.Y. 1989) will provide for approximately one-third of the expected cost of DAANES operations, including 2 positions to process additional clients and programs due to the Consolidated CD Treatment fund. The third position is for the development and maintenance of a fully-electronic (paperless) version of DAANES and for linking DAANES to the billing and collections systems.

DESCRIPTION/BACKGROUND (Contd.):

The funds requested (\$295.7 in 1988) to create an administrative account will provide 6 positions which are needed for invoice processing and collections for the Consolidated Fund, and will pay for the computer services, equipment, and administrative expense associated with the Funds activities. Any revenue collected by this dedicated account in excess of \$295.7 will be deposited in the CD Consolidated Fund.

RATIONALE:

The dedicated account will assist this agency in developing and implementing a program to maximize reimbursements and result in the recovery of money to the Consolidated CD Fund. The recent legislation creating the Consolidated CD Treatment Fund (Chapter 394) requires all participating programs to report on DAANES or a "comparable system." Based upon new requests to join DAANES, a substantial increase in the number of reporting programs is anticipated. Requesting state dollars to support DAANES has been recommended by the State Alcohol and Other Drug Abuse Advisory Council. A fully-electronic system will be more efficient and will reduce the need for clerical support in the future. The ability to link the billing, collection, and DAANES systems will provide the Department with integrated information on clients served, services provided, costs, and outcomes of treatment under the Consolidated Fund.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for new funding to support DAANES expansion and establish a billing and collection system. New systems required by the consolidated treatment fund should be supported by fund resources. The Governor does concur with the agency's request for 10.0 positions and the establishment of a dedicated administrative account. The Commissioner of Human Services will submit proposed legislation required to implement this recommendation.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT FUND
 PROGRAM: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

Failure to license the programs in a timely fashion and respond to complaints regarding licensed programs will discourage entrepreneurs in this area of chemical dependency treatment and increase the state's exposure to tort liability claims to unacceptable levels (see Andrade v. Ellefson; Minnesota Supreme Court, 1986).

Request Title: CHEMICAL DEPENDENCY LICENSING STAFF	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 78.1	2.0	\$ 78.1	2.0
Governor's Recommendation				
General Fund	\$ 10.0	2.0	\$ 10.0	2.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

GOVERNOR'S RECOMMENDATION:

The Governor recommends limited new biennial funding of \$20.0 and 2.0 positions for this request. The balance of required funding, \$136.2 for the biennium, should come from resources of the Consolidated Treatment Fund. Expanded licensing required by fund legislation should be supported by fund resources and license fees deposited in the general fund. The Department of Human Services estimates that \$20.0 in fees will be received during the biennium. The Commissioner of Human Services will submit proposed legislation required to implement this recommendation.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to conduct routine licensing inspections and monitoring of an anticipated 100 new chemical dependency treatment programs that will be participating in the Chemical Dependency Consolidated Treatment Fund.

DESCRIPTION/BACKGROUND:

Laws of Minnesota, 1986, Ch. 394, Sec. 17 requires that facilities participating in the Chemical Dependency Treatment Fund be licensed by 7-1-1987. It is anticipated that this action will result in at least 127 new license applications by June 1988, and a slight increase thereafter. Currently, licensors assigned to chemical dependency treatment programs must license 79 programs per year. Additionally, these licensor's assignments require travel over unusually large geographical areas.

Until the advent of the Chemical Dependency Consolidated Treatment Fund, chemical dependency treatment programs located in hospitals were exempted from licensure. Beginning 7-1-1987, reimbursement from public funds will be available only to licensed facilities. It is anticipated that 2 additional licensors will be required to license these new facilities.

ACTIVITY: LICENSING
 Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 545.6	\$ 756.4	\$ 839.2	\$ 858.0	\$ 883.6

ACTIVITY OBJECTIVE:

To enforce federal and state statutes and rules and regulations by employing preventative measures, enforcement powers, information and referral activities, and technical assistance to protect the health, safety, rights, and well-being of children and adults who receive licensed services.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Percent of programs inspected for compliance prior to license expiration	48	81	78	72
Number of suspensions, revocations and probationary licenses for failure to comply with rules	9	37	35	35
Percent of abuse/neglect complaints resolved	65	98	99	99
Percent of other licensing violation complaints resolved	65	82	80	80

ACTIVITY DESCRIPTION:

This activity is responsible for inspecting and licensing group homes and residential treatment centers for children; child care centers; family child care homes; foster homes; day and residential programs; mental health centers for Minnesotans with mental retardation, mental illness, chemical dependencies and physical handicaps. The major functions of this activity are: 1) to inspect and monitor licensed programs; 2) to investigate complaints about abuse and neglect of children and vulnerable adults, and other violations of licensing requirements in licensed programs; 3) to take action to protect the health, safety, rights and well-being of children and adults in licensed programs; 4) to take appropriate enforcement actions; 5) to direct, supervise and monitor the inspection activities of county and private agencies; and 6) to advise the Commissioner regarding the enforceability of standards.

ACCOMPLISHMENTS AND GOALS:

Since the last half of F.Y. 1985, the management structure of this activity has been reorganized and a program to automate routine activities has been initiated to improve the consistency, reliability and quality of licensing field operations. Effectiveness measures show that these efforts have increased the overall productivity and the effective resolution of abuse/neglect complaints by 33%, and the resolution of other licensing complaints by 17%.

ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number licensed programs				
Child care centers	1,077	1,150	1,230	1,300
Family child care homes	9,730	9,800	9,890	9,990
Foster care homes	4,619	4,630	4,640	4,650
Child caring/placing agencies	31	33	33	30
State regional treatment centers	9	9	9	9
MR, MH, CD residential programs	574	607	613	624
MR day programs (DAC)	151	151	160	165
CD Outpatient	122	125	175	228
MH Centers	89	93	95	98
Number complaints received				
Vulnerable adults complaints	923	1,000	1,090	1,130
Child abuse/neglect complaints	140	170	210	240
Other licensing complaints	420	460	500	550
Work force statistics				
Number of licensors	26	26	26	26
Average annual case load	79	83	89	94

LEGISLATIVE ISSUES:

Legislation will be proposed to amend the "Public Welfare Licensing Act" that will update and clarify provisions of the Act; provide for alternative enforcement methods; and specify requirements for standard setting.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change page.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LICENSING

PROGRAM: CD-DEAF-PROTECTION

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,103.7	1,392.7	1,672.1	1,613.4	150.0	1,763.4	1,793.4	1,610.0	310.0	1,920.0	1,770.0
LOCAL ASSISTANCE		134.7	177.0								
AIDS TO INDS.											
TOTAL EXPENDITURES	1,103.7	1,527.4	1,849.1	1,613.4	150.0	1,763.4	1,793.4	1,610.0	310.0	1,920.0	1,770.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	923.2	1,153.7	1,384.0	1,380.6		1,380.6	1,380.6	1,377.2	248.6	1,625.8	1,517.2
EXPENSES & CONTRAC. SERV	167.9	234.5	277.6	223.3	150.0	373.3	403.3	223.3	58.0	281.3	239.9
SUPPLIES & MATERIALS	4.9	4.5	7.9	6.9		6.9	6.9	6.9	1.4	8.3	8.3
EQUIPMENT	7.7		2.6	2.6		2.6	2.6	2.6	2.0	4.6	4.6
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,103.7	1,392.7	1,672.1	1,613.4	150.0	1,763.4	1,793.4	1,610.0	310.0	1,920.0	1,770.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	858.4	1,030.0	1,184.1	1,198.4	150.0	1,348.4	1,378.4	1,195.0	310.0	1,505.0	1,355.0
DEDICATED APPROPRIATIONS:											
FEDERAL	245.3	497.4	665.0	415.0		415.0	415.0	415.0		415.0	415.0
TOTAL FINANCING	1,103.7	1,527.4	1,849.1	1,613.4	150.0	1,763.4	1,793.4	1,610.0	310.0	1,920.0	1,770.0
POSITIONS BY FUND											
GENERAL	20.0	22.0	25.0	25.0		25.0	25.0	25.0	7.0	32.0	29.0
FEDERAL	9.0	10.0	11.0	11.0		11.0	11.0	11.0		11.0	11.0
TOTAL POSITIONS	29.0	32.0	36.0	36.0		36.0	36.0	36.0	7.0	43.0	40.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: LICENSING

PROGRAM: CHEMICAL DEPENDENCY, DEAF, PROTECTION

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: LICENSING STAFF	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ -0-	-0-	\$280.0	7.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$160.0	4.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions in order to reduce the state's liability exposure to acceptable levels; conduct technical assistance, monitoring and supervision of county licensing agencies to assure compliance with standards for family day care/foster care licensing; and to maintain licensor case loads at acceptable levels. These 7 positions will not increase the overall staff complement for the department beyond F.Y. 1987 levels due to a corresponding reduction being proposed in the RTC mental retardation programs. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs. These positions will be phased in during the second year of the biennium.

DESCRIPTION/BACKGROUND:

- 1) Technical Assistance and Monitoring County Licensing Agencies: The request would add 2 positions to provide technical assistance and monitor the compliance of 87 counties with standards for family day care/foster care licensing pursuant to Laws of Minnesota (1986), Ch. 395, Sec. 5 and 15.
- 2) Maintain Case Loads at F.Y. 1986 Levels: Based on historical projections of increase and attrition in the number of licensed programs, this activity will require 5 positions to maintain licensor case loads at F.Y. 1986 levels.

DESCRIPTION/BACKGROUND (Contd.):

RATIONALE:

1) Technical Assistance and Monitoring County Licensing Agencies: Over 14,500 family day care/foster care homes are inspected by county employees. Based on the results of these inspections, the county agency recommends appropriate licensing action to the department. Historically, the role of the department has been to review recommendations made by the county agency, take an appropriate administrative action, and review contested case proceedings. Laws of Minnesota, 1986, Ch. 395, Sec. 5 and 15 requires the department to take an active role in the supervision and training of county licensing staff and monitor the county agency's compliance with standards for licensing family day care programs. This will require ongoing in-service training of over 190 county employees and monitoring 87 county agencies for compliance with standards.

If this request is not funded, the department will not be able to comply with the requirements of Laws of Minnesota, 1986, Ch. 395, sec. 5 and 15 and the state and counties will incur an unacceptable level of exposure to tort liability claims (of Andrade v. Ellefson, et al. and the County of Anoka, Minnesota Supreme Court, 1986).

2) Maintain Licensing Case Loads at F.Y. 1986 Levels: Projected growth in the number of licensed programs will require an increase in the number of state licensing staff in order to maintain F.Y. 1986 levels of on-time licensing.

If this request is not funded, the number of programs that are licensed on-time and the department's capacity to respond to cases of suspected abuse/neglect in licensed programs will continue to decline. Undoubtedly, further decline in the department's ability to prevent abuse/neglect in licensed programs will result in an increase in the number of successful tort claims against the state.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$160.0 and 4 positions for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: HEARING IMPAIRED SERVICES
 Program: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY OBJECTIVE:

This activity is required by statute to assure that deaf and hearing impaired (HI) persons have access to social and financial services and the needed array of services to effectively deal with related problems of mental retardation, chemical dependency, and mental health. Access to these services encourages maximum self-sufficiency and economic independence for all hearing handicapped constituencies including those with multiple handicaps.

ACTIVITY DESCRIPTION:

Program planning, technical assistance, and training is provided to counties and related agencies which serve an estimated 36,000 deaf and 100,000 hard-of-hearing persons. Regional Service Centers (RSCs), administered by Deaf Services Division (DSD), act as a single entry point to assist hearing impaired clients who require human services. RSCs are located in Duluth, Crookston, Fergus Falls, St. Cloud, Willmar, Mankato, Rochester, and Minneapolis. Interpreter referral, deaf-blind services, and specialized mental health services are contracted to direct service community agencies by this activity.

This activity is responsible to monitor the Hearing Impaired/Mentally Ill (HI/MI) Mediated Settlement Agreement, a court order reached by mediation which specifies the quality of services provided to selected hearing impaired state facility residents.

The activity also provides support services such as research, planning, and development of statewide policies to support multiply handicapped hearing impaired persons in least-restrictive environments.

ACCOMPLISHMENTS AND GOALS:

The RSC program has been consolidated and simplified during F.Y. 1986-87. Program policy currently reflects the state-supervised county-administered system of human services. County and provider staff can offer more and better services to deaf and multiply handicapped clients due to division program planning, technical assistance, and training activities. Programs to assist hearing impaired clients are now offered in many local communities and focus on building client self-sufficiency. St. Peter Regional Treatment Center is currently developing a comprehensive HI/MI treatment program. Goals for F.Y. 1988-89 include continued capacity building with county and provider staff, closing gaps in the deaf-blind service continuum, improved interpreter referral service, development of division-level information system and computer network, and continued DSD initiatives in mental health, quality assurance, and income maintenance areas.

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of RSC cases referred to local services	3,200	3,800	3,900	4,150
Percentage of clients reporting successful problem resolution	55	60	75	75
Percentage of counties requiring intensive consultation and training	79	75	68	60
Number of state facility staff receiving special hearing impaired training	35	88	156	198
Percentage of deaf-blind clients living in community support programs (Rule 14)	5	10	20	25

RECENT BUDGET HISTORY:

The RSC program was consolidated on 10-1-85 from a joint project with the Division of Rehabilitation, Department of Jobs and Training (DJT). As a result of this merger significant policy clarification and administrative savings have occurred during F.Y. 1986. During F.Y. 1987-1989, the agency will focus on the removal of funding barriers in a variety of public and third party payment mechanisms. This will enhance current revenues used to provide an array of self-sufficient services to HI and multiply handicapped HI persons.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEARING IMPAIRED SERVICES

PROGRAM: CD-DEAF-PROTECTION

AGENCY: HUMAN SERVICES, OPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	468.0	1,070.0	1,339.1	1,501.6		1,501.6	1,501.6	1,497.5		1,497.5	1,497.5
LOCAL ASSISTANCE	50.0	225.0	286.1	286.1		286.1	286.1	286.1		286.1	286.1
AIDS TO INDS.											
TOTAL EXPENDITURES	518.0	1,295.0	1,625.2	1,787.7		1,787.7	1,787.7	1,783.6		1,783.6	1,783.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	371.8	948.5	1,104.2	1,188.7		1,188.7	1,188.7	1,184.6		1,184.6	1,184.6
EXPENSES & CONTRAC. SERV	87.8	109.1	213.1	291.1		291.1	291.1	291.1		291.1	291.1
SUPPLIES & MATERIALS	5.2	9.3	17.1	17.1		17.1	17.1	17.1		17.1	17.1
EQUIPMENT	3.2	3.1	4.7	4.7		4.7	4.7	4.7		4.7	4.7
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	468.0	1,070.0	1,339.1	1,501.6		1,501.6	1,501.6	1,497.5		1,497.5	1,497.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	518.0	1,227.6	1,438.4	1,526.7		1,526.7	1,787.7	1,522.6		1,522.6	1,783.6
DEDICATED APPROPRIATIONS:											
FEDERAL		67.4	186.8	261.0		261.0		261.0		261.0	
TOTAL FINANCING	518.0	1,295.0	1,625.2	1,787.7		1,787.7	1,787.7	1,783.6		1,783.6	1,783.6
POSITIONS BY FUND											
GENERAL	13.0	39.0	38.0	38.0		38.0	38.0	38.0		38.0	38.0
TOTAL POSITIONS	13.0	39.0	38.0	38.0		38.0	38.0	38.0		38.0	38.0

CHANGE REQUEST
 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: HEARING IMPAIRED SERVICES
 PROGRAM: CHEMICAL DEPENDENCY, DEAF, PROTECTION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: REGIONAL SERVICE CENTER FUNDING	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund				
Governor's Recommendation				
General Fund	\$261.0	-0-	\$261.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

GOVERNOR'S RECOMMENDATION:

The Governor recommends that funding for regional service centers (RSCs) for the hearing impaired be increased by the above amounts to replace federal funds no longer available through the Department of Jobs and Training, Division of Rehabilitation Services.

STATEMENT OF REQUEST/OBJECTIVE:

This request will result in continuation of same level funding for this activity. RSCs are required by statute to assure that deaf and hard-of-hearing persons have access to human services. Access to these services encourages maximum self-sufficiency and economic independence for all hearing handicapped constituents, including those with multiple handicaps.

DESCRIPTION/BACKGROUND:

The RSC program was consolidated on 10-1-85 from a joint project with the Division of Rehabilitation, Department of Jobs and Training (DJT). As a result of this merger, significant policy clarification and administrative savings have occurred during F.Y. 1986. During F.Y. 1988-89, the agency will focus on the removal of funding barriers in a variety of public and third party payment mechanisms. This request will shift state funding from DJT to the Department of Human Services (DHS) so that same level services provided by DJT and DHS prior to the RSC consolidation of 10-1-85 will be continued by DHS through the biennium.

EFFECTIVENESS MEASURES:

	Estimated F.Y. 1987	Projected F.Y. 1988	Projected F.Y. 1989
Number of RSC cases referred to local services	3,800	3,900	4,150
Percentage of clients reporting successful problem resolution	60	75	75
Percentage of counties requiring intensive consultation and training	75	68	60

RATIONALE:

This request will provide same level continuation funding for the DHS/RSC program. Without this transfer of state funds from DJT to DHS, it will be necessary to close RSC offices and reduce several staff positions in Virginia, Crookston, and Willmar.

PROGRAM PURPOSE:

This program manages a cost-effective collection system for the cost of care provided to patients/residents in state-operated regional centers and nursing homes; seeks to reduce public assistance costs by ensuring that absent parents who have the ability, support their children; seeks to direct and supervise the administrative and programmatic functions of eight state-operated regional centers and two state-operated nursing homes providing rehabilitation/habilitation, treatment, and residential services to persons with mental illness, mental retardation and related conditions, chemical dependency, and psycho-geriatric treatment needs.

OPERATIONS:

This program includes the following operations:

- 1) Reimbursement Division is responsible for managing a cost-effective system of collection for the cost of care provided to patients/residents of the regional treatment centers and state nursing homes. Major activities for this biennium include developing and implementing a cost accounting system (billing and collection program) for the new Chemical Dependency Consolidated Fund.
- 2) Child Support Division is responsible for making sure that absent parents who are able, provide support for their children. This Division tries to locate absent parents, takes legal action to determine paternity, obtains court orders for child support, determines the ability of the absent parent to meet support obligations, and enforces the court's order for child support.
- 3) Residential Facilities Division provides support services for administrative and programmatic functions for the eight regional treatment centers and two state nursing homes. Major activities for this biennium include reviewing, developing, and implementing policies and procedures by which state-operated facilities provide care and treatment in safe, humane, and therapeutic environments for the residents/patients served.
- 4) State Regional Treatment Centers are responsible for assisting persons with mental illness, mental retardation and related conditions, chemical dependency, and psycho-geriatric rehabilitation treatment needs to achieve the maximum degree of self-sufficiency in the most appropriate and least restrictive setting. Major activities include beginning operation of the regional treatment centers' chemical dependency programs in a competitive environment under the Consolidated CD Fund and maintaining compliance with the Welsch vs. Levine requirements so that the Consent Decree will be terminated as scheduled.

5) State nursing homes are responsible for providing quality care and active treatment to elderly patients with behavior problems who cannot be retained or placed in community facilities. The major activity includes developing and implementing three 25-bed behavior rehabilitation program units in each state nursing home to properly treat residents with assaultive and self-injurious behaviors.

EXPLANATION OF BUDGET REQUEST:

An increase of \$27,378.0 is requested for the biennium; \$13,658.3 in F.Y. 1988 and \$13,719.7 in F.Y. 1989. Details concerning the budget request are contained on the individual activity narrative and change request pages that follow.

A decrease of \$42,496.0 is requested for the biennium; \$1,966.9 in F.Y. 1988 and \$5,252.8 in F.Y. 1989 due to the continuing reduction in the size of the regional center mental retardation programs; \$101.2 in F.Y. 1988 and \$134.9 in F.Y. 1989 due to improved operating efficiencies resulting from the replacement of state facility regional laundry equipment; \$17,520.1 in F.Y. 1988 and \$17,520.1 in F.Y. 1989 to transfer the funds for the regional center chemical dependency programs to the Chemical Dependency Consolidated Fund beginning July 1, 1987.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a decrease of \$35,861.1 for the F.Y. 1987-89 biennium for this program.

Details are found on the change level pages that follow.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: REIMBURSE & FACILITIES ADM

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
REIMBURSEMENT DIVISION	1,369.5	1,449.1	1,506.0	1,555.1	69.0	1,624.1	1,624.1	1,550.6	69.0	1,619.6	1,619.6
CHILD SUPPORT ENFORCEMENT	784.4	1,080.4	2,243.2	4,748.9	1,007.3	5,756.2	8,258.7	5,170.9	2,471.2	7,642.1	5,873.0
RESIDENTIAL FACIL MANAGE	546.6	874.3	596.2	674.9		674.9	674.9	673.1		673.1	673.1
ST REGIONAL TREATMENT CTRS	159,627.6	168,848.8	175,118.8	181,916.4	7,606.4-	174,310.0	166,096.5	180,706.6	12,652.0-	168,054.6	156,015.5
STATE NURSING HOMES	17,937.8	19,196.4	20,352.7	20,563.7	600.2	21,163.9	20,713.7	20,449.7	923.7	21,373.4	20,599.7
TOTAL	180,265.9	191,449.0	199,816.9	209,459.0	5,929.9-	203,529.1	197,367.9	208,550.9	9,188.1-	199,362.8	184,780.9
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	180,209.8	191,394.9	199,758.4	209,400.5	5,929.9-	203,470.6	196,984.4	208,492.4	9,188.1-	199,304.3	184,397.4
LOCAL ASSISTANCE							325.0				325.0
AIDS TO INDS.	56.1	54.1	58.5	58.5		58.5	58.5	58.5		58.5	58.5
TOTAL EXPENDITURES	180,265.9	191,449.0	199,816.9	209,459.0	5,929.9-	203,529.1	197,367.9	208,550.9	9,188.1-	199,362.8	184,780.9
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	175,806.4	186,127.6	192,548.6	200,039.3	5,929.9-	194,109.4	187,948.2	198,710.3	9,188.1-	189,522.2	174,940.3
DEDICATED APPROPRIATIONS:											
GENERAL	259.2	777.7	1,471.2	1,130.5		1,130.5	1,130.5	1,128.5		1,128.5	1,128.5
SPECIAL REVENUE	82.8	304.6	1,455.8	3,947.9		3,947.9	3,947.9	4,370.8		4,370.8	4,370.8
AGENCY	3,731.5	3,888.1	4,040.5	4,040.5		4,040.5	4,040.5	4,040.5		4,040.5	4,040.5
GIFTS AND DEPOSITS	18.2	20.2	2.4	2.4		2.4	2.4	2.4		2.4	2.4
FEDERAL	367.8	330.8	298.4	298.4		298.4	298.4	298.4		298.4	298.4
TOTAL FINANCING	180,265.9	191,449.0	199,816.9	209,459.0	5,929.9-	203,529.1	197,367.9	208,550.9	9,188.1-	199,362.8	184,780.9
POSITIONS BY FUND:											
GENERAL	6,127.6	6,163.6	6,163.6	5,855.7	414.5-	5,441.2	5,510.2	5,855.7	345.5-	5,510.2	5,239.2
FEDERAL	8.8	3.3	3.3	3.3		3.3	3.3	3.3		3.3	3.3
TOTAL POSITIONS	6,136.4	6,166.9	6,166.9	5,859.0	414.5-	5,444.5	5,513.5	5,859.0	345.5-	5,513.5	5,242.5

ACTIVITY: REIMBURSEMENT DIVISION
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To manage a cost effective system of collection for the cost of care provided to clients at the regional treatment centers and state nursing homes; to plan and develop a comprehensive cost accounting system for the regional treatment centers; and to implement a billing and collection program for the Chemical Dependency (CD) Consolidated Fund.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total collections	\$144,450.9	\$143,673.4	\$154,017.4	\$153,845.3
Collections to MA account	\$144,450.9	\$143,673.4	\$149,085.1	\$148,820.7
Collections to CD Consolidated Fund	N/A	N/A	\$ 4,932.3*	\$ 5,024.6*
Collections as a percent of state facility operating costs	73.80%	72.02%	81.66%	81.33%
Activity costs as a percent of collections	0.95%	1.05%	1.03%	1.08%

* Collections only from individuals and third parties.

ACTIVITY DESCRIPTION:

This activity bills and collects for the cost of regional treatment center and state nursing home care from patients, their relatives, and public and private third parties. Collections are deposited in the department's Medical Assistance fund, which is a dedicated account. The 1983 Legislature directed that revenue collected by this activity during the 1983-85 biennium be deposited in the Medical Assistance fund.

The major functions of this activity are to:

- 1) Determine the ability of patients and relatives to pay the cost of care.
- 2) Investigate other financial resources available to pay the cost of care.
- 3) Bill the responsible payers and collect the amounts due.
- 4) Take legal action against delinquent payers as circumstances warrant.
- 5) File claims against estates for the difference between the costs and the amounts paid.
- 6) Calculate rates and prepare cost reports for federal reimbursement.

Authority for this activity is found in M.S. 246.50-246.55 and 251.011.

ACCOMPLISHMENTS AND GOALS:

This activity exceeded its revenue projections by \$1,807.2 for F.Y. 1985 and by \$2,924.4 for F.Y. 1986. The activity began the design and development of a comprehensive cost accounting system for the regional treatment centers and implemented a pilot project for the system during F.Y. 1986. The system is expected to be fully operational at the end of F.Y. 1987. The activity is also responsible for implementing a billing and collection program for the CD Consolidated Fund during F.Y. 1987.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of financial investigations*	10,700	10,700	11,950	12,600
Number of billings and receipts processed*	152,580	152,199	167,070	182,412

* Increase between F.Y. 1987 and F.Y. 1988 is due to anticipated additional case load resulting from collection for the CD Consolidated Fund.

LEGISLATIVE ISSUES:

Legislation is being proposed to clarify that DHS is responsible for setting rates and collecting for the cost of care at state nursing homes and to allow DHS to collect insurance settlements directly from carriers.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: REIMBURSEMENT DIVISION

PROGRAM: REIMBURSE & FACILITIES ADM

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,369.5	1,449.1	1,506.0	1,555.1	69.0	1,624.1	1,624.1	1,550.6	69.0	1,619.6	1,619.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,369.5	1,449.1	1,506.0	1,555.1	69.0	1,624.1	1,624.1	1,550.6	69.0	1,619.6	1,619.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,121.6	1,248.5	1,235.4	1,282.7	54.0	1,336.7	1,336.7	1,278.2	54.0	1,332.2	1,332.2
EXPENSES & CONTRAC. SERV	196.0	167.4	253.9	255.7		255.7	255.7	255.7		255.7	255.7
SUPPLIES & MATERIALS	19.2	24.6	11.1	11.1		11.1	11.1	11.1		11.1	11.1
EQUIPMENT	32.7	8.6	5.6	5.6	15.0	20.6	20.6	5.6	15.0	20.6	20.6
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,369.5	1,449.1	1,506.0	1,555.1	69.0	1,624.1	1,624.1	1,550.6	69.0	1,619.6	1,619.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,369.5	1,449.1	1,506.0	1,555.1	69.0	1,624.1	1,624.1	1,550.6	69.0	1,619.6	1,619.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,369.5	1,449.1	1,506.0	1,555.1	69.0	1,624.1	1,624.1	1,550.6	69.0	1,619.6	1,619.6
POSITIONS BY FUND											
GENERAL	44.0	44.0	44.0	44.0	2.0	46.0	46.0	44.0	2.0	46.0	46.0
TOTAL POSITIONS	44.0	44.0	44.0	44.0	2.0	46.0	46.0	44.0	2.0	46.0	46.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: REIMBURSEMENT DIVISION
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ 69.0	2.0	\$ 69.0	2.0
General Fund (MA Account)	(\$105.0)	-0-	(\$105.0)	-0-
Governor's Recommendation				
General Fund	\$69.0	2.0	\$69.0	2.0
General Fund (MA Account)	(\$105.0)	-0-	(\$105.0)	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

This department requests the above funds and positions to increase collections for the cost of care provided to clients at the regional treatment centers and nursing homes; to implement automation of cost reports for the regional treatment centers and state nursing homes and to increase scrutiny of utilization review procedures at the regional treatment centers.

DESCRIPTION/BACKGROUND:

The cost accounting system allocates costs between cost centers on the basis of statistical data that measure the amount of service rendered by each cost center to other cost centers for the purpose of determining the actual cost of providing service in the revenue producing cost centers. The EDP programmer senior would be responsible for providing the programming necessary to continue automation of this system. The medical records officer would be responsible for conducting on-site reviews of medical records and for providing training in order to determine the effectiveness of utilization review procedures and to implement changes needed to increase third party payments for the care and treatment provided at the regional treatment centers.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total Collections (in 000)	\$144,450.9	\$143,673.4	\$154,122.4	\$153,950.3
Collections as a percent of state facility operating costs	73.80%	72.02%	81.72%	81.39%
Activity costs as a percent of collections	0.95%	1.05%	1.07%	1.13%

RATIONALE:

With the addition of the 2 positions and the additional computer funds, the agency expects to increase collections by \$105,000 per year.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY: CHILD SUPPORT ENFORCEMENT
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	ESTIMATE F.Y. 1985 \$ 314.4	ESTIMATE F.Y. 1986 \$ 291.2	ESTIMATE F.Y. 1987 \$ 292.9	ESTIMATE F.Y. 1988 \$ 301.1	ESTIMATE F.Y. 1989 \$ 310.1
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ACTIVITY OBJECTIVE: To assure that absent parents having the ability to support their children actually provide for their support, thereby reducing public assistance costs and the burden on Minnesota (MN) taxpayers.

EFFECTIVENESS MEASURES:	National F.F.Y. 1985	Minn. F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Collections (total program cost ratio)					
AFDC	\$1.34	\$1.47	\$1.34	\$1.35	\$1.28
Non-AFDC	\$1.97	\$1.44	\$1.48	\$1.52	\$1.46
Total	\$3.31	\$3.09	\$2.98	\$3.04	\$2.89
Collections per open child support case (annual)	\$310.90	\$609.94	638.60	647.51	654.04
Percent of AFDC grant payments recovered	7.3	11.6	11.2	11.9	12.1

ACTIVITY DESCRIPTION: Child Support Enforcement locates absent parents, takes legal action to determine paternity, obtains court orders for child support, determines the ability of the absent parent to meet the support obligation, and enforces the court's order for child support. The activity has a role in virtually all Aid to Families with Dependent Children (AFDC) families and is required to provide service to non-AFDC families upon their request.

Central Office focus is on fiscal analysis, evaluation of county support enforcement programs, operation of the state parent locator service, and policy development and implementation to ensure that maximum collections are made by the local agencies in the most cost-effective manner possible.

It is anticipated that increases in demand for services by non-AFDC families will continue in this biennium. Design and development of a statewide computer system for managing all aspects of the child support enforcement program is contingent on state and federal funding approvals.

ACCOMPLISHMENTS AND GOALS: Minnesota's Child Support Enforcement Program continues to maintain a very favorable collections-to-cost ratio as compared to other state-supervised, county administered programs nationally. Collections per case are twice the national average in spite of increased caseloads statewide. The percentage of AFDC grant expenditures recovered is significantly above the national average and continues to improve.

Goals for the Child Support Enforcement Program are to assure that assistance in obtaining support will be available to all children for whom such assistance is requested and

ACCOMPLISHMENTS AND GOALS (Contd.):

to reduce the taxpayers' burden of support by establishing financial responsibility and enforcing support obligations, thus benefiting children and promoting family self-sufficiency.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total child support collections	\$70,954.0	\$81,717.0	\$91,140.0	\$101,265.0
AFDC collections	\$33,680.0	\$36,704.0	\$40,563.0	\$44,619.0
State share	\$11,070.0	\$12,036.0	\$13,280.0	\$14,619.0
County share	\$1,953.0	\$2,124.0	\$2,343.0	\$2,558.0
Federal share	\$14,802.0	\$16,021.0	\$17,603.0	\$19,370.0
Payments to families	\$5,855.0	\$6,523.0	\$7,337.0	\$8,072.0
Foster care IV-E	\$209.0	\$257.0	\$307.0	\$344.0
Non-AFDC collections	\$33,147.0	\$40,609.0	\$45,654.0	\$51,132.0
Collections for other states	\$3,918.0	\$4,147.0	\$4,616.0	\$5,170.0
Total child support cases	116,329	127,962	140,755	154,830
AFDC child support cases	87,979	96,777	106,454	117,099
Non-AFDC child support cases	28,350	31,185	34,301	37,731
Total cases with support orders	91,656	98,850	109,150	121,136
AFDC cases with support orders	66,048	70,700	75,650	84,311
Non-AFDC cases with support orders	25,608	28,150	33,500	36,825
Cases paying	32,850	35,575	39,850	43,455
AFDC cases paying	19,210	20,575	22,000	24,590
Non-AFDC cases paying	13,640	15,000	17,850	18,865
Income withholding orders	43,950	51,000	59,160	69,670
Paternity determinations	3,435	3,550	3,660	3,770
Absent parent location completed	6,950	7,100	7,300	7,450
Absent parent location unknown	8,075	7,675	7,300	7,000
AFDC cases closed where support received	3,800	4,100	4,590	5,095

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for changes detailed in the agency-wide change pages and on the change page that follows.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHILD SUPPORT ENFORCEMENT

PROGRAM: REIMBURSE & FACILITIES ADM

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	784.4	1,080.4	2,243.2	4,748.9	1,007.3	5,756.2	7,933.7	5,170.9	2,471.2	7,642.1	5,548.0
LOCAL ASSISTANCE							325.0				325.0
AIDS TO INDS.											
TOTAL EXPENDITURES	784.4	1,080.4	2,243.2	4,748.9	1,007.3	5,756.2	8,258.7	5,170.9	2,471.2	7,642.1	5,873.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	246.9	356.4	753.0	927.2	204.0	1,131.2	1,469.6	949.3	204.0	1,153.3	1,083.7
EXPENSES & CONTRAC. SERV	500.8	601.9	1,267.4	3,227.2	377.3	3,604.5	4,003.2	1,847.1	386.7	2,233.8	2,083.5
SUPPLIES & MATERIALS	8.3	22.3	20.7	5.8	1.0	6.8	9.5	2.8	.5	3.3	9.1
EQUIPMENT	28.4	99.8	100.4	501.7	425.0	926.7	2,364.4	2,301.7	1,680.0	4,181.7	2,301.7
OTHER EXPENSE ITEMS			101.7	87.0		87.0	87.0	70.0		70.0	70.0
TOTAL STATE OPERATIONS	784.4	1,080.4	2,243.2	4,748.9	1,007.3	5,756.2	7,933.7	5,170.9	2,471.2	7,642.1	5,548.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	555.6	522.9	543.5	557.1	1,007.3	1,564.4	4,066.9	556.2	2,471.2	3,027.4	1,258.3
DEDICATED APPROPRIATIONS:											
GENERAL	217.0	335.0	335.0	335.0		335.0	335.0	335.0		335.0	335.0
SPECIAL REVENUE	11.8	222.5	1,364.7	3,856.8		3,856.8	3,856.8	4,279.7		4,279.7	4,279.7
TOTAL FINANCING	784.4	1,080.4	2,243.2	4,748.9	1,007.3	5,756.2	8,258.7	5,170.9	2,471.2	7,642.1	5,873.0
POSITIONS BY FUND											
GENERAL	8.0	8.0	8.0	8.0	5.0	13.0	17.0	8.0	5.0	13.0	17.0
TOTAL POSITIONS	8.0	8.0	8.0	8.0	5.0	13.0	17.0	8.0	5.0	13.0	17.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CHILD SUPPORT ENFORCEMENT
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

EFFECTIVENESS MEASURE (Contd.):

F.Y. 1988

F.Y. 1989

This project will result in net collections of:
 State share of net collections
 County share of net collections
 Federal share of net collections

\$ 472.0	\$ 473.2
\$ 155.3	\$ 155.5
\$ 572.8	\$ 571.3

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: CHILD SUPPORT JUDGMENT RECOVERY INITIATIVE				
Governor's Recommendation				
General Fund	\$164.8	4.0	\$177.1	4.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

RATIONALE:

Processing of cases for judgment recovery has in the past received low priority by county child support enforcement units because of limited local staff resources and time constraints. This initiative will provide state staff and resources to process cases within the local units for judgment collection. Without this initiative, judgment cases will continue to accumulate and support assigned to the state will remain uncollected.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the above funds and positions to process outstanding child support obligations for judgment collection. The objective is increased recoveries on Aid to Families with Dependent Children (AFDC) cases. This request is a component of the Governor's job/income support initiative.

DESCRIPTION/BACKGROUND:

There is \$108 million outstanding child support enforcement arrears representing court-ordered support to families who are receiving an AFDC grant, or were on assistance at an earlier date. This request will fund 4 additional staff to assist counties with the preparation of cases for collection of judgments. The federal financial participation rate on administrative costs is 70%. Collections on AFDC recoveries are shared according to participation rates in AFDC payments: approximately 54% federal, 39% state, and 7% county. In addition, an incentive consisting of 6% of the total collections is paid to the county from the federal share.

EFFECTIVENESS MEASURES:

	F.Y. 1988	F.Y. 1989
Savings based on 400 cases/month processed with \$250 average collection per case	\$1,200.0	\$1,200.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: CHILD SUPPORT ENFORCEMENT
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

The estimated cost of the fiscal incentive is based on excess collections of \$2,000.0 each year. The cost of \$325.0 each year would be offset by a \$637.0 annual reduction in the state share of AFDC as described in an AFDC activity change request. The fiscal impact of the proposed sanction would vary with the amount of county collections and the period of the sanction.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: COUNTY FISCAL INCENTIVE				
Governor's Recommendation				
General Fund	\$325.0	-0-	\$325.0	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 393.07				

GOVERNOR'S RECOMMENDATION:

The Governor recommends the establishment of a system of fiscal incentives to reward counties for Aid to Families with Dependent Children (AFDC) child support collections in excess of state expectations. The estimated cost of the system is \$325.0 annually. The objectives of the system are to increase child support collections and improve the enforcement capabilities of counties. Counties would receive an increased share of AFDC collections, to the extent that collections exceeded state expectations; 20 percentage points above the current county AFDC share of 7%.

The Governor further recommends, as a companion to the incentive system, adoption of a fiscal sanction for county enforcement program performance which does not meet state standards. The sanction would provide another tool for improving county performance; it would consist of a reduction in the county share of AFDC collections 2 percentage points below the current county AFDC share.

This request is a component of the Governor's jobs/income support initiative.

BACKGROUND/DESCRIPTION:

A review of the state's child support enforcement system indicated that counties, which face increasing case loads and possible reduction in federal funding during the next three years, lack incentives to expand enforcement capabilities. The proposed incentive would provide additional resources by giving counties a portion of the state share of AFDC support collections, to the extent that collections exceeded state established expectations. The proposed sanction would penalize program performance which does not meet state standards. The methodology for calculating incentive amounts and imposing sanctions on individual counties will be detailed in proposed legislation and rules.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: CHILD SUPPORT ENFORCEMENT
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Governor's Recommendation				
General Fund	\$10.0	-0-	\$80.0	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 393.07				

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding in the above amounts for the design and implementation of a one-year pilot project to demonstrate and analyze the possible benefits and detriments of a statewide immediate withholding system for payment of child support.

DESCRIPTION/BACKGROUND:

A review of Minnesota's child support system has identified the need to minimize delays in enforcing child support orders and collecting support payments. The possible method to achieve this goal is called "immediate withholding" - a system by which support payments are withheld from wages by the employer and transmitted to the custodial parent through the child support enforcement agency or a similar agency. Such a system has recently been implemented in Wisconsin. Because of the impact of the type of system on existing child support enforcement agencies, there is a need to carefully demonstrate and study the required procedure in at least one county before considering statewide implementation. The Department of Human Services would complete planning for a pilot in F.Y. 1988, then contract with one county to conduct the pilot in F.Y. 1989.

CHANGE REQUEST

1987-89 Biennial Budget

 Agency Program Activity

ACTIVITY: CHILD SUPPORT ENFORCEMENT

PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: ADMINISTRATIVE PROCESS PILOT	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Governor's Recommendation				
General Fund	\$10.0	-0-	\$120.0	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 393.07				

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding in the above amounts for the design and implementation of a one-year pilot project to study the feasibility of elements of existing child support procedures in Minnesota with an administrative process. The objective of the pilot would be to determine if an administrative process would yield significant improvements in efficiency and cost effectiveness over the existing judicial-based system, while continuing to protect basic rights of the involved parties.

DESCRIPTION/BACKGROUND:

A review of Minnesota's child support system has identified the need to minimize delays in obtaining, enforcing, and modifying child support orders and generally to improve the cost effectiveness of the system. However, the complexities of the issues involved in addressing these goals requires careful study and experimentation before changes to the existing system can be considered. It is anticipated that a one-year pilot in one county can identify critical issues and options for future policy development. The Department of Human Services would complete planning for the pilot in F.Y. 1988 and contract with a county for undertaking the pilot in F.Y. 1989. The Commissioner of Human Services will submit proposed legislation required to implement this recommendation.

ACTIVITY: RESIDENTIAL FACILITIES MANAGEMENT
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To provide support services for administrative and programmatic functions of the 8 Regional Treatment Centers (RTCs) and 2 State Nursing Homes (SNHs) in order to optimize the rehabilitative and habilitative potential of mentally ill, mentally retarded, chemically dependent, aged and infirm individuals within a humane environment which includes necessary life-sustaining services.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Percent of state facilities licensed and/or certified	100	100	100	100
Percent of state facilities accredited	90	90	100	100
Number of buildings in compliance with Life Safety Code	211	215	219	219
Number of Special Review Board hearings scheduled within 45 days of petition being filed	119	105	110	110
Number of technical assistance contacts related to the Mental Health commitment process	800	800	800	800

ACTIVITY DESCRIPTION:

Residential Facilities Management (RFM): 1) reviews, develops, and implements policies and procedures by which state residential facilities provide treatment and protect the rights, dignity, and physical and mental well-being of the residents and patients; 2) coordinates operating and capital improvement budget preparations and monitors expenditures to use resources effectively to meet care and treatment objectives; 3) assists state residential facilities to meet applicable accreditation, certification, and licensure requirements and, with program reviews conducted by the Department, plans, develops, and monitors the provision of care and active treatment of geriatric patients with behavior problems that cannot be adequately treated in community nursing homes or alternative services; 4) monitors state residential facilities treatment programs, physical plant needs, staffing requirements, forms development and management, and provides coordination for matters concerning Welsch vs. Levine and other litigation; 5) prepares population census and other management reports pertinent to the operation of state residential facilities; 6) facilitates cost effective delivery of services in both state residential facilities and communities where they are located through shared services agreements; 7) coordinates computer development at the state residential facilities to meet operating systems needs which include development of uniform patient identification and medical records systems; 8) coordinates the statutorily required Special Review Board function which governs the transfer, provisional discharge, and discharge of special category patients.

ACCOMPLISHMENTS AND GOALS:

These responsibilities support the state residential facilities in providing high quality, effective, and appropriate care and treatment to patients and residents, enabling them to resume independent living in the community or in less restrictive treatment settings.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of physical plant improvement projects supervised	101	150	160	140
Number of Residential Facilities Manual regulations published	30	35	35	35
Number of contracts reviewed	183	185	190	195
Number of Special Review Board hearings coordinated	31	35	35	35
Number of hand gun application reviews	8,934	9000	9000	9000

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for his activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: RESIDENTIAL FACIL MANAGE

PROGRAM: REIMBURSE & FACILITIES ADM

AGENCY: HUMAN SERVICES, DPT

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	546.6	874.3	596.2	674.9		674.9	674.9	673.1		673.1	673.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	546.6	874.3	596.2	674.9		674.9	674.9	673.1		673.1	673.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	394.3	468.8	418.5	497.1		497.1	497.1	495.3		495.3	495.3
EXPENSES & CONTRAC. SERV	144.1	315.5	173.4	173.5		173.5	173.5	173.5		173.5	173.5
SUPPLIES & MATERIALS	5.2	43.8	3.8	3.8		3.8	3.8	3.8		3.8	3.8
EQUIPMENT	3.0	46.2	.5	.5		.5	.5	.5		.5	.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	546.6	874.3	596.2	674.9		674.9	674.9	673.1		673.1	673.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	528.7	851.2	571.7	650.4		650.4	650.4	648.6		648.6	648.6
DEDICATED APPROPRIATIONS:											
FEDERAL	17.9	23.1	24.5	24.5		24.5	24.5	24.5		24.5	24.5
TOTAL FINANCING	546.6	874.3	596.2	674.9		674.9	674.9	673.1		673.1	673.1
POSITIONS BY FUND											
GENERAL	11.0	11.0	11.0	11.0		11.0	11.0	11.0		11.0	11.0
FEDERAL	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
TOTAL POSITIONS	12.0	12.0	12.0	12.0		12.0	12.0	12.0		12.0	12.0

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To assist those persons with mental illness, mental retardation and related conditions, chemical dependency, and psycho-geriatric rehabilitation or treatment needs to achieve the maximum degree of self-sufficiency that is consistent with their individual capabilities in the least restrictive setting.

ACTIVITY DESCRIPTION:

This is a budget activity. It is an aggregation of the 8 management activities that follow: Anoka Metro Regional Treatment Center, Brainerd Regional Human Services Center, Cambridge Regional Human Services Center, Faribault Regional Center, Fergus Falls Regional Treatment Center, Moose Lake Regional Treatment Center, St. Peter Regional Treatment Center, Security Hospital, Willmar Regional Treatment Center, and Rochester State Hospital. The detailed description, statistics and budget requests of these management activities appear on the individual sheets that follow.

One Regional Treatment Center (Anoka) serves mentally ill (MI) and chemically dependent (CD) persons only; two Regional Centers (Cambridge and Faribault) serve mentally retarded (MR) persons only; five Regional Treatment Centers (Brainerd, Fergus Falls, Moose Lake, St. Peter and Willmar) serve all three disability groups. In addition, the Minnesota Security Hospital serves mentally ill and dangerous persons. In carrying out this activity, each Regional Center focuses on the local relationships and established needs within the service area and on program directions as established by the Department, pursuing program directions locally as guided by the two primary principles of least restrictive and most normal environment and the development of client self-sufficiency skills. The most efficient and effective services are provided within the resources available. Services are delivered in a manner which ensures the least restrictive environment, minimizes the likelihood of physical harm to self or others, and reinforces patient and resident self-sufficiency goals by maximizing individual patient/resident potential for return to a more normal community environment.

Issues that will have a major influence on the budget for the Regional Treatment Centers during the next biennium include post-Welsch directions, consolidated chemical dependency funding, improved staffing levels for mental health programs, expansion of shared service agreements, state-operated residential services in conjunction with continuation of the mental retardation waiver initiative, Consent Decree compliance determination, and regionalization of services. Efforts will be made to create multi-purpose programs at Faribault and Cambridge to serve additional disability groups, improve cost accounting procedures, clean up asbestos, and explore better use of alternative energy sources.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Average Daily Population-Total	3725	3574	3428	3332
Mentally ill	1262	1275	1294	1308
Mentally retarded	1883	1716	1556	1443
Chemically dependent	580	583	578	581
Admissions-Total	8654	8752	8898	8976
Mentally ill	2744	2796	2858	2904
Mentally retarded	167	131	126	123
Chemically dependent	5733	5825	5914	5949
Discharges-Total	8797	8943	9005	9023
Mentally ill	2694	2792	2810	2829
Mentally retarded	358	341	288	252
Chemically dependent	5745	5810	5907	5942

LEGISLATIVE ISSUES:

Legislation is being proposed to amend the Shared Services Act, to reflect the change in the names of the state hospitals in statute, to clarify payment provisions for patient workers and to continue authorization of State Operated Community Services (SOCS) for mentally retarded persons.

BASE-LEVEL REVIEW:

State regional treatment center populations were selected for base-level review.

EXPLANATION OF BUDGET REQUEST:

The same level of funding is requested for this activity except for the changes detailed on the following pages.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ST REGIONAL TREATMENT CTRS

PROGRAM: REIMBURSE & FACILITIES ADM

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	159,571.5	168,794.7	175,060.3	181,857.9	7,606.4-	174,251.5	166,038.0	180,648.1	12,652.0-	167,996.1	155,957.0
LOCAL ASSISTANCE											
AIDS TO INDS.	56.1	54.1	58.5	58.5		58.5	58.5	58.5		58.5	58.5
TOTAL EXPENDITURES	159,627.6	168,848.8	175,118.8	181,916.4	7,606.4-	174,310.0	166,096.5	180,706.6	12,652.0-	168,054.6	156,015.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	138,558.0	147,418.9	151,372.6	158,546.8	11,390.4-	147,156.4	142,483.9	158,021.0	13,672.7-	144,348.3	133,955.6
EXPENSES & CONTRAC. SERV	8,318.5	8,146.0	9,075.7	8,580.7	633.3	9,214.0	8,309.3	8,590.0	233.3	8,823.3	8,316.6
SUPPLIES & MATERIALS	12,025.4	12,239.3	14,166.9	13,819.8	1,314.1	15,133.9	13,465.5	13,803.0	337.9	14,140.9	13,448.7
EQUIPMENT	669.6	903.7	439.4	904.9	1,836.6	2,741.5	1,773.6	228.4	449.5	677.9	228.4
OTHER EXPENSE ITEMS		86.8	5.7	5.7		5.7	5.7	5.7		5.7	5.7
TOTAL STATE OPERATIONS	159,571.5	168,794.7	175,060.3	181,857.9	7,606.4-	174,251.5	166,038.0	180,648.1	12,652.0-	167,996.1	155,957.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	156,048.9	164,720.9	170,229.6	177,347.2	7,606.4-	169,740.8	161,527.3	176,139.3	12,652.0-	163,487.3	151,448.2
DEDICATED APPROPRIATIONS:											
GENERAL	17.2	369.9	1,064.4	744.4		744.4	744.4	742.5		742.5	742.5
SPECIAL REVENUE	71.0	82.1	91.1	91.1		91.1	91.1	91.1		91.1	91.1
AGENCY	3,257.3	3,427.9	3,515.5	3,515.5		3,515.5	3,515.5	3,515.5		3,515.5	3,515.5
GIFTS AND DEPOSITS	12.9	18.0	2.4	2.4		2.4	2.4	2.4		2.4	2.4
FEDERAL	220.3	230.0	215.8	215.8		215.8	215.8	215.8		215.8	215.8
TOTAL FINANCING	159,627.6	168,848.8	175,118.8	181,916.4	7,606.4-	174,310.0	166,096.5	180,706.6	12,652.0-	168,054.6	156,015.5
POSITIONS BY FUND											
GENERAL	5,447.1	5,483.1	5,483.1	5,186.2	421.5-	4,764.7	4,829.7	5,186.2	393.5-	4,792.7	4,558.7
FEDERAL	7.8	2.3	2.3	2.3		2.3	2.3	2.3		2.3	2.3
TOTAL POSITIONS	5,454.9	5,485.4	5,485.4	5,188.5	421.5-	4,767.0	4,832.0	5,188.5	393.5-	4,795.0	4,561.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ -0-	-0-	\$864.6	57.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

DESCRIPTION/BACKGROUND (Contd):

LEVEL III: Patients whose acute symptoms are coming under control but have significant social deprivations and self control deficits.

LEVEL IV: Patients who are essentially stabilizing and are actively being considered for placement in the community pending available support resources, funding, and appropriate facilities.

LEVEL V: Patients who are elderly who show a high degree of organic involvement as well as inappropriate physical behavior generally related to their organicity.

Staffing ratios for each of the five levels are based on the number of staff required to ensure a safe, therapeutic and properly supervised environment, and the number of clinical staff necessary to provide the indicated treatments. The staffing ratios range from 1.502 staff for each patient in Level I to .722 staff for each patient in Level IV. The staffing ratios are predicated on a 24-hour a day, seven day a week program and do not include support staff requirements. In addition, the staffing ratios do not apply to the Adolescent Program at the Willmar Regional Treatment Center or the Security Hospital Program at St. Peter Regional Treatment Center.

RATIONALE:

Staffing requirements for mental illness programs are reviewed on an annual basis. The most recent review was conducted in August, 1986, and indicated that there has been an overall increase in the number of individuals classified in Levels I, II and V which are the most difficult patients to treat. Similarly, there has been a modest reduction in the number of individuals classified in Levels III and IV.

Furthermore, the staffing review revealed that the current staffing level for mental illness programs (879 FTE positions) is approximately 80% of the 1,102 FTE positions which would be required to achieve full adherence with established staffing standards. However, rather than requesting legislative approval for an additional 223 staff positions, the Department proposes to reduce the need for additional staff to 57 positions by reducing the average daily census for Level III and IV clients by 50% (134 Level III patients and 64 Level IV patients) during the 1987-89 biennium.

Therefore, the Department is requesting 12 positions (2 positions for each of the six RTCs providing mental illness programs) to focus on Level III and Level IV patients who resist transition to community services or who accept placement in a RTC program because they do not have access to professional services for counseling, therapy and medical management. In addition, the Department requests 45 positions to achieve compliance with staffing standards established for mental illness programs based on a reduced number of Level III and Level IV clients.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request because of the substantial mental health community initiative and the projected decline in mentally ill patients in the regional treatment centers.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funding for an additional 57 positions for mental illness programs in the regional treatment centers (RTCs) to improve program effectiveness and assist in returning clients to the community. The funding requested in F.Y. 1989 is for only 6 months to adjust for the phased-in hiring of these new positions. The 57 positions will not increase the overall staff complement for the RTCs beyond F.Y. 1987 levels due to corresponding reduction being proposed in the staff complement for mental retardation programs. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs.

DESCRIPTION/BACKGROUND:

Although there are no JCAH or other national standards which can be used to determine specific staffing patterns for mental illness programs, approximately 5 years ago the RTCs collectively developed a method for calculating staffing needs, which was patterned after experiences of other states such as New York and Michigan, and is based on natural groupings of patients and related treatment requirements which are staff specific. As a result, residential programs for mentally ill individuals are divided into five relatively discrete groupings of patients. The behavior descriptors for these five areas are as follows:

LEVEL I: High risk patients who present immediate concern regarding self injurious behavior and acting out towards others.

LEVEL II: Patients who show frequent disruptive behavior and present a rather chronic suicide and elopement risk.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: MR POSITION REDUCTION	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	(\$1,966.9)	(205.0)	(\$5,252.8)	(349.0)
Governor's Recommendation				
General Fund	(\$1,966.9)	(205.0)	(\$5,252.8)	(349.0)

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a reduction in funds for mental retardation (MR) positions in order to maintain staffing at levels required by the Welsch Consent Decree as adjusted for the continued decline in the MR population over the next biennium.

DESCRIPTION/BACKGROUND:

The staffing standards set forth in the Welsch Consent Decree are currently regarded as the measure of the staffing levels necessary to provide quality care and treatment to MR residents. These staffing levels have been achieved gradually over several years since the court order was issued through a combination of increases in MR staff and a simultaneous reduction in the MR population in Regional Treatment Centers (RTCs). During the next biennium, the MR population will continue to decline so that the staff complement will exceed the staffing levels necessary to comply with the Consent Decree. The population reductions beyond the Consent Decree are attributable to implementation of the federal Title XIX waiver for MR persons which carries with it a commitment to demonstrate budgetary savings in the MA program from RTCs.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
MR Welsch population at fiscal year end*	1,806	1,616		1,487
				1,370

*The Welsch population includes, in addition to those persons who are physically present, individuals who are absent due to visits, medical leave, camping or provisional discharge, or who have a comparable temporary absence which would not require a formal readmission to permit a person to return to the RTC. It does not include the population at Minnesota learning center.

RATIONALE:

This request is made in order to meet the dual obligations of: 1) staffing MR programs at levels required by the Consent Decree; 2) managing the facility operations in an efficient, cost effective manner that is necessary in order to generate the savings contemplated by the Title XIX waiver.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund - Equipment	\$868.7	-0-	\$ -0-	-0-
General Fund - Salaries	(\$101.2)	(5.5)	(\$134.9)	(5.5)
Governor's Recommendation				
General Fund	\$868.7	-0-	-0-	-0-
	(\$101.2)	(5.5)	(\$134.9)	(5.5)

Request requires statutory change: Yes No
 Statutes Affected: M.S. 246

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to purchase 17 items of labor saving equipment for the five regional treatment center (RTC) laundries. After installation, reduce laundry staffing by 5.5 positions. Establish a 6/10 of a cent per pound charge for laundry equipment depreciation and charge this amount to all served facilities - state and private. Establish a revolving account into which the equipment depreciation charges would be placed. Use proceeds to purchase all future laundry equipment needed and thereby eliminate future legislative requests.

DESCRIPTION/BACKGROUND:

The DHS Laundry Committee was established in 1975. The Committee was charged with creating and installing a cost accounting system, developing and applying staffing and productivity formulas, identifying equipment needs, producing quarterly and yearly reports, and maintaining an ongoing cost comparison with commercial laundry service. Those tasks have been accomplished. In early 1986 the Committee was asked to review the condition of equipment in the five laundries. Seventeen items have been identified which are near the end of their projected "useful life." Labor saving replacements have been identified and informal quotations received. Estimated purchase price is \$868.7 with trade-ins. Estimated "useful life" of the new equipment is 20 years. Installation of this equipment would permit a reduction of 5.5 positions. Estimated payback period from salary savings is 6.5 years after equipment installation. The 17 equipment items

DESCRIPTION/BACKGROUND (Contd.):

consist of 10-400 lb. washers, 3-200 lb. washers, 1 washroom conveyor, 2 spreader/feeders, and 1 folder/crossfolder. Staff reductions would occur at BRHSC - 2.0, CRHSC - 1.0, FRC - 1.5, SPRTC - 0.5, and WRTC - 0.5. Equipment depreciation charges are currently included in the cost per pound of processed laundry.

Legislation is also needed to retain the equipment depreciation charges in a revolving account which would be used exclusively for the purchase of laundry equipment in future bienniums.

This funding request includes:

	F.Y. 1988	F.Y. 1989
Laundry Equipment		
BRHSC - 6 items	\$322.6	\$00.0
CRHSC - 1 item	34.0	
FRC - 6 items	350.4	
SPRTC - 3 items	124.8	
WRTC - 1 item	43.4	
Sub-Total	\$875.2	
Less Trade-ins	6.5	
TOTAL	\$868.7	

The anticipated savings are computed as follows:

Base Salary Plus Fringe Benefits -	\$24,534
First Year Savings = 9 months x 5.5 x \$24,534	= \$101.2
Second Year Savings = 12 months x 5.5 x \$24,534	= \$134.9
Projected Savings in 6.5 years	= \$877.1
Projected Savings Next 13.5 years	\$1,821.2

RATIONALE:

The most recent comparison with commercial laundry service occurred in January, 1985 when a private company was asked to provide a quotation for laundry service for FRC and SPRTC. Their 1-25-85 letter reads in part, "due to your variety and volume our costs would be prohibitive...we are not equipped to launder portions of your inventory...". the projected payback period for this one-time purchase and projected savings after the payback period appear above. With an estimated "useful life" of 20 years, salary savings of \$1.8 million would be realized. If permission is granted to retain the laundry equipment depreciation charge, no future requests to the Legislature will be needed.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: MENTAL RETARDATION STAFF ENRICHMENT	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$737.6	77.0	\$1,952.3	131.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funding and positions to improve staffing ratios in the state Regional Treatment Centers (RTC's) based on the Accreditation Council for Services for Mentally Retarded and Other Developmentally Disabled Persons (ACMR/DD) standards. The positions requested will not increase the overall staff complement for the RTCs beyond F.Y. 1987 levels due to a corresponding reduction being proposed in the staff complement for the mental retardation programs. The funding requested is adjusted for the phased in hiring of these new positions. Every attempt will be made to fill these positions with current qualified employees of the RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs.

DESCRIPTION/BACKGROUND:

The decline over the next biennium in the MR population would result in 349 positions in excess of the required Welsch staffing levels. However, in recognition of the population to be served, the Department proposes to enhance it's MR staffing level by 131 positions over the Welsch requirements.

The nationally recognized staffing standards of ACMR/DD provide for three categories of on-duty living unit staff according to the program needs of the clientele.

An analysis of the MR population over the next biennium reveals that 95.9% of the RTC residents would require ACMR/DD Category I staffing ratios of 1:4 on the first shift,

DESCRIPTION/BACKGROUND (Contd.):

1:4 on the second shift, and 1:8 on the third shift. These ratios are established for units serving residents who are severely or profoundly retarded, physically handicapped, have behavioral deficits, or otherwise require considerable guidance and supervision.

Categories II and III permit reduced ratios for residents with fewer handicaps requiring lesser degrees of supervision and guidance. Over the next biennium the MR population of the RTCs in Categories II and III is expected to be 3% and 1% respectively.

The department's intent is to enrich the MR staffing by 131 positions to achieve ratios based on the specific needs of the residents.

RATIONALE:

The higher staff to resident ratios of ACMR/DD will improve the care, treatment and training of MR residents by increasing the number of staff to:

- 1) provide ongoing active treatment in the most normal and least restrictive environment utilizing contemporary treatment modalities;
- 2) assist counties, families, and service providers in planning for and achieving appropriate placements out of the RTCs;
- 3) better protect the rights, dignity and well-being of the residents served.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

 Agency Program Activity

ACTIVITY: STATE REGIONAL TREATMENT CENTERS

PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: HEARING IMPAIRED SERVICE FUND	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 76.0	-0-	\$ 52.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests an appropriation to establish a hearing impaired service fund for the state Regional Treatment Centers. The fund will be used to ensure increased delivery of effective, accessible services to hearing impaired persons residing in the state Regional Treatment Centers by providing for training on adaptive equipment, as well as specialized consultant and interpreter services.

DESCRIPTION/BACKGROUND:

The Federal Rehabilitation Act mandates that services provided by the state regional treatment centers be accessible to hearing impaired persons. This agency has been sued with regard to the lack of accessible, effective treatment services for hearing impaired persons within the state facility system. This appropriation will assist in ensuring that the agency is better able to provide the services as required by law with the intent of creating a cost-effective, quality service delivery system for hearing impaired persons.

RATIONALE:

The agency currently has a single state regional treatment center designated to serve hearing impaired persons. There are more than 500 hearing impaired persons residing in the state facilities. A single program is insufficient to effectively meet the needs of the vast number of hearing impaired individuals needing accessible treatment services.

RATIONALE (Contd.):

Individual facility budget needs have been difficult to predict based on: the lower incidence of hearing impairment; the transient nature of clientele served; the variety of individual communication needs; and the additional costs in providing accessible services to hearing impaired persons. This appropriation will be a vital step in assuring that the agency avoids any future legal actions while ensuring the development of a comprehensive, statewide system of accessible and cost-effective services.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

CHANGE REQUEST
 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: REPAIRS AND REPLACEMENTS				
Agency Request				
General Fund	\$2,635.0	-0-	\$1,995.0	-0-
Governor's Recommendation				
General Fund	\$1,600.0	-0-	\$1,600.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to maintain the basic infrastructure of the regional treatment centers' physical plants. The objective of this request is to secure additional resources necessary to establish a systematic repair and replacement program designed to maintain the integrity of the agency's physical plants at optimal cost to the state.

DESCRIPTION/BACKGROUND:

The agency operates 8 regional centers with approximately 200 buildings and other major structures consisting of approximately 5.5 million gross square feet of space. In past budget requests, repair and replacement funding was requested on a square footage basis. The objective of these requests was to fund routine, day-to-day facility maintenance activities. Non-routine, more expensive repair and replacement projects such as roof replacement, power plant equipment repairs, road maintenance, etc., were requested on a project basis through the capital improvement budget process.

The 1988-89 budget instructions direct state agencies to request all repair and replacement funding as part of the operating budget. This request reflects the agency's evaluation of the funding required to establish and maintain a systematic program for repair and replacement projects in accordance with these instructions.

The following statistics show that the Legislature appropriated an average of approximately \$2.3 million from the general fund in the capital budget for repair and replacement projects over the last 3 years. Calculations based on this data indicate

DESCRIPTION/BACKGROUND (Contd.):

that this request would only increase the average annual "general fund" expenditure for repair and replacement projects by approximately 1.4%.

STATISTICS:

Annual Appropriations for
 Repair and Replacement
 Projects

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Capital Budget	\$4,205.4	\$2,645.5	-0-	-0-	-0-
Repair and Replacements	-0-	-0-	-0-	\$2,635.0	\$1,995.0

RATIONALE:

Deterioration of the basic infrastructure of the agency's residential facilities is becoming an increasing problem. Even though capital budget appropriations have included funds for specific maintenance projects, general repairs and replacements essential to protecting and preserving the state's extensive investments in physical plant assets have not been addressed on a systematic basis. Subsequently, many of the agency's buildings and related facility components (i.e., roads, roofs, walks, ceilings, heating systems, elevators, water and sewer systems, furnishings, etc.) are worn, in dire need of repair, and in some cases, inadequate for current utilization.

This request is designed to reverse this trend of deterioration and reduce overall, long-range repair and replacement costs. Approval of this request will provide the resources required to establish a systematic asset management program. This will enable the agency to plan and implement future repairs and replacements necessary to maintain efficient and effective plant operations which are supportive of program objectives for the care and treatment of clients.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$1,600.0 for F.Y. 1988 and \$1,600.0 for F.Y. 1989 rather than the agency's full request. This recommendation is part of a statewide policy initiative to improve each agency's ability to maintain its physical plant within available general fund revenues. The Governor's intent has been to remove all repairs and replacements (R & R) projects from the capital budget in favor of consolidating R & R funding in the operating budget.

Appropriations are divided equally between F.Y. 1988 and F.Y. 1989 in order to identify the increase in each agency's funding level for future biennia. The Governor further recommends that agencies be permitted to move funds between fiscal years.

The Governor has directed agencies to develop criteria for allocation of R & R dollars and recommends that each agency report to the Legislature and to the Governor on the disposition of funds for R & R projects by 11-1-88.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

The amount to be transferred is estimated based on existing expenditures adjusted in accord with Regional Treatment Center programs for all client groups served.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the transfer as requested except for the following: \$2,000.0 of the regional treatment centers' F.Y. 1988 appropriation will be retained in a financial reserve account under the control of the Commissioner of Human Services. This reserve will be available throughout the biennium to help maintain the solvency of regional treatment center chemical dependency programs. The complete rationale for the reserve account is described in the following change request.

The Commissioner will establish policies and procedures for administration of the reserve and will submit proposed legislation required to implement this recommendation.

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: TRANSFER TO CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT FUND				
Agency Request				
General Fund	(\$17,520.1)	-0-	(\$17,520.1)	-0-
Governor's Recommendation				
General Fund	(\$15,520.1)	-0-	(\$17,520.1)	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:	None			

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in the regional treatment centers' appropriation reflecting the transfer of this amount of money to the Consolidated Chemical Dependency Fund as required by Laws of Minnesota 1986, Ch. 394.

DESCRIPTION/BACKGROUND:

The regional treatment centers located at Anoka, Brainerd, Fergus Falls, Moose Lake, St. Peter, and Willmar, will be affected by the appropriations transfer to the Consolidated Fund. Beginning 7-1-87 a chemical dependency fund for CD programs in state operated facilities will be established and separate accounts will be maintained for each state operated facility providing CD services.

Payments for CD services will be made from the Consolidated Fund and deposited in the separate accounts of the state operated facilities providing those services. The payments from the Consolidated Fund will become the sole means of state financial support and maintenance for CD programs provided by state operated facilities.

The Consolidated CD Fund creates incentives for the counties to place clients needing CD services in the most appropriate level of care and to utilize the most cost effective providers of care and treatment. Through competition for clients with all other (public and private) providers, the state operated facilities will have incentives to provide quality, cost effective, CD services while containing their costs.

CHANGE REQUEST
 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: REGIONAL TREATMENT CENTERS' CONTINGENCY APPROPRIATION FOR CONSOLIDATED CHEMICAL DEPENDENCY TREATMENT PROGRAM				
Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$2,000.0	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the establishment of a \$2.0 million dollar contingency appropriation for the 1987-89 biennium under the jurisdiction of the Legislative Advisory Committee for the regional treatment centers participating in the Consolidated Chemical Dependency Treatment Fund.

DESCRIPTION/BACKGROUND:

Laws of 1986, Ch. 394 provides for the establishment of the Consolidated Chemical Dependency Treatment Fund effective 7-1-87. The General Fund appropriation for the regional treatment centers is reduced by the amount attributable to chemical dependency programs and this amount is reappropriated to the Commissioner of Human Services for transfer to the chemical dependency fund.

RATIONALE:

The future viability of regional treatment center based chemical dependency programs will be based solely on the ability to provide quality services at a competitive market price. Although the regional treatment centers are strategically positioned from a program expertise standpoint to meet this challenge, they are potentially vulnerable to unforeseen contingencies and short-term market fluctuations which could jeopardize their financial solvency in the initial years of transition to the competitive services model.

RATIONALE (Contd.):

Traditionally, costs for regional treatment center chemical dependency services have been funded by direct appropriations with all collections for services rendered being returned to the General Fund. The centers were not afforded an opportunity to accumulate retained earnings as a means of providing for future contingencies. As a result, the regional centers are about to enter into a competitive marketing setting without the benefit of financial reserves to meet unforeseen contingencies which may arise.

Similarly, the regional centers will not have the capacity under the Consolidated Chemical Dependency Treatment Fund to borrow money, sell stocks or bonds as a means of generating operating capital. It is reasonable to expect that the competitive model will result in some experimentation with alternative vendors and shifting market shares amongst public and private chemical dependency vendors. The regional centers will need some staying power ability to withstand these initial adjustments until the market matures and becomes more predictable and stable.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. As an alternative to new general fund dollars, it is proposed in the preceding change request that \$2,000.0 of the regional treatment centers' F.Y. 1988 appropriation, which would otherwise be transferred to the CD fund, be retained in a financial reserve account under the control of the Commissioner of Human Services. It is expected that improved service efficiencies will be achieved under the consolidated fund system. New federal funds provided by the Drug Enforcement, Education, and Control Act of 1986 should be available to supplement state resources in the consolidated fund. These two factors should make it unnecessary to provide additional state funding for a reserve.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: FUNDING OF SERVICE WORKER PROGRAM				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$900.0	-0-	\$950.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funding to provide salary dollars necessary to support 44 service worker positions currently employed by the regional treatment centers.

DESCRIPTION/BACKGROUND:

The service worker positions were established to employ handicapped persons. The service workers perform tasks at their level of ability at the state operated facilities. The department must hold other positions vacant and generate salary savings to fund the service worker positions. These positions are not considered to be part of the regional treatment centers' complement.

RATIONALE:

It is the State's policy to employ handicapped persons. The facilities and the service workers have both benefited from this policy. It is not, however, fiscally and programmatically effective to continue to fund service worker positions by holding other positions vacant.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE:

While the additional reductions present significant challenges with respect to the adequacy of community program capacity and regional center MR staff displacement in the short run, they will contribute over the long term to efficient management of regional center operations, cost effective delivery of MR services, and will also enhance the prospects for continuation and improved utilization of Title XIX waived services.

Request Title: ADDITIONAL MR POSITION REDUCTIONS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund				
Governor's Recommendation				
General Fund	(\$514.8)	(116.0)	(\$2,558.3)	(213.0)
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

GOVERNOR'S RECOMMENDATION:

The Governor recommends the above additional reduction in funding and positions for regional center mental retardation (MR) programs to correspond with expected state and county efforts to accelerate the placement of MR residents in alternative community settings over the next biennium. Regional centers will maintain the staffing levels required by the Welsh Consent Decree while instituting staff reductions that parallel the decline in the MR population.

DESCRIPTION/BACKGROUND:

With an additional reduction of 154 residents, the regional center MR population will be decreased by a total of 400 residents during the 1987-89 biennium. The residents will be discharged into community ICF/MR facilities and Title XIX community-based waived services. This proposal represents a strong, comprehensive initiative to vacate and eliminate excess regional center MR staff positions. Biennial savings in the cost of operating regional center MR programs amounting to \$3,073.1 can be realized with the accomplishment of these additional reductions. Expanded utilization of less restrictive, more normal community alternatives in addition to smaller regional center MR programs staffed in accordance with the Welsh Consent Decree requirements would represent a further advance in implementing the state's policy for the care and treatment of its mentally retarded citizens.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: INFORMATION SYSTEMS IN STATE RESIDENTIAL FACILITIES				
F.Y. 1988		F.Y. 1989		
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$1,850.0	2.0	\$ 950.0	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions in order to implement a single, integrated information system for use at all state residential facilities.

DESCRIPTION/BACKGROUND:

The Department of Human Services (DHS) has identified a high priority need for development of coordinated and modern information systems at the regional treatment centers and state nursing homes. A recent 6-month agency study concluded that the state regional centers are operating in an uncoordinated, cumbersome systems environment. The study further recommended a series of management controls that must be put in place to better protect the state's interests including: uniform resident identification that allows us to track repeat admissions; easy to use medical records system; accounts receivable and accounts payable systems; and better management reports for legislators, facility administrators, and central office management. Development of this system will be closely coordinated with community social services and mental health information.

The results of the agency study suggest that an estimated \$2,800,000 will be spent on this project in the next biennium:

DESCRIPTION/BACKGROUND (Contd.):

	F.Y. 1987	F.Y. 1988	F.Y. 1989
Needs Analysis	\$ 75,000		
Computer Hardware		\$ 875,000	\$375,000
Package Software		625,000	375,000
Systems Analysis	200,000	350,000	200,000
TOTALS	\$275,000	\$1,850,000	\$950,000

The figures are based on the purchase of the necessary application software package and the use of outside analysis to supplement the 2 full time additional employees that are also requested here. These employees are permanent staff and would be available to help maintain the system after they have helped to install it. A phased approach will be used in the installation of the system with the basic system completed in the first quarter of F.Y. 1989. The effort involves installation at all 10 state residential facilities and central office.

This project is in keeping with the overall department plan to upgrade the entire human services delivery system so as to improve productivity, control and compatability, to reduce redundancy, and, most important, to ensure the maximum delivery of services for the resources available. This request would allow the facilities to purchase a comprehensive software package and appropriate new computers.

RATIONALE:

The state residential facilities represent one of the major health care delivery systems in the state. With an annual budget in excess of \$150 million the need for information systems investment to implement basic managerial and financial controls is an important DHS priority. The current fragmented systems are inadequate to support the increasing independence of these facilities. Additionally, current systems hardware is at the end of its production cycle with support services less available.

The state residential facilities often lack basic data on which to do adequate planning and effectively manage increasingly specialized programs. The expanded emphasis on continuity of programming from the residential facilities to the community also points to the importance of information in evaluating our performance and carefully targeting client needs.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: STATE REGIONAL TREATMENT CENTERS
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: STATE OPERATED COMMUNITY RESIDENTIAL SERVICES				
Agency Request				
General Fund	\$595.0	-0-	\$175.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 252				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to initiate and provide 7 state operated ICF/MR group homes, 1 each in the receiving areas of the regional treatment centers (RTCs) at Brainerd, Cambridge, Faribault, Fergus Falls, Moose Lake, St. Peter, and Willmar. The homes will be staffed by employees of the RTCs. The objective is to advance community integration of the residents and preserve employment of staff experienced in the care and treatment of such individuals.

DESCRIPTION/BACKGROUND:

During the past 6 years, the RTCs in conjunction with county social service agencies, have extensively placed developmentally disabled individuals into less restrictive community residences. As a by-product of this effort the RTCs have experienced a change in their population so that a majority of residents remaining present either severe physical limitations or behavioral problems as well as mental retardation. The vast majority of privately operated ICF/MR group homes do not currently possess the staffing and training resources necessary to care for and treat most individuals who remain in the RTC mental retardation programs. Staff now working at the RTCs have both the skills and experience to treat severely involved residents.

DESCRIPTION/BACKGROUND (Contd.):

Each of these ICF/MR groups homes would receive 6 mentally retarded residents from their respective RTC who require special care because of physical or behavioral problems. This will provide an opportunity for employees no longer needed in the larger RTC based programs to continue their employment and utilize the skills they have developed in caring for such residents. Present employees would be offered the opportunity to move with the residents to the group home location and continue their employment. This approach also has the advantage of making available back-up resources of the RTC when necessary to manage medical and behavioral crises.

Funding is requested to establish 7 ICF/MR group homes at an estimated cost of \$85,000 per home. The first year request per home consists of \$50,000 start up/operating expenses, \$15,000 Life Safety Code modifications, and \$20,000 for handicapped accessibility.

RATIONALE:

This initiative is consistent with the state's effort to develop community services to include mentally retarded individuals who have been difficult to place and to reduce RTC occupancy. These individuals will reside in settings more conducive to habitation and integration with the general population. Models for the care of persons with multiple handicaps will be demonstrated in each of the several communities where the ICF/MR group homes are located and where few such models currently exist. The experience and skills of long-term state employees will be retained, along with personal relationships that have been established between residents and care givers. The continuity of care that will occur in making this transition means that residents will be assured of stable environments and relationships which, in turn, will improve the prospects for successful placement.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

CHANGE REQUEST

1987-89 Biennial Budget

 Agency Program Activity

ACTIVITY: STATE REGIONAL TREATMENT CENTERS

PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund				
Governor's Recommendation				
General Fund	(\$185.6)	(30.0)	(\$825.0)	(60.0)
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

GOVERNOR'S RECOMMENDATION:

The Governor recommends that regional center general support funding and positions be reduced by the above amounts in anticipation of savings to be achieved by accelerating the reduction of the resident population in regional center mental retardation (MR) programs.

DESCRIPTION/BACKGROUND:

As the population and staffing for regional center MR programs decline, the need for services to support their operation will diminish as well. General support staff positions will be reduced gradually over the course of the biennium similar to the way the MR program population and staff reductions are expected to occur. Taking into account the changing need for support services in regional centers as a result of smaller resident populations will mean that an additional savings of \$1,010.6 can be generated by phasing out 60 general support positions.

RATIONALE:

The reduction of general support staff positions and the associated funding will contribute over time to efficient management of regional center operations and will further enhance the prospects for continuation and improved utilization of Title XIX waived services.

ACTIVITY: ANOKA METRO REGIONAL TREATMENT CENTER
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To meet or make documented progress toward individual program goals for persons with mental illness or chemical dependency treatment needs at a level which complements the program alternatives in the service area and is consistent with industry standards and state/federal regulations. The primary purpose is to safeguard, treat, habilitate/rehabilitate patients during as short a period of hospitalization as possible and to assist their reintegration into community life.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<u>Chemical Dependency</u>				
Average length of stay (days)				
Primary treatment	32.2	31.0	30.0	29.0
Extended treatment	111.1	110.0	100.0	90.0
Percent readmissions	25.5	25.5	25.5	25.5
Percent readmissions within 6 months	5.0	5.0	5.0	5.0
Percent clients completing treatment	62.8	63.0	63.0	63.0
<u>Mental Illness</u>				
Average length of stay (days)	161.0	155.0	145.0	140.0
Percent readmissions	60.0	55.0	53.0	51.0
Percent readmissions within 6 months	28.0	22.0	21.0	20.0

ACTIVITY DESCRIPTION:

The Anoka-Metro Regional Treatment Center (A-MRTC) provides inpatient care, treatment and rehabilitation for mentally ill (MI) citizens of Anoka, Dakota, Hennepin, Ramsey, Sherburne and Washington counties and for chemically dependent (CD) citizens of Anoka, Dakota, Hennepin and Sherburne counties.

Within parameters established by the Department of Human Services (DHS), the Center has organized its programs to complement local agency resources according to locally identified population needs. Guiding patient care principles are provision of the least restrictive, most normal environment possible; assurance of personal safety; and enhancement of individual self-sufficiency. Available resources are used effectively and efficiently to return the patient to the community as soon as possible. No community agency provides the services which this treatment center provides.

ACCOMPLISHMENTS AND GOALS:

MI length-of-stay was decreased for discharged patients by 29% between F.Y. 1985 and F.Y. 1986. In F.Y. 1986 this facility admitted 1264 people, discharged 1254, and diverted 52 with mental illness to other DHS facilities for admission. The facility utilization level for the year was 93% of capacity. The facility diverted 116 CD patients to other state facilities.

Goals for the 1987-89 Biennium are: to attempt to reduce MI patient diversion to out-of-area facilities through efforts to decrease the length-of-stay average below 150 days for discharged patients; to upgrade the living and treatment environment and to provide better safety and security. A chief objective is to enhance and fully integrate within the MI Program a patient participation motivational system.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average Daily Population-Total	312	314	314	314
Mentally ill	234	234	234	234
Chemically dependent	78	80	80	80
Admissions-Total	1264	1290	1355	1420
Mentally ill	431	440	455	470
Chemically dependent	833	850	900	950
Discharges-Total	1254	1290	1355	1420
Mentally ill	420	440	455	470
Chemically dependent	834	850	900	950

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ST REGIONAL TREATMENT CTRS

MANAGEMENT ACTIVITY: ANOKA METRO R T C

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	12,755.7	13,899.7	14,955.5	15,594.5	2,401.1-	13,193.4	13,193.4	15,510.1	2,401.1-	13,109.0	13,109.0
LOCAL ASSISTANCE											
AIDS TO INDS.	8.7	8.0	8.5	8.5		8.5	8.5	8.5		8.5	8.5
TOTAL EXPENDITURES	12,764.4	13,907.7	14,964.0	15,603.0	2,401.1-	13,201.9	13,201.9	15,518.6	2,401.1-	13,117.5	13,117.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	10,747.0	11,693.8	12,652.2	13,232.3	2,066.4-	11,165.9	11,165.9	13,188.4	2,066.4-	11,122.0	11,122.0
EXPENSES & CONTRAC. SERV	989.2	1,032.1	1,084.7	1,092.7	49.7-	1,043.0	1,043.0	1,092.7	49.7-	1,043.0	1,043.0
SUPPLIES & MATERIALS	963.4	1,040.3	1,218.3	1,215.8	285.0-	930.8	930.8	1,229.0	285.0-	944.0	944.0
EQUIPMENT	56.1	62.4	.3	53.7		53.7	53.7				
OTHER EXPENSE ITEMS		71.1									
TOTAL STATE OPERATIONS	12,755.7	13,899.7	14,955.5	15,594.5	2,401.1-	13,193.4	13,193.4	15,510.1	2,401.1-	13,109.0	13,109.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	12,438.7	13,606.6	14,664.0	15,303.0	2,401.1-	12,901.9	12,901.9	15,218.6	2,401.1-	12,817.5	12,817.5
DEDICATED APPROPRIATIONS:											
AGENCY	316.8	301.0	300.0	300.0		300.0	300.0	300.0		300.0	300.0
GIFTS AND DEPOSITS	8.9	.1									
TOTAL FINANCING	12,764.4	13,907.7	14,964.0	15,603.0	2,401.1-	13,201.9	13,201.9	15,518.6	2,401.1-	13,117.5	13,117.5
POSITIONS BY FUND											
GENERAL	378.7	419.2	419.2	419.2	37.6-	381.6	419.2	419.2	37.6-	381.6	419.2
TOTAL POSITIONS	378.7	419.2	419.2	419.2	37.6-	381.6	419.2	419.2	37.6-	381.6	419.2

ACTIVITY: BRAINERD RHSC
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To meet or make documented progress toward individual program goals for persons with mental illness, chemical dependency, psycho-geriatric rehabilitation or adolescent treatment needs at a level consistent with industry standards and state/federal regulations. The primary purpose is to safeguard, treat, habilitate/rehabilitate patients and residents and to assist their reintegration into community life.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<u>Mental Retardation*</u>				
Percent of residents placed	13.0	12.0	10.0	10.0
Percent in continued placement				
3 months after placement	97.0	96.0	95.0	94.0
1 year after placement	97.0	96.0	95.0	94.0
<u>Chemical Dependency</u>				
Average length of stay (days)	30.0	30.0	28.0	28.0
Percent readmissions	36.0	34.0	32.0	32.0
Percent readmissions within 6 months	1.0	8.0	8.0	8.0
Percent clients completing treatment	65.0	67.0	69.0	70.0
<u>Mental Illness*</u>				
Average length of stay (days)	41.0	36.0	34.0	32.0
Percent readmissions	57.0	51.0	46.0	41.0
Percent readmissions within 6 months	56.0	51.0	46.0	41.0

*Does not include MLC which is in transition from Rule 34 to Rule 5.

ACTIVITY DESCRIPTION:

The Brainerd Regional Human Services Center (BRHSC) provides inpatient care, treatment, rehabilitation and developmental services for mentally ill, chemically dependent, and mentally retarded citizens of north central Minnesota. Brainerd Regional Human Services Center provides services to mentally ill and chemically dependent from 12 counties and serves the mentally retarded from 14 counties. The developmental disabilities program includes a 15-bed statewide program for deaf-blind children and also includes the Minnesota Learning Center (MLC), a 48-bed statewide residential treatment center for emotionally disturbed/behaviorally disordered adolescents. The chemical dependency program provides treatment to Native Americans based on cultural beliefs.

ACCOMPLISHMENTS AND GOALS:

BRHSC successfully completed a "Look Behind" audit conducted by the Health Care Finance Administration (HCFA). The Center satisfied the audit requirements for the provision of "active treatment" which was the critical element in assuring that federal reimbursement

ACCOMPLISHMENTS AND GOALS (Contd.):

for the cost of care would continue. Over 100 hours of consultation has been provided to community agencies and increased emphasis on community involvement will continue as BRHSC plans to involve the public schools in the education of emotionally disturbed adolescents and explores the establishment of shared services agreements for CD counseling, laundry and food services.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<u>Average Daily Population-Total</u>	411	386	367	363
Mentally Ill	64	65	68	70
Mentally Retarded	239	219	199	187
MLC Rule 5	24	26	38	42
MLC Rule 34	21	12	0	0
Chemically Dependent	63	64	62	64
<u>Admissions-Total</u>	1328	1311	1337	1350
Mentally Ill	473	485	505	520
Mentally Retarded	45	34	33	31
Chemically Dependent	763	749	753	753
MLC-Rule 5	35	43	46	46
MLC-Rule 34	12	0	0	0
<u>Discharges-Total</u>	1345	1338	1334	1324
Mentally Ill	474	484	491	491
Mentally Retarded	72	82	67	53
Chemically Dependent	749	738	742	742
MLC-Rule 5	15	26	34	38
MLC-Rule 34	35	8	0	0

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ST REGIONAL TREATMENT CTRS

MANAGEMENT ACTIVITY: BRAINERD R H S C

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	20,106.9	21,273.2	21,350.0	22,295.2	2,273.9-	20,021.3	19,864.5	22,151.1	2,446.1-	19,705.0	19,248.2
LOCAL ASSISTANCE											
AIDS TO INDS.	11.0	12.8	12.0	12.0		12.0	12.0	12.0		12.0	12.0
TOTAL EXPENDITURES	20,117.9	21,286.0	21,362.0	22,307.2	2,273.9-	20,033.3	19,876.5	22,163.1	2,446.1-	19,717.0	19,260.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	17,706.8	18,581.8	18,551.9	19,454.7	1,984.4-	17,470.3	17,313.5	19,390.2	2,180.1-	17,210.1	16,776.8
EXPENSES & CONTRAC. SERV	870.8	1,014.2	1,040.3	1,062.3	23.4-	1,038.9	1,038.9	1,062.3	23.4-	1,038.9	1,038.9
SUPPLIES & MATERIALS	1,448.2	1,527.1	1,672.0	1,657.5	266.1-	1,391.4	1,391.4	1,662.7	252.6-	1,410.1	1,396.6
EQUIPMENT	81.1	146.7	82.8	117.7		117.7	117.7	32.9	10.0	42.9	32.9
OTHER EXPENSE ITEMS		3.4	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TOTAL STATE OPERATIONS	20,106.9	21,273.2	21,350.0	22,295.2	2,273.9-	20,021.3	19,864.5	22,151.1	2,446.1-	19,705.0	19,248.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	19,704.8	20,836.4	20,891.5	21,836.7	2,273.9-	19,562.8	19,406.0	21,692.6	2,446.1-	19,246.5	18,789.7
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	31.7	32.6	43.5	43.5		43.5	43.5	43.5		43.5	43.5
AGENCY	299.8	338.0	350.0	350.0		350.0	350.0	350.0		350.0	350.0
FEDERAL	81.6	79.0	77.0	77.0		77.0	77.0	77.0		77.0	77.0
TOTAL FINANCING	20,117.9	21,286.0	21,362.0	22,307.2	2,273.9-	20,033.3	19,876.5	22,163.1	2,446.1-	19,717.0	19,260.2
POSITIONS BY FUND											
GENERAL	686.7	668.2	667.7	624.3	50.3-	574.0	585.3	624.3	48.3-	576.0	572.3
FEDERAL	6.8	2.3	2.3	2.3		2.3	2.3	2.3		2.3	2.3
TOTAL POSITIONS	693.5	670.5	670.0	626.6	50.3-	576.3	587.6	626.6	48.3-	578.3	574.6

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: BRAINERD REGIONAL HSC
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ -0-	-0-	\$130.5	10.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to establish an 8 bed residential psychiatric unit for older adults suffering from mental illness or other behavior disturbances such as assaultiveness or self-injury. The objective is to modify and stabilize the psychiatric disorder so that the individual may be returned to his/her community or community facility as quickly as possible. The funding requested in F.Y. 1989 is for only 6 months to adjust for the phased-in hiring of these new positions. The 10 positions will not increase the overall staff complement for the RTCs beyond F.Y. 1987 levels due to a corresponding reduction being proposed in the staff complement for mental retardation programs. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs.

DESCRIPTION/BACKGROUND:

Individuals currently residing in nursing homes or in their own home cannot be appropriately treated for acute MI as demonstrated by assaultive and self-injurious behaviors. Therefore, they need to be committed or informally admitted to RTCs equipped to provide this care. Treatment can be provided so that the unacceptable behaviors are modified or stabilized allowing the individual to return to the community living environment.

DESCRIPTION/BACKGROUND (Contd.):

BRHSC population of mentally retarded clients has been reduced to a point where former residential buildings are, or will be, unoccupied. One unit within a building will be utilized to accommodate the clients. In order to license beds in the existing building, however, remodeling would have to be completed to provide the normalized environment, privacy and reasonable security needed by such clients. F.Y. 1989 figures include \$107,000 for salaries/fringe, \$20,000 for furnishings and supplies and \$3,500 for drugs. Capital improvement funds amounting to \$150,000 will also be needed for remodeling.

RATIONALE:

The Commissioner of Human Services has the authority under M.S. 245.0312 to create multi-purpose programs in all RTCs. BRHSC has staff expertise and experience to deal effectively with severe behavioral problems associated with the older adult psychiatric client.

Recent reports on the mental health needs of our elderly population suggests that an increased demand for services will continue in this area for some time into the foreseeable future. Studies also indicate that, given proper treatment, many can improve in activities of daily living, alertness, cooperation, and mental clarity. An 8-bed program for psycho-geriatric clients located at Brainerd could effectively offer both "back up services" for this catchment area and, at the same time, offer services closer to the individual's home community.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

ACTIVITY: CAMBRIDGE REGIONAL HUMAN SERVICES CENTER
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To meet or make documented progress toward individual habilitation and training goals for persons exhibiting mental retardation. The primary purpose is to enhance the individual's ability to achieve the highest degree of self sufficiency consistent with industry standards and state/federal regulations. Integration into community life as soon as possible is our ultimate goal.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Mental Retardation				
Percent of residents placed	12.7	15.0	13.0	12.0
Percent in continued placement				
3 months after placement	100.0	95.0	95.0	95.0
1 year after placement	100.0	90.0	90.0	90.0

ACTIVITY DESCRIPTION:

The Cambridge Regional Human Services Center (CRHSC) provides residential, rehabilitation, developmental, and health care services for mentally retarded citizens of east central Minnesota. The Center directly operates 7 specialized residential and day training programs for severely or profoundly retarded people who have additional functional problems such as physical disability, and for mildly retarded people who have persistent, severe behavior problems such as assault and battery and property destruction. Short-term residential respite services are also provided.

In carrying out this activity, the Center focuses on the local relationships and established needs within the service area and on program directions as established by the Department, pursuing program directions locally as guided by the two primary principles of least restrictive and most normal environment and the development of client self-sufficiency skills. The most efficient and effective services are provided within the resources available. Services are delivered in a manner which ensures the least restrictive environment, minimizes the likelihood of physical harm to self or others, and reinforces resident self-sufficiency goals by maximizing individual resident potential for return to a more normal community environment.

ACCOMPLISHMENTS AND GOALS:

During the F.Y. 1985-87 biennium, Cambridge Regional Human Services Center has been extensively surveyed by both federal and state agencies. The result of the surveys and the corrective actions taken have resulted in full certification for the Center. Reorganization of staff, households, and day programs have established a more sensitive and efficient organization that is prepared to meet future challenges.

ACCOMPLISHMENT/GOALS (Contd.):

Special emphasis is now being placed on the development of 5 state operated community homes to demonstrate that the more severely disabled and profoundly retarded can live in the community utilizing the expertise of state employees.

The Center will focus on developing closer relationships with the community, offering its specialized skills and services to agencies. Shared services contracts will be explored and developed by the Center as the need for its services are identified in cooperation with our region's county social service agencies, planning councils, and other agencies.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Average Daily Population-Total	406	371	337	309
Admissions-Total	20	12	12	12
Regular	7	-0-	-0-	-0-
Respite	13	12	12	12
Discharges-Total	72	50	46	40
Regular	59	38	34	28
Respite	13	12	12	12

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ST REGIONAL TREATMENT CTRS

MANAGEMENT ACTIVITY: CAMBRIDGE R H S C

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	21,210.0	22,142.3	21,980.7	22,651.0	141.3-	22,509.7	22,482.8	22,460.5	377.4-	22,083.1	21,590.6
LOCAL ASSISTANCE		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
AIDS TO INDS.											
TOTAL EXPENDITURES	21,210.0	22,143.3	21,981.7	22,652.0	141.3-	22,510.7	22,483.8	22,461.5	377.4-	22,084.1	21,591.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	18,883.7	19,870.2	19,246.3	20,056.6	141.3-	19,915.3	19,888.4	19,989.7	377.4-	19,612.3	19,119.8
EXPENSES & CONTRAC. SERV	644.0	693.1	1,042.8	924.9		924.9	924.9	924.9		924.9	924.9
SUPPLIES & MATERIALS	1,556.4	1,498.4	1,631.8	1,559.5		1,559.5	1,559.5	1,513.2		1,513.2	1,513.2
EQUIPMENT	125.9	80.6	57.1	107.3		107.3	107.3	30.0		30.0	30.0
OTHER EXPENSE ITEMS			2.7	2.7		2.7	2.7	2.7		2.7	2.7
TOTAL STATE OPERATIONS	21,210.0	22,142.3	21,980.7	22,651.0	141.3-	22,509.7	22,482.8	22,460.5	377.4-	22,083.1	21,590.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	20,926.8	21,805.1	21,589.5	22,259.8	141.3-	22,118.5	22,091.6	22,069.3	377.4-	21,691.9	21,199.4
DEDICATED APPROPRIATIONS:											
GENERAL			48.0	48.0		48.0	48.0	48.0		48.0	48.0
SPECIAL REVENUE	3.7	8.2	6.8	6.8		6.8	6.8	6.8		6.8	6.8
AGENCY	268.5	290.7	317.0	317.0		317.0	317.0	317.0		317.0	317.0
GIFTS AND DEPOSITS	.1	.2	.4	.4		.4	.4	.4		.4	.4
FEDERAL	10.9	39.1	20.0	20.0		20.0	20.0	20.0		20.0	20.0
TOTAL FINANCING	21,210.0	22,143.3	21,981.7	22,652.0	141.3-	22,510.7	22,483.8	22,461.5	377.4-	22,084.1	21,591.6
POSITIONS BY FUND											
GENERAL	796.9	763.4	765.9	685.9	17.0-	668.9	658.9	685.9	23.0-	662.9	623.9
FEDERAL	1.0										
TOTAL POSITIONS	797.9	763.4	765.9	685.9	17.0-	668.9	658.9	685.9	23.0-	662.9	623.9

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CAMBRIDGE RHSC
 PROGRAM: REIMBURSEMENTS AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: DUAL DIAGNOSIS (MR/MI) PROGRAM				
Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ -0-	-0-	\$207.4	16.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The Department requests the above funds and positions to provide a highly structured 12 bed program for persons with mental retardation and mental illness. The funding requested in F.Y. 1989 is for only 6 months to adjust for the phased-in hiring of these new positions. The 16 positions will not increase the overall staff complement for the RTCs beyond F.Y. 1987 levels due to a corresponding reduction being proposed in the staff complement for mental retardation programs. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs.

DESCRIPTION/BACKGROUND:

A target population of persons who are mentally retarded and mentally ill has been identified by various social service agencies and CRHSC. These individuals are in the moderate to mild range of mental retardation and are diagnosed with mental illness. A typical individual will display deficits in independent living skills, severe maladaptive behavior disorders and emotional disorders. This population is currently in crisis in community programs due to lack of necessary resources and staff possessing the expertise to serve their complex needs.

DESCRIPTION/BACKGROUND (Contd.):

The program would be located in Cottage 14 which is accessible to the physically handicapped and was recently renovated in 1979. The primary objective of the program would be to provide comprehensive habilitation and training for individuals with mental retardation and mental illness who have been excluded from community programs due to the lack of adequate resources.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Program Bed Capacity	N/A	N/A	N/A	12
Number of New Patients Served	N/A	N/A	N/A	12
Number of Patients Served in Vocational Programs	N/A	N/A	N/A	12
Psychiatric Services Available (Hours per week)	N/A	N/A	N/A	10

RATIONALE:

The needs of the MR/MI population differ significantly from those of single disability groups. This requires specialized service delivery systems as well as staff trained and experienced in working with this special population. These resources are not readily available in the community setting and more than likely will not exist in sufficient numbers to provide for this population in the foreseeable future.

CRHSC has an existing, renovated building (Cottage 14) to house the program and a significant pool of professional and para-professional staff trained and experienced in working with this population.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

ACTIVITY: FARIBAULT REGIONAL CENTER
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To meet or make documented progress toward individual program goals for persons exhibiting mental retardation at a level which complements alternative programs in the service area, and is consistent with industry standards and state/federal regulations. The primary purpose is to safeguard, treat, habilitate/rehabilitate residents during as short a period of hospitalization as possible and to assist their reintegration into community life.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<u>Mental retardation</u>				
Percent of residents placed	5	5	5	5
Percent in continued placement				
3 months after placement	100	90	90	90
1 year after placement	98	85	85	85

ACTIVITY DESCRIPTION:

The Faribault Regional Center (FRC) provides inpatient evaluation and individualized training for mentally retarded persons in a 13 county area in southeastern Minnesota. Services integrate residential living, training in activities of daily living, behavior therapy, day activities or vocational training, recreation, and health services. Clients are predominantly severely or profoundly retarded adults with needs for long-term care and supervision.

In carrying out this activity, the Center focuses on the local relationships and established needs within the service area and on program directions as established by the Department, pursuing program directions locally as guided by the two primary principles of least restrictive and most normal environment and the development of client self sufficiency skills. The most efficient and effective services are provided within the resources available. Services are delivered in a manner which ensures the least restrictive environment, minimizes the likelihood of physical harm to self or others, and reinforces patient and resident self sufficiency goals by maximizing individual patient/resident potential for return to a more normal community environment.

ACCOMPLISHMENTS AND GOALS:

The facility has lowered its operating overhead costs through the use of shared service agreements and has offered the same opportunity to state and other agencies it serves. Telecommunication and radio-paging services are provided to eight state agencies located in Faribault. Bakery products are supplied to the State Academies for the Deaf and Blind and St. Peter Regional Treatment Center. Laundry services are provided to the two State Academies, two State Veterans Homes, Oak Terrace Nursing Home, and four private

ACCOMPLISHMENTS AND GOALS (Contd):

providers of health care and educational services. During the past year professional staff have been called on to render various types of expert service within the receiving district, most of which was previously served by Rochester State Hospital. A more formal study was conducted to establish regional needs and service gaps. As a result, current plans include extending shared service agreements to assist community homes and parents by providing consultative and assistive services in the region to help insure appropriate and effective habilitation for retarded citizens and to reduce operating costs of these facilities. The regional center also is participating in a pilot program for State operated community services. It opened one home in Faribault in early F.Y. 1987 to serve 4 residents and will open 4 more such homes in the next few months in other counties of the receiving area.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average Daily Population-Total	627	590	560	530
Admissions-Total	15	17	17	17
Regular	13	15	15	15
Respite	2	2	2	2
Discharges-Total	45	55	47	47
Regular	43	53	45	45
Respite	2	2	2	2

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ST REGIONAL TREATMENT CTRS

MANAGEMENT ACTIVITY: FARIBAULT R C

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	30,061.8	31,751.3	32,030.2	33,021.5	34.7-	32,986.8	32,982.6	32,779.4	355.6-	32,423.8	32,235.1
LOCAL ASSISTANCE											
AIDS TO INDS.	6.2	4.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
TOTAL EXPENDITURES	30,068.0	31,755.3	32,033.2	33,024.5	34.7-	32,989.8	32,985.6	32,782.4	355.6-	32,426.8	32,238.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	26,535.2	28,363.8	28,184.9	29,251.3	34.7-	29,216.6	29,212.4	29,153.7	355.6-	28,798.1	28,609.4
EXPENSES & CONTRAC. SERV	1,196.7	1,066.9	1,169.1	1,098.0		1,098.0	1,098.0	1,098.0		1,098.0	1,098.0
SUPPLIES & MATERIALS	2,231.6	2,207.9	2,602.9	2,520.9		2,520.9	2,520.9	2,487.4		2,487.4	2,487.4
EQUIPMENT	98.3	112.7	73.3	151.3		151.3	151.3	40.3		40.3	40.3
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	30,061.8	31,751.3	32,030.2	33,021.5	34.7-	32,986.8	32,982.6	32,779.4	355.6-	32,423.8	32,235.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	29,563.6	31,070.8	30,734.7	32,047.4	34.7-	32,012.7	32,008.5	31,806.7	355.6-	31,451.1	31,262.4
DEDICATED APPROPRIATIONS:											
GENERAL	17.2	223.6	857.5	536.1		536.1	536.1	534.7		534.7	534.7
SPECIAL REVENUE	20.0	28.9	25.0	25.0		25.0	25.0	25.0		25.0	25.0
AGENCY	432.8	419.9	404.0	404.0		404.0	404.0	404.0		404.0	404.0
GIFTS AND DEPOSITS	3.9	1.7	2.0	2.0		2.0	2.0	2.0		2.0	2.0
FEDERAL	30.5	10.4	10.0	10.0		10.0	10.0	10.0		10.0	10.0
TOTAL FINANCING	30,068.0	31,755.3	32,033.2	33,024.5	34.7-	32,989.8	32,985.6	32,782.4	355.6-	32,426.8	32,238.1
POSITIONS BY FUND											
GENERAL	1,093.2	1,064.2	1,052.2	981.2	11.5-	969.7	964.7	981.2	33.5-	947.7	928.7
TOTAL POSITIONS	1,093.2	1,064.2	1,052.2	981.2	11.5-	969.7	964.7	981.2	33.5-	947.7	928.7

ACTIVITY: FERGUS FALLS REGIONAL TREATMENT CENTER
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To treat, rehabilitate, habilitate, and care for clients seeking the services of the Fergus Falls Regional Treatment Center (FFRTC) so that the debilitating effects of mental illness, chemical dependency, and mental retardation are prevented or reduced and functional skills in community living are developed, increased, and enhanced, thus assisting the client to successfully return to community living.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<u>Mental Retardation</u>				
Percent of residents placed	9.2	9.0	9.0	9.0
Percent in continued placement				
3 months after placement	96.0	96.0	96.0	96.0
1 year after placement	94.0	94.0	94.0	94.0
<u>Chemical Dependency</u>				
Average length of stay (days)				
Primary treatment	30.9	30.0	29.0	28.0
Extended treatment	94.7	94.0	94.0	93.0
Adolescent treatment	63.1	62.0	62.0	61.0
Percent readmissions	39.0	39.0	38.0	37.0
Percent readmissions within 6 months	14.0	14.0	13.0	12.0
Percent clients completing treatment	60.0	62.0	64.0	66.0
<u>Mental Illness</u>				
Average length of stay (days)				
Regular (Extended Care)	545.3	520.0	510.0	500.0
Crisis treatment (Acute)	37.1	27.0	26.0	25.0
Percent readmissions	64.0	62.0	61.0	61.0
Percent readmissions within 6 months	17.0	16.0	15.0	14.0

ACTIVITY DESCRIPTION:

FFRTC provides inpatient and outpatient care, treatment, rehabilitation, and habilitation services to mentally ill (MI), chemically dependent (CD), and mentally retarded (MR) clients, the majority of whom are residents of 17 northwest counties of Minnesota. This facility also offers special adolescent, women's and extended CD services to many clients from counties statewide.

FFRTC provides a range of acute and extended care inpatient programs. Outpatient and other treatment opportunities are developed by contractual and shared service agreements with other human services agencies. Such agreements are designed to support community programs. These cooperative services are needed to expand opportunity for client

ACTIVITY DESCRIPTION (Contd.):

treatment choice, and improve the availability and cost effectiveness of services for residents of northwestern Minnesota.

ACCOMPLISHMENTS AND GOALS:

Through shared services agreements FFRTC has developed new outpatient programs, consultative services to schools and the courts, and cooperative day programming for the mentally ill. These services have not only expanded services in the area but also improved coordination among human services agencies. The goals for F.Y.1988-89 are to: 1) provide a range of effective treatment programs for MI, CD, and MR designed to return clients to their home communities as soon as possible; 2) establish at least one appropriate state-operated community-based service for each disability group (based on the unique needs of the region) to increase the accessibility of services to residents of northwest Minnesota; 3) participate with county social services to develop, implement, and expand formal aftercare services for the MI, CD and MR; 4) expand shared services agreements to provide to counties, human service provider agencies, families, and individuals, the technical expertise in MI, MR, and CD which is not available in small rural communities.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average Daily Population-Total	436	428	409	395
Mentally Ill	99	100	102	102
Mentally Retarded	200	183	162	148
Chemically Dependent	137	145	145	145
Admissions-Total	1895	2016	2079	2079
Mentally Ill	390	405	420	420
Mentally Retarded	9	9	9	9
Chemically Dependent	1496	1602	1650	1650
Discharges-Total	1976	2032	2079	2079
Mentally Ill	404	400	400	400
Mentally Retarded	43	38	29	29
Chemically Dependent	1529	1594	1650	1650

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ST REGIONAL TREATMENT CTRS

MANAGEMENT ACTIVITY: FERGUS FALLS R T C

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	18,334.4	19,477.5	20,072.9	20,841.4	4,702.6-	16,138.8	15,946.6	20,725.1	5,107.9-	15,617.2	15,188.0
LOCAL ASSISTANCE											
AIDS TO INDS.	2.8	.5	2.0	2.0		2.0	2.0	2.0		2.0	2.0
TOTAL EXPENDITURES	18,337.2	19,478.0	20,074.9	20,843.4	4,702.6-	16,140.8	15,948.6	20,727.1	5,107.9-	15,619.2	15,190.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	16,131.4	17,148.0	17,322.6	18,186.9	4,190.1-	13,996.8	13,804.6	18,126.5	4,595.4-	13,531.1	13,101.9
EXPENSES & CONTRAC. SERV	735.5	762.8	890.6	824.9	46.7-	778.2	778.2	830.8	46.7-	784.1	784.1
SUPPLIES & MATERIALS	1,377.9	1,449.9	1,798.4	1,718.7	465.8-	1,252.9	1,252.9	1,725.0	465.8-	1,259.2	1,259.2
EQUIPMENT	89.6	116.8	61.3	110.9		110.9	110.9	42.8		42.8	42.8
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	18,334.4	19,477.5	20,072.9	20,841.4	4,702.6-	16,138.8	15,946.6	20,725.1	5,107.9-	15,617.2	15,188.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	17,941.8	18,909.7	19,460.0	20,227.1	4,702.6-	15,524.5	15,332.3	20,111.3	5,107.9-	15,003.4	14,574.2
DEDICATED APPROPRIATIONS:											
GENERAL		146.3	158.9	160.3		160.3	160.3	159.8		159.8	159.8
SPECIAL REVENUE	15.6	12.4	15.8	15.8		15.8	15.8	15.8		15.8	15.8
AGENCY	354.7	362.8	413.4	413.4		413.4	413.4	413.4		413.4	413.4
FEDERAL	25.1	46.8	26.8	26.8		26.8	26.8	26.8		26.8	26.8
TOTAL FINANCING	18,337.2	19,478.0	20,074.9	20,843.4	4,702.6-	16,140.8	15,948.6	20,727.1	5,107.9-	15,619.2	15,190.0
POSITIONS BY FUND											
GENERAL	622.9	624.4	618.9	580.9	113.9-	467.0	534.9	580.9	128.9-	452.0	509.9
TOTAL POSITIONS	622.9	624.4	618.9	580.9	113.9-	467.0	534.9	580.9	128.9-	452.0	509.9

ACTIVITY: MOOSE LAKE REGIONAL TREATMENT CENTER
 Program: REIMBURSEMENT & FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

To provide appropriate services to our clients so that the debilitating effects of mental illness, mental retardation, chemical dependency, and the aging process are prevented or reduced, and clients are assisted in reaching or maintaining their optimal level of functioning in a safe and humane environment.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Mental Retardation</u>				
Percent of residents placed	4	9	10	10
Percent in continued placement				
3 months after placement	100	100	100	100
1 year after placement	89	100	100	100
<u>Chemical Dependency</u>				
Average length of stay (days)				
Primary treatment	35	30	28	28
Extended treatment	140	140	140	140
Percent readmissions	40	35	30	25
Percent readmissions within 6 months	10	10	10	10
Percent clients completing treatment	55	60	70	70
<u>Mental Illness</u>				
Average length of stay (days)	112	107	102	95
Percent readmissions	60	57	54	51
Percent readmissions within 6 months	22	20	18	17
<u>Geriatrics</u>				
Average length of stay (days)	1400	1350	1400	1400
Percent readmissions	60	60	65	65
Percent readmissions within 6 months	40	40	40	40

ACTIVITY DESCRIPTION:

Moose Lake Regional Treatment Center (MLRTC) serves the mentally ill, chemically dependent, mentally retarded, and geriatric clients in northeastern Minnesota. The Center provides primarily in-patient or residential treatment. In each of the above disabilities highly specialized programs have been developed in response to the type of clients coming to the Center. All of the clients coming for treatment have acute or chronic problems exacerbated by at least two major problems. Alternate treatments have been ineffective or unavailable.

ACCOMPLISHMENTS AND GOALS:

MLRTC's two major goals are to: 1) provide quality services at a competitive cost; 2) develop flexibility and versatility in offering a wide range of services to meet identified needs of northeastern Minnesota and in specialized areas statewide. Programs will not be limited to residential treatment, but may include such services as out-patient clinics, technical assistance, and training.

Accomplishments include meeting recognized treatment standards (JCAH Accreditation), Life Safety Code compliance, formalized Quality Assurance Program, and positive consumer/agency satisfaction. A comprehensive cost report system for all RTCs has been developed and piloted at MLRTC. This provides an accurate assessment of results (output) in relation to money spent (input). A demand exists for additional services such as outpatient therapy, technical assistance, case management, and training. MLRTC has attempted to assist clients, families, county agencies, and other providers in securing appropriate and effective treatment services.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Average Daily Population-Total</u>				
Mentally Ill	435	419	426	433
Mentally Retarded	69	70	70	70
Chemically Dependent	96	89	86	83
Geriatric	165	150	150	150
Geriatric	105	110	120	130
<u>Admissions-Total</u>				
Mentally Ill	1691	1703	1713	1728
Mentally Retarded	298	305	300	300
Chemically Dependent	3	3	3	3
Geriatric	1350	1350	1350	1350
Geriatric	40	45	60	75
<u>Discharges-Total</u>				
Mentally Ill	1711	1718	1706	1706
Mentally Retarded	293	310	300	300
Chemically Dependent	9	10	6	6
Geriatric	1365	1350	1350	1350
Geriatric	44	48	50	50

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ST REGIONAL TREATMENT CTRS

MANAGEMENT ACTIVITY: MOOSE LAKE R T C

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	15,626.6	16,259.0	17,081.2	17,842.6	4,658.3-	13,184.3	13,183.9	17,745.6	4,692.7-	13,052.9	13,032.1
LOCAL ASSISTANCE											
AIDS TO INDS.	9.0	9.7	10.0	10.0		10.0	10.0	10.0		10.0	10.0
TOTAL EXPENDITURES	15,635.6	16,268.7	17,091.2	17,852.6	4,658.3-	13,194.3	13,193.9	17,755.6	4,692.7-	13,062.9	13,042.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	12,960.4	13,930.4	14,670.0	15,492.9	4,062.4-	11,430.5	11,430.1	15,441.9	4,096.8-	11,345.1	11,324.3
EXPENSES & CONTRAC. SERV	1,351.6	950.3	988.1	858.7	87.9-	770.8	770.8	855.1	87.9-	767.2	767.2
SUPPLIES & MATERIALS	1,253.4	1,289.1	1,393.0	1,410.0	508.0-	902.0	902.0	1,436.6	508.0-	928.6	928.6
EQUIPMENT	61.2	89.2	30.1	81.0		81.0	81.0	12.0		12.0	12.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	15,626.6	16,259.0	17,081.2	17,842.6	4,658.3-	13,184.3	13,183.9	17,745.6	4,692.7-	13,052.9	13,032.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	15,270.4	15,848.7	16,678.7	17,440.1	4,658.3-	12,781.8	12,781.4	17,343.1	4,692.7-	12,650.4	12,629.6
DEDICATED APPROPRIATIONS:											
AGENCY	365.2	420.0	412.5	412.5		412.5	412.5	412.5		412.5	412.5
TOTAL FINANCING	15,635.6	16,268.7	17,091.2	17,852.6	4,658.3-	13,194.3	13,193.9	17,755.6	4,692.7-	13,062.9	13,042.1
POSITIONS BY FUND											
GENERAL	512.3	523.3	530.3	513.3	102.7-	410.6	511.3	513.3	105.7-	407.6	507.3
TOTAL POSITIONS	512.3	523.3	530.3	513.3	102.7-	410.6	511.3	513.3	105.7-	407.6	507.3

ACTIVITY: ST. PETER REGIONAL TREATMENT CENTER
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ESTIMATE F.Y. 1985 -0-	ESTIMATE F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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ACTIVITY OBJECTIVE:

The primary purpose of St. Peter Regional Treatment Center is to treat, habilitate, and rehabilitate patients and residents in a safe and humane environment during as short a period of hospitalization as possible, and to assist their reintegration into community life.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<u>Mental Retardation</u>				
Percent of residents placed	26.7	27.0	28.0	29.0
Percent of residents placed in continued placement				
3 months after placement	100.0	100.0	100.0	100.0
1 year after placement	100.0	100.0	100.0	100.0
<u>Chemical Dependency</u>				
Average length of stay (days)	37.9	36.0	35.0	34.0
Percent readmissions	32.8	30.0	28.0	28.0
Percent readmissions within 6 months	16.1	15.0	14.0	13.0
Percent clients completing treatment	64.2	65.0	66.0	66.0
<u>Mental Illness</u>				
Average length of stay (days)	188.9	187.0	186.0	186.0
Percent readmissions	50.5	45.0	40.0	38.0
Percent readmissions within 6 months	31.6	27.0	22.0	20.0

ACTIVITY DESCRIPTION:

The Mental Illness, Chemical Dependency, and Mental Retardation Divisions of St. Peter Regional Treatment Center (SPRTC) provide inpatient care, treatment, rehabilitation, and developmental services for mentally ill, chemically dependent, and mentally retarded citizens of Southern Minnesota. The Mental Illness and Chemical Dependency Divisions provide services to the mentally ill and chemically dependent from 19 counties, and the Mental Retardation Division serves the mentally retarded from 11 counties.

During the past year the St. Peter Regional Treatment Center has developed and implemented new services to meet the needs of hearing-impaired persons. The Mental Retardation Division has also implemented a new program which serves mentally retarded persons who are also mentally ill.

In carrying out these activities, the Regional Treatment Center is focusing on the local relationships and established needs within the service area. Programs provided reflect the needs of the Region and, in the least restrictive environment, deliver quality care designed to meet the individualized needs of each patient/resident.

ACCOMPLISHMENTS AND GOALS:

Accomplishments during F.Y. 1986 include: implementation of a program serving the hearing impaired; development of a dual diagnosis program which serves mentally retarded persons who are also mentally ill; sponsorship of two workshops, one in the area of Chemical Dependency and the other in Mental Retardation, attended by community participants as well as Center staff; and significant progress in the installation of a management information system.

Goals for F.Y. 1988-89: Major emphasis and priority is placed on strategic planning, an on-going, responsive process which, by the Fall of 1986, will define a comprehensive 3 year set of goals and objectives for SPRTC. The goals and objectives of the plan will include focus in the marketing of SPRTC expertise and the resulting development of shared services contracts in areas which project the Center as a regional mental health authority. Finally, in order to plan and manage effectively, accurate data is absolutely essential. To this end, continued efforts to establish an effective management information system will be a major priority.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average Daily Population-Total	366	362	342	320
Mentally Ill	152	158	160	160
Mentally Retarded	161	150	127	104
Chemically Dependent	53	54	55	56
Admissions-Total	863	872	888	902
Mentally Ill	301	310	315	320
Mentally Retarded	39	38	37	36
Chemically Dependent	523	524	536	546
Discharges-Total	872	892	918	930
Mentally Ill	322	325	328	331
Mentally Retarded	43	49	60	59
Chemically Dependent	507	518	530	540

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ST REGIONAL TREATMENT CTRS

MANAGEMENT ACTIVITY: ST PETER R T C

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	16,943.9	17,858.3	19,422.9	20,241.2	1,548.0-	18,693.2	18,253.2	20,103.2	1,687.4-	18,415.8	17,421.5
LOCAL ASSISTANCE											
AIDS TO INDS.	9.6	9.1	12.0	12.0		12.0	12.0	12.0		12.0	12.0
TOTAL EXPENDITURES	16,953.5	17,867.4	19,434.9	20,253.2	1,548.0-	18,705.2	18,265.2	20,115.2	1,687.4-	18,427.8	17,433.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	13,736.2	14,430.7	15,449.8	16,289.4	1,347.8-	14,941.6	14,503.6	16,236.1	1,512.2-	14,723.9	13,756.6
EXPENSES & CONTRAC. SERV	1,496.8	1,645.5	1,865.4	1,777.2	32.2-	1,745.0	1,745.0	1,784.2	32.2-	1,752.0	1,752.0
SUPPLIES & MATERIALS	1,655.2	1,647.0	2,046.9	2,035.5	168.0-	1,867.5	1,865.5	2,059.1	153.0-	1,906.1	1,889.1
EQUIPMENT	55.7	122.8	60.8	139.1		139.1	139.1	23.8	10.0	33.8	23.8
OTHER EXPENSE ITEMS		12.3									
TOTAL STATE OPERATIONS	16,943.9	17,858.3	19,422.9	20,241.2	1,548.0-	18,693.2	18,253.2	20,103.2	1,687.4-	18,415.8	17,421.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	16,305.3	17,229.3	18,744.9	19,563.2	1,548.0-	18,015.2	17,575.2	19,425.2	1,687.4-	17,737.8	16,743.5
DEDICATED APPROPRIATIONS:											
AGENCY	620.0	623.3	660.0	660.0		660.0	660.0	660.0		660.0	660.0
FEDERAL	28.2	14.8	30.0	30.0		30.0	30.0	30.0		30.0	30.0
TOTAL FINANCING	16,953.5	17,867.4	19,434.9	20,253.2	1,548.0-	18,705.2	18,265.2	20,115.2	1,687.4-	18,427.8	17,433.5
POSITIONS BY FUND											
GENERAL	512.8	532.8	540.3	524.3	44.1-	480.2	478.8	524.3	46.1-	478.2	450.8
TOTAL POSITIONS	512.8	532.8	540.3	524.3	44.1-	480.2	478.8	524.3	46.1-	478.2	450.8

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: ST. PETER RTC
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: HEARING IMPAIRED TREATMENT UNIT - MENTALLY ILL (MI)	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$270.9	15.0	\$360.6	15.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to design and implement a 12 bed program that will serve the acute and long-term needs of mentally ill and hearing impaired persons. The funding requested in F.Y. 1988 is for only 9 months to adjust for the phased-in hiring of these new positions. These 15 positions will not increase the overall staff complement for the RTCs beyond F.Y. 1987 levels due to a corresponding reduction being proposed in the mental retardation programs. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs.

DESCRIPTION/BACKGROUND:

No state facility in Minnesota provides a contained unit to serve the special treatment needs of mentally ill-hearing impaired adults. This program would be designed to provide multidisciplinary expertise and a total communication/treatment environment whereby all staff in the program would become proficient in the use of manual communication. Our objective would be to continue providing consultative services to other facilities in the state system where Mentally Ill (MI), Chemically Dependent (CD) or Mentally Retarded (MR) hearing impaired patients/residents reside. However, to achieve maximum treatment benefits for the mentally ill hearing impaired, they should live in a setting in which communication is not a barrier to therapy and habilitation. Simply integrating services on existing units has not proven to be therapeutically

DESCRIPTION/BACKGROUND (Contd.):

beneficial to the hearing impaired. The hearing impaired require specialized methods of intervention which often run contrary to psychotherapeutic approaches used for hearing patients. This program would take referrals from the 87 counties of Minnesota. Within the state facility system there currently are at least 25-30 MI, CD and MR hearing impaired persons needing a specialized treatment setting. However, over 80% of the referrals for inpatient treatment in the past 12 months have come directly from the community. It is projected that at least 100 hearing impaired persons would need inpatient services over the next 5 years. The funding request includes \$268,900 in F.Y. 1988 and \$358,600 in F.Y. 1989 for salaries/fringe, and \$2,000 each year for supplies and equipment.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of clients to be served	15	20	22	23
Average Daily Census	11	11	11	11

RATIONALE:

There are pressing humane, as well as legal bases for the establishment of a specialized unit for hearing impaired persons who need treatment and habilitation because of mental illness. Section 504 of the Federal Rehabilitation Act of 1973 (amended in 1978) mandates that physical accessibility to and appropriate treatment facilities and care for handicapped persons must be available to these persons. M.S. 256C.25 requires state facilities to provide interpreter services when necessary to deliver services to hearing impaired people who are unable to communicate through usual aural methods. Minnesota Human Rights Act, M.S. 363, Subd. 34 requires "program access". Program access means the use of auxiliary aids or services to ensure full and equal use of or benefit from goods, services and privileges. With the addition of staff with specialized skills in working with the hearing impaired, we believe that we can offer the services and programs they require. Our intent is to deliver a level of treatment and care which is consistent with that received by mentally ill hearing persons.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: ST. PETER RTC
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: ST. PETER RTC - DUAL DIAGNOSIS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ -0-	-0-	\$209.4	16.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to enhance the Mental Retardation (MR) program that serves Dual Diagnosis clients (MR/MI and MR/MI aggressive) from Southern Minnesota plus Hennepin County. The funding requested in F.Y. 1989 is for only 6 months to adjust for the phased-in hiring of these new positions. The 16 positions will not increase the overall staff complement for the RTCs beyond F.Y. 1987 levels due to a corresponding reduction being proposed in the staff complement for mental retardation programs. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs.

DESCRIPTION/BACKGROUND:

In May, 1983 a brief survey of the Minnesota Valley Social Adaptation Center (MVSAC) receiving district counties plus Hennepin County indicated the need for services for clients who have the dual diagnosis of MR/MI and MR/MI aggressive. The totals reveal there are 260 Dual Diagnosis clients who are in need of specialized services. Additionally, admission figures indicate that for the past 18 months all admissions to MVSAC (a total of 26 - 12 in the first 6 months of the year) have been people who are primarily Dual Diagnosis and are from the Metro area. A survey of our population of 160 clients indicates there are 34 people who are MR/MI and MR/MI aggressive. We anticipate that we would receive an additional 20 clients, 10 from other RTCs plus 10 clients from community referrals.

DESCRIPTION/BACKGROUND (Contd.):

All requests for admission have been for clients with multiple problems. Most of these requests have been from Hennepin and Ramsey counties. The funding request includes \$184,400 for salaries/fringe, \$5,000 for training, and \$20,000 for supplies and equipment.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of Clients Served	34	54	54	54

RATIONALE:

National statistics indicate that 25% of those incarcerated in the criminal justice system are mentally retarded. This program would address the needs of this special population by providing active treatment rather than jail. In the catchment area of Southern Minnesota the facility is the only residential and specialized programs vendor with the professional staff and services capable of serving this type of client. Additionally, the SPRTC campus is the only facility in Minnesota with professional staff expertise in all the areas of mental illness, chemical dependency, corrections (offenders) and mental retardation.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

ACTIVITY: SECURITY HOSPITAL
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

The primary purposes are to provide quality forensic services to the court system and to safeguard, treat, and habilitate/rehabilitate mentally ill and dangerous patients during as short a period of hospitalization as feasible and to assist their reintegration into community life. Services provided must meet national standards and state/federal regulations.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Adjudicated Offenders				
Average length of stay (days)				
Hold Orders	35.5	35.0	33.0	30.0
Evaluation	62.4	60.0	60.0	60.0
Treatment	362.8	360.0	350.0	350.0
Percentage of Readmissions	35.6	34.0	33.0	32.0

ACTIVITY DESCRIPTION:

The Minnesota Security Hospital provides both forensic services to the courts and in-patient care, treatment, and rehabilitation services to adjudicated offenders from all 87 Minnesota counties. Since 1982, Minnesota Security Hospital has also provided evaluation and treatment services to women from throughout Minnesota. The hospital is composed of 9 treatment units including the nationally recognized Intensive Treatment Program for Sexual Aggressives (ITPSA).

In carrying out these activities, the hospital focuses on patient treatment needs and protection of the community. Services are provided by professional staff who are clinically qualified to work with this specialized population group of mentally ill and dangerous patients and with the treatment program's focus on individual needs and community protection.

ACCOMPLISHMENTS AND GOALS:

Major accomplishments during F.Y. 1986 include development and implementation of a Protective Anti-Aggressive Device (PAAD) program which provides a less restrictive alternative to seclusion for the seriously ill patient; expanded consultative services provided to Regional Treatment Centers and Courts regarding specialized treatment for seriously ill patients; sponsorship of a major workshop on "The Dangerous Patient" attended by legal authorities and clinical professionals.

ACCOMPLISHMENTS AND GOALS (Contd.):

For F.Y. 1988-89, major goals focus on the general SPRTC campus-wide effort directed toward strategic planning, marketing, shared services contract development, and management information system enhancement

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average Daily Population-Total	222	222	223	224
Admissions-Total	292	300	310	318
Forensic Evaluation	148	153	158	161
Psychiatric Treatment	144	147	152	157
Discharges-Total	281	289	299	307

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed in the following change pages.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ST REGIONAL TREATMENT CTRS

MANAGEMENT ACTIVITY: SECURITY HOSPITAL

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	5,782.7	6,118.1	6,561.7	6,912.5	536.5	7,449.0	6,912.5	6,888.8	1,098.6	7,987.4	6,888.8
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	5,782.7	6,118.1	6,561.7	6,912.5	536.5	7,449.0	6,912.5	6,888.8	1,098.6	7,987.4	6,888.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	5,782.5	6,118.1	6,561.7	6,912.5	483.2	7,395.7	6,912.5	6,888.8	1,004.4	7,893.2	6,888.8
EXPENSES & CONTRAC. SERV					36.4	36.4			91.7	91.7	
SUPPLIES & MATERIALS	.2				16.9	16.9			2.5	2.5	
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	5,782.7	6,118.1	6,561.7	6,912.5	536.5	7,449.0	6,912.5	6,888.8	1,098.6	7,987.4	6,888.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	5,775.5	6,111.1	6,561.7	6,912.5	536.5	7,449.0	6,912.5	6,888.8	1,098.6	7,987.4	6,888.8
DEDICATED APPROPRIATIONS:											
FEDERAL	7.2	7.0									
TOTAL FINANCING	5,782.7	6,118.1	6,561.7	6,912.5	536.5	7,449.0	6,912.5	6,888.8	1,098.6	7,987.4	6,888.8
POSITIONS BY FUND											
GENERAL	200.0	210.0	210.0	210.0	24.0	234.0	210.0	210.0	43.0	253.0	210.0
TOTAL POSITIONS	200.0	210.0	210.0	210.0	24.0	234.0	210.0	210.0	43.0	253.0	210.0

CHANGE REQUEST

1987-89 Biennial Budget

 Agency Program Activity

ACTIVITY: SECURITY HOSPITAL

PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION

AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: TRANSITIONAL "LIVING UNITS" FOR MSH PATIENTS

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$172.3	9.0	\$451.1	18.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
Statutes Affected: NoneSTATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to develop two (2) specialized community facilities, 1 each year of the biennium, to meet the needs of specific patients from the Minnesota Security Hospital (MSH). The funding requested in both F.Y. 1988 and F.Y. 1989 is for only 6 months, except for the annualized cost in F.Y. 1989 of the F.Y. 1988 request, to adjust for the phased-in hiring of these new positions. The 18 positions will not increase the overall staff complement for the RTCs beyond F.Y. 1987 levels due to a corresponding reduction being proposed in the staff complement for mental retardation programs. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs.

DESCRIPTION/BACKGROUND:

Minnesota Security Hospital provides care and treatment to men and women from all 87 counties, conducts court ordered competency evaluations, offers the only sex offender treatment program in the state and serves as a "Relief Valve" for the RTCs when they have a dangerous and/or assaultive patient who is a threat to himself or others. Average occupancy exceeds 90%. Periodically in order to accept a dangerous patient from one of the open RTCs, we must "trade patients" with that RTC and transfer a patient who is not fully prepared. As previously noted, we also have patients who are "Persona Non Grata" and even when these patients are ready for an open RTC, neither the RTC or the home community wants them back.

DESCRIPTION/BACKGROUND (Contd.):

Traditionally many MSH patients are transferred to open Regional Treatment Centers (RTC's) and from there eventually back to their home community. However, there are patients who no longer present a behavioral or a security risk but who need additional preparation before they are ready for transfer. Among this group are a few patients who, because of their history, are considered "Persona Non Grata" by their home community and/or open RTC.

These facilities would provide a highly structured and carefully staged program designed to prepare selected patients for a successful return to community living. Program supervision would be provided by the MSH Medical Director. Selection of patients for the Transitional Unit would be limited to those individuals who are capable of learning and applying independent living skills, accepting increasing levels of responsibility, while consistently demonstrating an ability to control their emotions and behavior. Transfer to these units would require the approval of the MSH Medical Director. Patients who have a Mentally Ill and Dangerous commitment would also require the approval of the Special Review Board. The purpose is to establish intensive transition units whose dual charge would be to maximize the patients' chances of success when they are transferred to an open RTC, or to the community, and to create and maintain a "follow through" network which provides ongoing monitoring of each discharged patient. This program would expand services currently offered by MSH. Psychiatric, medical, nursing, psychological, recreational, and clerical assistance could be provided with existing staff. The funding request includes \$119,000 for salaries/fringe, \$16,900 for equipment, and \$36,360 for operating expenses in F.Y. 1988; and, \$356,900 for salaries/fringe, \$2,500 for equipment, and \$91,700 for operating expenses in F.Y. 1989.

RATIONALE:

The patients who would receive extensive preparation assistance in the Transition Units would normally reside at MSH. In addition to better transition preparation, these units would free up space for other patients at MSH and produce significant savings. This program has widespread support from the RTCs because it provides a means whereby an MSH patient would be intensively groomed before return to the RTC. Communities also will appreciate this service as part of a complete transition program for those patients where strong concerns exist about a return to the home community.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: SECURITY HOSPITAL
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: MINNESOTA SECURITY HOSPITAL STAFFING	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$364.2	15.0	\$647.5	25.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: None

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funding and positions at the Minnesota Security Hospital to improve program effectiveness and to provide for additional safety and security for patients and staff. The funding requested in F.Y. 1988 is for only 9 months, and the funding requested in F.Y. 1989 is for only 6 months, except for the annualized cost in F.Y. 1989 of the F.Y. 1988 request, to adjust for the phased-in hiring of these new positions. The positions will not increase the overall staff complement for the RTCs beyond F.Y. 1987 levels due to a corresponding reduction being proposed in the staff complement for mental retardation programs. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs.

DESCRIPTION/BACKGROUND:

The Minnesota Security Hospital provides treatment and evaluation in a secure setting for the most difficult mentally ill persons in the State of Minnesota. Identified staffing needs are based on comparison of like forensic units in other states and guidelines developed in relation to patient behaviors and related patient needs. Achievement of appropriate staffing will significantly improve treatment capabilities and equally important will provide an added and necessary safety factor for patients and employees.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Clients Served	222	222	223	224

RATIONALE:

Current staffing at the Minnesota Security Hospital has serious implications for safety and treatment of patients as well as staff protection. Additionally standards of the Joint Commission on Accreditation of Hospitals require additional staffing to improve quality of care and treatment. Additional staff will provide for a significant increase in treatment quality, shorten length of stay, and enhance security.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: WILLMAR REGIONAL TREATMENT CENTER
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE: To provide specialized regional health services that meet identified consumer and patient/resident needs in adult mental illness, mental retardation, chemical dependency, adolescent mental illness, geriatric rehabilitation, and other related specialty health services in a manner which meets or exceeds consumer expectations and industry, state, and federal standards and regulations.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<u>Mental Retardation</u>				
Percent of residents placed	20.0	10.0	5.0	5.0
Percent in continued placement				
3 mos. after placement	95.0	95.0	95.0	95.0
1 year after placement	90.0	90.0	90.0	90.0
<u>Chemical Dependency</u>				
Average length of stay	39.4	38.0	35.0	35.0
Clients completing treatment (days)	55.0	53.0	48.0	45.0
Primary treatment	34.0	34.0	27.0	25.0
Extended treatment	91.0	88.0	73.0	71.0
Percent readmissions	39.0	38.0	35.0	32.0
Percent readmissions within 6 months	11.0	10.0	12.0	13.0
Percent client completing treatment	56.0	60.0	65.0	67.0
<u>Mental Illness</u>				
Average length of stay (days)	237.1	225.0	215.0	200.0
Percent readmissions	54.0	54.0	54.0	54.0
Percent readmissions within 6 months	23.0	22.0	20.0	18.0

ACTIVITY DESCRIPTION:

Willmar Regional Treatment Center (WRTC) provides specialty health services including treatment, rehabilitation, and developmental services based on established needs for consumers primarily of southwestern Minnesota. Services are provided to mentally ill and chemically dependent clients from 23 counties, mentally retarded from 18 counties, and on a statewide basis, 3 specialized services including: 1) Adolescent Treatment Program; 2) Protective Component for Adolescents; 3) Methadone Withdrawal Services.

ACCOMPLISHMENTS AND GOALS:

Anticipating change and positioning for it was the theme of WRTC accomplishments during the biennium 1985-87. The facility successfully achieved full compliance/recognition of quality programs by all national and state accrediting bodies, developed campus-wide quality assurance mechanisms, reduced length of stay for mental illness and chemical dependency programs, successfully met/exceeded Welsch/Levine Consent Decree require-

ACCOMPLISHMENTS/GOALS (Contd.)

ments, developed programs involving the community for sheltered work, expanded its management information system, developed an extensive region-wide county service needs assessment and patient/consumer satisfaction surveys, and implemented a strategic, long-range planning process.

The 1987-89 biennium goals will be directed toward continuing emphasis on program effectiveness, efficiency, diversification, regional consumer needs, and a refined strategic planning process as WRTC moves pro-actively in it's development as a highly skilled specialty regional health center. Potential program diversification outside traditional WRTC service areas includes outreach, behavior consultations, public education, aftercare and follow-up, screening and evaluation, day and vocational programs, shared service agreements, and more specialized inpatient programs.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average Daily Population-Total	510	482	450	444
Mentally Ill	254	250	240	240
Mentally Retarded	133	102	85	82
Chemically Dependent	84	90	86	86
Adolescents	39	40	39	36
Admissions-Total	1286	1231	1187	1150
Mentally Ill	409	400	385	375
Mentally Retarded	24	18	15	15
Chemically Dependent	778	750	725	700
Adolescents	75	63	62	60
Discharges-Total	1241	1279	1221	1170
Mentally Ill	362	405	390	380
Mentally Retarded	39	49	33	18
Chemically Dependent	761	760	735	710
Adolescents	79	65	63	62

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ST REGIONAL TREATMENT CTRS

MANAGEMENT ACTIVITY: WILLMAR R T C

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	18,656.0	19,882.0	21,501.1	22,353.9	2,819.8-	19,534.1	19,346.1	22,180.2	2,979.4-	19,200.8	18,922.9
LOCAL ASSISTANCE											
AIDS TO INDS.	8.8	9.0	10.0	10.0		10.0	10.0	10.0		10.0	10.0
TOTAL EXPENDITURES	18,664.8	19,891.0	21,511.1	22,363.9	2,819.8-	19,544.1	19,356.1	22,190.2	2,979.4-	19,210.8	18,932.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	15,981.7	17,149.3	18,629.1	19,566.1	2,528.9-	17,037.2	16,849.2	19,501.6	2,688.5-	16,813.1	16,535.2
EXPENSES & CONTRAC. SERV	1,033.9	980.6	994.7	942.0	31.5-	910.5	910.5	942.0	31.5-	910.5	910.5
SUPPLIES & MATERIALS	1,538.7	1,579.6	1,803.6	1,701.9	259.4-	1,442.5	1,442.5	1,690.0	259.4-	1,430.6	1,430.6
EQUIPMENT	101.7	172.5	73.7	143.9		143.9	143.9	46.6		46.6	46.6
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	18,656.0	19,882.0	21,501.1	22,353.9	2,819.8-	19,534.1	19,346.1	22,180.2	2,979.4-	19,200.8	18,922.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	18,028.5	19,169.9	20,800.5	21,653.3	2,819.8-	18,833.5	18,645.5	21,479.6	2,979.4-	18,500.2	18,222.3
DEDICATED APPROPRIATIONS:											
AGENCY	599.5	672.2	658.6	658.6		658.6	658.6	658.6		658.6	658.6
GIFTS AND DEPOSITS		16.0									
FEDERAL	36.8	32.9	52.0	52.0		52.0	52.0	52.0		52.0	52.0
TOTAL FINANCING	18,664.8	19,891.0	21,511.1	22,363.9	2,819.8-	19,544.1	19,356.1	22,190.2	2,979.4-	19,210.8	18,932.9
POSITIONS BY FUND											
GENERAL	643.6	677.6	678.6	647.1	70.4-	576.7	612.6	647.1	72.4-	574.7	609.6
TOTAL POSITIONS	643.6	677.6	678.6	647.1	70.4-	576.7	612.6	647.1	72.4-	574.7	609.6

ACTIVITY: ROCHESTER STATE HOSPITAL
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To provide payments as mandated by the Workers Compensation Act or bargaining unit agreements to former Rochester State Hospital employees for Workers' Compensation benefits.

ACTIVITY DESCRIPTION:

The Rochester State Hospital provided treatment and evaluations for persons who were mentally ill, chemically dependent, or mentally retarded. The catchment area included 12 southeastern Minnesota counties. The hospital closed on July 1, 1982.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of Worker Compensation clients	14	14	14	14
Number of early retirees	5	2	0	0

EXPLANATION OF BUDGET REQUEST:

The same level of funding is requested for this activity.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ST REGIONAL TREATMENT CTRS

MANAGEMENT ACTIVITY: ROCHESTER STATE HOSPITAL

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	93.5	133.3	104.1	104.1		104.1	104.1	104.1		104.1	104.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	93.5	133.3	104.1	104.1		104.1	104.1	104.1		104.1	104.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	93.1	132.8	104.1	104.1		104.1	104.1	104.1		104.1	104.1
EXPENSES & CONTRAC. SERV		.5									
SUPPLIES & MATERIALS	.4										
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	93.5	133.3	104.1	104.1		104.1	104.1	104.1		104.1	104.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	93.5	133.3	104.1	104.1		104.1	104.1	104.1		104.1	104.1
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	93.5	133.3	104.1	104.1		104.1	104.1	104.1		104.1	104.1
POSITIONS BY FUND											
TOTAL POSITIONS											

ACTIVITY: STATE NURSING HOMES
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To provide quality care and active treatment of elderly patients who, because of their behavior problems, cannot be placed or retained in community facilities.

ACTIVITY DESCRIPTION:

The state nursing homes (hereafter SNHs), established in 1962 (M.S. 251.011) are licensed and certified to provide long-term care of geriatric patients. The distinctive function of SNHs is to specialize in the care and treatment of elderly when their behavior prevents admission or retention in community facilities, and to cooperate with counties in their efforts to maintain such persons in their community. The Department of Human Services (DHS) geriatric program policy, June 1985, limits SNH admissions and retention to such persons, and directs the development of active treatment to increase their chances of community placement.

Seventy-eight percent of the SNH population have behaviors that range from socially unacceptable to the most severe behavioral dependencies in the assaultive and self-injurious behavior category. The number and percent of patients with assaultive and self-injurious behaviors increased from 154 (24.1%) in 1982, to 223 (34.9%) in 1986.

SNH staff have been trained in the therapeutic management of severe behaviors, and residents are grouped according to nursing and behavioral needs. These efforts are effective for the majority of behavior problems that are not ordinarily acceptable in other nursing homes. The significant increase in the number of assaultive and self-injurious behaviors, however, threatens the progress made with the majority of residents. Such behaviors indicate that separate treatment programs are needed to contain and reverse this trend.

This budget activity supports DHS planning and program management of two state nursing homes and five geriatric units in state regional facilities. This is a budget activity. It is an aggregation of the following management activities: Ah-Gwah-Ching Nursing Home and Oak Terrace Nursing Home.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total ICF & SNF beds	693	693	693	693
Average resident age	71.5	71.5	71.5	71.5
Average daily population	641	645	645	645

MAJOR ISSUES:

Legislative Issues:

Legislation is being proposed which: 1) permits Ah-Gwah-Ching Nursing Home to utilize Hall Pavilion for special programs to prepare residents for community placement, and 2) designates both SNHs as regional care centers to assist counties in planning for the maintenance of behaviorally disabled elderly in their community and to provide services.

Base-Level Review:

The State Nursing Homes were selected for base-level review.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the changes detailed on the following change pages.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: STATE NURSING HOMES

PROGRAM: REIMBURSE & FACILITIES ADM

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	17,937.8	19,196.4	20,352.7	20,563.7	600.2	21,163.9	20,713.7	20,449.7	923.7	21,373.4	20,599.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	17,937.8	19,196.4	20,352.7	20,563.7	600.2	21,163.9	20,713.7	20,449.7	923.7	21,373.4	20,599.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	15,281.1	16,319.7	16,984.8	17,242.4	92.8	17,335.2	17,242.4	17,185.5	576.5	17,762.0	17,185.5
EXPENSES & CONTRAC. SERV	914.0	975.8	1,200.6	1,150.8		1,150.8	1,150.8	1,150.8	2.0	1,152.8	1,150.8
SUPPLIES & MATERIALS	1,709.2	1,792.2	2,110.9	2,055.7	490.0	2,545.7	2,205.7	2,072.5	332.2	2,404.7	2,222.5
EQUIPMENT	32.7	108.7	56.4	114.8	17.4	132.2	114.8	40.9	13.0	53.9	40.9
OTHER EXPENSE ITEMS	.8										
TOTAL STATE OPERATIONS	17,937.8	19,196.4	20,352.7	20,563.7	600.2	21,163.9	20,713.7	20,449.7	923.7	21,373.4	20,599.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	17,303.7	18,583.5	19,697.8	19,929.5	600.2	20,529.7	20,079.5	19,815.6	923.7	20,739.3	19,965.6
DEDICATED APPROPRIATIONS:											
GENERAL	25.0	72.8	71.8	51.1		51.1	51.1	51.0		51.0	51.0
AGENCY	474.2	460.2	525.0	525.0		525.0	525.0	525.0		525.0	525.0
GIFTS AND DEPOSITS	5.3	2.2									
FEDERAL	129.6	77.7	58.1	58.1		58.1	58.1	58.1		58.1	58.1
TOTAL FINANCING	17,937.8	19,196.4	20,352.7	20,563.7	600.2	21,163.9	20,713.7	20,449.7	923.7	21,373.4	20,599.7
POSITIONS BY FUND											
GENERAL	617.5	617.5	617.5	606.5		606.5	606.5	606.5	41.0	647.5	606.5
TOTAL POSITIONS	617.5	617.5	617.5	606.5		606.5	606.5	606.5	41.0	647.5	606.5

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: STATE NURSING HOMES
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

RATIONALE (Contd.):

Individual facility budget needs have been difficult to predict based on: the lower incidence of hearing impairment; the transient nature of clientele served; the variety of individual communication needs; and the additional costs in providing accessible services to hearing impaired persons. This appropriation will be a vital step in assuring that the agency avoids any future legal actions while ensuring the development of a comprehensive, statewide system of accessible and cost-effective services.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: HEARING IMPAIRED SERVICE FUND				
Agency Request				
General Fund	\$ 17.4	-0-	\$ 13.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

STATEMENT OF REQUEST/OBJECTIVE:

The department requests an appropriation to establish a hearing impaired service fund for the state Nursing Homes. The fund will be used to ensure increased delivery of effective, accessible services to hearing impaired persons residing in the state Nursing Homes by providing for training and adaptive equipment, as well as specialized consultant and interpreter services.

DESCRIPTION/BACKGROUND:

The Federal Rehabilitation Act mandates that services provided by the state facilities be accessible to hearing impaired persons. This agency has been sued with regard to the lack of accessible, effective treatment services for hearing impaired persons within the state facility system. This appropriation will assist in ensuring that the agency is better able to provide the services as required by law with the intent of creating a cost-effective, quality service delivery system for hearing impaired persons.

RATIONALE:

The agency currently has a single state facility program designated to serve hearing impaired persons. There are more than 500 hearing impaired persons residing in the state facilities. A single program is insufficient to effectively meet the needs of the vast number of hearing impaired individuals needing accessible treatment services.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: STATE NURSING HOMES
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: REPAIRS AND REPLACEMENTS				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$490.0	-0-	\$330.0	-0-
Governor's Recommendation				
General Fund	\$150.0	-0-	\$150.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to maintain the basic infrastructure of the regional treatment centers' physical plants. The objective of this request is to secure additional resources necessary to establish a systematic repair and replacement program designed to maintain the integrity of the agency's physical plants at optimal cost to the state.

DESCRIPTION/BACKGROUND:

The agency operates 2 nursing homes with approximately 30 buildings and other major structures consisting of approximately 650,000 gross square feet. In past budget requests, repair and replacement funding was requested on a square footage basis. The objective of these requests was to fund routine, day-to-day facility maintenance activities. Non-routine, more expensive repair and replacement projects such as roof replacement, power plant equipment repairs, road maintenance, etc., were requested on a project basis through the capital improvement budget process.

The 1988-89 budget instructions direct state agencies to request all repair and replacement funding as part of the operating budget. This request reflects the agency's evaluation of the funding required to establish and maintain a systematic program for repair and replacement projects in accordance with these instructions.

The following statistics show that the Legislature appropriated an average of \$302.0 from the general fund in the capital budget for repair and replacement projects over the last 3 years. Although calculations based on this data indicates a significant increase

DESCRIPTION/BACKGROUND (Contd.):

in the average annual expenditure for repair and replacement projects, the average annual dollar amount request is significantly less than that of the average regional center's request.

STATISTICS:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Annual Appropriations for Repair and Replacement Projects					
Capital Budget	\$245.0	\$660.0	-0-	-0-	-0-
Repair and Replacements	-0-	-0-	-0-	\$490.0	\$330.0

Deterioration of the basic infrastructure of the agency's residential facilities is becoming an increasing problem. Even though capital budget appropriations have included funds for specific maintenance projects, general repairs and replacements essential to protecting and preserving the state's extensive investments in physical plant assets have not been addressed on a systematic basis. Subsequently, many of the agency's buildings and related facility components (i.e., roads, roofs, walks, ceilings, heating systems, elevators, water and sewer systems, furnishings, etc.) are worn, in dire need of repair, and in some cases, inadequate for current utilization.

This request is designed to reverse this trend of deterioration and reduce overall, long-range repair and replacement costs. Approval of this request will provide the resources required to establish a systematic asset management program. This will enable the agency to plan and implement future repairs and replacements necessary to maintain efficient and effective plant operations which are supportive of program objectives for the care and treatment of clients.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$150.0 for F.Y. 1988 and \$150.0 for F.Y. 1989 rather than the agency's full request. This recommendation is part of a statewide policy initiative to improve each agency's ability to maintain its physical plant within available general fund revenues. The Governor's intent has been to remove all repairs and replacements (R & R) projects from the capital budget in favor of consolidating R & R funding in the operating budget.

Appropriations are divided equally between F.Y. 1988 and F.Y. 1989 in order to identify the increase in each agency's funding level for future biennia. The Governor further recommends that agencies be permitted to move funds between fiscal years.

The Governor has directed agencies to develop criteria for allocation of R & R dollars and recommends that each agency report to the Legislature and to the Governor on the disposition of funds for R & R projects by 11-1-88.

ACTIVITY: AH-GWAH-CHING NURSING HOME
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

The primary purpose is to serve the state's geriatric population through: giving nursing home care to elderly persons with severe behavior problems when they cannot be managed in community settings; providing psycho-geriatric treatment to meet their special needs and facilitate their return to the community; assisting the community to retain their behaviorally maladjusted elderly by providing technical assistance and shared services, according to the new Department of Human Services (DHS) Geriatric Program Policy; and providing effective chemical dependency treatment to long-term chronic alcoholics through the Lakeside Center.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<u>Geriatric:</u>				
Number of discharges to less restrictive alternatives	19.0	21.0	23.0	25.0
<u>Chemical Dependency:</u>				
Average length of stay	121.0	120.0	122.0	123.0
Percent readmissions	* 11.0	13.0	15.5	18.0
Percent readmissions within 6 months	11.0	13.0	15.5	18.0
Percent clients completing treatment	32.0	32.0	40.0	48.0

*Total % of readmissions since program opened 2/14/83 to 6/30/86 is 21%.

ACTIVITY DESCRIPTION:

Ah-Gwah-Ching is a 383 bed multi-purpose facility with 179 skilled beds, 164 intermediate beds, and 40 Rule 35 chemical dependency beds providing services for the geriatric population and the chronic chemically dependent population of the entire state of Minnesota. The behavior problems which our clients show include physical and verbal assaultiveness, sexually inappropriate behavior, socially inappropriate behavior, and chronic alcoholism. The services provided include behavior management, rehabilitation, nursing home care, and treatment for the chronic, long-term chemically dependent resident.

ACCOMPLISHMENTS AND GOALS:

During the past year Ah-Gwah-Ching has continued to improve the effectiveness and efficiency of its programs and departments as we prepare for and adapt to the changes occurring as a result of the new Geriatric Program Policy. As evidence of those changes, the number of residents discharged from Ah-Gwah-Ching to less restrictive alternatives has increased by 58% over the last 2 years. A quality assurance program was developed and computerization of resident records was begun. The Maintenance Department moved, thus providing a larger resident canteen and auditorium. This continued development of the Mall Area has enabled us to put greater emphasis on participatory rather than passive activities for our residents. To enable more effective programming, we refined the IPP

ACCOMPLISHMENTS AND GOALS (Contd.):

process. Finally, we have successfully met and exceeded all standards established by the licensing and certifying agencies.

The goals for the F.Y. 1987-89 biennium are to strengthen the state's mental health delivery system for the geriatric segment of the population by offering more active treatment and a greater array of services based on regional need through: 1) development and implementation of new programs for selected groups within Ah-Gwah-Ching's present population to expedite return of residents to community setting, and 2) entering into the Chemical Dependency Consolidated Fund program with Lakeside Center.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<u>Geriatric:</u>				
ICF beds	164	164	164	164
SNF beds*	179	179	179	179
Average resident age	73	73	73	73
Average daily population	318	320	320	320
<u>Chemical Dependency:</u>				
Number of beds	40	40	40	40
Average resident age	58	54	53	52
Average daily population	19	22	25	30

*The 179 SNF beds include 72 Medicare certified beds.

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: STATE NURSING HOMES

MANAGEMENT ACTIVITY: AH-GWAH-CHING NURSING HOME

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	8,867.9	9,669.9	10,380.2	10,371.6		10,371.6	10,371.6	10,315.3	254.2	10,569.5	10,315.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	8,867.9	9,669.9	10,380.2	10,371.6		10,371.6	10,371.6	10,315.3	254.2	10,569.5	10,315.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	7,606.8	8,296.2	8,699.9	8,745.9		8,745.9	8,745.9	8,717.3	250.0	8,967.3	8,717.3
EXPENSES & CONTRAC. SERV	495.9	536.8	691.9	636.7		636.7	636.7	636.7	2.0	638.7	636.7
SUPPLIES & MATERIALS	752.1	777.6	941.7	914.2		914.2	914.2	923.5	2.2	925.7	923.5
EQUIPMENT	13.1	59.3	46.7	74.8		74.8	74.8	37.8		37.8	37.8
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	8,867.9	9,669.9	10,380.2	10,371.6		10,371.6	10,371.6	10,315.3	254.2	10,569.5	10,315.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	8,443.0	9,300.9	9,995.1	9,986.2		9,986.2	9,986.2	9,930.0	254.2	10,184.2	9,930.0
DEDICATED APPROPRIATIONS:											
GENERAL	25.0	38.9	27.0	27.3		27.3	27.3	27.2		27.2	27.2
AGENCY	265.0	250.2	300.0	300.0		300.0	300.0	300.0		300.0	300.0
GIFTS AND DEPOSITS	5.3	2.2									
FEDERAL	129.6	77.7	58.1	58.1		58.1	58.1	58.1		58.1	58.1
TOTAL FINANCING	8,867.9	9,669.9	10,380.2	10,371.6		10,371.6	10,371.6	10,315.3	254.2	10,569.5	10,315.3
POSITIONS BY FUND											
GENERAL	317.0	317.0	317.0	306.0		306.0	306.0	306.0	20.0	326.0	306.0
TOTAL POSITIONS	317.0	317.0	317.0	306.0		306.0	306.0	306.0	20.0	326.0	306.0

CHANGE REQUEST
 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: AH-GWAH-CHING NURSING HOME
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: ACTIVE TREATMENT PROGRAM EXPANSION	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ -0-	-0-	\$254.2	20.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to design and implement three 25-bed behavioral rehabilitation units for elderly residents with assaultive and self-injurious behavior (level 4 of the QA & R behavior assessment form). The funding requested in F.Y. 1989 is for only 6 months to adjust for the phased-in hiring of these new positions. The 20 positions will not increase the overall staff complement for the state facilities beyond F.Y. 1987 levels due to a corresponding reduction being proposed in the staff complement for mental retardation programs. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs.

DESCRIPTION/BACKGROUND:

The current population of the nursing home includes 105 residents in the level 4 behavioral category. The additional positions will allow us to develop a more comprehensive individualized program for these residents which will result in their discharge to a less restrictive environment in the community.

The funding request consists of \$250,000 for salaries/fringe, \$2,000 for travel and \$2,200 for supplies/equipment.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of discharges to less restrictive alternatives	19	21	20	30

RATIONALE:

The increase of behaviorally oriented clients calls for increased programming, increased staff to meet the programming needs, and professionally trained staff to deliver programs and resident contact and enable movement of residents back to nursing homes in the community where they can effectively reside.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

ACTIVITY: OAK TERRACE NURSING HOME
 Program: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 Agency: HUMAN SERVICES, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ESTIMATE F.Y. 1985	ESTIMATE F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY OBJECTIVE:

To provide medical and rehabilitative treatment that allows adult clients with behavior disabilities untreated in the community to function in the least restrictive environment, which supports community placement and which fully utilizes all financial, human, and facility resources available.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of placements made to less restrictive alternatives	17	19	21	23

ACTIVITY DESCRIPTION:

Oak Terrace Nursing Home is a 350 bed facility, accredited by JCAH, established in 1962 as a skilled nursing facility (SNF). It is licensed by the Minnesota Health Department and certified as a Medicare and Medicaid provider, as well as for VA Contracts.

Oak Terrace's mission is to provide rehabilitative treatment for adult clients who have behavioral management disabilities within a setting which is protective and yet the least restrictive placement in which the person can successfully live. Oak Terrace differs from community nursing homes in that its purpose is to care for elderly clients with severe behavior problems that prevent admission to, and often causes referral from, community nursing homes and other facilities.

ACCOMPLISHMENTS AND GOALS:

During the current biennium, this facility has further identified its role in caring for those individuals with behavioral problems that cannot be treated in community based nursing facilities. Efforts have also been directed toward better utilization of financial and human resources in order to deliver the needed program services to the client. Internal reorganization has allowed for improved supervision and more effective program services.

In implementing the F.Y. 1987-89 biennial budget, Oak Terrace will be addressing the goals of providing for nursing care and active treatment programs for elderly patients with severe behavioral problems who cannot be placed elsewhere because of these problems. Oak Terrace will also assist in the development of program standards for the psychogeriatric residents of the nursing homes and regional facilities. The major goal

ACCOMPLISHMENTS AND GOALS (Contd.):

for this biennium is to procure the necessary professional and direct care staff to improve programming services for the current and projected population, to develop outpatient programs, and to develop and implement a mobile assessment capability in the community through the use of shared service agreements.

Oak Terrace intends to continue to provide technical assistance to counties and the consumer community in maintaining behaviorally disabled clients in the community. Oak Terrace also intends to develop its role as a regional care center and to develop and implement programs and services that are appropriate to that role and function. To develop improved delivery of medical care through the review and evaluation of medication usage, contracted vendors, and other third party sources is a goal important to the continued improvement in delivering health care services to the facility.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
ICF beds	0.0	0.0	0.0	0.0
SNF beds	350.0	350.0	350.0	350.0
Average resident age	70.0	70.0	70.0	70.0
Average daily population	323.0	325.0	325.0	325.0

EXPLANATION OF BUDGET REQUEST:

The SAME level of funding is requested for this activity except for the change detailed on the following change page.

MANAGEMENT ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: STATE NURSING HOMES

MANAGEMENT ACTIVITY: OAK TERRACE NURSING HOME

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	9,069.9	9,526.5	9,972.5	10,192.1		10,192.1	10,192.1	10,134.4	270.0	10,404.4	10,134.4
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	9,069.9	9,526.5	9,972.5	10,192.1		10,192.1	10,192.1	10,134.4	270.0	10,404.4	10,134.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	7,674.3	8,023.5	8,284.9	8,496.5		8,496.5	8,496.5	8,468.2	270.0	8,738.2	8,468.2
EXPENSES & CONTRAC. SERV	418.1	439.0	508.7	514.1		514.1	514.1	514.1		514.1	514.1
SUPPLIES & MATERIALS	957.1	1,014.6	1,169.2	1,141.5		1,141.5	1,141.5	1,149.0		1,149.0	1,149.0
EQUIPMENT	19.6	49.4	9.7	40.0		40.0	40.0	3.1		3.1	3.1
OTHER EXPENSE ITEMS	.8										
TOTAL STATE OPERATIONS	9,069.9	9,526.5	9,972.5	10,192.1		10,192.1	10,192.1	10,134.4	270.0	10,404.4	10,134.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	8,860.7	9,282.6	9,702.7	9,943.3		9,943.3	9,943.3	9,885.6	270.0	10,155.6	9,885.6
DEDICATED APPROPRIATIONS:											
GENERAL		33.9	44.8	23.8		23.8	23.8	23.8		23.8	23.8
AGENCY	209.2	210.0	225.0	225.0		225.0	225.0	225.0		225.0	225.0
TOTAL FINANCING	9,069.9	9,526.5	9,972.5	10,192.1		10,192.1	10,192.1	10,134.4	270.0	10,404.4	10,134.4
POSITIONS BY FUND											
GENERAL	300.5	300.5	300.5	300.5		300.5	300.5	300.5	21.0	321.5	300.5
TOTAL POSITIONS	300.5	300.5	300.5	300.5		300.5	300.5	300.5	21.0	321.5	300.5

CHANGE REQUEST
 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: OAK TERRACE NURSING HOME
 PROGRAM: REIMBURSEMENT AND FACILITIES ADMINISTRATION
 AGENCY: HUMAN SERVICES, DEPARTMENT OF

Request Title: ACTIVE TREATMENT PROGRAM EXPANSION				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ -0-	-0-	\$270.0	21.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected: None				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to design and implement three 25-bed behavioral rehabilitation units for elderly residents with assaultive and self-injurious behavior (level 4 of the Quality Assurance & Review behavior (QAR) assessment form). The funding requested in F.Y. 1989 is for only 6 months to adjust for the phased-in hiring of these new positions. The 21 positions will not increase the overall staff complement for the state facilities beyond F.Y. 1987 levels due to a corresponding reduction being proposed in the staff complement for mental retardation programs. Every attempt will be made to fill these positions with current qualified employees of RTCs whose positions may be eliminated because of reductions in the mental retardation population of the RTCs.

DESCRIPTION/BACKGROUND:

Oak Terrace Nursing Home currently has 118 residents in QAR behavior level 4. This represents 37 percent of the 81.8 percent that are behavior levels 0-4. The establishment of and staffing for these three units would allow concentration on residents with behavior level 4 problems and increase potential for community placement.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of discharges to less restrictive alternatives	17	19	19	21

RATIONALE:

The increase of behaviorally oriented clients calls for increased programming, increased staff to meet the programming needs, and professionally trained staff to deliver programs and services. The increased staff will allow more direct resident contact and enable movement of residents back to nursing homes in the community where they can effectively reside.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

ACTIVITY OBJECTIVE:

To provide direct rehabilitation services which assist blind and visually handicapped citizens of Minnesota to achieve greater independence and self-sufficiency.

ACTIVITY DESCRIPTION:

This activity was transferred to the Department of Jobs and Training October 1, 1985, pursuant to Laws of Minnesota 1985, First Special Session, Chapter 14, Article 9, Section 12.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: BLIND SERVICES

AGENCY: HUMAN SERVICES, DPT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
BLIND SERVICES	6,671.6	1,074.5									
TOTAL	6,671.6	1,074.5									
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	4,949.3	911.0									
LOCAL ASSISTANCE	330.4	2.2									
AIDS TO INDS.	1,391.9	161.3									
TOTAL EXPENDITURES	6,671.6	1,074.5									
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	2,635.2	464.7									
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	262.9	42.5									
FEDERAL	3,773.5	567.3									
TOTAL FINANCING	6,671.6	1,074.5									
POSITIONS BY FUND:											
GENERAL	63.5										
SPECIAL REVENUE	1.0										
FEDERAL	44.4										
TOTAL POSITIONS	108.9										

AGENCY: FULL PRODUCTIVITY AND OPPORTUNITY, OFFICE OF

1987-89 Biennial Budget

AGENCY PURPOSE:

The Office of Full Productivity and Opportunity was created (Laws of Minnesota, First Special Session 1985, Chapter 14, Article 9) to streamline and coordinate the state's employment, training, support, and income maintenance programs.

The primary goal of the office is to coordinate a broad array of the state's programs and resources toward helping its citizens achieve the dignity of self-sufficiency and economic independence, along with the additional goal of lowering of the unemployment rate and reducing dependence on public assistance programs among the state's citizens. The integration and coordination of the state effort is included in a biennial plan which is required by M.S. 267.04, Subd. 2, and is prepared by the office. The plan forms the basis for program initiatives and budget requests for the various programs covered by the Jobs Act.

OPERATION AND CLIENTELE:

The office provides the primary coordination effort to achieve the above purpose. This is achieved formally through the Full Productivity and Opportunity Council and informally through a joint management team and individual contacts with agencies. The office administers the discretionary portion of wage subsidy appropriations in cooperation with the Commissioner of the Department of Jobs and Training. The office in cooperation with the Department of Jobs and Training approves, monitors, and evaluates annual plans of local service units. The office provides training for counties and local units of government to enable them to effectively carry out state plans and programs in coordination with local efforts. The office is responsible for developing and implementing a statewide comprehensive intake, referral, and inventory system to meet clients' needs in cooperation with needs and resources of state, county, and local governments and service providers. Staff leadership for the state's Welfare Reform Commission is provided by the Office of Full Productivity and Opportunity.

Primary clients are the state's unemployed population and, specifically, those Minnesotans dependent on a wide variety of public assistance and support service programs. Secondary clients are state agencies, county and local governments, local service units, service delivery areas, private industry councils, community action agencies, job service, job training council, and private employers.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS:

F.Y. 1986-87 Discretionary Wage Subsidy Fund appropriation: \$6,034.5.

Discretionary Wage Subsidy grants authorized as of 8/21/86:

Private	\$1,979.9
Public	\$2,932.3
Private/Public	\$ 933.5
Total Funds Obligated	\$5,845.7
Balance as of 8/21/86	\$ 188.8

AGENCY RECONCILIATION:

The office is funded in statute by a percentage of appropriated Wage Subsidy funds transferred from the Department of Jobs and Training, and so currently has no independent SAME level of funding.

EXPLANATION OF BUDGET REQUEST:

CHANGE requests for this activity have been withheld pending development of the Governor's income support/jobs policy proposal.

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the Office of Full Productivity and Opportunity receive a full General Fund appropriation for its operating costs.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FULL PRODUCTIVITY & OPPORT

PROGRAM: FULL PRODUCTIVITY & OPPORT

AGENCY: FULL PROD & OPPORT

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS		322.2	853.7				850.0				850.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES		322.2	853.7				850.0				850.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES		176.8	310.3				306.5				306.5
EXPENSES & CONTRAC. SERV		95.4	530.4				530.5				530.5
SUPPLIES & MATERIALS		25.2	5.0				5.0				5.0
EQUIPMENT		24.8	8.0				8.0				8.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS		322.2	853.7				850.0				850.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL		322.2	853.7				850.0				850.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING		322.2	853.7				850.0				850.0
POSITIONS BY FUND											
GENERAL		6.0	7.0				7.0				7.0
TOTAL POSITIONS		6.0	7.0				7.0				7.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY:

PROGRAM:

AGENCY: FULL PRODUCTIVITY AND OPPORTUNITY, OFFICE OF

Request Title: Operating Costs				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	\$ 850.0	7.0	\$ 850.0	7.0
Request requires statutory change: <input type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected:				

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the Office of Full Productivity and Opportunity receive a full General Fund appropriation for its operating costs.

DESCRIPTION/BACKGROUND:

The office was funded during the 1986-87 biennium through an authorization for transfer of up to 25 percent of the discretionary portion of the Wage Subsidy (MEED) appropriation of the Department of Jobs and Training (Laws of 1985, First Special Session, Ch. 14, Art. 9, Sec. 54, Subd. 1(b)). The rider language authorizing this funding mechanism expires on 6-1-87.

This request is part of the Governor's Income Support/Jobs Policy proposal. The funds requested here would replace the expiring transfer funding mechanism with a regular legislative appropriation and complement to provide the SAME level of service as in F.Y. 1987.

RATIONALE:

The responsibility for an ongoing coordination effort and a monitoring and evaluation program was defined by the Minnesota Legislature in the 1985 Special Session when the "Jobs Act" was passed and signed by the Governor. It is the responsibility of the Coordinator of Full Productivity and Opportunity to obtain maximum effectiveness of state resources in conjunction with federal, county and local governments and private sector service providers by ensuring coordination of the various affected programs. The office has fulfilled this responsibility in a variety of ways this biennium, culminating in its taking the lead role in development of the Governor's Jobs and Income Support Policy proposals, which lay out the responsibilities of the various affected agencies in this crucial effort.

1987-89 BIENNIAL BUDGET

PROGRAM STRUCTURE

▸ AGENCY: JOBS AND TRAINING, DEPARTMENT OF

PROGRAMS

▸ EMPLOYMENT AND TRAINING

▸ UNEMPLOYMENT INSURANCE

• REHABILITATION SERVICES

COMMUNITY SERVICES

ACTIVITIES

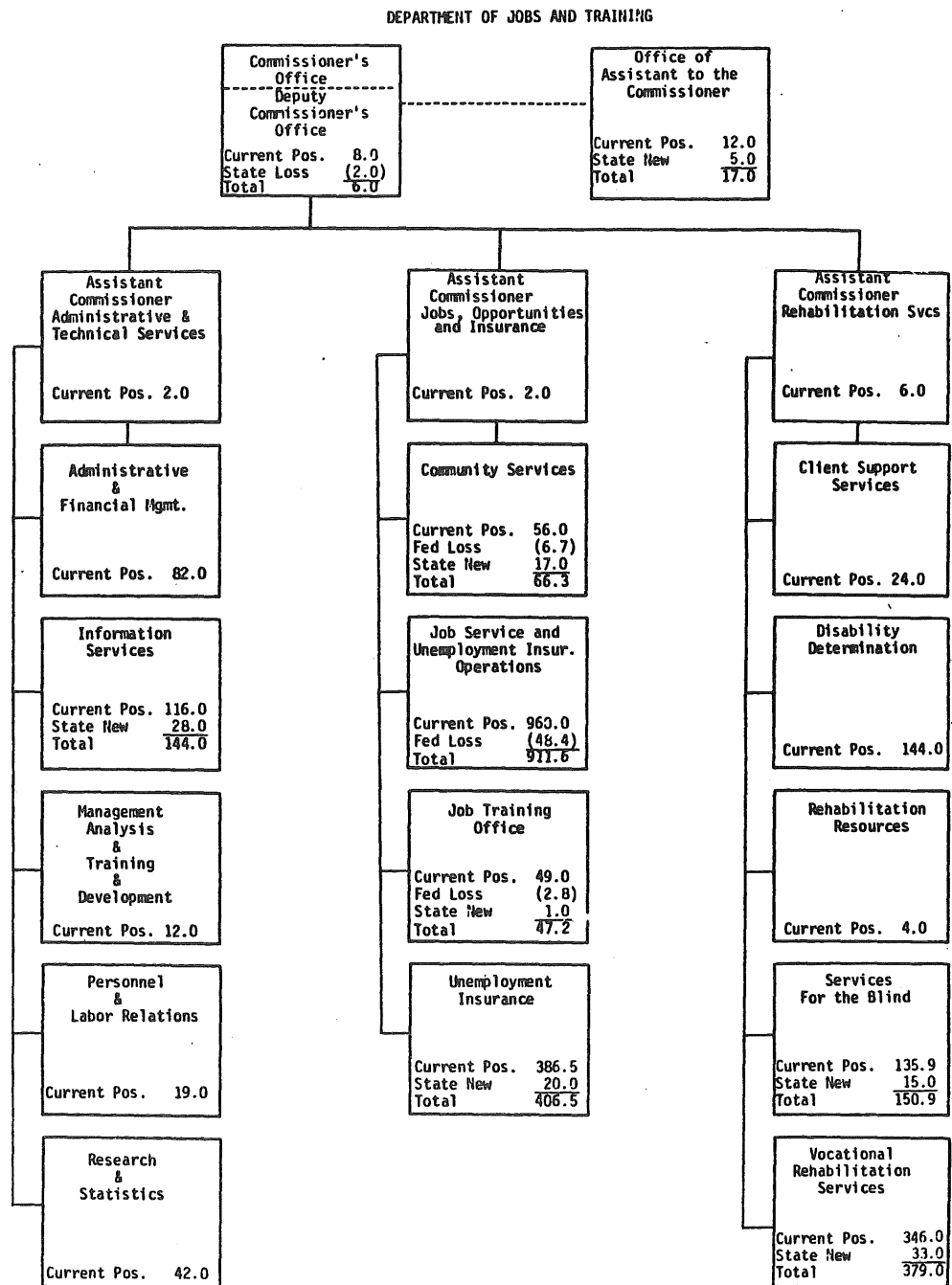
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POSITION RECONCILIATION		
AUTHORITY:	CURRENT FFY 87	REQUESTED FOR 06/30/89
LEGISLATIVE AUTHORIZED		
GENERAL FUND	108.5	246.5
SPECIAL REVENUE	2.0	2.0
FEDERAL	2274.9	2217.0
BUDGETARY AUTHORIZED		
GENERAL FUND	21.0	-0-
TOTAL PERMANENT POSITIONS	2406.4	2465.5
OTHER COMPLEMENT	448.5	345.5
TOTAL AUTHORIZED POSITIONS	2854.9	2811.0
EMPLOYEES ON 6/30/86	2201.0	



AGENCY PURPOSE: The major purpose is to provide an employment, rehabilitation and income support system which meets the broad responsibilities to increase the economic independence of Minnesotans with special emphasis on people who are unemployed or disabled and face disadvantages in the labor market.

MAJOR POLICY CHANGE: The Jobs Act enacted in 1985 provided for reorganization of the state's employment and training delivery system by changing responsibilities among state agencies and local governmental units. With the passage of this Act, the department continues to consolidate jobs programs and set Minnesota's employment and training policy, while simultaneously reducing unemployment rates and the number of welfare caseloads.

The Jobs Act reorganized the Department of Economic Security into the new Department of Jobs and Training, which continues to operate Job Service, Unemployment Insurance, State Job Training Programs, Community Services and Rehabilitation Services (including State Services for the Blind).

OPERATION AND CLIENTELE: The agency delivers its services in more than ninety (90) communities throughout the state. In addition, the agency provides services such as job training and assistance to low income citizens through grants to local government, non-profit agencies or community based organizations.

The agency provides benefits to unemployed persons and a no-fee placement service to employers and unemployed workers throughout the state. The department develops employment policies and links training and employment-related veteran's programs, workers' compensation, vocational and post-secondary education, federal income insurance programs and economic development programs.

The chief clientele are people who are experiencing the most severe disadvantages to employment. People volunteering for employment, whether they are required to register or not, must also be given preference to avoid the effects of long-term unemployment or dependence on public assistance.

Programs of the department are of special benefit to employers who are expanding or in need of employees with specific skills as well as individuals who are seeking jobs, particularly those who face employment barriers and need training or special assistance. Income maintenance and support services, such as Unemployment Compensation, Aid to Families With Dependent Children, General Assistance, Disability Determinations and Child Care are all linked to job seeking or other programs designed ensure self-sufficiency for individuals and families.

Job training, placement, employment counseling, independent living, services for the handicapped, labor market information, vocational training and testing, and the state jobs program are examples of the range of services designed to assist Minnesotan's enter or reenter the job market.

The Department of Jobs and Training has six principal components as follows:

- 1) Job Service which furnishes no-fee placement employment services and matches qualified job seekers with employer job openings;
- 2) Job Training Partnership Act (JTPA) which provides job training and employment opportunities for low-income and unemployed persons;
- 3) Rehabilitation Services provides services to enable persons with disabilities to increase their vocational and personal independence;
- 4) Unemployment Insurance (UI) which provides temporary income to persons who have involuntarily lost their jobs;
- 5) Community Services Programs is a community agency network which provides a broad range of services/strategies to meet the needs of energy assistance, weatherization, food emergency distribution, etc.;
- 6) Minnesota Employment and Economic Development Program (MEED)/Wage Subsidy is a wage subsidy program whereby employers are reimbursed for a portion of employee salary costs for a designated period for those job seekers who qualify.

Highlights of some of the individuals served include:

1985-1986 (See Data Collection dates used).

- 394,232 Job applicants who used job matching or placement services
- 26,100 Low income youth and adults who were served by the State Job Training Office through the Job Training Partnership Act (7/1/85-6/30/86)
- 4,818 Persons who were employed after completing services with Rehabilitation Services
- 181,963 Unemployed persons who received Unemployment Insurance 1/1/85-12/31/85
- 130,000 Households that were served by the self sufficiency programs offered by the Community Services Program (7/1/85-6/30/86).
- 5,199 Persons who were enrolled in the MEED Wage Subsidy Program (1/1/86-7/1/86)

PROGRAM CHANGES: Programs added to DJT included Work and Training Programs for AFDC recipients, Services for the Blind and Sliding-Fee Child Care, which were transferred from the Department of Human Services.

The programs offered to counties under the Jobs Act are: Wage Subsidy, Work Readiness, Community Work Experience, Employment Experience and Community Investment Program.

Other programs and services offered by DJT are: The Displaced Homemaker Program, Youth Employment Program, Targeted Jobs Tax Credit, Work Incentive (WIN), Grant Diversion, Conservation Corps, Apprenticeship Program, Supported Work Program and Opportunities Industrialization Centers.

Detailed descriptions of the department's operation and program activities are provided on the program and activity pages which follow.

INDEX	Agency Request 1987 - 89 Biennium All Funds	Governor's Recommendation 1987 - 89 Biennium All Funds	Page
Reconciliation of F.Y. 1987 to SAME Level	\$533,778.3	\$533,778.3	
Agency Wide CHANGE Requests	-0-	-0-	
Employment and Training			
MEED Wage Subsidy Elimination	-0-	(29,111.2)	11
Employment Programs			
Public Information	810.0	-0-	18
Training and Retraining	-0-	9,980.0	19
Childcare Sliding Fee			
Transfer to DHS	-0-	(12,460.4)	24
Displaced Homemakers	1,000.0	-0-	29
Subtotal	<u>\$ 1,810.0</u>	<u>\$(31,591.6)</u>	
Unemployment Insurance			
Program CHANGE Request			
Wage Detail	3,000.0	-0-	33
Subtotal	<u>\$ 3,000.0</u>		
Rehabilitation Services			
Basic Program			
Community Integration	7,205.1	(522.0)	39
Rehabilitation Technology	1,072.8	100.0	40
Workers' Compensation			
Case Services	843.8	80.0	43
Long Term Sheltered			
Community Integration	9,950.4	-0-	47
Productivity Improvement	650.0	-0-	48
Independent Living			
Statewide Expansion of Services	945.0	225.0	53
Rehabilitation Technology	300.0	-0-	54
Services for the Blind			
Enhanced Client Communication	446.0	142.0	60
Community Integration	2,162.0	300.0	61
Technical Equipment and Client Supportive Services	895.0	-0-	62
Subtotal	<u>\$ 24,470.1</u>	<u>\$ 325.0</u>	

Community Services			
Economic Opportunity			
Program Maintenance	630.0	-0-	70
Grant Supplement	10,000.0	-0-	71
Surplus Commodities	1,300.0	-0-	72
Food Accessibility	2,000.0	-0-	73
Temporary Housing	2,000.0	-0-	74
Headstart	4,300.0	-0-	75
Retrofit and Audit	500.0	-0-	76
Commission on Poverty	500.0	-0-	78
Conservation Repair	10,000.0	-0-	77
Neighborhood Assistance	150.0	-0-	79
Weatherization			
Maintenance of Program	19,500.0	-0-	84
Shared Savings	500.0	-0-	85
Economic Development	1,000.0	-0-	86
Subtotal	<u>\$ 52,380.0</u>	<u>-0-</u>	
AGENCY TOTAL	<u>\$615,438.4</u>	<u>\$502,511.7</u>	

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM:											
EMPLOYMENT & TRAINING	111,608.2	102,682.0	106,661.6	97,423.6	1,050.0	98,473.6	81,626.8	94,982.6	760.0	95,742.6	79,187.8
UNEMPLOYMENT INSURANCE	42,947.9	37,605.4	28,030.9	27,383.7	1,500.0	28,883.7	27,383.7	27,383.7	1,500.0	28,883.7	27,383.7
REHABILITATION SERVICES	41,742.5	49,042.7	53,539.9	53,119.5	10,919.1	64,038.6	53,220.5	53,769.4	13,551.0	67,320.4	53,993.4
COMMUNITY SERVICES	104,243.2	102,087.1	104,480.7	89,858.4	26,040.0	115,898.4	89,858.4	89,857.4	26,340.0	116,197.4	89,857.4
TOTAL	300,541.8	291,417.2	292,713.1	267,785.2	39,509.1	307,294.3	252,089.4	265,993.1	42,151.0	308,144.1	250,422.3
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	95,156.2	92,270.2	86,793.0	86,177.6	5,509.8	91,687.4	85,719.6	86,900.0	5,386.6	92,286.6	86,342.0
LOCAL ASSISTANCE	179,568.8	178,071.2	184,984.3	162,205.9	30,022.2	192,228.1	148,890.0	159,698.3	32,356.8	192,055.1	146,607.4
AIDS TO INDS.	25,816.8	21,075.8	20,935.8	19,781.9	3,977.1	23,759.0	17,860.0	19,775.0	4,407.6	24,182.6	17,853.1
INTERAGENCY TRANSFERS				380.2-		380.2-	380.2-	380.2-		380.2-	380.2
TOTAL EXPENDITURES	300,541.8	291,417.2	292,713.1	267,785.2	39,509.1	307,294.3	252,089.4	265,993.1	42,151.0	308,144.1	250,422.3
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	68,562.8	47,261.8	50,368.4	44,623.0	39,509.1	84,132.1	29,927.2	43,126.6	42,151.0	85,277.6	28,555.8
DEDICATED APPROPRIATIONS:											
GENERAL	496.0	371.0	360.2								
SPECIAL REVENUE	18,135.8	10,154.0	15,440.6	2,303.8		2,303.8	1,303.8	2,303.8		2,303.8	1,303.8
GIFTS AND DEPOSITS	95.1	83.5	100.0	100.0		100.0	100.0	100.0		100.0	100.0
FEDERAL	213,252.1	233,546.9	226,443.9	220,758.4		220,758.4	220,758.4	220,462.7		220,462.7	220,462.7
TOTAL FINANCING	300,541.8	291,417.2	292,713.1	267,785.2	39,509.1	307,294.3	252,089.4	265,993.1	42,151.0	308,144.1	250,422.3
POSITIONS BY FUND:											
GENERAL	76.0	126.8	129.5	127.5	109.0	236.5	111.5	127.5	119.0	246.5	111.5
SPECIAL REVENUE	1.0	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
FEDERAL	2,469.1	2,473.5	2,274.9	2,217.0		2,217.0	2,217.0	2,217.0		2,217.0	2,217.0
TOTAL POSITIONS	2,546.1	2,602.3	2,406.4	2,346.5	109.0	2,455.5	2,330.5	2,346.5	119.0	2,465.5	2,330.5

PROGRAM: EMPLOYMENT AND TRAINING
Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE: Employment and Training provides a variety of state and federal placement, counseling, and related employment services. These services enable qualified persons to engage in gainful occupations. The major programs provided are: Employment Services, a federally funded nationwide public labor exchange; Veterans Employment Program, a federally funded placement service for Veterans; the Work Incentive Program (WIN), a placement program jointly funded by state and federal appropriations which is targeted exclusively to recipients of AFDC; the Wage Subsidy Program, a state funded job placement and creation program; Youth Programs, separate state and federal programs targeted to disadvantaged youth; the Child Care Sliding Fee Program, a program which subsidizes child care expenses for low income employed parents or those involved in education and training programs leading to employment; Job Training Partnership Programs, a variety of federally funded programs targeted to individuals facing serious barriers to employment. Other programs include Displaced Homemakers, Trade Adjustment Assistance, Alien Certification, Special Projects, Opportunities Industrialization Centers (OIC), and Senior Community Service Employment Programs.

OPERATION: This program encompasses the following operations which are split into two broad service areas. The first service area deals primarily with direct client services, while the second area deals primarily with contracting for client services:

1) The Office of Job Service and Unemployment Insurance Operations, headed by a director, is comprised of two major subdivisions: service delivery, and program management and field support. There is a network of 84 full service and satellite offices throughout the state which deliver the various direct client services of the agency's programs in the job training, job placement, and unemployment insurance areas, as well as other program services relating to the needs of special client groups. A central office staff provides technical assistance, monitoring, training, program development, and other support services for the service delivery group. The major source of funding for these programs is federal, and most programs are delivered statewide. Also administered by Job Service and UI Operations are two state funded special projects: Project Jobs, a program which utilizes unemployment compensation to prepare structurally unemployed workers to reenter the labor force; and Job Service, an enhancement of the federally funded Job Service. The WIN program is jointly administered by this office of the Department of Jobs and Training and the Department of Human Services. Jobs and Training's primary responsibility is the delivery of direct client placement and counseling services, whereas the Department of Human Services determines who must register for the program and adjusts the recipients' AFDC grant in response to earnings or noncompliance.

2) The State Job Training Office, headed by a director, delivers the Wage Subsidy Program, Youth Programs, the Displaced Homemaker Program, and the Senior Community Service Employment Program through local government entities and agencies. Local responsibilities are shared by Chief Elected Officials (CEO's) and Private Industry Councils (PIC's), who provide policy guidance and exercise oversight over local program plans and operations. PIC members are appointed from business organizations,

labor organizations and trade councils, educational agencies, economic development agencies and other interested organizations. The Child Care Sliding Fee Program is delivered through the county social service agencies. The Job Training OIC special project is subgranted to the Minnesota OIC State Council, and the Juvenile Justice Program is administered through the Juvenile Justice Advisory Committee.

BUDGET ISSUE: Employment Programs are funded from a variety of sources. Funds for the delivery of the unemployment insurance program are allocated nationwide by the Department of Labor based on funds available and estimated unemployment. Funding for the delivery of service to the unemployed has not kept pace with inflation since the late 1970's. The Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman) has further reduced the administrative funds needed to administer and deliver the unemployment insurance program. Funds for the Job Service basic labor exchange are obtained from the Department of Labor through Job Training Partnership Act amendments to Wagner-Peyser legislation with a 10% Governor's set-aside. Future funding levels for the Job Service are uncertain. There have been a series of reductions in funding since 1981, with the most recent being those cuts mandated by the Gramm-Rudman reductions. These cuts affect the quantitative and qualitative service levels to the public.

The Work Incentive Program (WIN) has an uncertain future beyond Congress' most recent continuing resolution. Whereas previous administration efforts to de-fund the program have been reversed by congressional action, the future of the WIN program is especially uncertain in light of current deficit projection and the Gramm-Rudman-Hollings Act. WIN requires a 10% state match of federal funding.

The Child Care Sliding Fee program was expanded statewide in 1986. Funding for the biennium was weighted toward the second year to reflect lower levels of spending during the expansion. An increase in spending for the biennium is necessary to retain 1987 spending levels. Even a hold harmless budget at the 1987 spending level will not meet the demand for this program. Counties with large populations and active programs have long waiting lists of eligible families with all funds currently encumbered to families on the program.

The Wage Subsidy Program (formerly the MEED program) was funded at \$100M during its initial phase (1983-1985). Funding from 1-1-86 to 6-6-87 was reduced to \$27M.

The Minnesota Youth Program is funded at \$4.7 million for the 1986-1987 biennium, a 40% decrease from the 1984-1985 funding level. The Minnesota Youth program works in conjunction with the JTPA federally funded Disadvantaged Youth Program.

The Juvenile Justice Program is primarily funded by the federal government. State appropriations are required to match federal administrative funds on a dollar for dollar basis. Funding for the 1988-1989 biennium is requested at the SAME level as for the 1986-1987 biennium, \$410,600.

EXPLANATION OF BUDGET REQUEST: Federal funding is anticipated to be at about the SAME level. The state request is at the SAME level for state programs. Two CHANGE requests have been included in this activity: one CHANGE request to develop a

(Continuation)

Agency: JOBS AND TRAINING, DEPARTMENT OF

Marketing Information Office is included in the amount of \$810M; another CHANGE request is included for the Displaced Homemaker Program. Other changes are included in the Income Support Jobs Coordination CHANGE request related to proposed income support and jobs initiatives. Those CHANGES have been deferred, at the request of the Coordinator of Full Productivity and Opportunity, for inclusion in the Governor's income support/jobs policy proposal.

The Division of Administrative and Technical Services (ATS) funds are included in the 1986 and 1987 actuals at the following levels for the Employment and Training Program:

F.Y. 1986		F.Y. 1987	
\$	Positions	\$	Positions
\$3,031.2	74.3	\$3,334.3	74.3

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not include funding for the Employment Programs Marketing and Displaced Homemakers requests. While the requests have merit, other spending priorities preclude additional funding.

The Governor recommends several other changes as part of the administration's income support/jobs policy proposal. The proposal calls for elimination of the MEED Program and for most of the resultant savings to be devoted to a variety of initiatives providing employment, training and support services to AFDC recipients and dislocated workers. As a part of this effort, the Governor recommends \$9,990.0 for the biennium for a new training and retraining program for dislocated workers and other individuals affected by unfavorable economic conditions.

The Governor further recommends that the base funding for the Sliding Feed Child Care activity be transferred to the Department of Human Services to enable access to federal matching funds available through AFDC Special Needs.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: EMPLOYMENT & TRAINING

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
MEED WAGE SUBSIDY	43,659.0	19,603.1	22,433.5	14,556.5		14,556.5		14,554.7		14,554.7	
GA REGISTRANTS	2,864.0	235.5	15.0								
YOUTH EMPLOYMENT PROGRAM	3,134.9	3,092.0	1,608.0	3,092.0		3,092.0	3,092.0	1,608.0		1,608.0	1,608.0
EMPLOYMENT PROGRAMS	22,872.6	27,148.1	28,477.2	28,117.0	550.0	28,667.0	33,107.0	28,162.0	260.0	28,422.0	33,152.0
JUVENILE JUSTICE		62.4	1,442.7	1,427.8		1,427.8	1,427.8	1,427.8		1,427.8	1,427.8
CHILD CARE SLIDING FEE		3,070.1	6,218.0	6,230.3		6,230.3		6,230.1		6,230.1	
JOB TRNG PARTNERSHIP	38,293.1	48,693.6	45,000.0	43,000.0		43,000.0	43,000.0	42,000.0		42,000.0	42,000.0
DISPLACED HOMEMAKERS	784.6	777.2	1,467.2	1,000.0	500.0	1,500.0	1,000.0	1,000.0	500.0	1,500.0	1,000.0
TOTAL	111,608.2	102,682.0	106,661.6	97,423.6	1,050.0	98,473.6	81,626.8	94,982.6	760.0	95,742.6	79,187.8
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	26,987.3	26,510.6	27,098.5	27,183.8	600.0	27,783.8	26,523.8	27,200.4	310.0	27,510.4	26,542.4
LOCAL ASSISTANCE	69,958.1	67,961.6	72,584.5	64,888.9	450.0	65,338.9	51,573.0	62,431.3	450.0	62,881.3	49,115.4
AIDS TO INDS.	14,662.8	8,209.8	6,978.6	5,731.1		5,731.1	3,910.2	5,731.1		5,731.1	3,910.2
INTERAGENCY TRANSFERS				380.2-		380.2-	380.2-	380.2-		380.2-	380.2
TOTAL EXPENDITURES	111,608.2	102,682.0	106,661.6	97,423.6	1,050.0	98,473.6	81,626.8	94,982.6	760.0	95,742.6	79,187.8
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	49,279.9	26,201.0	29,002.4	23,234.1	1,050.0	24,284.1	8,437.3	21,748.1	760.0	22,508.1	6,953.3
DEDICATED APPROPRIATIONS:											
GENERAL	496.0	371.0	360.2								
SPECIAL REVENUE	1,126.8	778.6	3,114.6	2,000.0		2,000.0	1,000.0	2,000.0		2,000.0	1,000.0
FEDERAL	60,705.5	75,331.4	74,184.4	72,189.5		72,189.5	72,189.5	71,234.5		71,234.5	71,234.5
TOTAL FINANCING	111,608.2	102,682.0	106,661.6	97,423.6	1,050.0	98,473.6	81,626.8	94,982.6	760.0	95,742.6	79,187.8
POSITIONS BY FUND:											
GENERAL	6.0	21.3	23.0	21.0	6.0	27.0	3.0	21.0	6.0	27.0	3.0
SPECIAL REVENUE	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
FEDERAL	1,030.4	994.0	778.5	727.3		727.3	727.3	727.3		727.3	727.3
TOTAL POSITIONS	1,037.4	1,016.3	802.5	749.3	6.0	755.3	731.3	749.3	6.0	755.3	731.3

ACTIVITY: MINNESOTA EMPLOYMENT & ECONOMIC DEVELOP. WAGE SUBSIDY 1987-89 Biennial Budget
 Program: EMPLOYMENT AND TRAINING
 Agency: JOBS AND TRAINING, DEPARTMENT OF

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: To assist Minnesota's unemployed and public assistance recipients in becoming economically self-sufficient by securing permanent employment.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Participants Served	7,000	7,000	7,000	7,000
# Enrolled who entered Unsubsidized Employment	5,200	5,200	5,200	5,200
% Private Sector	72%	75%	75%	75%
% Public Assistance	46%	48%	60%	60%
Private sector retention after subsidy ends	84%	84%	84%	84%

DESCRIPTION: The MEED Act has been operating since 7-83, and completed its two-year period of authorization on 7-30-85. The 1985 Legislature extended the old program through 12-31-85 and enacted a new permanent Minnesota Employment and Economic Development (MEED) Wage Subsidy Program effective 1-1-86. The MEED Wage Subsidy Program, operated as part of the Department of Jobs and Training, is a permanent state jobs program providing incentives to employers who hire and retain Minnesota residents who are unemployed and ineligible for Unemployment Insurance or Workers' Compensation benefits and are available for work for the duration of the job. MEED encourages creation of new, permanent private sector jobs for the unemployed. For each individual employed under the program, the State may subsidize a maximum of \$4 an hour in wages and \$1 an hour in fringe benefits over 26 weeks. Priority will be given to eligible applicants living in households with no other source of income, persons who are eligible for general assistance or AFDC, and farm households that can demonstrate severe financial need.

At least 75% of MEED funds expended will be for jobs created in the private sector, with up to 25% being used for public sector employment. The 1985 Legislature gave the county boards the option of establishing Community Investment Programs (CIPs) in their local service unit. CIPs provide temporary public service employment and work experience for economically disadvantaged individuals. The public service work projects must be beneficial to the state and communities in which they are located and must provide individuals with training and work experience. CIP employees may not displace any employee. CIP employees are limited to 32 hours or 4 days a week so they can continue to seek full-time private-sector employment. The state may provide wage subsidies for a maximum of 780 hours over a maximum of 26 weeks.

STATUTORY REFERENCE: MN Law 1983, Ch. 312, Art. 7, Sec. 268.671 - 268.686; Amended by Laws 1985, 1st Special Session, Ch. 14, Art. 9, Sec. 268.671 - 268.95, and Ch. 9, Sec. 71..

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# Enrolled	7,000	7,000	7,000	7,000
GA Eligible	1,065	1,500	1,500	1,500
AFDC Eligible	1,000	1,300	1,300	1,300
Farm Households w/severe financial need	160	160	160	160
Work Readiness Elig	1,000	1,350	1,350	1,350
CIP Participants served	40	40	40	40
# Enrolled who entered Unsubsidized Employment	30	30	30	30
STATE ALLOCATIONS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
MEED (Gen fund)	\$13.5	\$13.5	\$13.5	\$13.5

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: NEED WAGE SUBSIDY

PROGRAM: EMPLOYMENT & TRAINING

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,418.5	1,315.4	618.0	674.5		674.5		672.7		672.7	
LOCAL ASSISTANCE	28,524.5	14,196.4	18,747.1	12,061.1		12,061.1		12,061.1		12,061.1	
AIDS TO INDS.	12,716.0	4,091.3	3,068.4	1,820.9		1,820.9		1,820.9		1,820.9	
TOTAL EXPENDITURES	43,659.0	19,603.1	22,433.5	14,556.5		14,556.5		14,554.7		14,554.7	
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,139.6	1,109.2	473.5	530.0		530.0		528.2		528.2	
EXPENSES & CONTRAC. SERV	260.0	201.2	125.5	125.5		125.5		125.5		125.5	
SUPPLIES & MATERIALS	18.9	.7	15.0	15.0		15.0		15.0		15.0	
EQUIPMENT		4.3	4.0	4.0		4.0		4.0		4.0	
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	2,418.5	1,315.4	618.0	674.5		674.5		672.7		672.7	
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	43,006.0	19,591.0	20,786.1	13,556.5		13,556.5		13,554.7		13,554.7	
DEDICATED APPROPRIATIONS:											
GENERAL	310.8	10.7									
SPECIAL REVENUE	342.2	1.4	1,647.4	1,000.0		1,000.0		1,000.0		1,000.0	
TOTAL FINANCING	43,659.0	19,603.1	22,433.5	14,556.5		14,556.5		14,554.7		14,554.7	
POSITIONS BY FUND											
GENERAL	6.0	19.3	18.0	18.0		18.0		18.0		18.0	
TOTAL POSITIONS	6.0	19.3	18.0	18.0		18.0		18.0		18.0	

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MEED

PROGRAM: EMPLOYMENT AND TRAINING

AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: ELIMINATE AND TRANSFER WAGE SUBSIDY FUNDS.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ -0-	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	(\$13,556.5)	(18.0)	(\$13,554.7)	(18.0)
Special Revenue	(\$1,000.0)	-0-	(\$1,000.0)	-0-

Request requires statutory change: Yes No

Statutes Affected: M.S. 268

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the MEED Program be eliminated and that much of the related savings be devoted to new initiatives providing employment, training and support services to AFDC recipients and dislocated workers and farmers.

DESCRIPTION/BACKGROUND:

Several new initiatives are made possible by this reduction. Employment and Training projects targeted to AFDC recipients will be developed at a cost of \$7,100.0 for the biennium. \$9,980.0 will be devoted to providing training and retraining opportunities to dislocated workers and others affected by unfavorable economic conditions.

RATIONALE:

This recommendation is responsive to concerns of the Commission on Welfare Reform regarding the need for transitional services for AFDC recipients.

ACTIVITY: GA REGISTRANTS
 Program: EMPLOYMENT AND TRAINING
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

PROGRAM PURPOSE: Program was established for legislative requirements for mandatory work registration of GA recipients until June, 1985, when those responsibilities were removed from the Department of Jobs and Training. The 1985 Special Session then provided funding in this activity to create the Department of Jobs and Training.

OPERATION: Funds were used in 1986 and 1987 to create the Department of Jobs and Training.

The program was provided for by Minn. Laws, 1985, 1st Spec. Sess., Chap. 9, Art. 1, Sec. 3, Subd. 3.

EXPLANATION OF BUDGET REQUEST: No budget requested for the biennium.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: GA REGISTRANTS

PROGRAM: EMPLOYMENT & TRAINING

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,566.2	225.5	15.0								
LOCAL ASSISTANCE											
AIDS TO INDS.	1,297.8	10.0									
TOTAL EXPENDITURES	2,864.0	235.5	15.0								
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,379.4	175.5	15.0								
EXPENSES & CONTRAC. SERV	169.6	49.7									
SUPPLIES & MATERIALS	17.2	.3									
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,566.2	225.5	15.0								
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,864.0	235.5	15.0								
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	2,864.0	235.5	15.0								
POSITIONS BY FUND											
GENERAL		2.0	2.0								
TOTAL POSITIONS		2.0	2.0								

ACTIVITY: YOUTH EMPLOYMENT PROGRAM
 Program: EMPLOYMENT AND TRAINING
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

DESCRIPTION: The Minnesota Youth Employment Program (MYP) provides job training assistance to young people during the summer months. Local Service Units operate summer job training programs which are open to all Minnesota youth between the ages of 14 and 21. Approximately half of the available resources are targeted toward economically disadvantaged youth from low-income families. In addition, 33 1/3% of the youth hired for the summer youth program must be 18 years or older, or high school graduates planning to attend post-secondary school. The program offers Minnesota employers financial incentives for hiring and training youth during the summer. Young people are offered job training, work experience, and income which serve as an incentive for them to remain in school.

The program is administered by the State Job Training Office of the Department of Jobs and Training. The State Job Training Office is also responsible for administering the federally funded Summer Youth Employment and Training Program (JTPA Title IIB). Authority for the state funded program is found in M.S. 268.31 to 268.36.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
1) # of youth employed	2,860	5,000	5,000	5,000
2) # of youth who are economically disadvantaged	2,350	3,000	3,000	3,000
3) # of youth who are certified as postsecondary students	1,710	2,250	2,250	2,250
<u>GRANTS BY FUND:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$3,092.	\$1,608.	\$3,092.*	\$1,608.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: YOUTH EMPLOYMENT PROGRAM

PROGRAM: EMPLOYMENT & TRAINING

AGENCY: JOBS & TRAINING

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	265.0	226.4	200.0	226.4		226.4	226.4	200.0		200.0	200.0
LOCAL ASSISTANCE	2,869.9	2,865.6	1,408.0	2,865.6		2,865.6	2,865.6	1,408.0		1,408.0	1,408.0
AIDS TO INDS.											
TOTAL EXPENDITURES	3,134.9	3,092.0	1,608.0	3,092.0		3,092.0	3,092.0	1,608.0		1,608.0	1,608.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	265.0	226.4	200.0	226.4		226.4	226.4	200.0		200.0	200.0
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	265.0	226.4	200.0	226.4		226.4	226.4	200.0		200.0	200.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	3,134.9	3,092.0	1,608.0	3,092.0		3,092.0	3,092.0	1,608.0		1,608.0	1,608.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	3,134.9	3,092.0	1,608.0	3,092.0		3,092.0	3,092.0	1,608.0		1,608.0	1,608.0
POSITIONS BY FUND											
TOTAL POSITIONS											

ACTIVITY: EMPLOYMENT PROGRAMS
 Program: EMPLOYMENT AND TRAINING
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

DESCRIPTION: Employment Programs provides a variety of state and federal placement, counseling and related employment services. These services, provided without charge, are all designed to assist qualified individuals to obtain unsubsidized employment. The major program is the federally funded Employment Services (Job Service), a nationwide labor exchange which matches employers with job seekers. The other employment programs are designed to meet the needs of target groups: the Veterans Programs are federally funded placement services for Veterans; the Work Incentive Program (WIN) is a jointly funded program (90% federal, 10% state) which is targeted exclusively to the placement of recipients of AFDC; the Trade Adjustment Assistance program is a federally funded program to retrain and relocate workers who have been displaced from their occupations due to foreign competition; the Job Training-OIC program is designed to help the economically disadvantaged, unemployed and underemployed through placement in Opportunities Industrialization Centers (OICs); the federally funded Senior Community Service Employment Program is targeted to older workers. A CHANGE request for this program will be included in the Income Support Jobs Coordination CHANGE request.

Authority for these activities are found in the Wagner-Peyser Act of 1933 as amended by the Job Training Partnership Act of 1984, and Art. 9 of the Omnibus Jobs Bill of 1985.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Active J.S. Applicants	579,680	394,232	400,000	400,000	400,000
Individuals Placed	79,726	68,400	69,426	69,426	69,426
Job Openings Received	164,029	131,757	135,000	135,000	135,000
Job Openings Filled	113,930	94,233	96,000	96,000	96,000
Veterans Placements	7,065	6,000	6,000	6,000	6,000
Disabled Vets. Placed	462	380	380	380	380
WIN Caseload	25,065	27,301	28,000	28,000	28,000
Annual Welfare Savings	\$20,557	\$16,278	\$16,300	\$16,300	\$16,300
TAA Obtained Employments	420	480	480	480	480
TAA Benefit Entitlements	\$1,280	\$1,126	\$2,300	\$2,300	\$2,300
SCSEP Older Workers Placed	45	45	58	58	58

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: EMPLOYMENT PROGRAMS

PROGRAM: EMPLOYMENT & TRAINING

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	20,487.3	22,401.1	23,617.0	23,617.0	550.0	24,167.0	23,716.8	23,662.0	260.0	23,922.0	23,761.8
LOCAL ASSISTANCE	1,736.3	1,635.4	1,850.0	1,850.0		1,850.0	6,740.2	1,850.0		1,850.0	6,740.2
AIDS TO INDS.	649.0	3,111.6	3,010.2	3,010.2		3,010.2	3,010.2	3,010.2		3,010.2	3,010.2
INTERAGENCY TRANSFERS				360.2-		360.2-	360.2-	360.2-		360.2-	360.2-
TOTAL EXPENDITURES	22,872.6	27,148.1	28,477.2	28,117.0	550.0	28,667.0	33,107.0	28,162.0	260.0	28,422.0	33,152.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	16,951.4	18,387.0	20,548.0	20,548.0	200.0	20,748.0	20,647.8	20,593.0	200.0	20,793.0	20,692.8
EXPENSES & CONTRAC. SERV	2,816.7	2,860.6	2,311.4	2,311.4	40.0	2,351.4	2,311.4	2,311.4	20.0	2,331.4	2,311.4
SUPPLIES & MATERIALS	208.3	542.9	292.1	292.1	60.0	352.1	292.1	292.1	40.0	332.1	292.1
EQUIPMENT	417.4	369.9	465.5	465.5	250.0	715.5	465.5	465.5		465.5	465.5
OTHER EXPENSE ITEMS	93.5	240.7									
TOTAL STATE OPERATIONS	20,487.3	22,401.1	23,617.0	23,617.0	550.0	24,167.0	23,716.8	23,662.0	260.0	23,922.0	23,761.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	275.0	150.0	150.0	150.0	550.0	700.0	5,140.0	150.0	260.0	410.0	5,140.0
DEDICATED APPROPRIATIONS:											
GENERAL	185.2	360.3	360.2								
FEDERAL	22,412.4	26,637.8	27,967.0	27,967.0		27,967.0	27,967.0	28,012.0		28,012.0	28,012.0
TOTAL FINANCING	22,872.6	27,148.1	28,477.2	28,117.0	550.0	28,667.0	33,107.0	28,162.0	260.0	28,422.0	33,152.0
POSITIONS BY FUND											
GENERAL					5.0	5.0	3.0		5.0	5.0	3.0
FEDERAL	976.9	934.7	718.0	669.6		669.6	669.6	669.6		669.6	669.6
TOTAL POSITIONS	976.9	934.7	718.0	669.6	5.0	674.6	672.6	669.6	5.0	674.6	672.6

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: EMPLOYMENT PROGRAMS
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Job Openings Received	164,029	131,757	135,000	140,000	140,000
Job Openings Filled	113,930	94,733	96,000	98,000	98,000

Request Title: Employment Programs Marketing				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 550.0	5.0	\$ 260.0	5.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

RATIONALE: Public service marketing campaigns have proven successful in the past. The opportunity to program a cable TV channel (channel 3) which is reserved for jobs issues exists if the department possesses the internal capability of responding with productions.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. Individual program budgets should be assessed the costs of marketing efforts to the extent allowable.

STATEMENT OF REQUEST/OBJECTIVE: The agency requests the above funds to establish a program marketing office which would provide information to employers and job seekers regarding the eligibility and benefits of participating in agency programs. The objective is to increase the involvement in department programs by heightening public awareness through effective use of the media.

DESCRIPTION/BACKGROUND: A dramatic increase (18.5% in 1983 and 70% in 1986) of private sector employer participation in the MEED program coincided with the initiation of the public service announcement series for the program. The establishment of a marketing office with the capability of producing similar public service announcements and other informational material would produce similar results for programs created under the Jobs Act and Job Service programs.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: EMPLOYMENT PROGRAM
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

State administration costs will be \$120.0 per year. This funding will provide for 3 positions, salaries and fringe, to assist in administration of the program and coordination with other state and federal programs.

RATIONALE:

This request will provide relief to individuals who are unemployed and in immediate need of assistance to effectively compete in the labor market. Farmers, displaced miners, and others require special assistance if they are to be retrained for new occupations.

Request Title: TRAINING AND RETRAINING GRANTS	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Governor's Recommendation				
General Fund	\$ 4,990.0	3.0	\$ 4,990.0	3.0
Request requires statutory change:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Statutes Affected:	M.S. 268.672-268.82			

GOVERNOR'S RECOMMENDATION:

The Governor recommends the above funding to provide training and retraining opportunities to farmers, displaced miners, and other individuals who have been affected by unfavorable economic conditions. Services received will enable these individuals to compete in the labor market. This request is a component of the Governor's Jobs/Income Support Initiative.

DESCRIPTION/BACKGROUND:

Individuals affected by unfavorable economic conditions, such as farmers and displaced miners, require training or retraining in order to obtain necessary skills. Presently, Job Training Partnership Act (JTPA) activities, in conjunction with AVTIS and community colleges, provide training and retraining services such as on-the-job training, wage subsidy, classroom training, training allowances, and relocation.

This request will supplement reduced federal JTPA funds allocated for training and retraining services. The Commissioner of Jobs and Training will allocate the funds to counties and employment and training service providers who present proposals which effectively deal with training and retraining designated priority groups. Available funds may be utilized for on-the-job training and wage subsidies, classroom training, relocation, training allowances, or any other appropriate service required to meet individual needs.

ACTIVITY: JUVENILE JUSTICE PROGRAM
 Program: EMPLOYMENT AND TRAINING
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

OBJECTIVE: To improve juvenile justice services through the federal Juvenile Justice and Delinquency Prevention Act.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Youth Served	1,650	1,800	1,800	1,800
Training for Youth-Serving Professionals	175	200	200	200

DESCRIPTION: The Juvenile Justice Program administers federal grants authorized by the Congress in the Juvenile Justice and Delinquency Prevention Act of 1974, as amended. Subgrants are awarded by the Minnesota Juvenile Justice Advisory Committee to state agencies and local units of government for programs that serve juveniles entering or in the juvenile system or that improve the system, or are designed to prevent juveniles from entering the system.

Juvenile Justice Program: Public Law 98-473; 98 Stat. 2107
Statutory Reference: 1-M.S. 1984, 116J.401, 116J.404, 116J. 405

The Juvenile Justice Advisory Committee (JJAC) is the primary organization for analyzing issues and planning programs for the juvenile justice system in Minnesota. The responsibilities of the JJAC are defined by state and federal law. Under federal law, each state participating in the federal assistance program authorized by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, must provide for a State Advisory Group (SAG) appointed by the Governor. In Minnesota, the Juvenile Justice Advisory Committee fulfills the role of SAG, which includes advising the Governor and the Legislature on matters related to juvenile justice.

The federal act also requires each participating state to designate a state agency as "the sole agency for supervision the preparation and administration of the plan" required by the federal program. M.S. 116J.404 requires that the Department of Energy and Economic Development (DEED) be designated as that agency and that the Juvenile Justice Advisory Committee be designated the supervisory board for DEED with respect to planning activities and the award of federal grants. (Effective 7-1-86 this responsibility was transferred to the Department of Jobs and Training by reorganization Order Number 136.) Thus, in addition to its role as an advisory group, the JJAC plans for and awards grants made available to the to State of Minnesota under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended. Staff support is provided to the committee by DJT.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Members of the Juvenile Justice Advisory Committee are appointed by the Governor to four-year terms of service. In order to ensure continuity in the program, appointments are made on a rotating basis, so that four members are appointed each year (as well as any vacancies). Appointments are made in accordance with the requirements of Sec. 223(a)(3) of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, which ensures a broad spectrum of public, private, and citizen representation on the committee. The Governor also names the chairperson of the JJAC.

Under federal law a minimum of \$11,250 must be provided from the federal grant to the state for the support of the committee, and a maximum of 7 1/2% of the formula grant to the state is allowed for administrative purposes. The administrative dollars must be matched dollar-for-dollar by state funds. The rest of the formula grant is available for subgrants.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Applications Reviewed	61	65	65	65
Grants Awarded	39	40	40	40
<u>Grants by Fund</u>				
Federal	758.0	737.0	737.0	737.0
<u>Administration</u>				
<u>Appropriation</u>				
General Fund	205.3*	205.3*	205.3*	205.3*

* Includes \$150.0 for Youth Intervention Grants

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: JUVENILE JUSTICE

PROGRAM: EMPLOYMENT & TRAINING

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS			134.4			139.5	139.5		139.5		139.5
LOCAL ASSISTANCE		62.4	1,308.3			1,308.3	1,308.3		1,308.3		1,308.3
AIDS TO INDS.											
INTERAGENCY TRANSFERS						20.0-	20.0-		20.0-		20.0-
TOTAL EXPENDITURES		62.4	1,442.7			1,427.8	1,427.8		1,427.8		1,427.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES			41.1			46.2	46.2		46.2		46.2
EXPENSES & CONTRAC. SERV			75.3			75.3	75.3		75.3		75.3
SUPPLIES & MATERIALS			8.5			8.5	8.5		8.5		8.5
EQUIPMENT			9.5			9.5	9.5		9.5		9.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS			134.4			139.5	139.5		139.5		139.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL		62.4	225.3			205.3	205.3		205.3		205.3
DEDICATED APPROPRIATIONS:											
FEDERAL			1,217.4			1,222.5	1,222.5		1,222.5		1,222.5
TOTAL FINANCING		62.4	1,442.7			1,427.8	1,427.8		1,427.8		1,427.8
POSITIONS BY FUND											
FEDERAL			1.0			1.0	1.0		1.0		1.0
TOTAL POSITIONS			1.0			1.0	1.0		1.0		1.0

ACTIVITY: CHILD CARE SLIDING FEE PROGRAM
 Program: EMPLOYMENT AND TRAINING
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

DESCRIPTION: The State Job Training Office is responsible for administering the Child Care Sliding Fee Program which provides funds to counties to subsidize the child care costs for eligible families so that they are able to participate in employment and training programs.

Each county is required to administer a Child Care Sliding Fee Program to subsidize the child care costs of low income families that are either 1) seeking work, 2) participating in an education or training program or 3) employed. Families are eligible if they 1) receive AFDC, 2) meet AFDC eligibility requirements but are not receiving AFDC or 3) have a total family income below 75% of the State Median Income.

If the family's income is below the AFDC eligibility level, all child care costs are paid. If the family's income level is between the AFDC eligibility level and 75% of the State Median Income level, the amount of subsidy is indexed according to the family's size and income level. The amount of child care subsidy is limited to a maximum of 110% of the median provider rates in the local area unless the county establishes a policy increasing the maximum subsidy to 125% of the median provider rates.

Of the total amount of funds available, 50% is allocated to the 7 county metropolitan area and 50% to the remainder of Minnesota. Amounts allocated to each county are based upon the county's relative percentage of families with incomes below the poverty level and relative percentage of AFDC recipients. Counties are required to provide a 15% match for the State funds that they receive. Because of the limited amount of funds available, many counties have waiting lists of eligible families.

Authority for this activity is found in M.S. 268.91 to 268.94.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
1) Total # children served:	2,400	4,000	4,000	4,000
2) Total # families served:	1,600	2,600	2,600	2,600
3) Total # families receiving child care for the following employment activities:				
a) job search:	800	1,300	1,300	1,300
b) education and training:	100	100	100	100
c) employed:	600	1,200	1,200	1,200

GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	3,918.0	6,218.0	6,218.0	6,218.0

Explanation of Budget Request: A CHANGE request for this program is included in the Income Support Jobs Coordination CHANGE Request.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: CHILD CARE SLIDING FEE

PROGRAM: EMPLOYMENT & TRAINING

AGENCY: JOBS & TRAINING

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS		46.9	73.0	85.3		85.3		85.1		85.1	
LOCAL ASSISTANCE		3,023.2	6,145.0	6,145.0		6,145.0		6,145.0		6,145.0	
AIDS TO INDS.											
TOTAL EXPENDITURES		3,070.1	6,218.0	6,230.3		6,230.3		6,230.1		6,230.1	
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES		33.2	60.0	72.3		72.3		72.1		72.1	
EXPENSES & CONTRAC. SERV		12.5	10.0	10.0		10.0		10.0		10.0	
SUPPLIES & MATERIALS		1.2	3.0	3.0		3.0		3.0		3.0	
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS		46.9	73.0	85.3		85.3		85.1		85.1	
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL		3,070.1	6,218.0	6,230.3		6,230.3		6,230.1		6,230.1	
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING		3,070.1	6,218.0	6,230.3		6,230.3		6,230.1		6,230.1	
POSITIONS BY FUND											
GENERAL			3.0	3.0		3.0		3.0		3.0	
TOTAL POSITIONS			3.0	3.0		3.0		3.0		3.0	

CHANGE REQUEST

1987-89 Biennial Budget

 Agency Program Activity

ACTIVITY: SLIDING FEE CHILD CARE
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: TRANSFER ACTIVITY TO DEPARTMENT OF HUMAN SERVICES				
Agency Request				
Governor's Recommendation				
General Fund	(\$6,230.3)	(3.0)	(\$6,230.1)	(3.0)
Request requires statutory change:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Statutes Affected:	M.S. 268.91			

GOVERNOR'S RECOMMENDATION:

The Governor recommends that funding in the above amounts be transferred from the Department of Jobs and Training to the Department of Human Services (DHS). The Governor further recommends that responsibility for management of the Sliding Fee Program be reassigned to DHS. These changes will simplify state administration, improve state capability to maximize federal funding, and improve the overall effectiveness of state management of child care resources. This proposal is described in a DHS Children's Services Grants activity change request.

DESCRIPTION/BACKGROUND:

Analysis of this activity indicated the need to integrate state management of child care services. Since other critical child care responsibilities are assigned to DHS, it is appropriate to transfer this activity to that agency.

ACTIVITY: JOB TRAINING PARTNERSHIP
 Program: EMPLOYMENT AND TRAINING
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

OBJECTIVE: To prepare youth and unskilled adults for entry into the labor force and to afford job training to individuals facing serious barriers to employment so as to increase employment and earnings and reduce dependence on welfare.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
1) No. of Adult entering employment	3,800	3,900	4,050	4,150
2) No. of Youth positive terminations	9,300	9,575	9,865	10,150

DESCRIPTION: The State Job Training Office is responsible for coordinating Job Training Partnership Act (JTPA) activities statewide and for monitoring local job training programs. All activities providing programs and services fall into the following category:

Job Training Partnership Act:

Statutory Reference: Sec. 169, (29 U.S.C. 1501 et seq., P.L.97-300, 96 Stat. 1322)

Provides Federal Funding for establishing and maintaining employment and training programs authorized under the Act. The JTPA makes the private sector an equal partner with government in the business of training disadvantaged workers for jobs. Local responsibilities are shared by Chief Elected Officials (CEOs) and Private Industry Councils (PICs), who provide policy guidance and exercise oversight over local programs, plans, and operations. The PIC members are appointed by the CEO in each local Service Delivery Area (SDA) from business organizations, labor organizations and trade councils, educational agencies, economic development agencies and other interested organizations, with the majority and chairperson from the private sector.

Seventy-eight percent of available federal funds is allocated by formula to the SDAs throughout the state to provide training services under plans established by the local PICs. These services may include classroom instruction, remedial education, vocational counseling, school-to-work transition assistance, temporary work experience, on-the-job training, job upgrading and retraining, job search assistance and job placement. Special programs are developed to assist dislocated workers to find alternate employment through services that may include retraining, relocation, counseling and other related assistance. All activities of the SDA are coordinated with other human services agencies, including education, Job Service and economic development.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

The remaining 22% of the federal JTPA funding is used by the State Job Training Office (SJTO) to coordinate job training programs, serve special populations and carry out special activities statewide, including the establishment of performance standards for all SDAs. Training and technical assistance is provided to SDAs, as well as monitoring of EEO, Affirmative Action and other local plans. The SJTO staffs and takes broad policy direction from the Governor's Job Training Council, which develops a Coordination and Special Services Plan, proposes sub-state SDAs, recommends distribution of non-allocated funds, reviews local plans, and has general oversight responsibility with regard to local program operations.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of adult participants	13,500	13,500	13,500	13,500
# of youth participants	12,600	12,600	12,600	12,600
# of summer youth partic.	6,700	6,700	6,700	6,700
# of minorities served:	2,900	3,000	3,000	3,000
# of older workers served:	1,400	1,400	1,400	1,400
# of women served:	12,500	13,000	13,000	13,000
# of dislocated workers:	1,000	500	500	500
Cost per adult placement:	3,000	3,200	3,200	3,200
<u>Grants by Fund:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Federal	34,728	33,000	33,000	33,000

CHANGE REQUESTS: NONE

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: JOB TRNG PARTNERSHIP

PROGRAM: EMPLOYMENT & TRAINING

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,229.3	2,269.4	2,371.1	2,371.1		2,371.1	2,371.1	2,371.1		2,371.1	2,371.1
LOCAL ASSISTANCE	36,063.8	45,427.3	41,728.9	39,728.9		39,728.9	39,728.9	38,728.9		38,728.9	38,728.9
AIDS TO INDS.		996.9	900.0	900.0		900.0	900.0	900.0		900.0	900.0
TOTAL EXPENDITURES	38,293.1	48,693.6	45,000.0	43,000.0		43,000.0	43,000.0	42,000.0		42,000.0	42,000.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,348.0	1,475.6	1,725.0	1,725.0		1,725.0	1,725.0	1,725.0		1,725.0	1,725.0
EXPENSES & CONTRAC. SERV	607.1	582.8	483.1	483.1		483.1	483.1	483.1		483.1	483.1
SUPPLIES & MATERIALS	105.2	20.7-	53.0	53.0		53.0	53.0	53.0		53.0	53.0
EQUIPMENT	169.0	190.7	110.0	110.0		110.0	110.0	110.0		110.0	110.0
OTHER EXPENSE ITEMS		41.0									
TOTAL STATE OPERATIONS	2,229.3	2,269.4	2,371.1	2,371.1		2,371.1	2,371.1	2,371.1		2,371.1	2,371.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
FEDERAL	38,293.1	48,693.6	45,000.0	43,000.0		43,000.0	43,000.0	42,000.0		42,000.0	42,000.0
TOTAL FINANCING	38,293.1	48,693.6	45,000.0	43,000.0		43,000.0	43,000.0	42,000.0		42,000.0	42,000.0
POSITIONS BY FUND											
FEDERAL	53.5	59.3	59.5	56.7		56.7	56.7	56.7		56.7	56.7
TOTAL POSITIONS	53.5	59.3	59.5	56.7		56.7	56.7	56.7		56.7	56.7

ACTIVITY: DISPLACED HOMEMAKERS
 Program: EMPLOYMENT AND TRAINING
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

OBJECTIVE: To assist displaced homemakers in the transition from work in the home to emotional and economic self-sufficiency in the labor market.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Participants Served	840	915	915	915
Entered Employment	340	390	390	390
Entered Training	230	280	280	280

DESCRIPTION: The Minnesota Displaced Homemaker Program (DHP) serves those who have spent a minimum of 2 years dependent upon income other than their own wages and now, because of death, divorce, separation or disability or loss of public assistance, must find paid employment in order to support their children and/or themselves.

STATUTORY REFERENCE: 4.40 (1978) and reauthorized under Chapter 360, Sections 3, 42 and 44 of Minnesota Laws (1981).

This program offers intensive career exploration, vocational and personal counseling, job development and placement assistance which help participants combine available resources and reach employment and personal goals they have set for themselves. Other support services may include transportation aid, child care, tuition, tutoring and referral to legal aid, health care and housing assistance. Not all services are designed to result in placement, however; 87% of all persons terminated are placed in either employment or education/training. The program is operated by agencies in eleven locations throughout the state.

The program has an advisory council that makes recommendations regarding services, research and legislation to the Department of Jobs and Training, facilitates information flow to and from service providers and provides knowledge from private or professional experience regarding displaced homemakers. The council is composed of members from each economic region in the state. The council is also looking at the issues of fund-raising, statewide conferences and statewide publicity.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Terminations	923	986	986	986
Entered Training/Education	230	280	280	280
Pre-Employment Preparation	300	340	340	340
Individual Counseling	510	570	570	570
Support Groups	135	150	150	150

GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Dedicated	950.0	950.0	950.0	950.0

EXPLANATION OF BUDGET REQUEST: The program was funded by dedicated receipts from marriage license and dissolution fees during the 1985-86 biennium. We are requesting a general fund appropriation for the 1987 biennium. Dedicated funds have been unstable in the past and the need for the Displaced Homemakers services has been greater than the level of service which the dedicated funds can provide. CHANGE request that follows requests funds which provide stable funding for this activity.

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	Type
General	500.0	500.0	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: DISPLACED HOMEMAKERS

PROGRAM: EMPLOYMENT & TRAINING

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	21.0	25.9	70.0	70.0	50.0	120.0	70.0	70.0	50.0	120.0	70.0
LOCAL ASSISTANCE	763.6	751.3	1,397.2	930.0	450.0	1,380.0	930.0	930.0	450.0	1,380.0	930.0
AIDS TO INDS.											
TOTAL EXPENDITURES	784.6	777.2	1,467.2	1,000.0	500.0	1,500.0	1,000.0	1,000.0	500.0	1,500.0	1,000.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	21.0	17.7	40.0	40.0	45.0	85.0	40.0	40.0	45.0	85.0	40.0
EXPENSES & CONTRAC. SERV		8.1	25.0	25.0		25.0	25.0	25.0		25.0	25.0
SUPPLIES & MATERIALS		.1	5.0	5.0	5.0	10.0	5.0	5.0	5.0	10.0	5.0
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	21.0	25.9	70.0	70.0	50.0	120.0	70.0	70.0	50.0	120.0	70.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL					500.0	500.0			500.0	500.0	
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	784.6	777.2	1,467.2	1,000.0		1,000.0	1,000.0	1,000.0		1,000.0	1,000.0
TOTAL FINANCING	784.6	777.2	1,467.2	1,000.0	500.0	1,500.0	1,000.0	1,000.0	500.0	1,500.0	1,000.0
POSITIONS BY FUND											
GENERAL					1.0	1.0			1.0	1.0	
SPECIAL REVENUE	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
TOTAL POSITIONS	1.0	1.0	1.0	1.0	1.0	2.0	1.0	1.0	1.0	2.0	1.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: DISPLACED HOMEMAKERS
 PROGRAM: EMPLOYMENT AND TRAINING
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

RATIONALE: The dedicated fee revenue is currently the only source of state funding for the Displaced Homemaker Program. General funds would provide a stable source of cash on hand to cover expenses and allow the expansion of services to meet the current demand.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. Dedicated receipts for this activity are projected to continue at SAME level, and other spending priorities preclude additional funding.

Request Title: Displaced Homemakers				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$500.0	-0-	\$500.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests the above funds to provide a stable base of funding for a program that is now dependent upon receipts from marriage license and dissolution filing fees and to increase funding in order to serve a larger portion of the Displaced Homemaker population.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Participants Served	840	915	1,320	1,450
Entered Employment	340	390	690	780

DESCRIPTION/BACKGROUND: Chap. 360, Sec. 42 and 44 of Laws (1981) designates revenue from marriage license and dissolution filing fees for Displaced Homemaker services. Collection of fees are expected to generate approximately \$1,900.0 for the 88-89 biennium. Funds must be balanced forward from prior years to maintain the SAME level funding of \$2,000.0 for the biennium. Funds must be available to cover at least one months' obligations at all times. In the event that ample special revenue or prior year balance forward funding is not available services would be reduced to Displaced Homemakers. General funds will provide a stable source of forward funding and allow the program capacity to expand. Services would be provided to an additional 940 displaced homemakers by expanding the current program.

PROGRAM: UNEMPLOYMENT INSURANCE
 Agency: JOBS & TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

The number of claimants in any single year varies with the economy. The number of individuals paid benefits depend on their determined eligibility. Major activity counts for 1985 and 1986 federal fiscal years are:

	F.Y. 1985	F.Y. 1986*
Number of claims	291,363	239,268
Dollars paid in benefits (All programs)	298,034.4**	287,276**
Number of employer accounts	91,500	92,950
Number of appeals (Higher and lower)	13,837	10,586
State tax dollars (Including reimbursements)	346,200**	362,300**
Federal tax dollars (Estimate: collected by IRS)	198,000**	175,000**

* FY Estimates based on 9 months of actual activity
 ** Thousands

State taxes are used solely for payment of benefits. Federal taxes support the administration costs of the unemployment insurance program at both the federal and state levels.

BUDGET ISSUES: 1) The continuing disparity between benefits paid and taxes collected to pay the benefits has been alleviated during F.Y. 1986 because of low claims activity. As a result, it is estimated that all federal loans will be paid during F.Y. 1987. If proper financing is not restored through legislative action however, a return to loan status in subsequent years can be anticipated should the economy experience another downturn.

2) The maintenance of wage detail system in Minnesota will be mandated in F.Y. 1988 as a result of the Deficit Reduction Act of 1984 (P.L. 98-369). The current system in Minnesota was federally funded through F.Y. 1985. However, the federal government has refused to finance the system after F.Y. 1985 because Minnesota does not use a wage detail system in the computation of benefit entitlement.

In F.Y. 1986, the system was financed by an LAC approved transfer from the UI contingency account. Permanent federal financing of the system could be accomplished if the Legislature would pass a bill incorporating the system into the computation formula.

The alternative is to appropriate approximately \$3M from the state general revenues for the biennium to finance the system.

EXPLANATION OF BUDGET REQUEST

The SAME level request is based upon the assumption that the Legislature will pass legislation incorporating the Wage Detail system into the benefit computation formula. A CHANGE request is included in the amount of \$3.M for the biennium in the event this legislation is not passed.

PROGRAM PURPOSE: To set aside reserves dedicated to the payment of benefits under the unemployment insurance program which assists families and the Minnesota public in minimizing the economic and social costs of unemployment.

Specifically, employers contribute to a trust fund designed to build a financial reserve during periods of sound economic conditions to finance benefit payments to those people involuntarily unemployed during economic downturns. Payment of benefits help the unemployed meet nondeferrable expenses and also allows the employer to maintain a trained workforce during temporary periods of downturn.

OPERATION: The Unemployment Insurance Program encompasses the following operations:

- 1) Determining liability of approximately 91,000 employers for unemployment insurance coverage, the collecting of quarterly employer contributions amounting to approximately \$350,000,000, annual auditing of accounts to ensure proper tax payments and enforcing collection of delinquencies.
- 2) Administering the Unemployment Insurance Law to insure the prompt payment of benefits when due.
- 3) Determining benefit entitlements, employer liabilities and, through an appellate process provide impartial due process hearings to those persons appealing adverse decisions.

EFFECTIVENESS MEASURES: The United States Department of Labor has established criteria to measure promptness and quality in the areas of Unemployment Insurance. Some of the more significant measures are noted below.

Effectiveness Measures	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
1) Determine new employer liability and register within 180 days (80%)	68.5	83.8	80.0	80.0	80.0
2) Liable employer audits (standard 4% annually)	3.9	4.0	4.0	4.0	4.0
3) Make benefit payments within 14 days from first compensable week payable (87%)	94.5	94.6	87.0	87.0	87.0

ACTIVITY STATISTICS: The Unemployment Insurance program in Minnesota covers 97% of wage and salaried employment, representing more than 91,000 private and public employers in nearly 103,000 different locations and about 1.8 million workers.

Funding for the Division of Administrative and Technical Services is included in the program activity as follows:

<u>F.Y. 1986</u>		<u>F.Y. 1987</u>	
<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
\$4,936.4	74.3	\$5,430.0	134.1

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for Wage Detail Funding. Instead, the agency should pursue separate legislation incorporating use of the Wage Detail System in the administration of the Unemployment Insurance Program. This action would allow the agency to receive full federal funding for the system.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: UNEMPLOYMENT INSURANCE

PROGRAM: UNEMPLOYMENT INSURANCE

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	42,947.9	36,605.4	28,030.9	27,383.7	1,500.0	28,883.7	27,383.7	27,383.7	1,500.0	28,883.7	27,383.7
LOCAL ASSISTANCE		1,000.0									
AIDS TO INDS.											
TOTAL EXPENDITURES	42,947.9	37,605.4	28,030.9	27,383.7	1,500.0	28,883.7	27,383.7	27,383.7	1,500.0	28,883.7	27,383.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	20,869.6	22,136.6	24,608.7	24,149.0	1,325.0	25,474.0	24,149.0	24,149.0	1,325.0	25,474.0	24,149.0
EXPENSES & CONTRAC. SERV	3,365.5	3,803.3	2,030.0	2,364.7	137.0	2,501.7	2,364.7	2,364.7	137.0	2,501.7	2,364.7
SUPPLIES & MATERIALS	509.0	443.4	250.0	350.0	35.0	385.0	350.0	350.0	35.0	385.0	350.0
EQUIPMENT	1,101.7	744.9	120.0	520.0	3.0	523.0	520.0	520.0	3.0	523.0	520.0
OTHER EXPENSE ITEMS	17,102.1	9,477.2	1,022.2								
TOTAL STATE OPERATIONS	42,947.9	36,605.4	28,030.9	27,383.7	1,500.0	28,883.7	27,383.7	27,383.7	1,500.0	28,883.7	27,383.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL		40.0			1,500.0	1,500.0			1,500.0	1,500.0	
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	17,008.7	9,158.6	1,022.2								
FEDERAL	25,939.2	28,406.8	27,008.7	27,383.7		27,383.7	27,383.7	27,383.7		27,383.7	27,383.7
TOTAL FINANCING	42,947.9	37,605.4	28,030.9	27,383.7	1,500.0	28,883.7	27,383.7	27,383.7	1,500.0	28,883.7	27,383.7
POSITIONS BY FUND											
GENERAL											
FEDERAL	843.1	837.7	836.0	836.0	48.0	884.0	836.0	836.0	48.0	884.0	836.0
TOTAL POSITIONS	843.1	837.7	836.0	836.0	48.0	884.0	836.0	836.0	48.0	884.0	836.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY:

PROGRAM: UNEMPLOYMENT INSURANCE

AGENCY: JOBS & TRAINING, DEPARTMENT OF

Request Title: Unemployment Insurance Wage Detail				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$1,500.0	48.0	\$1,500.0	48.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVES: The agency requests the above dollar amounts and positions in order to comply with the Federal Deficit Reduction Act of 1984 (PL 98-369).

The objective of the Deficit Reduction Act is to deter and detect fraud and overpayments of benefits in federally assisted programs administered by state and local agencies.

DESCRIPTION/BACKGROUND: The Deficit Reduction Act requires that all states have an income and eligibility verification system (Wage Detail) in place by September 30, 1988. The states have the responsibility for developing and maintaining the system and most states currently use a wage detail system for the administration of their UI program. In these states, the necessary files are already in existence and for that reason, the implementation of the Deficit Reduction Act was May 29, 1986.

Minnesota does not use a wage detail system for the administration of its UI program. However, Minnesota does currently have a wage detail file in existence as the result of 1982 legislation which provided for the collection of this wage data (M.S. 268.121). The U.S. Department of Labor financed the development and maintenance of the system through federal fiscal year 1985; but because Minnesota has a UI benefit system which does not require a wage detail file, they have refused to continue any further funding of the system. In F.F.Y. 1986, the system was financed by an LAC approved appropriation from the contingent account.

In order to continue the maintenance of the system, it will be necessary to either pass UI legislation incorporating the system into the administration of the UI program thus guaranteeing permanent federal financing or acquire nonfederal permanent funding for this system from the State of Minnesota.

The request would provide funding for the positions currently being used to maintain the system.

RATIONALE: The request is being made so that various state and local agencies can comply with the Deficit Reduction Act. The federally funded programs administered by state and local agencies are Aid to Families with Dependent Children (AFDC) Medicaid, Food Stamp, Unemployment Compensation (UC) and any state program under a plan approved under Titles I, X, XIV, or XVI of the Social Security Act.

In F.Y. 1986, the following agencies used the wage detail file:

Agencies	<u>Projected Number of Inquiries</u>	<u>% of Total</u>
Minnesota Department of Human Services	547,400	54.0%
Minnesota Department of Jobs & Training	386,100	38.0%
Minnesota Department of Revenue	75,700	7.8%
Others (IRS, Railroad Retirement, etc.)	2,600	0.2%
Total	1,011,800	100.0%

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. Instead, the agency should pursue separate legislation incorporating use of the Wage Detail System in the administration of the Unemployment Insurance Program. This action would allow the agency to receive full federal funding for the system.

PROGRAM: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE: The Division of Rehabilitation Services (DRS) provides services to enable persons with disabilities to increase significantly their vocational and personal independence, with special attention to individuals with the more severe handicaps and handicapping situations. To achieve this goal, DRS provides leadership for creative change through research, program innovation, and utilization of technology; provides effective and efficient management of service delivery systems; and effects change in the environment.

OPERATION: The program's Basic Client Rehabilitation Services, Rehabilitation Services for Workers' Compensation (WC) Recipients, and Services for the Blind (SSB) activities provide vocational rehabilitation services statewide. Long Term Sheltered Employment (LTSE) and Work Activity (WA) supplies planning, direction, evaluation and funding to sheltered workshops and work activity centers which provide special employment opportunities for severely disabled persons. Special employment opportunities for blind or visually impaired persons are provided through SSB. Independent Living (IL) services for severely disabled individuals are provided through Comprehensive Services for IL Activity and SSB. The SSB Communication Center provides specialized communications services for persons with disabilities. The Disability Determination (DDS) Services activity determines individuals' eligibility for Social Security disability benefits. DRS's service priority is for persons with the most severe handicaps. Data from both The Assessment of Disability in Minnesota - A Household Survey, and the 1980 Census indicate that 81,000 Minnesotans between ages 16 and 64 are severely disabled and 67% of all adults with disabilities are unemployed.

ECONOMIC IMPACT: Funds expended in this program produce significant economic benefits. Taxpayers benefits include additional tax revenue paid by rehabilitants and reduced amounts of public assistance needed as a result of rehabilitation services. Cost/benefit data for federal F.Y. 1985 are:

	<u>Average Cost Per Client Rehabilitated</u>	<u>Taxpayers' Benefits Per \$1 Spent by DRS</u>	<u>Years Required to Repay Cost</u>
Basic	\$4,362.76	\$3.80	2.51
WC	3,494.84	3.92	2.43
SSB	4,599.49	2.92	3.27

PROGRAM PRIORITIES: Priorities for the F.Y. 1987-89 biennium are: 1) expanded use of technology to better meet the needs of persons with disabilities; 2) increasing community integration by developing additional community-based service options for persons traditionally served in segregated settings; 3) increasing effective relationships with employers in order to increase job placements for persons with disabilities; 4) expanding services to underserved or emerging disability groups; 5) developing collaborative programs with relevant agencies; and 6) cost containment and resource management strategies.

PROGRAM CHANGES: Changes due to legislation and DRS priorities are: 1) LTSE/WA: continued redirection, emphasizing community-based services and work outcomes and performance-based funding for sheltered workshops and work activity centers. 2) Basic Client Rehabilitation Services: collaboration with other programs to increase community-based services and work outcomes. DRS holds one of the 10 federal grants to expand supported work opportunities and improve services for persons with severe disability making the transition from school to work. 3) Comprehensive Services for IL: making IL services available for underserved areas and populations. 4) DRS has implemented the Management Control System organizational approach in Basic Client Rehabilitation Services to improve effectiveness through increased staff accountability, clarified policies, and service provision based on analysis of clients needs, functional limitations and abilities. In F.Y. 1987-89 DRS will implement similar approaches in other activities. 5) The Legislatively-required State Council for the Blind is fully operational and will continue to advise DRS on services and independent living and work outcomes for blind and visually impaired persons. 6) As a result of Legislation, the SSB program was transferred to DRS and the operation of the Regional Service Centers for the Deaf and Hearing Impaired was transferred to the Department of Human Services (DHS).

BUDGET ISSUES: Persons with disabilities and their advocates increasingly expect that innovative services, including the application of new technology, will be provided to enable greater numbers of persons with severe disabilities to live and work independently in the community. New populations of individuals who need DRS services are emerging, in part because of medical, technological and social changes. However, serving persons with severe disabilities is more costly, due to the nature of services needed. DRS will need to pilot innovative employment and service delivery models to determine the most appropriate and cost-effective ways of serving these populations. With additional resources for providing innovative services and technology to meet client needs, DRS can better meet the expectations of those it serves and their advocates.

EXPLANATION OF BUDGET REQUEST: Based on the agency's need analyses, increases in state appropriations are needed for the following activities:

- 1) The agency is requesting \$3,051.3 and 15 positions in F.Y. 1988 and \$4,153.8 and 25 positions in F.Y. 1989 for improving community integration for emerging populations for Basic Client Rehabilitation Services.
- 2) CHANGE levels of \$536.4 and 1 position in F.Y. 1988 and \$536.4 and 1 position in F.Y. 1989 are requested for enhancing rehabilitation technology services for Basic Client Rehabilitation Services.
- 3) The agency is requesting \$401.0 and 6 positions in F.Y. 1988 and \$442.8 and 6 positions in F.Y. 1989 for services provided to work-injured unemployed persons.
- 4) CHANGE levels of \$3,930.4 in F.Y. 1988 and \$6,020.0 in F.Y. 1989 are requested for increasing opportunities for community integration through community based employment provided by sheltered workshops.

PROGRAM: REHABILITATION SERVICES
(Continuation)

1987-89 Biennial Budget

Agency: JOBS AND TRAINING, DEPARTMENT OF

- 5) The agency is requesting \$350.0 in F.Y. 1988 and \$300.0 in F.Y. 1989 for sheltered workshops to improve their productivity and efficiency.
- 6) CHANGE levels of \$472.5 and 1 position in F.Y. 1988 and \$472.5 and 1 position in F.Y. 1989 are requested to assure statewide independent living services.
- 7) The agency is requesting \$150.0 in F.Y. 1988 and \$150.0 in F.Y. 1989 for purchasing independent living technologies for persons with severe disabilities.
- 8) The agency is requesting \$1,076.0 and 10 positions in F.Y. 1988 and \$1,086.0 and 10 positions in F.Y. 1989 for increasing community integration of emerging and vulnerable special blind populations.
- 9) CHANGE levels of \$374.0 and 2 positions in F.Y. 1988 and \$72.0 and 2 positions in F.Y. 1989 are requested for enhancing client communication capability for blind and visually handicapped persons.
- 10) CHANGE levels of \$577.5 and 3 positions in F.Y. 1988 and \$317.5 and 3 positions in F.Y. 1989 are requested for providing technical equipment and support for blind and visually handicapped clients.

The Division of Administrative and Technical Services funding has been included at the following levels for 1986-1987:

F.Y. 1986		F.Y. 1987	
\$	Positions	\$	Positions
\$1,542.2	40.5	\$1,783.8	40.5

Includes 9 months State Services for the Blind.

GOVERNOR'S RECOMMENDATION: The Governor makes the following recommendations on the above request:

- 1) The Basic Client Rehabilitation community integration request is not recommended.
- 2) One rehabilitation engineer position and limited funds for new technology purchases, for a total of \$100.0, is recommended.
- 3) Case services funds in the amount of \$80.0 are recommended for the Workers' Compensation Program.
- 4) Community integration funds for sheltered workshops are not recommended.
- 5) Productivity improvement funds for sheltered workshops are not recommended.
- 6) Independent Living Program expansion of \$225.0 is recommended.
- 7) Independent Living Technology Funds are not recommended.
- 8) \$300.0 and 1.0 position is recommended for expanding services to multiple-handicapped blind individuals.
- 9) \$142.0 is recommended for purchase of 1.0 high-speed braille printer and support of the Radio Talking Book Program.
- 10) Funds for rehabilitation technology and support for blind clients are not recommended.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: REHABILITATION SERVICES

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
BASIC CLIENT REHAB SVC	23,548.4	22,478.7	25,423.4	25,006.4	3,587.7	28,594.1	24,795.4	25,665.7	4,690.2	30,355.9	25,454.7
REHAB SVCS-WRKRS COMP INDIV	1,194.4	1,194.4	1,391.2	1,378.3	401.0	1,779.3	1,418.3	1,375.2	442.8	1,818.0	1,415.2
LONG-TERM SHELTD EMP	8,412.5	9,572.9	9,232.5	9,234.9	4,280.4	13,515.3	9,234.9	9,234.6	6,320.0	15,554.6	9,234.6
DISABILITY DETERMINATION SV	7,517.5	9,021.6	9,188.3	9,188.3		9,188.3	9,188.3	9,188.3		9,188.3	9,188.3
COMP SVCS FOR INDP LVNG	273.6	650.0	708.8	608.1	622.5	1,230.6	608.1	608.1	622.5	1,230.6	833.1
REG SVC CTRS HEARING IMP	695.8	97.8									
SERVICES FOR BLIND	100.3	6,027.3	7,595.7	7,703.5	2,027.5	9,731.0	7,975.5	7,697.5	1,475.5	9,173.0	7,867.5
TOTAL	41,742.5	49,042.7	53,539.9	53,119.5	10,919.1	64,038.6	53,220.5	53,769.4	13,551.0	67,320.4	53,993.4
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	21,165.3	26,284.6	28,845.3	28,827.8	2,159.6	30,987.4	29,029.8	29,534.6	2,326.4	31,861.0	29,634.6
LOCAL ASSISTANCE	9,423.2	10,894.7	10,737.4	10,240.9	4,782.4	15,023.3	10,240.9	10,190.9	6,817.0	17,007.9	10,415.9
AIDS TO INDS.	11,154.0	11,863.4	13,957.2	14,050.8	3,977.1	18,027.9	13,949.8	14,043.9	4,407.6	18,451.5	13,942.9
TOTAL EXPENDITURES	41,742.5	49,042.7	53,539.9	53,119.5	10,919.1	64,038.6	53,220.5	53,769.4	13,551.0	67,320.4	53,993.4
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	16,549.3	19,220.6	20,065.3	20,064.5	10,919.1	30,983.6	20,165.5	20,055.1	13,551.0	33,606.1	20,279.1
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	.3	216.8	303.8	303.8		303.8	303.8	303.8		303.8	303.8
GIFTS AND DEPOSITS	95.1	70.7	100.0	100.0		100.0	100.0	100.0		100.0	100.0
FEDERAL	25,097.8	29,534.6	33,070.8	32,651.2		32,651.2	32,651.2	33,310.5		33,310.5	33,310.5
TOTAL FINANCING	41,742.5	49,042.7	53,539.9	53,119.5	10,919.1	64,038.6	53,220.5	53,769.4	13,551.0	67,320.4	53,993.4
POSITIONS BY FUND:											
GENERAL	60.0	98.5	99.5	99.5	38.0	137.5	101.5	99.5	48.0	147.5	101.5
SPECIAL REVENUE		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
FEDERAL	529.0	578.4	596.4	596.4		596.4	596.4	596.4		596.4	596.4
TOTAL POSITIONS	589.0	677.9	696.9	696.9	38.0	734.9	698.9	696.9	48.0	744.9	698.9

ACTIVITY: BASIC CLIENT REHABILITATION SERVICES
 Program: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

OBJECTIVE: To provide vocational rehabilitation services to persons with vocationally-handicapping disabilities so that they increase their independence through employment.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of persons with disabilities successfully employed	4,341	4,167	4,000	3,840
Total annual public assistance reduction	\$4,445,010	\$4,386,309	\$4,328,400	\$4,271,616
Type of employment for persons successfully rehabilitated:				
Competitive employment	3,690	3,542	3,400	3,264
Supported employment	217	250	280	307
Sheltered employment	369	313	260	211
Other	65	62	60	58
Average weekly client earnings upon completion of services:				
Competitive employment	\$206	\$206	\$206	\$206
Supported employment	95	95	95	95
Sheltered employment	51	51	51	51
Other	0	0	0	0

DESCRIPTION: This activity provides direct rehabilitation services to persons with vocational handicaps who are eligible for services under provisions of the Rehabilitation Act of 1973, as amended. Emphasis is on rehabilitating persons with severe disabilities into community-based job settings, whenever possible. This activity also rehabilitates persons receiving or recently terminated from social security disability payments.

Client eligibility criteria consist of: a) the presence of a physical or mental disability which results in a substantial handicap to employment, and b) a reasonable expectation that vocational rehabilitation services will result in gainful employment for the individual. Each client works with a rehabilitation counselor in developing a rehabilitation plan. Services are delivered statewide through 50 Division of Rehabilitation Services (DRS) office locations, and typically include: medical and vocational evaluation, counseling, training and job placement services. Other services may include transitional employment services for persons with the more severe handicaps, telecommunications, sensory and other aids for persons who are deaf, occupational tools and equipment, or other goods or services necessary to help persons with disabilities to become employed.

A cost-benefit study of vocational rehabilitation clients successfully employed during F.Y. 1985 showed an average rehabilitation cost of \$4,362.76. The taxpayers benefit was \$3.80 per \$1 cost and the time period required to repay all costs was 2.51 years.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

GRANTS AND AIDS: STATUTORY REFERENCE: M.S. 129A.03 (b) (1985 Supp.) and P.L. 98-221.

- 1) Aids to Individuals: Purchased Services for Clients
 Funds are used to provide direct rehabilitation services to persons with vocational handicaps who are eligible for services under Sec. 110 of the Rehabilitation Act of 1973, as amended. When funding the client's plan, the counselor gives full consideration to resources available from other agencies as well as the client's own resources. DRS purchases services only when other resources are insufficient to meet the person's needs.
- 2) Local Assistance:
 - a) Contracts with secondary schools. Contractual arrangements with secondary schools enable DRS counselors and local education agencies (LEAs) to better serve disabled secondary students.
 - b) Innovation and expansion grants. DRS has discretionary authority to pilot innovative programs through awards to non-profit agencies.
 - c) Office of Special Education and Rehabilitation Services (OSERS): Supported Employment. This is a \$500,000 grant that enables Minnesota to serve as a demonstration site in developing a statewide system for assisting persons with severe disabilities in maintaining employment in the community.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of persons served	30,777	29,546	28,364	27,230
Purchased service cost per client	\$1,184	\$1,243	\$1,305	\$1,370
Percent severely handicapped	50.8%	52%	54%	56%

Grants by Fund:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	5,815.2	6,319.8	9,068.1	9,718.1
Federal	2,424.1	3,823.0	3,536.4	3,486.4
Other	41.0	40.0	40.0	40.0
Total	8,280.3	10,182.8	12,644.5	13,244.5

CHANGE REQUEST:	F.Y. 1988	F.Y. 1989	TYPE
Community Integration for Emerging Populations	3,051.3	4,153.8	Activity
Rehabilitation Technology	536.4	536.4	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BASIC CLIENT REHAB SVC

PROGRAM: REHABILITATION SERVICES

AGENCY: JOBS & TRAINING

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	13,726.5	14,198.4	15,240.6	15,208.3	741.3	15,949.6	15,258.3	15,917.6	1,193.8	17,111.4	15,967.6
LOCAL ASSISTANCE	888.3	651.3	755.7	490.3		490.3	490.3	440.3		440.3	440.3
AIDS TO INDS.	8,933.6	7,629.0	9,427.1	9,307.8	2,846.4	12,154.2	9,046.8	9,307.8	3,496.4	12,804.2	9,046.8
TOTAL EXPENDITURES	23,548.4	22,478.7	25,423.4	25,006.4	3,587.7	28,594.1	24,795.4	25,665.7	4,690.2	30,355.9	25,454.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	10,308.2	11,178.5	11,544.4	11,831.3	530.7	12,362.0	11,881.3	12,535.8	847.5	13,383.3	12,585.8
EXPENSES & CONTRAC. SERV	2,947.3	2,560.1	3,133.7	2,825.6	210.6	3,036.2	2,825.6	2,829.5	346.3	3,175.8	2,829.5
SUPPLIES & MATERIALS	97.7	82.4	107.1	106.2		106.2	106.2	107.0		107.0	107.0
EQUIPMENT	156.0	68.2	107.1	101.8		101.8	101.8	101.8		101.8	101.8
OTHER EXPENSE ITEMS	217.3	309.2	348.3	343.4		343.4	343.4	343.5		343.5	343.5
TOTAL STATE OPERATIONS	13,726.5	14,198.4	15,240.6	15,208.3	741.3	15,949.6	15,258.3	15,917.6	1,193.8	17,111.4	15,967.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	6,171.7	5,858.5	6,366.7	6,268.6	3,587.7	9,856.3	6,057.6	6,268.6	4,690.2	10,958.8	6,057.6
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	95.1	41.0	40.0	40.0		40.0	40.0	40.0		40.0	40.0
FEDERAL	17,281.6	16,579.2	19,016.7	18,697.8		18,697.8	18,697.8	19,357.1		19,357.1	19,357.1
TOTAL FINANCING	23,548.4	22,478.7	25,423.4	25,006.4	3,587.7	28,594.1	24,795.4	25,665.7	4,690.2	30,355.9	25,454.7
POSITIONS BY FUND											
GENERAL					16.0	16.0	1.0		26.0	26.0	1.0
FEDERAL	375.0	376.0	362.0	362.0		362.0	362.0	362.0		362.0	362.0
TOTAL POSITIONS	375.0	376.0	362.0	362.0	16.0	378.0	363.0	362.0	26.0	388.0	363.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: BASIC CLIENT REHABILITATION SERVICES
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: Community Integration for Emerging Populations				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$3,051.3	15.0	\$4,153.8	25.0
Governor's Recommendation				
General Fund	(\$261.0)	-0-	(\$261.0)	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests funds for additional staff and case service expenditures in order to provide timely and appropriate rehabilitation services to emerging and underserved disabled populations. The objective is to develop the agency's capability in responding to new and unique vocational rehabilitation needs.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of severely disabled students transitioning from school to work	292	292	392	542
# of persons placed in supported employment	230	248	517	534
# of persons with chronic mental illness placed due to pilot project	N/A	N/A	20	30
# of persons with brain injuries placed due to pilot projects	N/A	N/A	20	30
Total public assistance savings resulting from rehabilitation of emerging and underserved populations	\$698,138	\$742,435	\$1,327,154	\$1,649,098

DESCRIPTION/BACKGROUND: Four subgroups of persons with disabilities have recently emerged as being underserved and in need of more intensive and specialized rehabilitation services: a) special education secondary students with severe

disabilities who are leaving school typically require earlier and more long term involvement with vocational rehabilitation counselors in the transition from school to work; b) persons with severe disabilities capable of community integration through supported employment need more costly up-front training; c) deinstitutionalized persons with chronic mental illness are in need of a much more comprehensive and coordinated array of services that combine social services with vocational rehabilitation; and d) persons with traumatic brain injuries have emerged due to advances in medical treatment and require highly individualized, intensive services. These populations are in need of long term and specialized approaches to rehabilitation leading to greater community integration. Greater rehabilitation efforts with these populations benefits individuals with disabilities, taxpayers and employers.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of Special Education students served	1,827	1,830	2,265	2,565
Cost per client for Supported employment training	\$2,750	\$2,750	\$2,800	\$2,800
# of persons with chronic mental illness served	2,026	2,040	2,235	2,275
# of persons with traumatic brain injury served	N/A	N/A	60	100

RATIONALE: For persons with severe disabilities in these emerging or underserved populations to become employed will require: a) DRS to work in close cooperation with Special Education, Developmental Disabilities, Vocational Education, other service providers and parents to assure continuity in the delivery of services to Special Education students transitioning into work or community life. b) Highly individualized up-front training leading to placement in supported employment resulting in a reduction in the number of people with severe disabilities placed in segregated sheltered employment or work activity. c) DRS to work in close cooperation with Human Services - Mental Health Division and other service providers to jointly develop demonstration projects and coordinate system-wide approaches to better serve persons with chronic mental illness. d) Services for persons with traumatic brain injury that are more extensive and intensive than our present program can provide.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Also, in an unrelated matter, the Governor recommends a reduction of \$261.0 each year in this activity's base funding, coupled with equivalent increases in the Hearing Impaired Services activity of the Department of Human Services. This action is necessary because federal rehabilitation funds previously devoted to support of the regional service centers for the hearing impaired are no longer available for that purpose. This action is necessary to maintain current services.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: BASIC CLIENT REHABILITATION SERVICES
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: Rehabilitation Technology				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$536.4	1.0	\$536.4	1.0
Governor's Recommendation				
General Fund	\$ 50.0	1.0	\$ 50.0	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests funds for services to individuals to coordinate agency development and delivery of rehabilitation technology services to persons with severe disabilities.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of persons with severe disabilities employed as a result of rehab technology services:				
Vehicle & adaptive devices	7	7	16	28
Other technological services	37	37	46	126
Projected annual public assistance savings resulting from these persons becoming employed:				
Vehicle & adaptive devices	\$46,810	\$48,121	\$113,776	\$204,684
Other technological services	49,128	50,503	64,896	183,463

DESCRIPTION/BACKGROUND: Rehabilitation technology is problem solving through the practical application of modern technology, to help persons with disabilities overcome physical barriers and maximize their vocational and independent living skills. Rehabilitation Services must enhance its ability to coordinate the delivery of these services, to meet the needs of persons with severe disabilities.

Rehabilitation technology is a specialized and rapidly changing discipline. Agency staff need access to persons skilled in the application of rehabilitation technology to enable them to effectively coordinate client services. Additional resources are needed to purchase specialized types of hardware included in client rehabilitation plans, such as vehicle and adaptive driving equipment. These and similar technological devices, although expensive, are essential for the successful rehabilitation of persons with severe disabilities.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of persons receiving rehabilitation technology services:				
Vehicle & adaptive devices	28	28	67	71
Other technological services	382	382	688	722
Average annual cost of rehabilitation technology services:				
Vehicle & adaptive devices	\$3,870	\$4,025	\$4,226	\$4,480
Other technological services	483	503	677	717

RATIONALE: With a person skilled in the field of rehabilitation technology to guide the agency, the latest advances in engineering, computers, communications and other fields can be more effectively utilized in the individual rehabilitation plans of persons with severe disabilities. The agency would be better equipped to provide the type of comprehensive services needed by these persons, helping more of them to become successfully rehabilitated. Employment of persons with severe disabilities made possible by the appropriate application of rehabilitation technology benefits them, employers and taxpayers.

GOVERNOR'S RECOMMENDATION: The Governor recommends \$100.0 for the biennium for a staff rehabilitation engineer and limited funds for purchase of technologies.

ACTIVITY: REHABILITATION SERVICES FOR WORKERS' COMPENSATION 1987-89 Biennial Budget
 Program: REHABILITATION SERVICES RECIPIENTS
 Agency: JOBS AND TRAINING, DEPARTMENT OF

OBJECTIVE: To serve work-injured persons in an appropriate manner.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989 # of
Qualified Employees returned to work	121	130	143	150 # of
Denied Primary Liability referrals returned to work	51	51	25	25

DESCRIPTION: The Division of Rehabilitation Services (DRS) administers its Workers' Compensation activity statewide through 9 locations. As required by M.S. 176.102 (1984), the rehabilitation services provided to work injured employees are governed by rules promulgated by the Department of Labor and Industry. Costs for rehabilitating Qualified Employees (QE's) are recovered from insurance carriers/employers while costs for rehabilitating Denied Primary Liability (DPL'S) and other work-injured persons may be recovered in part. The frequency of cases in which primary liability has been denied is increasing.

A cost/benefit study of DRS injured workers successfully employed during federal fiscal year 1985 showed that the taxpayers' benefit was \$3.92 per \$1 spent by DRS and the time period required to repay all costs was 2.43 years.

GRANTS AND AIDS:

Aids to Individuals: Purchase of Client Services

Statutory Reference: M.S. 176.102 and 176.104 (1984)

Funds are used to purchase services from vendors that assist in rehabilitating work injured persons. This activity serves 2 distinct groups of injured workers:

- 1) Qualified Employees (QEs): injured workers who qualify for rehabilitation services paid by the employers insurance carriers or self-insured employers.
- 2) Denied Primary Liability (DPLS): those injured workers whose liability has been denied by an insurance carrier and are referred by statute to vocational rehabilitation for services.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of QE plans initiated	185	200	220	230
# of DPL plans initiated	139	139	84	84
Funds returned to the General Fund	\$449,032	\$489,445	\$520,877	\$538,838
Potential additional funds returned to the General fund	168,957	168,957	101,374	101,374

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 420.7	\$ 449.0	\$ 489.4	\$ 520.9	\$ 538.8

Grants by Fund:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	31.8	50.0	217.5	259.3
Total	31.8	50.0	217.5	259.3

CHANGE REQUEST:	F.Y. 1988	F.Y. 1989	Type
Case Service Funds and Positions	401.0	442.8	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: REHAB SVCS-WRKRS COMP INDIV

PROGRAM: REHABILITATION SERVICES

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,159.7	1,162.6	1,341.2	1,328.3	233.5	1,561.8	1,328.3	1,325.2	233.5	1,558.7	1,325.2
LOCAL ASSISTANCE											
AIDS TO INDS.	34.7	31.8	50.0	50.0	167.5	217.5	90.0	50.0	209.3	259.3	90.0
TOTAL EXPENDITURES	1,194.4	1,194.4	1,391.2	1,378.3	401.0	1,779.3	1,418.3	1,375.2	442.8	1,818.0	1,415.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	825.7	915.0	1,000.2	1,012.7	168.2	1,180.9	1,012.7	1,009.2	168.2	1,177.4	1,009.2
EXPENSES & CONTRAC. SERV	134.6	238.9	319.5	308.4	57.3	365.7	308.4	308.8	60.3	369.1	308.8
SUPPLIES & MATERIALS	8.8	5.8	4.0	4.2	2.0	6.2	4.2	4.2	2.0	6.2	4.2
EQUIPMENT	9.9	2.9	17.5	3.0	6.0	9.0	3.0	3.0	3.0	6.0	3.0
OTHER EXPENSE ITEMS	180.7										
TOTAL STATE OPERATIONS	1,159.7	1,162.6	1,341.2	1,328.3	233.5	1,561.8	1,328.3	1,325.2	233.5	1,558.7	1,325.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,194.4	1,194.4	1,391.2	1,378.3	401.0	1,779.3	1,418.3	1,375.2	442.8	1,818.0	1,415.2
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	1,194.4	1,194.4	1,391.2	1,378.3	401.0	1,779.3	1,418.3	1,375.2	442.8	1,818.0	1,415.2
POSITIONS BY FUND											
GENERAL	31.0	31.0	31.0	31.0	6.0	37.0	31.0	31.0	6.0	37.0	31.0
TOTAL POSITIONS	31.0	31.0	31.0	31.0	6.0	37.0	31.0	31.0	6.0	37.0	31.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: REHABILITATION SERVICES FOR WORKERS' COMPENSATION
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of QE plans initiated	185	200	200	185
# of DPL plans initiated	139	139	241	282
Funds returned to the general fund	\$449,032	\$489,445	\$500,000	\$537,000
Potential additional funds returned to general fund	\$168,957	\$168,957	\$312,000	\$367,000

Request Title: Case Service Funds and Positions	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$401.0	6.0	\$442.8	6.0
Governor's Recommendation				
General Fund	\$ 40.0	-0-	\$ 40.0	-0-

Request requires statutory change: Yes No
 Statutes Affected:

RATIONALE: With additional up-front funds it will be possible to provide and purchase the services necessary to implement injured workers rehabilitation plans without waiting for lengthy determinations of liability. Employing injured workers benefits the disabled individual, employers and taxpayers.

GOVERNOR'S RECOMMENDATION: The Governor recommends \$80.0 for the biennium for purchase of services for work-injured clients.

STATEMENT OF REQUEST/OBJECTIVE: The agency requests case service funds and positions to serve work-injured unemployed persons in an appropriate manner.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of Qualified Employees returned to work	121	130	130	121
# of Denied Primary Liability persons returned to work	51	51	90	105

DESCRIPTION/BACKGROUND: M.S. 176.104 requires the DRS - Workers Compensation unit to serve unemployed, work-injured persons when their employer denies liability for the injury. These injured workers must eventually rely upon public assistance benefits if not rehabilitated. There are an increasing number of referrals of this type. The costs for providing services to these injured workers can be partially recovered from insurance companies and returned to the general fund. Adequate funding is needed to meet the DRS-WC unit's statutory obligations to this population.

ACTIVITY: LONG-TERM SHELTERED EMPLOYMENT AND WORK ACTIVITY 1987-89 Biennial Budget
 Program: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: To maximize the vocational potential of individuals with severe disabilities by providing opportunities for appropriate work in the most enabling environment.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Clients moving into competitive employment	210	203	203	203
Clients in community-based employment	1,637	1,580	1,580	1,580
Total # of hours worked in all programs	4,321,099	4,169,861	4,169,861	4,169,861

DESCRIPTION: This activity provides program policy direction and financial support to private nonprofit or governmental sheltered workshops in Minnesota which provide opportunities for persons with severe disabilities to work in the least restrictive setting possible. Sheltered workshops provide employment services at community-based work sites (Community-Based Employment-CBE), or in the rehabilitation facilities or Developmental Achievement Centers (Long-Term Employment LTE, Work Activity-WA, or Work Component-WC). The agency proposes to allocate the funds within this activity as follows: 21.88% for Community-based Employment, 55.03% for Long-Term Employment, 21.64% for Work Activity, and 1.45% for Work Component, unless otherwise directed by the Legislature.

GRANTS AND AIDS:

LOCAL ASSISTANCE: Long-Term Sheltered Workshops and Work Activity Centers

Statutory Reference: M.S. 1982, Chap. 129A and Laws of 1984, Chap. 627

PURPOSE: Sheltered workshops are changing. Transition to CBE options are now the major program focus. Increasing numbers of persons with more severe disabilities, including such new populations as persons with chronic mental illness, persons with traumatic brain injury, and mentally retarded persons with severe behavior problems, require employment services. The agency promulgated new rules for this activity effective 9/8/86, which establish new performance based funding methods for sheltered workshops. These methods will include incentives for the placement of more persons in community based employment settings, and the inclusion of more persons with severe disabilities.

The agency's rules establish: 1) a method to measure the severity of disability of each sheltered employee now referred to as the disability index, 2) specific evaluation criteria as described below, and 3) a method to adjust for economic conditions in a service area when allocating funds to each sheltered workshop. The results of the disability index indicate that the in-house sheltered employee population is severely disabled. Specialized programming is essential to assist

these individuals to maximize their vocational potential and to meet the additional needs of newly emerging disability groups. Thus, it is essential to continue base level funding. In addition to the formal certification process, the specific evaluation criteria the agency reviews annually are 1) wages and benefits paid, 2) rate of placement in competitive employment, 3) opportunities for sheltered employees to participate in decisions affecting their productivity, 4) workshop responsiveness to sheltered employees' grievances, 5) increases in individual sheltered employee productivity, 6) implementing innovative ways to increase placement and retention of sheltered employees in competitive employment, or in sheltered positions with competitive employers, or innovative ways that increase sheltered employees' wages, 7) efficiency of the workshops, and 8) types or levels of disability of the sheltered employees and the willingness of workshops to accept and assist persons with serious behavioral, mental, sensory or physical disabilities.

The principle of providing services in the least restrictive environment is widely accepted. Community-based employment provides a more normalized work setting and is considered the option of first choice for sheltered employees. This will necessitate higher public support per person served since community-based employment options do not generate production and sales income to offset the costs of support services to the sheltered employees and their employers.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Individuals served by:				
Sheltered employment	2,797	2,699	2,699	2,699
Work activity	1,556	1,502	1,502	1,502
Work component	1,047	1,010	1,010	1,010
Community-based employment	1,637	1,580	1,580	1,580
Full-time client equivalents (FTEs) provided by:				
Sheltered employment	1,836.47	1,772.19	1,772.19	1,772.19
Work activity	1,202.01	1,159.94	1,159.94	1,159.94
Work component	487.68	470.61	470.61	470.61
Community-based employment	470.17	453.71	453.71	453.71
Average hourly wage for:				
Sheltered employment	\$1.99	\$1.99	\$1.99	\$1.99
Work activity	0.85	0.85	0.85	0.85
Work component	0.61	0.61	0.61	0.61
Community-based employment	3.16	3.16	3.16	3.16
Percent of:				
Employees in CBE	23%	22%	22%	22%
Employees in LTE/WA/WC	77%	78%	78%	78%
State subsidy to LTSE/WA programs total budgets	22.9%	22.9%	22.9%	22.9%

ACTIVITY: LONG-TERM SHELTERED EMPLOYMENT AND WORK ACTIVITY 1987-89 Biennial Budget
 (Continuation)

Program: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

<u>Grants by Funds:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	9,343.8	9,011.3	12,996.5	15,021.1
Total	9,343.8	9,011.3	12,996.5	15,021.1

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Community integration	3,930.4	6,020.0	Activity
LTSE/WA productivity improvement	350.0	300.0	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: LONG-TERM SHELTD EMP

PROGRAM: REHABILITATION SERVICES

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	247.2	229.1	221.2	227.6	291.2	518.8	227.6	227.3	306.2	533.5	227.3
LOCAL ASSISTANCE	8,165.3	9,343.8	9,011.3	9,007.3	3,989.2	12,996.5	9,007.3	9,007.3	6,013.8	15,021.1	9,007.3
AIDS TO INDS.											
TOTAL EXPENDITURES	8,412.5	9,572.9	9,232.5	9,234.9	4,280.4	13,515.3	9,234.9	9,234.6	6,320.0	15,554.6	9,234.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	157.1	169.4	180.3	182.6		182.6	182.6	181.9		181.9	181.9
EXPENSES & CONTRAC. SERV	87.5	58.7	35.5	39.4	254.2	293.6	39.4	39.8	299.2	339.0	39.8
SUPPLIES & MATERIALS	1.0	1.0	1.0	1.2	2.0	3.2	1.2	1.2	2.0	3.2	1.2
EQUIPMENT	1.6		4.4	4.4	35.0	39.4	4.4	4.4	5.0	9.4	4.4
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	247.2	229.1	221.2	227.6	291.2	518.8	227.6	227.3	306.2	533.5	227.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	8,412.5	9,572.9	9,232.5	9,234.9	4,280.4	13,515.3	9,234.9	9,234.6	6,320.0	15,554.6	9,234.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	8,412.5	9,572.9	9,232.5	9,234.9	4,280.4	13,515.3	9,234.9	9,234.6	6,320.0	15,554.6	9,234.6
POSITIONS BY FUND											
GENERAL	4.0	4.0	4.0	4.0		4.0	4.0	4.0		4.0	4.0
TOTAL POSITIONS	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: LONG-TERM SHELTERED EMPLOYMENT AND WORK ACTIVITY
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

and traumatic brain injury, and mentally retarded persons with severe behavior problems are making increased demands for employment services. 3) CBE options must be available statewide. Rehabilitation facilities, Developmental Achievement Centers (DAC's) and other non-profit organizations could meet the unique needs of new populations by providing CBE options and specialized individual employment programming. Approximately half of the request will be allocated to the existing workshops using the funding procedures in the new LTSE/WA rules so that they can expand their community-based employment programs; the other half will be granted using a competitive bidding process so that workshops or new providers can develop employment options for newly emerging populations. New providers will need to meet the criteria in the rules for provisional certification. The cost of providing services has increased as a result of much higher costs for all forms of insurance. Also additional workshop staff are required to maintain existing service levels. This request includes a 2.5% increase in funds to offset the workshops increased costs of doing business.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Hours worked in expanded CBE programs	0	0	514,800	858,000
Hours worked in specialized programs	0	0	386,100	643,500

RATIONALE: Additional funding for this activity is imperative because more persons with more severe disabilities need services. These persons will cost more to serve and these funds will assure statewide availability of employment services for them. This request is consistent with other DRS CHANGE requests that will provide greater opportunities for persons with severe disabilities to obtain employment opportunities and work related services in community integrated settings or in the least restrictive environment. This request includes a 2.5% increase in funds to offset the workshops increased cost of doing business.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. Further, the Governor recommends that the agency devote a percentage of this activity's base funding to community-based employment placements so that the percentage of total clients served in such placements is raised to 30%.

Request Title: Community Integration	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$3,930.4	-0-	\$6,020.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests funds to make it possible for persons with severe disabilities to have greater opportunities for community integration by increasing the capacity of existing sheltered workshops to serve new populations and provide more Community-Based Employment (CBE) opportunities. This also includes the development of new providers of Community-Based Employment.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
FTEs in expanded CBE programs	0	0	350	550
FTEs in specialized programs	0	0	350	550
Persons in expanded CBE programs	0	0	1,218	1,914
Persons in specialized programs	0	0	616	968

DESCRIPTION/BACKGROUND: Sheltered workshops are changing. Transition to CBE employment options are now the major program focus. Increasing numbers of persons with severe disabilities including such new populations as persons with chronic mental illness, persons with traumatic brain injury, and mentally retarded persons with severe behavior problems are now seeking employment services. Current CBE opportunities must be expanded and specialized individual work programs must be developed for those persons who cannot be placed in community settings. Capacity will be expanded by approximately 1,100 full-time client equivalents (FTEs) over the biennium. This growth is essential during the F.Y. 1987-89 biennium because: 1) The principle of providing services in the least restrictive environment is widely accepted. Community-based employment provides a more normalized work setting and is considered the option of first choice for sheltered employees. 2) Newly emerging populations such as persons with chronic mental illness

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: LONG-TERM SHELTERED EMPLOYMENT AND WORK ACTIVITY
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

areas for training and technical assistance would include wage determination procedures for community-based programming, techniques of job coaching, and service to new populations such as mentally retarded persons with behavior problems, persons with traumatic brain injury, and persons with chronic mental illness.

RATIONALE: Improved operating efficiency resulting from the purchase of individualized computer packages will enable workshops to better control operating costs and to meet reporting deadlines. The agency will receive more accurate and timely information enabling it to better manage and direct the activity. The purchase of technological adaptations and devices will improve sheltered employees productivity. Training and technical assistance will enable workshops to better re-direct their programs to provide more community-based employment options and to do so more efficiently and effectively. It will also better enable them to serve the new populations needing community-based employment services.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Request Title: LTSE/WA Productivity Improvement				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$350.0	-0-	\$300.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests funds to improve the productivity and efficiency of the sheltered workshops by 1) updating their computer capacity, 2) providing funds to purchase technological adaptations and devices, and 3) providing training and technical assistance so that sheltered workshops are better able to provide services to sheltered employees in community based employment (CBE) and other specialized employment settings.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Sheltered work programs meeting or exceeding standards for program effectiveness	N/A	N/A	85%	100%
Sheltered workshops submitting timely reports to the agency	N/A	N/A	65%	95%

DESCRIPTION/BACKGROUND: The agency conducted a study in 1985 indicating that sheltered workshops could increase their efficiency and productivity if funds were made available to computerize a large portion of their reporting requirements. The study is near completion and an additional \$100,000 is needed to purchase computer hardware and software for those workshops who do not have the necessary equipment. The agency will benefit by receiving more accurate and timely reports from the workshops. Adaptations and devices to improve the productivity of sheltered employees through technology are also needed. Funds to purchase such equipment is consistent with the requirements of Chapter 627 concerning the workshops use of technological equipment. Training and technical assistance to workshops is crucial to assure that their staff are fully prepared for the redirection of the in-house sheltered work programs to community-based based employment options. Subject

ACTIVITY: DISABILITY DETERMINATION SERVICES
 Program: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: To make accurate and timely decisions on claims for social security disability benefits.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Accuracy rate of claims decisions as measured by federal review	97.9%	98%	98%	98%
Average processing days:				
SSDI claims	62.0	60	60	60
SSI claims	70.1	70	70	70

DESCRIPTION: Under agreement with the Social Security Administration (SSA) this activity determines if Minnesotans claiming SSA disability benefits meet the disability criteria for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) benefits, and conveys that information to SSA. Claims selection and the criteria used in this determination process are administered by SSA.

This activity also refers those individuals who may benefit from vocational rehabilitation services to the Division of Rehabilitation Services (RS). All SSI claimants under age 16 are referred to the Department of Health, and Services for Children with Handicaps, for potential services.

All funding for this activity is provided by SSA and is determined by the numbers and types of claims that the activity is expected to process, the methods used, the rates at which they are to be processed and the medical/vocational criteria under which decisions will be made.

GRANTS AND AIDS:

Aids to Individuals: Purchased Services for Clients

STATUTORY REFERENCE: M.S. 1982, Chap. 129A, Sec.3

For each disability claim processed by Disability Determination Services (DDS), the activity secures necessary medical information to make the disability determination. DDS makes payments, on behalf of SSA, to physicians and medical facilities statewide who provide medical reports and/or, where necessary, conduct consultative medical examinations on claimants. Payments are also made to claimants to reimburse travel costs incurred to attend consultative medical examinations.

Payments made to sources of medical evidence are based on a percentage of prevailing rates for the service(s) they provide. Fee schedule maximums are in accordance with Department of Labor and Industry Workers' Compensation and Department of Human Services medicaid services and rates. Payments to claimants for travel costs are for actual costs or are based on state employee mileage reimbursement rates for use of personal vehicle.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total claims processed	32,088	35,400	34,400	34,400
# of medical providers performing consultative examinations	557	570	570	570
% of allowed claims referred to DRS	10.3%	12%	12%	12%
<u>GRANTS BY FUNDS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	0	0	0	0
Federal	2,713.2	2,627.2	2,627.2	2,627.2
Total	2,713.2	2,627.2	2,627.2	2,627.2

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: DISABILITY DETERMINATION SV

PROGRAM: REHABILITATION SERVICES

AGENCY: JOBS & TRAINING

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL	ACTUAL	ESTIMATED	F.Y. 1988 REQUEST LEVELS			GOV.	F.Y. 1989 REQUEST LEVELS			GOV.
	F.Y. 1985	F.Y. 1986	F.Y. 1987	SAME	CHANGE	TOTAL	RECOMMEND F.Y. 1988	SAME	CHANGE	TOTAL	RECOMMEND F.Y. 1989
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	5,379.5	6,308.4	6,561.1	6,561.1		6,561.1	6,561.1	6,561.1		6,561.1	6,561.1
LOCAL ASSISTANCE											
AIDS TO INDS.	2,138.0	2,713.2	2,627.2	2,627.2		2,627.2	2,627.2	2,627.2		2,627.2	2,627.2
TOTAL EXPENDITURES	7,517.5	9,021.6	9,188.3	9,188.3		9,188.3	9,188.3	9,188.3		9,188.3	9,188.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	3,775.7	4,179.5	4,664.0	4,664.0		4,664.0	4,664.0	4,664.0		4,664.0	4,664.0
EXPENSES & CONTRAC. SERV	1,555.1	1,840.4	1,648.3	1,648.3		1,648.3	1,648.3	1,648.3		1,648.3	1,648.3
SUPPLIES & MATERIALS	44.6	76.9	26.4	26.4		26.4	26.4	26.4		26.4	26.4
EQUIPMENT	4.1	55.7	66.5	66.5		66.5	66.5	66.5		66.5	66.5
OTHER EXPENSE ITEMS		155.9	155.9	155.9		155.9	155.9	155.9		155.9	155.9
TOTAL STATE OPERATIONS	5,379.5	6,308.4	6,561.1	6,561.1		6,561.1	6,561.1	6,561.1		6,561.1	6,561.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
FEDERAL	7,517.5	9,021.6	9,188.3	9,188.3		9,188.3	9,188.3	9,188.3		9,188.3	9,188.3
TOTAL FINANCING	7,517.5	9,021.6	9,188.3	9,188.3		9,188.3	9,188.3	9,188.3		9,188.3	9,188.3
POSITIONS BY FUND											
FEDERAL	154.0	154.0	154.0	154.0		154.0	154.0	154.0		154.0	154.0
TOTAL POSITIONS	154.0	154.0	154.0	154.0		154.0	154.0	154.0		154.0	154.0

ACTIVITY: COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING 1987-89 Biennial Budget
 Program: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: To develop, subsidize and regulate a system of Centers for Independent Living (IL) which promotes and coordinates services to persons with severe disabilities that are designed to: 1) train them to live more independently; and 2) if employment proves feasible, assist them in preparing for the vocational rehabilitation program.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Persons attaining a more independent life style	1,093	1,093	1,093	1,093
Centers meeting state certification standards	N/A	N/A	5	5

DESCRIPTION: This activity funds centers for IL which provides services to persons with severe disabilities to enable them to live more independently and participate more fully in everyday living activities.

GRANTS AND AIDS:

Local Assistance: Centers for Independent Living

Statutory Reference: 29 United States Code 711 et. seq.; Rehabilitation Amendments of 1978, Title VII, Part A, Funds for Comprehensive Services, and Part B, Funds for Centers for Independent Living.

PURPOSE: With a combination of federal and state appropriations, DRS has funded 3 nonresidential centers for independent living located in Marshall, Rochester and the Twin Cities since 1981. In 1986, the St. Cloud and Hibbing Centers were established using state funds only. The centers serve as a resource for persons with severe disabilities to assist them to live more independently in their communities. From their inception through F.Y. 1986, the 5 centers have served 8,775 individuals. After receiving independent living services, persons with severe disabilities often require fewer governmental benefits such as nursing home care payments. It has been estimated that a total of 81,000 persons in Minnesota are severely disabled. A substantial number of them can benefit from such independent living services as personal care attendants referral and management. The independent living needs assessment study conducted in 1986 identifies the unmet needs for IL services and recommends that the system of centers be expanded so that persons in all 87 counties have services available to them. Currently, services are available to persons with severe disabilities in only 42 counties. The centers also provide transportation and housing referrals and assistance, peer counseling, legal and economic rights counseling and advocacy, and assistance in obtaining services from other state and local agencies. These services assist in readying some persons with severe disabilities who are able to become employable and, thus provide them with a continuum of services when vocational rehabilitation services are found to be appropriate. Federal funding will be maintained during the F.Y. 1987-89 biennium at

the F.Y. 1986 level. Prior to 1986, DRS has been awarded \$200,000 per year through the federal competitive application process. It is unlikely that additional federal funds to support the St. Cloud, Hibbing or any new centers will become available in the next biennium. Activity expansion from federal sources that has occurred during the last biennium includes the establishment of the Independent Living Service program (Part A) and the creation of programs within the Marshall, Rochester and the Twin Cities Centers to provide IL services to youth with severe disabilities transitioning from school to work. Though centers are expected to raise 20% of their budgets from outside sources, which they have done, it is unlikely that IL services can be funded exclusively through local grant and private sources. Since the centers do not charge for their services, continued state funding is necessary to assure the delivery of IL services. The centers are operated by consumer directed private non-profit organizations through contracts with DRS. The centers provide policymakers and community groups with advice and technical assistance in developing programs that respond to the IL needs of persons with severe disabilities. This leadership has resulted in innovative programs such as People Organized for Wheelchair Education and Repair (POWER), a used equipment exchange; and a transitional barrier-free housing project.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Persons with severe disabilities served by the Centers	2,185	2,185	2,185	2,185
Persons with severe disabilities receiving:				
Housing assistance	928	928	928	928
Transportation assistance	102	102	102	102
Personal care attendant services	613	613	613	613
Employment referral	402	402	402	402
Peer counseling	818	818	818	818
Advice and referral for legal assistance and economic benefits	330	330	330	330
Other independent living services	3,401	3,401	3,401	3,401
Information and referral services provided to the non-disabled	777	777	777	777
<u>Grants by Fund:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	300.0	240.0	783.2	783.2
Federal	258.3	455.5	354.8	354.8
Total	558.3	695.5	1,138.0	1,138.0
<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>	
Assuring Statewide IL Services	472.5	472.5	Activity	
Rehabilitation Technology	150.0	150.0	Activity	

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: COMP SVCS FOR INDP LVNG

PROGRAM: REHABILITATION SERVICES

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS		91.7	13.3	13.3	79.3	92.6	13.3	13.3	79.3	92.6	13.3
LOCAL ASSISTANCE	273.6	558.3	695.5	594.8	543.2	1,138.0	594.8	594.8	543.2	1,138.0	819.8
AIDS TO INDS.											
TOTAL EXPENDITURES	273.6	650.0	708.8	608.1	622.5	1,230.6	608.1	608.1	622.5	1,230.6	833.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES					47.4	47.4			47.4	47.4	
EXPENSES & CONTRAC. SERV		91.5	13.3	13.3	25.7	39.0	13.3	13.3	25.7	39.0	13.3
SUPPLIES & MATERIALS		.2			.4	.4			.4	.4	
EQUIPMENT					5.8	5.8			5.8	5.8	
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS		91.7	13.3	13.3	79.3	92.6	13.3	13.3	79.3	92.6	13.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	74.8	300.0	240.0	240.0	622.5	862.5	240.0	240.0	622.5	862.5	465.0
DEDICATED APPROPRIATIONS:											
FEDERAL	198.8	350.0	468.8	368.1		368.1	368.1	368.1		368.1	368.1
TOTAL FINANCING	273.6	650.0	708.8	608.1	622.5	1,230.6	608.1	608.1	622.5	1,230.6	833.1
POSITIONS BY FUND											
GENERAL					1.0	1.0			1.0	1.0	
TOTAL POSITIONS					1.0	1.0			1.0	1.0	

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: Assure Statewide Independent Living Services				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$472.5	1.0	\$472.5	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$225.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests funds to assure the statewide availability of Independent Living (IL) services by: 1) establishing 3 additional Centers for Independent Living, 2) expanding the capacity of the existing centers to serve persons with severe disabilities in counties surrounding the centers, and 3) increasing the staff and administrative support for this activity.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Persons attaining a more independent life style	1,093	1,093	1,457	1,602
Centers meeting state certification standards	N/A	N/A	6	8

DESCRIPTION/BACKGROUND: It has been estimated that 81,000 persons in Minnesota are severely disabled. A substantial number of them can benefit from IL services. From their inception through F.Y. 1986, the 5 centers have served approximately 8,755 persons with severe disabilities. Currently, the 5 existing centers effectively serve persons in the counties nearest the center, and can provide services to persons in 42 counties. The independent living needs assessment study conducted in 1986 identifies the unmet needs for IL services especially in the rural counties surrounding the centers which serve 79% of Minnesota's population. The study recommends that the system of centers be expanded so that persons in all 87 counties have services available to them. The study further recommends that 3 additional centers be established in southcentral and northwestern Minnesota to increase the centers' capacity to provide services statewide. It was also recommended that the 5

existing centers begin establishing more formal programs of service to their surrounding counties. Different models will be established for this purpose. Expansion during the last biennium which necessitates activity staff and support includes the establishment of 2 new state funded centers; additional federal funds for transition from school to work grants for the centers; and the establishment of the IL services program. The cost of providing IL services has increased as a result of much higher costs for all forms of insurance. Also additional funds to cover other increased operational costs such as supplies and rents are required to maintain existing service levels.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Persons with severe disabilities served by the centers	2,185	2,185	2,913	3,204
Persons with severe disabilities receiving:				
Housing assistance	928	928	1,237	1,361
Transportation assistance	102	102	136	150
Personal care attendant services	613	613	817	899
Employment referral	402	402	536	589
Peer counseling	818	818	1,090	1,199
Advice and referral for legal assistance and economic benefits	330	330	440	484
Other independent living services	3,401	3,401	4,534	4,987

RATIONALE: Three new centers and funding so that services can better be provided to individuals in the counties surrounding the 5 existing centers will enhance the system for IL and assure the availability of statewide access to services. Persons with severe disabilities often require fewer governmental benefits such as nursing home care payments as a result of IL services. All attempts will be made by the 5 centers to access other public and private funds, staff and space to serve persons in surrounding counties. They plan to establish a network of service by the end of the F.Y. 1987-89 biennium. Additional staff will establish the agency's ability to monitor, evaluate and direct this expanding activity. This request includes an increase in funds to offset the centers increased cost of doing business.

GOVERNOR'S RECOMMENDATION: The Governor recommends \$225.0 in F.Y. 1989 for one new center and expansion of the 5 existing centers.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of persons with severe disabilities receiving:				
Home modifications	N/A	N/A	48	48
Vehicle accessibility	N/A	N/A	48	48
Other accommodations	N/A	N/A	95	95

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Rehabilitation Technology for Independent Living				
Agency Request				
General Fund	\$150.0	-0-	\$150.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

RATIONALE: Funds to purchase independent living technologies will enable more persons with severe disabilities to remain in their own homes and communities while increasing their mobility, and enhancing their employment potential and their overall quality of life.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

STATEMENT OF REQUEST/OBJECTIVE: The agency requests funds to purchase Independent Living (IL) technologies for persons with severe disabilities who are served by the Centers for Independent Living.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Persons attaining a more independent life style	1,093	1,093	1,284	1,284

DESCRIPTION/BACKGROUND: The delivery of technological aids and devices that will enable persons with severe disabilities to live as independently as possible is an important service priority. Persons not able to benefit from the basic Vocational Rehabilitation activity do not have adequate access to funds to meet their independent living needs. Adaptive equipment necessary to enhance independence in the home and to assist individuals with severe disabilities with their mobility needs include such items as stair lifts; modifications to doors, bathrooms and entranceways; vehicle assessment, purchase, and modifications; wheelchair repair; and the purchase of other new and used mobility aids not covered by other funding sources.

ACTIVITY: REGIONAL SERVICE CENTERS FOR THE HEARING IMPAIRED 1987-89 Biennial Budget
 Program: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: The purpose of the Regional Service Center (RSC) network is to improve the accessibility to community programs, services and activities of daily living for persons who are deaf and hard-of-hearing.

DESCRIPTION: The Regional Service Centers (RSC's) program was operated by the Division of Rehabilitation Services (DRS) in cooperation with the Department of Human Services, Deaf Services Division. The activity was transferred to the the Department of Human Services, as a result of Minnesota Laws, 1985, 1st Spec. Sess., Ch. 14, Act 9, Sec. 24.

Explanation of the Budget Request: There is no request for this activity. The fiscal summary is included to provide fiscal history prior to the transfer.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: REG SVC CTRS HEARING IMP

PROGRAM: REHABILITATION SERVICES

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	624.7	77.5									
LOCAL ASSISTANCE	71.1	20.3									
AIDS TO INDS.											
TOTAL EXPENDITURES	695.8	97.8									
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	624.7	77.5									
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	624.7	77.5									
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	695.8	97.8									
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	695.8	97.8									
POSITIONS BY FUND											
GENERAL	25.0										
TOTAL POSITIONS	25.0										

ACTIVITY: SERVICES FOR THE BLIND
 Program: REHABILITATION SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: To provide direct rehabilitation services which assist blind and visually handicapped Minnesotans of all ages to achieve greater vocational and personal independence.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of clients gainfully employed	470	470	514	596
# of clients attaining more independent lifestyle	437	483	532	587
# of child rehabilitation clients served	858	860	870	880
Taped and brailled requests filled	19,800	20,800	23,000	24,000
Business Enterprises locations	88	86	88	90

DESCRIPTION: Services for the Blind and Visually Handicapped (SSB) provides direct rehabilitation services to persons of all ages who are blind or visually handicapped (including those who have additional physical and/or mental impairments) when their loss of vision causes a handicap to vocational, educational or personal independence. Major program activities include:

Vocational Rehabilitation (VR). The VR program strives to help blind or visually handicapped clients achieve the highest level of physical, personal and employment possible. Services include counseling, vocational evaluation, planning, and training, job coaching and placement, rehabilitation technology, transition services (school to work), and alternative techniques for blindness such as travel training, braille, etc.

Child Rehabilitation (CR). Under the CR program, blind and visually impaired children in school and institutions and their parents are provided counseling and training in skills needed for proper growth and development. Services include counseling, transition services, evaluation, adaptive aids, alternative skills training and rehabilitation teaching.

Independent living (IL). The IL program consists of: 1) A federal demonstration grant for severely multiply handicapped blind children and adults to develop skills needed to function independently in their homes, acquire an appropriate education and become eligible for vocational rehabilitation services. Services include counseling, training to clients and family members, consultation and inservice training to community based facilities in methods that adapt existing program to meet the client needs. 2) Services primarily to the elderly blind to enable them to function independently in their homes and community. Services include counseling and training in alternative techniques and rehabilitation teaching such as travel training, self-care, home mechanics and the use of low vision aids/devices. According to recent DHS data, the average monthly cost per nursing home resident is \$1,700

(\$20,400 annually). Substantial cost/benefit is realized by providing services to keep the elderly blind in the home and the community.

Business Enterprises (BE). The BE program creates small business franchise opportunities for blind persons receiving rehabilitation services and offers training in operating these businesses so the operators can function as independent business people under the franchise agreement. These opportunities include operating cafeterias, lunchrooms, snack bars, gift/cigar shops, vendaterias and vending routes in federal state, public and private buildings. The program staff provides on-going contract management and support services to all operators.

Communication Center (CC). The CC program is a statewide special library, transcription, and radio reading service available to eligible Minnesotans (anyone unable to read normal newsprint because of a visual or physical handicap). Eligible clients and educational institutions may borrow taped textbooks or leisure-books, special phonographs, cassette players and closed-circuit radios. Master transcriptions (onto tape or into braille) of textbooks, books, job related manuals, and other printed materials are prepared for eligible clients. Four hundred trained volunteers augment these efforts.

GRANTS AND AIDS:

Aids to Individuals: Purchased Services for Clients

Statutory Reference: M.S. 248.07, the Rehabilitation Act of 1973, as amended, and the Randolph Sheppard Act.

- 1) Direct vocational rehabilitation services are provided to blind or visually handicapped persons with vocational handicaps who are eligible for services under Sec. 10 of the Rehabilitation Act of 1973, as amended. When developing the client's rehabilitation plan, full consideration is given to similar benefits available from other agencies and client's financial need. Services are purchased when other resources are unavailable or insufficient.
- 2) Direct rehabilitation services are provided to children, elderly and multiply handicapped blind or visually impaired persons eligible for independent living services to enhance their ability to live and function independently in their family, home or community. Full consideration is given to similar benefits available from other agencies and client's financial need. Services are purchased when other resources are unavailable or insufficient.

ACTIVITY: SERVICES FOR THE BLIND

1987-89 Biennial Budget

(Continuation)

Program: REHABILITATION SERVICES
Agency: JOBS AND TRAINING, DEPARTMENT OF

Local Assistance: Grants to Local Vendors of Service

Statutory Reference: Rehabilitation Act of 1973, as amended, M.S. 248.07 and P.L. 93-112 S102 87 Stat. 369. a) St. Paul Schools - provides rehabilitation services such as travel and personal management training and a "Summer Work Experience Program" to eligible visually handicapped students. Students apply independent living skills and are oriented to the world of work through career exploration, work evaluation/training, and job search and placement, b) Hennepin Technical Centers - pathfinder facilitates liaison activities between industry, interns, rehabilitation agencies and education including internship site identification, job analysis, training and adaptive accommodations to enable optimum mainstream employment of the visually impaired, c) Minnesota Foundation - provides standard radio signal transmission through telephone lines, satellite and transmitter stations, d) Duluth Lighthouse - improves vocational placement of multiply disabled individuals by instituting new vocational testing procedures and providing training in daily living skills for transition from the adjustment center to community-based living and worksite placement, e) St. Paul Society for the Blind provides blind diabetic support groups, f) Mankato Rehabilitation Center - provides an employment oriented day program for adults who are deaf-blind and mentally retarded, g) United Blind - provides a Client Assistance/Legal Advocate Program for blind and visually handicapped clients, h) In-Touch provides evaluation, communication skills training and interpreter services to hearing/vision impaired clients.

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Vocational Rehabilitation</u>				
# of new referrals	1,741	1,800	1,950	2,100
# of clients served	4,439	4,590	4,875	5,150
% severely disabled	90%	90%	90%	90%
Average annual client earnings at closure:				
Competitive employment	\$11,411	\$11,411	\$12,200	\$12,800
Sheltered employment	3,008	3,038	3,000	3,000
Self employment	4,184	7,000	9,000	10,000
Business enterprises	12,660	10,800	10,800	11,000
<u>Child Rehabilitation</u>				
# of new referrals	117	125	125	125
# of clients served	858	860	870	880
% severely disabled	78%	78%	78%	78%
<u>Independent Living</u>				
# of new referrals	905	1,100	1,300	1,500
# of clients served	1,917	2,100	2,300	2,500
% severely disabled	91%	91%	91%	91%

<u>Independent Living Project</u>	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of new referrals	11	30	30	30
# of clients served	106	130	130	130
% severely disabled	99%	99%	99%	99%

<u>Business Enterprises</u>	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of licensed BE operators	91	92	93	93
Program sales	\$6,898,700	\$7,105,600	\$7,318,800	\$7,538,400
Operational charges	227,400	234,200	241,300	248,500
Average net profit of operators	17,500	18,100	18,600	19,200

<u>Communication Center</u>	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of CC clients served	10,000	10,500	12,000	12,000
Braille pages produced	250,000	250,000	300,000	350,000
# of volunteer hours	100,000	110,000	120,000	120,000
# of RTB receivers distributed	6,000	6,300	6,700	7,600

<u>Grants by Fund:</u>	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General	339.8	495.5	1,808.6	1,557.3
Federal	1,470.6	1,872.3	1,646.0	1,646.0
Total	1,810.4	2,367.8	3,454.6	3,203.3

EXPLANATION OF BUDGET REQUESTS: The SAME level of funding is requested for this activity except for the CHANGES detailed on the following pages. There has been no increase in state case services funds for the last two Legislative sessions.

<u>CHANGE REQUESTS:</u>	F.Y. 1988	F.Y. 1989	TYPE
Community integration	\$1,076.0	\$1,086.0	Activity
Enhanced client communication	374.0	72.0	Activity
Technological equipment and support for clients	577.5	317.5	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: SERVICES FOR BLIND

PROGRAM: REHABILITATION SERVICES

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL			F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
	F.Y. 1985	F.Y. 1986	ESTIMATED F.Y. 1987	SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	27.7	4,216.9	5,467.9	5,489.2	814.3	6,303.5	5,641.2	5,490.1	513.6	6,003.7	5,540.1
LOCAL ASSISTANCE	24.9	321.0	274.9	148.5	250.0	398.5	148.5	148.5	260.0	408.5	148.5
AIDS TO INDS.	47.7	1,489.4	1,852.9	2,065.8	963.2	3,029.0	2,185.8	2,058.9	701.9	2,760.8	2,178.9
TOTAL EXPENDITURES	100.3	6,027.3	7,595.7	7,703.5	2,027.5	9,731.0	7,975.5	7,697.5	1,475.5	9,173.0	7,867.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES		2,766.0	4,221.2	4,221.2	402.1	4,623.3	4,251.2	4,221.2	414.1	4,635.3	4,251.2
EXPENSES & CONTRAC. SERV	1.0	914.0	789.4	810.2	32.0	842.2	830.2	811.1	35.1	846.2	831.1
SUPPLIES & MATERIALS	4.4	255.0	194.7	195.2	8.0	203.2	195.2	195.2	8.3	203.5	195.2
EQUIPMENT	22.3	251.5	220.3	220.3	368.7	589.0	322.3	220.3	50.0	270.3	220.3
OTHER EXPENSE ITEMS		30.4	42.3	42.3	3.5	45.8	42.3	42.3	6.1	48.4	42.3
TOTAL STATE OPERATIONS	27.7	4,216.9	5,467.9	5,489.2	814.3	6,303.5	5,641.2	5,490.1	513.6	6,003.7	5,540.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	.1	2,197.0	2,834.9	2,942.7	2,027.5	4,970.2	3,214.7	2,936.7	1,475.5	4,412.2	3,106.7
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	.3	216.8	303.8	303.8	303.8	303.8	303.8	303.8		303.8	303.8
GIFTS AND DEPOSITS		29.7	60.0	60.0	60.0	60.0	60.0	60.0		60.0	60.0
FEDERAL	99.9	3,583.8	4,397.0	4,397.0	4,397.0	4,397.0	4,397.0	4,397.0		4,397.0	4,397.0
TOTAL FINANCING	100.3	6,027.3	7,595.7	7,703.5	2,027.5	9,731.0	7,975.5	7,697.5	1,475.5	9,173.0	7,867.5
POSITIONS BY FUND											
GENERAL		63.5	64.5	64.5	15.0	79.5	65.5	64.5	15.0	79.5	65.5
SPECIAL REVENUE		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
FEDERAL		48.4	80.4	80.4		80.4	80.4	80.4		80.4	80.4
TOTAL POSITIONS		112.9	145.9	145.9	15.0	160.9	146.9	145.9	15.0	160.9	146.9

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: SERVICES FOR THE BLIND
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

preferred media of communication, i.e. tape, large print, braille, voice output. Eleven district offices will be equipped with adaptive/ technological equipment to reasonably accommodate the blind and visually handicapped clients and employees.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of CC clients served	10,000	10,500	12,000	12,000
# of RTB receivers distributed	6,000	6,300	6,700	7,600
# of braille pages produced	250,000	250,000	300,000	350,000

RATIONALE: 1) Satellite conversion will keep the RTB on the air, improve the fidelity, noise and interference levels of the signal and open up the possibilities for expanding RTB services statewide into areas not currently being served, 2) Without an investment in braille printers, SSB will neither be able to sustain or expand braille production output so students and workers can obtain timely brailled vocational/educational materials, 3) The district office equipment will meet the need for equal access to information, production of job-related materials, case management, client notification, word processing, and electronic mail.

GOVERNOR'S RECOMMENDATION: The Governor recommends \$60.0 in F.Y. 1989 for purchase of a high-speed braille printer to maintain the existing level of production.

The Governor also recommends \$20.0 each year of the biennium to fund increased costs of the Radio Talking Book as that network converts to satellite transmission. Since this request was submitted, the Hamm Foundation has agreed to fund the conversion costs of changing to satellite. The Governor recommends that the agency pool the \$42.0 of the request earmarked for conversion costs with foundation funds in order to replace existing technology to enhance signal quality and extend the broadcast range to areas of the state currently unserved.

Request Title: Enhanced Client Communication	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$374.0	2.0	\$72.0	2.0
Governor's Recommendation				
General Fund	\$122.0	-0-	\$20.0	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests funds and positions to reasonably accommodate blind and visually handicapped clients and SSB employees. The objective is to apply new technology in the areas of communication (braille, tape, voice output, radio and computer) so that clients have equal access to printed information and an opportunity to compete for jobs and live independently.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of clients receiving communication in braille	20	150	450	600
# of clients employed due to job related braille production	20	50	125	200
# of clients maintaining employment due to job-related braille production	60	100	250	400

DESCRIPTION/BACKGROUND: 1) RTB is a 24 hour radio reading service of newspapers, current magazines, novels, etc. for blind persons. The RTB operates under Minnesota Public Radio's (MPR) old terrestrial distribution system which is obsolete. MPR has converted to satellite distribution and will no longer support the system RTB is using. If RTB is to stay on the air, it must convert to satellite. 2) Braille production capacity printers have worn out so SSB is no longer able to print the volume of textbooks and job-related materials needed by its clients. 2 high speed braille printers and 2 braillists are needed to meet communication needs. 3) Blind and visually handicapped clients and employees do not have timely access to information in their

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: SERVICES FOR THE BLIND
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: Community Integration of Emerging and Vulnerable Client Populations				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$1,076.0	10.0	\$1,086.0	10.0
Governor's Recommendation				
General Fund	\$ 150.0	1.0	\$ 150.0	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests funds and positions to provide rehabilitation services to blind, visually impaired, deaf/blind, special population, and multiply handicapped youth, adults and elderly who are vulnerable to long term care. The objective is to coordinate community based resources for equal access to information, and working and/or living in the least restrictive environment.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of blind students transitioning to work	211	218	221	227
# of elderly blind attaining more independent life style	412	455	501	553
# of blind placed in supported employment	0	8	12	16
# of SSDI/SSI clients gainfully employed earning more than \$650/month	16	19	30	38
# of DB clients successfully completing pilot program	2	2	5	8

DESCRIPTION/BACKGROUND: 1) Blind youth mainstreamed into secondary education are not being reliably evaluated (psychologically, educationally, or vocationally) or provided rehabilitation services to compete with their sighted peers in the classroom and community setting. SSB is working in close cooperation with special ed., Voc. Ed., DHS, etc. to transition blind youth from school to work. Summer internships and follow-up

services are provided to prepare the student for daily living and competitive employment. 2) Deaf blind is a severe disability which drastically limits a person's access to information and participation in daily living. SSB in cooperation with other public and private agencies will establish a grant for pilot community based residential program (funded by Title XIX) for deaf blind clients to function as independently as possible in their communities, homes and vocational environments, 3) Many multiply handicapped blind reside in state institutions or residential treatment programs where coordinated or individualized programs are not usually available, 4) The elderly blind are extremely vulnerable to placement in long term care unless rehabilitation teaching services are provided, 5) Unsuccessfully closed SSI/SSDI cases may become successfully rehabilitated due to technological advances, supported employment options and transition services, 6) Clients have problems with employer discrimination, building accessibility and self employment efforts, 7) Cooperative outreach and referral agreements are needed with special population groups of blind and visually handicapped, i.e., Hmong, American Indian, etc.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1989	F.Y. 1989
# of institutional blind served	1,474	1,525	1,575	1,626
# of DB clients served	231	235	245	250
Average purchased service cost per client attaining more independent life style	\$100	\$100	\$200	\$300

RATIONALE: Ten staff, selective service purchases and coordinated, community-based resource networking are needed to provide transition, evaluation, rehabilitation teaching (including braille and travel training), work evaluation and adjustment, job coaching and placement, adaptive aids, self-care, small business development, and special population services to these vulnerable groups to live and/or work in the least restrictive environment.

GOVERNOR'S RECOMMENDATION: The Governor recommends a biennial amount of \$300.0 and 1.0 position to expand services to multiple-handicapped blind clients.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: SERVICES FOR THE BLIND
 PROGRAM: REHABILITATION SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

RATIONALE: A TTC equipped with technological equipment, sensory/adaptive aids, devices and software packages will be established and staffed by a Rehab Engineer and a rehab program advisor for evaluation and training and 3 requested positions, i.e., 2 technology specialists for equipment testing, installation and maintenance, and 1 clerk typist for invoicing and inventory control. Clients in the TTC will be evaluated, trained and provided technical support to successfully function in the school or work setting.

A lending library of technological equipment, sensory/adaptive aids and devices will be established and leased (without payment) to clients with financial need or (with payment) to clients, schools, private agencies, and employers under written rehabilitation plans. At least 30 technological equipment packages will be needed each year of the biennium for clients to access information and successfully compete in training programs, transition work sites and jobs.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of clients served in TTC	60	85	300	320
# of technological packages leased	25	28	58	70
# of employer, school, and staff demonstrations	120	120	200	240
Average cost of technological packages	\$8,000	\$8,000	\$8,000	\$8,000

GOVERNOR'S RECOMMENDATIONS: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$577.5	-0-	\$317.5	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request Title: Technological Equipment and Support for Clients

Request requires statutory change: Yes No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The agency requests funds and positions to establish a Technology Training Center (TTC) and a lending library of technological equipment and sensory/adaptive aids and devices. The objective is to overcome blind and visually handicapped persons vocational/educational handicaps and provide the opportunity to secure competitive employment or function in a school setting equally with sighted peers.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of blind clients employed due to technological services	25	30	60	65
# of clients attaining a more independent lifestyle due to technological services	25	30	60	65

DESCRIPTION/BACKGROUND: Due to limited resources and increasing numbers of multiply handicapped clients, the need/demand for technological equipment exceeds capacity to supply. There is a lack of equitable and timely availability of technical equipment, training and support critical for clients to overcome vocational/educational barriers. Three to 5 month delays in securing equipment and/or lack of technological skills or support often result in job loss or training opportunity failure. Employers and public and post-secondary schools are reluctant to purchase this expensive, individualized technological equipment because within 3-5 years it may be obsolete and rarely transfers to another blind or visually handicapped student or employee. They have expressed interest in leasing the equipment from SSB.

PROGRAM: COMMUNITY SERVICES
Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE: This program supports a community agency network which provides a broad range of services and strategies to meet the needs of the economically disadvantaged. Anti-poverty efforts included are: community action, energy assistance, weatherization energy conservation education, emergency food and shelter, community economic development, and advocacy. This program is charged with administering the federal Community Services Block Grant (CSBG), Low Income Home Energy Assistance Block Grant, the Minnesota Community Action Act, Temporary Emergency Food Distribution Program, and the Weatherization Program.

OPERATION: This program is comprised of the Economic Opportunity Activities, Weatherization Activities, and Energy Assistance Activities. These activities are delivered through a network of 56 local agencies, including community action agencies, county government, Indian reservation governments, and the Minnesota Migrant Council encompassing the following:

- 1) Economic Opportunity: Funding is provided to 29 community action agencies, 11 Indian reservations, the Minnesota Migrant Council, and other organizations for coordination of state anti-poverty efforts including: emergency services, food bank and food shelf activities, community economic development, Head Start programs, employment initiatives, self-sufficiency, temporary housing, and other allowable activities.
- 2) Energy Assistance: Low-income households' energy costs are decreased through direct and emergency assistance payments and conservation activities. Priority in assistance is given to the lowest income households with highest fuel costs. These households are normally elderly, handicapped and single parent families.
- 3) Weatherization: Activity funds are used for the purchase of weatherization materials, labor to install those materials, and program support costs which includes the purchase, maintenance and operation of vehicles, tools and equipment. The program funds provide jobs for an estimated 600 workers and contractors who install weatherization materials.

BUDGET ISSUES: The 1980 Census counted 375,000 Minnesotans living below the poverty level. In 1984, the state demographer estimated that 494,000 persons were living below the poverty level. During the same time, the total amount of federal funds available to help these persons has decreased. In order to deal with the dramatic low income population expansion, the agency is attempting to increase available services. In following the intent of the Jobs Bill the agency is intending to increase the emphasis of program delivery in the area of aiding low income persons to become self sufficient where possible.

EXPLANATION OF BUDGET REQUEST: In order to meet the needs of this increased eligible population and to expand the services to be provided, SAME level funding is requested and an additional 13 CHANGE items are requested. In the Economic Opportunity Activity area, 10 CHANGE items totaling \$15,540.0 for F.Y. 1988 and \$15,840.0 for F.Y. 1989 are requested to meet the objective of providing all low income citizens in Minnesota with access to achieving self sufficiency. In the weatherization activity area, 3 CHANGE requests totaling \$10,500.0 in F.Y. 1988 and \$10,500.0 in F.Y. 1989 to meet the objective of decreasing energy costs for eligible low income Minnesotans.

CHANGE requests for an Employee Stock Ownership Trust and Rural and Self Employed Initiative are not included in this program. These CHANGE requests relate to income support/jobs initiatives and have been deferred, at the request of the Coordinator of Full Productivity and Opportunity for inclusion in the Governor's income support/jobs policy proposal.

The Division of Administrative and Technical Services funds are indicated in the F.Y. 86-87 actuals at the following levels for the Community Services Program.

	F.Y. 86	F.Y. 87
Total \$	\$524.8	\$577.3
Total Positions	12.9	12.9

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. The agency should divert funds from the base MEOG appropriation to provide the necessary state-appropriated match for the Temporary Emergency Food Assistance Program.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: COMMUNITY SERVICES

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
ECONOMIC OPP PROGRAM	11,977.5	10,347.9	9,876.9	9,900.6	15,540.0	25,440.6	9,900.6	9,899.6	15,840.0	25,739.6	9,899.6
ENERGY ASSISTANCE	78,517.1	82,597.3	79,857.8	74,357.8		74,357.8	74,357.8	74,357.8		74,357.8	74,357.8
WEATHERIZATION PRGMS	13,748.6	9,141.9	14,746.0	5,600.0	10,500.0	16,100.0	5,600.0	5,600.0	10,500.0	16,100.0	5,600.0
TOTAL	104,243.2	102,087.1	104,480.7	89,858.4	26,040.0	115,898.4	89,858.4	89,857.4	26,340.0	116,197.4	89,857.4
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	4,055.7	2,869.6	2,818.3	2,782.3	1,250.2	4,032.5	2,782.3	2,781.3	1,250.2	4,031.5	2,781.3
LOCAL ASSISTANCE	100,187.5	99,214.9	101,662.4	87,076.1	24,789.8	111,865.9	87,076.1	87,076.1	25,089.8	112,165.9	87,076.1
AIDS TO INDS.		2.6									
TOTAL EXPENDITURES	104,243.2	102,087.1	104,480.7	89,858.4	26,040.0	115,898.4	89,858.4	89,857.4	26,340.0	116,197.4	89,857.4
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	2,733.6	1,800.2	1,300.7	1,324.4	26,040.0	27,364.4	1,324.4	1,323.4	26,340.0	27,663.4	1,323.4
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE			11,000.0								
GIFTS AND DEPOSITS		12.8									
FEDERAL	101,509.6	100,274.1	92,180.0	88,534.0		88,534.0	88,534.0	88,534.0		88,534.0	88,534.0
TOTAL FINANCING	104,243.2	102,087.1	104,480.7	89,858.4	26,040.0	115,898.4	89,858.4	89,857.4	26,340.0	116,197.4	89,857.4
POSITIONS BY FUND:											
GENERAL	10.0	7.0	7.0	7.0	17.0	24.0	7.0	7.0	17.0	24.0	7.0
FEDERAL	66.6	63.4	64.0	57.3		57.3	57.3	57.3		57.3	57.3
TOTAL POSITIONS	76.6	70.4	71.0	64.3	17.0	81.3	64.3	64.3	17.0	81.3	64.3

FISCAL SUMMARY FOR FEDERAL BLOCK GRANTS
AND OTHER FEDERAL FUNDS

ECONOMIC OPPORTUNITY
COMMUNITY SERVICES
JOBS AND TRAINING, DEPARTMENT OF

FEDERAL GRANT TITLE: P.L. 97-35 Omnibus Budget Reconciliation
Act of 1981 (Community Services Block Grant)

STATE LEGAL AUTHORITY: M.S. 1982 268.52-54

GRANT OBJECTIVES: To identify and eliminate the causes of poverty by providing a range of services having a major impact on the causes of poverty and strengthening the community-based organizations which represent the interests of the poor on the local level. The method is to grant funds to entities defined as eligible in the federal authorizing legislation and in the Minnesota Community Action Act for activities locally identified and prioritized.

FEDERALLY (AND STATE) PERMITTED USES AND USE RESTRICTIONS:

5% state administrative limitation
90% allocation to eligible grantees
5% discretionary usage
5% of funds may be transferred to support activities under Older Americans Act of 1965, the Head Start Program, or the Energy Crisis Intervention program of the EAP Block Grant
2 year expenditure allowance under audit requirement
10% of EAP block grant funds may be transferred to CSBG

Legislative hearings required annually on plan. (All restrictions are subject to change in legislative reauthorization).

ALLOCATION RECOMMENDED BY AGENCY: The allocation to local grantees is governed by M.S. 1982, 268.52-54 as amended. The formula is a base amount plus an amount based on percent of poverty level individuals. No transfer to other block grants.

Grant Use:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
1) Financial assistance to individuals or political subdivisions				
Budget activity: Community action agencies, Reservation governments, Minnesota Migrant Council	\$3,812.0	\$3,812.0	\$3,812.0	\$3,812.0
2) State Agency Operations Budget Activity:				
Economic Opportunity Programs	200.6	200.6	200.6	200.6
Total \$ this grant	\$4,012.6	\$4,012.6	\$4,012.6	\$4,012.6
Required state match	0	0	0	0
Required local match	0	0	0	0
Agency complement (FTE) funded by this grant	5.8	5.8	5.8	5.8

Agency: JOBS AND TRAINING, DEPARTMENT OF
COMMUNITY SERVICES DIVISION
ENERGY ASSISTANCE PROGRAM

Federal Grant Title: Low-Income Home Energy Assistance Act of 1981, as amended
State Legal Authority: Governor's Designation

ANTICIPATED RECEIPT DATES: Cash drawdown, beginning 10-1 each F.Y. once
state allocation levels are set by the federal government.

GRANT OBJECTIVES: To assist low-income Minnesotans in achieving a greater degree
of self sufficiency by helping eligible households meet the cost of home heating
energy and maximizing conservation efforts through education, heating system
retrofits, weatherization activities, and referrals to other energy conservation
resources.

FEDERALLY (AND STATE) PERMITTED USES AND USE RESTRICTIONS:
(Emphasize permitted use; not the agency's chosen use)

Federal flexibility under the grant:

- 10% administrative limitation
- 15% may be used for low cost residential weatherization or other energy related home
repair for low-income households
- 10% transfer to other block grants allowable
- 15% carryover from one year to the next allowable

ALLOCATION RECOMMENDED BY AGENCY: Continue present practice:
10% administrative limitation.
Funding is allocated throughout the state based on need.

Grant Use	F.F.Y. 1985	F.F.Y. 1986	F.F.Y. 1987	F.F.Y. 1988	F.F.Y. 1989
Financial assistance to individuals or political subdivisions					
Budgeted Activities:					
Heating assistance	\$61,005.5	\$57,981.9	\$59,301.8	\$59,302.0	\$59,302.0
Crisis repair	2,145.3	2,000.0	2,000.0	2,000.0	2,000.0
Crisis non repair	2,691.2	2,000.0	2,000.0	2,000.0	2,000.0
Delegate admin	6,500.0	6,043.0	6,274.5	6,057.1	6,057.1
Block grant transfer to economic opportunity programs		6,185.0	3,913.6	3,913.6	3,913.6
To weatherization programs	9,000.0	3,913.6	3,913.6	3,913.6	3,913.6
State Agency Operations Administrative	\$1,469.8	\$ 868.0	\$ 868.0	\$1,085.2	1,085.2
	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total \$ this grant (includes carry-in)	\$82,806.8	\$78,271.5	\$78,271.5	\$78,271.5	\$78,271.5
Required state match	0	0	0	0	0
Required local match	0	0	0	0	0
Agency complement (FTE) funded by this grant	29	29	29	29.75	29.75

ACTIVITY: ECONOMIC OPPORTUNITY
 Program: COMMUNITY SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

OBJECTIVE: To provide Minnesota low income citizens the opportunity to obtain the skills, knowledge and motivations which will result in their becoming self-sufficient; to remove the causes of poverty in Minnesota communities and to alleviate the effects of poverty in Minnesota.

DESCRIPTION: 1) Economic Opportunity Programs: Statutory References: M.S. 268.52 - 268.54. The agency is responsible through this activity for administering the Community Services Block Grant (CSBG), the Minnesota Economic Opportunity Grants (MEOG), implementation of the Minnesota Community Action Act, and for the provision of information, technical assistance and administrative support to local grantees. This activity provides funds and assistance to community action agencies (CAAs), the Minnesota Migrant Council, 11 reservation governments, and community based organizations to upgrade the economic status of low-income Minnesotans. Grants are available to grantees to be used for a range of services and activities determined locally as having an impact on the causes of poverty. Eligibility for grants must be maintained and/or established as specified in M.S. 268.52 - 268.54. Allocation of funds is determined by poverty population per geographic area.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of households served	130,000	130,000	140,000	150,000
GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General (MEOG)	\$1,146.2	\$ 846.2	\$ 846.2	\$ 846.2
Federal (CSBG)	3,812.0	3,812.0	3,812.0	3,812.0
Total	\$4,958.2	\$4,658.2	\$4,658.2	\$4,658.2

2) Surplus Commodities Distribution: These funds are used to pay for trucking and warehousing costs of distribution of U.S.D.A. surplus commodities to Minnesotans through foodbanks, foodshelves and general distribution.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of individuals served per distribution	478,400	500,000	500,000	500,000

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal	\$600.0	\$600.0	\$600.0	\$600.0

3) Temporary Housing: Statutory Reference: M.S. 268.38-42. These funds are granted to local agencies to provide temporary housing for the homeless for a maximum period of six months and provides support services to meet the objective of finding them permanent living arrangements.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Individuals requesting services	2,845	3,000	3,000	3,000
Individuals served	1,603	1,600	1,600	1,600

GRANTS BY FUND:	F.Y. 1986	F.Y. 1987	F.Y. 1989	F.Y. 1989
General	\$170.0	\$170.0	\$170.0	\$170.0

FEDERAL FUNDING CHANGES: The federal funds (Community Services Block Grant) received to be used in Economic Opportunity program was \$4,012.6 in FFY 1986. The FFY 1987 appropriation has not been made yet but is expected to be approximately the SAME level at this time.

SUBGRANTS BY FUND SOURCE:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Federal:				
CSBG Basic	\$ 3,812.0	\$3,812.0	\$3,812.0	\$3,812.0
Block Grant Transfers	6,185.0	3,913.6	3,913.6	3,913.6
U.S.D.A.	600.0	600.0	600.0	600.0
Subtotal	\$10,597.0	\$8,325.6	\$8,325.6	\$8,325.6

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
State:				
MEOG	\$ 1,146.2	\$ 846.2	\$ 846.2	\$ 846.2
Temporary Housing	170.0	170.0	170.0	170.0
Subtotal	\$ 1,316.2	\$1,016.2	\$1,016.2	\$1,016.2
Total	\$11,913.2	\$9,341.8	\$9,341.8	\$9,341.8

ACTIVITY: ECONOMIC OPPORTUNITY
 (Continuation)
 Program: COMMUNITY SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

CHANGE REQUESTS:
 Neighborhood Assistance
 To develop existing community
 resources in connection with
 business initiatives

F.Y. 1988
 \$ 75.0

F.Y. 1989
 \$ 75.0

TYPE
 Activity

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	TYPE
State Economic Opportunity Supplement Covers support costs for maintaining staff	\$ 315.0	\$ 315.0	Activity
MN Economic Opportunity Grant Supplement Needed to increase grants to eligible community organizations	\$5,000.0	\$5,000.0	Activity
Emergency Food Assistance Funds are needed to administer distribution program	\$ 650.0	\$ 650.0	Activity
Food Accessibility Interdepartmental program to coordinate food and nutrition availability	\$1,000.0	\$1,000.0	Activity
Temporary Housing Increased demand for temporary housing requires additional funding to meet need	\$1,000.0	\$1,000.0	Activity
Head Start Supplement to increase services to Federal program	\$2,000.0	\$2,300.0	Activity
Retrofit Audit To provide furnace and audits on a subsidized basis	\$ 250.0	\$ 250.0	Activity
Conservation Repair Program to correct major energy defects in weatherization eligible homes	\$5,000.0	\$5,000.0	Activity
Commission on Poverty To disseminate and implement findings of the Commission	\$ 250.0	\$ 250.0	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ECONOMIC OPP PROGRAM

PROGRAM: COMMUNITY SERVICES

AGENCY: JOBS & TRAINING

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,371.9	1,004.8	1,086.6	1,120.1	985.0	2,105.1	1,120.1	1,119.1	985.0	2,104.1	1,119.1
LOCAL ASSISTANCE	9,605.6	9,340.5	8,790.3	8,780.5	14,555.0	23,335.5	8,780.5	8,780.5	14,855.0	23,635.5	8,780.5
AIDS TO INDS.		2.6									
TOTAL EXPENDITURES	11,977.5	10,347.9	9,876.9	9,900.6	15,540.0	25,440.6	9,900.6	9,899.6	15,840.0	25,739.6	9,899.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	625.3	540.5	659.7	749.9	635.0	1,384.9	749.9	748.9	635.0	1,383.9	748.9
EXPENSES & CONTRAC. SERV	1,732.9	391.3	358.9	320.2	350.0	670.2	320.2	320.2	350.0	670.2	320.2
SUPPLIES & MATERIALS	7.4	33.5	22.0	4.0		4.0	4.0	4.0		4.0	4.0
EQUIPMENT	6.3	3.1	7.0	7.0		7.0	7.0	7.0		7.0	7.0
OTHER EXPENSE ITEMS		36.4	39.0	39.0		39.0	39.0	39.0		39.0	39.0
TOTAL STATE OPERATIONS	2,371.9	1,004.8	1,086.6	1,120.1	985.0	2,105.1	1,120.1	1,119.1	985.0	2,104.1	1,119.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,615.6	1,800.2	1,300.7	1,324.4	15,540.0	16,864.4	1,324.4	1,323.4	15,840.0	17,163.4	1,323.4
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS		12.8									
FEDERAL	10,361.9	8,534.9	8,576.2	8,576.2		8,576.2	8,576.2	8,576.2		8,576.2	8,576.2
TOTAL FINANCING	11,977.5	10,347.9	9,876.9	9,900.6	15,540.0	25,440.6	9,900.6	9,899.6	15,840.0	25,739.6	9,899.6
POSITIONS BY FUND											
GENERAL	7.0	7.0	7.0	7.0	16.5	23.5	7.0	7.0	16.5	23.5	7.0
FEDERAL	19.6	16.4	17.0	14.6		14.6	14.6	14.6		14.6	14.6
TOTAL POSITIONS	26.6	23.4	24.0	21.6	16.5	38.1	21.6	21.6	16.5	38.1	21.6

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: ECONOMIC OPPORTUNITY
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: STATE ECONOMIC OPPORTUNITY				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$315.0	7.0	\$315.0	7.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 268.52-54				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests the above funds, positions, and legislative changes to strengthen the capability of the state anti-poverty activity within the department, supplying the department with sufficient resources to conduct all functions, support a state advisory council on poverty issues, fully meet existing law requirements, and develop new initiatives for state action towards promoting self sufficiency of low-income persons.

DESCRIPTION/BACKGROUND: Currently the activity administers state and federal dollars which are provided to local agencies for the purpose of enabling low-income families and individuals to attain the skills, knowledge, motivations and opportunities to become self-sufficient. Functions will include a comprehensive and on-going review of existing state policies affecting the poor, recommending ways to correct policies that have adverse affect on the poor, promote methods of self-sufficiency, identify directions to be taken in state policy development where positive or specific anti-poverty policies do not exist, and serve as a clearinghouse for current accurate information on anti-poverty and block grant programs. Expanded office activities will put increasing emphasis on long-term solutions and include the following:

- 1) Administer the federal Community Services Block Grant, the Minnesota Economic Opportunity grant and other authorized grants for community action in ways to promote eventual self sufficiency.
- 2) Assist reservation governments to provide community action program activity in coordination with the Indian Affairs Intertribal Council.
- 3) Assist the Minnesota Migrant Council to address the particular needs of migrant and seasonal farmworkers throughout Minnesota.
- 4) Provide staff support for the state advisory council on poverty issues.

- 5) Compile, analyze and disseminate information regarding the status and impact of anti-poverty programs statewide and current relevant demographics of low-income populations.
- 6) Develop new program initiatives designed to promote self sufficiency among low-income persons
- 7) Provide grantee agencies with extensive technical information and training in the area of self sufficiency.

RATIONALE: With decreased federal funds for meeting the needs of an increasing population of low income persons, it will be necessary to put additional emphasis on innovative approaches in the delivery of activities, in particular those activities that strive to promote self sufficiency for low income persons. These staff positions are necessary to meet the increasing demands of the agency for these expanded services.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: ECONOMIC OPPORTUNITY
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: MINNESOTA ECONOMIC OPPORTUNITY GRANT (MEOG)				
Agency Request				
General Fund	\$5,000.0	-0-	\$5,000.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST /OBJECTIVE: The agency requests the above funds to provide Minnesota Economic Opportunity Grants to Community Action Agencies (CAAs), Indian reservation governments, and the Minnesota Migrant Council. The increase would restore adequate capability to carry out mandates of M.S. 268.52-54, the Minnesota Community Action Act. The CAA network has been expanded to include all counties in the state. This, plus the dramatic increase in eligible low income citizens, necessitates additional funds to provide adequate delivery of services.

DESCRIPTION /BACKGROUND: State recognition of new community action agencies is causing a reduction in funds to existing grantees. Indian Reservation governments and small Community Action Agencies receive inadequate MEOG funds to address causes of poverty due to unreliable census data and/or placement in geographic areas with relatively small numbers of low-income residents. The 1980 Census counted 375,000 Minnesotans living below the poverty level. In 1984 the state demographer estimated that 494,000 persons were now living below the poverty level. This dramatic increase in eligible clients has resulted in increased demand for services.

RATIONALE: These requested funds will be 100% granted to local agencies. These additional monies will allow the agencies to meet the increasing need for services by an increasing eligible population. In addition, new initiatives will be directed towards helping low income citizens become self sufficient.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. Further, the agency should divert base MEOG funds adequate to provide the necessary state appropriated match for the Temporary Emergency Food Assistance Program.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: ECONOMIC OPPORTUNITY
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$650.0	1.0	\$650.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The Department of Jobs and Training requests \$650,000 each year of the biennium in order to continue Minnesota's participation in the United States Department of Agriculture (USDA) Temporary Emergency Food Assistance Program (TEFAP). This program distributes approximately 15 million pounds of surplus dairy and grain commodities, donated by USDA, to low-income Minnesotans.

EFFECTIVENESS MEASURES:	F.F.Y. 1986	F.F.Y. 1987	F.F.Y. 1988	F.F.Y. 1989
Cumulative number of households served	1,656,000	1,656,000	1,656,000	1,656,000
Pounds of USDA food distributed	15.1M	16.5M	16.5M	16.5M
# of distribution sites	667	667	667	667

DESCRIPTION/BACKGROUND: USDA donated 80.6 million pounds of food to Minnesota for TEFAP between 1982 and 1986. The value of the food exceeds \$94 million. The expected two distributions in 1982 have expanded into an on-going program. In 1983 USDA began to increase the amount of donated food. Private foundation funds and donated services became inadequate to support the program. The program operates on a combination of a small USDA grant, CSBG and donated funds, in-kind services and 6,000 volunteers. Bi-monthly distribution serves approximately 184,000 households, of which 122,750 are outside the 7 county metropolitan area, conducted at 667 sites by 28 community action agencies, 8 Indian reservation governments and a non-profit senior federation.

STATISTICS:	F.F.Y. 1982	F.F.Y. 1983	F.F.Y. 1984	F.F.Y. 1985	F.F.Y. 1986
Households served mo./bi-mo.	197,500	200,200	195,000	203,500	184,000

Pounds of food shipped 5,002,380 15,900,960 20,710,696 21,387,374 15,049,856

Value USDA \$6,722,956 \$20,189,455 \$26,554,384 \$23,571,675 \$13,335,272

Quantity of USDA donated food distributed to low-income Minnesotans 1982-86 is 80,637,315 pounds

Value of USDA food 1982-1986 \$94,314,914

RATIONALE: The expected USDA annual grant pays for approximately one-half of the program costs: grants to local distributing entities; state-paid storage and trucking; state staff and administrative costs. A 1986 amendment to the federal TEFAP statute requires states to match all administrative costs; Minnesota must meet this requirement by 10-87. One-time earned program revenue will be exhausted by 9-87. State funds are needed, beginning the first quarter of F.Y. 88 in order to maintain grants to local entities, a bi-monthly distribution schedule and the ability of the State to accept all food donated by USDA.

GOVERNOR'S RECOMMENDATION: The Governor does not support the agency's request for this item. Instead, the agency should divert base MEOG funds to provide the necessary state appropriated match.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: ECONOMIC OPPORTUNITY
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: FOOD ACCESSIBILITY PROJECT	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$1,000.0	1.0	\$1,000.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: M.S. 84 Sec. 393.07, Subd. 10

STATEMENT OF REQUEST/OBJECTIVE: The agency requests the above funds to coordinate the accessibility of food and nutrition programs in the 87 counties of the state by clustering these services in each county to ensure that the public sector food programs are accessible and available to the eligible population. Funds would be used to provide for food assistance outreach and for establishing central, single access points for all food programs in a geographic area. This effort is interdepartmental with the Department of Jobs and Training taking the lead role and coordinating with the Department of Health and the Department of Human Services.

DESCRIPTION/BACKGROUND: The 74th Legislature has mandated efforts aimed at increasing participation in the Federal Food Stamp Program. The problem of hunger in Minnesota affects an estimated 470,000 people with incomes below the poverty level of which 38% are children. The public sector programs: Food Stamps, WIC (Women, Infants and Children), are not reaching those who need and are eligible because of the shortage of federal money to operate the programs and provide outreach. The eligible persons are often not aware of the programs. The private sector, through food shelf operation is not able to fill the gap for those who are eligible for public food programs. Efforts of committees formed to research and make recommendations about hunger issues have pointed out that a deterrent to participation in the public sector food programs is one of accessibility and availability. To this effect, administrative clustering of food services in each county would potentially lead to a comprehensive service which would include Food Stamps, Food Shelves, WIC, TEFAP commodities, and Nutrition Education. This global food program approach would be more efficient and cost effective. Decentralization, outreach, and direct service under the cluster approach will increase coordination and cooperation among existing food programs.

These clusters of single point services have the potential to develop ways and means to help the poor achieve self sufficiency through exploring alternatives to the hunger problem experienced as well as making referrals to health care providers.

EFFECTIVENESS MEASURES:	F.Y. 1987	F.Y. 1988	F.Y. 1989
4 food service clusters in 4 counties estimated accessed households	1,000		
45 food service clusters in 45 counties. Accessed number of households		80,000	
87 food service clusters statewide--accessed number of households			90,000

RATIONALE: Estimates are that many public sector programs are not serving those who need the programs and are eligible for them. The reasons for this range from eligible users of the program not being aware of a program's existence to a shortage of money to operate the programs. Five counties in Minnesota have been named among the 150 worst "hunger counties" in America according to Physicians' Task Force on Hunger. It is estimated that there are 470,000 people in Minnesota with incomes below the poverty level. Thirty-eight percent of the poor are children.

The WIC program estimates that it is feeding about one-third of the people who would be eligible. Estimates are that the Food Stamp Program, the largest food program developed to help low-income people, feeds less than 40% of the people who may be eligible for that program.

To affect change in the accessibility and availability of food and food programs, a cluster approach to food services and needs in each county is proposed. This approach would expedite and promote the availability and accessibility of food programs by clustering the Food Stamp Program, WIC Program, TEFAP commodities, food shelf services, nutrition education services. The spectrum of food services and programs would be available to the low income in one area. Interdepartmental leadership and technical assistance to local communities would be provided to integrate the projects statewide.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: ECONOMIC OPPORTUNITY
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

ACTIVITY STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of persons requesting service:	2,845	3,500	5,000	5,000
# of persons served:	1,603	1,600	5,000	5,000
Support services rendered:	817	800	4,000	4,000

Request Title: TEMPORARY HOUSING PROGRAM	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$1,000.0	1.0	\$1,000.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected: M.S. 84 268.38 as amended

RATIONALE: The program provides continual shelter on a 24 hours basis for a maximum limit of 6 months. The program is for transitional housing which assists the homeless to move into a permanent independent living situation. Support services such as employment counseling, drug rehabilitation, child care, advocacy and information and referral are given to residents to assist them in overcoming the barriers to permanent housing, replacing the 12 hour limit which is in place in most existing shelter programs for the homeless. These funds are requested for continuation and expansion of successful projects and new project initiatives. The request will insure continuation of this type of service in the state, allowing homeless people to move out of shelters and into a permanent home.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

STATEMENT OF REQUEST/OBJECTIVE: The agency requests an increased appropriation to continue the Temporary Housing project which was operated in F.Y. 1986 and F.Y. 1987 and provides continuous temporary housing and support assistance to meet the needs of the homeless. Included in this request for F.Y. 1988-89 is funding for local projects and state administrative costs.

DESCRIPTION/BACKGROUND: The program was begun as a demonstration project in F.Y. 1985 and funded through legislative appropriations in F.Y. 1986 and F.Y. 1987. DJT funds in the program were to provide support services for the homeless. Criteria for granting awards specified for a wide variety of programs with emphasis on long term solutions to individual housing problems. The current funding level is not adequate to meet the demand for services in the state. Responses and inquiries regarding the F.Y. 87 RFP and the data collected from the F.Y. 86 program indicates a need for additional housing services on a temporary basis for Minnesota low income citizens. Approximately 50% of those persons requesting services under the program are not receiving services due to the lack of adequate funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: ECONOMIC OPPORTUNITY
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: HEAD START				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$2,000.0	2.0	\$2,300.0	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The requested funds would enable local Head Start Programs to extend services to additional low-income children by supplementing the existing federal program. Federally established requirements and standards as well as state-related requirements for child care operations would be continued.

EFFECTIVENESS MEASURES:	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total # of additional children to be served	N/A	2,000	2,000
Total # of special needs or diagnosed handicapped children to be additionally served	N/A	200	200

DESCRIPTION/BACKGROUND: Head Start is a family-centered child development program authorized by Sec. 644(b) of Public Law 97-35 mandated to serve low-income children/families between the ages of 3 and 7 years. The federal Head Start program laws and regulations will be followed for this activity. The federal law restricts subgrantee administration to 15%. Additionally, 10% of the program slots must be filled with children with special needs or diagnosed handicapped. Head Start operates in five major component areas: Administration, education, health and nutrition, parent involvement, and social services. These program performance standards insure program quality. Studies conducted by the U.S. Department of Health and Human Services have concluded that children participating in Head Start show measurable improvements in early learning ability. Long term research purports an estimated \$7:1 ratio of return on investment as a preventative family services program. Fifteen other states currently provide matching funding to Head Start.

In the state, 34 grantees (27 community action and single purpose agencies and 7 indian Reservations) have provided Head Start services for nearly 20 years; however, less than 20% of eligible children are being served. The number of eligibles is now rising due to changes in birth rates and the economy.

STATISTICS:	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of children currently served statewide (federal funds)	4,978	4,978	4,978
% of eligible children served statewide (federal source)	20%	20%	20%
Total # of eligible children not served statewide (estimate)	18,925	18,925	18,925

RATIONALE: Increase of Head Start services by approximately 20% under this request would reduce the percentage of unserved eligible children statewide from an estimated 80% to 69%; metro area unserved eligible are estimated to currently be 90% (August 1986). This request would enable full-time, part-day programs to expand to full-day programs to enable more low income parents to seek training and employment opportunities as well as contributing even fuller development of their preschool children in this critical early-childhood period. Agencies operating home-based program models could expand their coverage.

Ninety-five percent of the requested funds would be awarded through grant process open to proposals from all current Head Start operating agencies that demonstrate the need by eligible children in their service areas and who meet the legal requirements for child care operations. Grant award will require a partial match from local and private sources. Funding will be consistent with current federal allocations. The state will establish an advisory capacity with grantees and cooperation with other involved state agencies.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: ECONOMIC OPPORTUNITY
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: RETROFIT AUDITING PROGRAM				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$250.0	1.0	\$250.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 268.37				

OBJECTIVE: The agency requests legislative authority and an appropriation of funds to partially subsidize furnace efficiency audits to Minnesota homeowners. The audits would be offered to homeowners of all incomes and the amount charged would be a sliding scale fee based on household income. Lower income levels would be subsidized to a greater extent.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.F.Y. 1988</u>	<u>F.F.Y. 1989</u>
# of units audited	2,500	2,500

DESCRIPTION/BACKGROUND: Through the department operated Weatherization Program, it has been demonstrated that various furnace improvements are effective in reducing the heating fuels usage of households. A barrier to these improvements being completed is a lack of information concerning potential savings by homeowners. The funds would be used to contract with weatherization program grantees to establish the capability of offering the audits and to subsidize the audits completed. Homeowners would be charged a fee based on income.

RATIONALE: Information concerning the fuel savings possible to homeowners by completing furnace efficiency improvements is not currently being widely distributed by either the public or private sector. By supplying homeowners with reliable information regarding the savings potential of various heating system improvements, the level of activity in completing these improvements will be higher. This will both further the state policy of decreasing reliance on fuels imported from outside the state and increase the expenditure of household funds on products which increase state economic activity.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: ECONOMIC OPPORTUNITY
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: SPECIAL PROJECTS, CONSERVATION REPAIR				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$5,000.0	1.0	\$5,000.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: M.S. 268.37				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests the above funds to complete energy-related repairs (roofs, chimneys, etc.) in conjunction with the weatherization program. This request is to utilize state funds where federal energy funds are not allowable. The repairs are necessary to protect and increase the effect of the weatherization work. If the repairs are not made the weatherization work can often not be completed.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989
# of projected units repaired	3,000	3,000
Average cost of job	\$1,500	\$1,500

DESCRIPTION/BACKGROUND: The activity goal is to weatherize all eligible households throughout the state saving both fuel and money for the low-income residents of Minnesota. In 1979, the state legislature appropriated funds to the Minnesota Housing Finance Agency (MHFA) to piggy-back their home repair program with the weatherization. The MHFA program lasted one year and was used for roof repair. In F.Y. 1984 and F.Y. 1985, DJT used EAP funds to continue a similar program. No funds were available for repairs in F.Y. 86-87. The weatherization program completes approximately 10,000 units a year and many of these need energy related repairs to achieve higher energy savings.

STATISTICS:	F.Y. 1984	F.Y. 1985	F.Y. 1986	F.Y. 1987
Household units repaired	290	462	0	0
Type of jobs				
roof	184	291		
furnace	68	106		
chimney	26	37		
other	43	28		
Average cost per job				
roof	\$1,560	\$1,560		
furnace	1,290	1,290		
chimney	490	490		
other	740	740		

RATIONALE: Federal funding is not currently available for this program. There are many elderly and handicapped and low income households which need weatherization work but DJT is unable to completely weatherize because the dwelling unit requires major energy related repairs. Many dwelling units require some type of repair work to enhance the effectiveness of weatherization work which is done to the household. The department will repair household units at an average cost of \$1,500 in conjunction with weatherization work the household is to receive.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Future oil overcharge settlements may be available for this purpose, and this possibility will be reviewed at the appropriate time.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: ECONOMIC OPPORTUNITY
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: COMMISSION ON POVERTY STRATEGY FOLLOW-THROUGH	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$250.0	1.0	\$250.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST OBJECTIVE: The agency requests an appropriation to provide the resources needed for follow through on the comprehensive, long-range strategy for meeting needs of Minnesota poor. The agency will design and effect the work plan essential to implementation of that strategy. Activities are to be coordinated with all who are identified by the agency as pertinent to the commission's strategy being fulfilled.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989
# of sessions with affected parties to establish work plans of activities	50	50
# of action plans developed	50	50
# of studies, recommended legislation, etc.	5	10

DESCRIPTION/BACKGROUND: The agency was instrumental in the establishment and support of the Governor's Commission On Poverty. The commission is charged with making recommendations on a comprehensive long range strategy for addressing the needs of the poor in Minnesota. The commission's report is schedule for release 12-86. The Community Service Office's anti-poverty mission, along with the supportive relationship, obligates the office to review and analyze the commission's final product, to observe the Governor's and Legislature's conclusions and intents derived from that product, to commission additional research and independent studies where needed, and to develop the workplan to put into effect the comprehensive strategy and plan.

This responsibility to follow through includes clarifying and disseminating the findings and assisting in their implementation in local communities while assuring that statewide, long-range comprehensive perspective is maintained.

STATISTICS:	F.Y. 1988	F.Y. 1989
# of networks; associations, governments, communities	300	300

RATIONALE: The development of the work plan and the follow up on its implementation are the necessary continuation of the Commission and its recommendations. The varied organizations (e.g., community action, counties, private and public associations, professional societies, etc.) to be affected by the changes recommended by the Commission and the general public necessarily are all part of the system that will have been involved in the Commission's work and need to be involved in continued effort towards implementing the recommendations of the Commission.

The agency will be responsible for the continuation of the Commission's effort to better meet the needs of those Minnesotans living in poverty.

GOVERNOR'S RECOMMENDATION: The Governor does not support the agency's request for this item. Recommendations of the commission without fiscal impact on specific programs may be addressed by the affected agencies without additional administrative funds.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: ECONOMIC OPPORTUNITY
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: NEIGHBORHOOD ASSISTANCE ACT	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 75.0	1.5	\$75.0	1.5
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected:

RATIONALE: Better use and application of the wide array of specialists, services, goods, equipment, and financial resources of the business community are made possible. In cases, business enterprises do not know the community need in detail and/or cannot assist economically because of tax provisions. The Pennsylvania model (followed by Missouri, Virginia, and Indiana) provides a tax credit to participating companies - with the participation going directly to the community organization based upon a written plan shared with each party. The experience has not only led to creating new bonds between business and surrounding community, but the evidence also indicates that the act provides for creative, specific, and relatively immediate attack upon problems not possible in more elaborate, often more cumbersome and restrictive, massive government programs. The department staff sought at minimal level would work with the Department of Revenue, business community, and community organizations as a resource to facilitate what is clearly local community business leadership design and operation.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request.

STATEMENT OF REQUEST /OBJECTIVE: The agency requests an appropriation to implement a Minnesota Neighborhood Assistance Act to provide tax credits for contributions made by business to neighborhood non-profit organizations which would attack specific neighborhood needs and developments by using cash, expertise, space and goods from the private sector leading to new, small, profit enterprises and jobs.

DESCRIPTION/BACKGROUND: Reduced federal funding, coupled with greater pressures for community services, demands more creativity from existing resources. A greater partnership between the business community and community services can be created through the Neighborhood Assistance Program. Minnesota businesses are looking for reduced tax measures as well. Businesses likewise become more aware of community needs and measures to strengthen the less fortunate. Business resources, such as expertise, rolling stock, equipment, material, become eligible tax credits. Program operation is simple and requires little paperwork. The program in other states has developed millions of new resource funds.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989
# of system-planning sessions to implement Act held with corporations, neighborhood networks and groups	50	25
# of neighborhood projects	15	60

ACTIVITY: ENERGY ASSISTANCE
 Program: COMMUNITY SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

STATEMENT OF REQUEST/OBJECTIVE: To assist low-income Minnesotans in achieving a greater degree of self-sufficiency by helping eligible households meet the cost of home heating energy and maximizing conservation efforts through education, heating system repairs and retrofits, weatherization activities, and referrals to other energy conservation resources.

EFFECTIVENESS MEASURES:	F.Y.1985	F.Y.1986	F.Y.1987	F.Y.1988	F.Y.1989
Total households assisted for heating	133,744	130,415	133,000	133,000	133,000
Elderly and/or handicapped households assisted	56,386	54,983	56,000	56,000	56,000
EAP households weatherized (estimated)	11,000	11,000	12,000	12,000	12,000

DESCRIPTION/BACKGROUND: Statutory Reference: Governor's Designation. Community Services (CS) provides energy assistance funding to 52 local grantees to serve eligible households. Households containing elderly, handicapped, or other members especially vulnerable to the cold, are targeted for outreach efforts. Assistance is based on heating energy costs in relation to household size and income with the highest levels going to households with the highest energy costs and lowest incomes in relation to household size. In addition to helping households meet the cost of home heating energy, the program encourages self sufficiency by referring every household to the weatherization program, providing conservation education, assisting the energy-related repairs and retrofits, and coordinating with other conservation resources (housing finance agencies, county extension service, etc.). Those households in emergency situations are assisted with additional crisis funds and appropriate referrals to other resources. Data collection and analysis occur locally and are incorporated into a statewide data network. Community services staff monitor elements of the program including conservation efforts, outreach, fiscal management and client eligibility through on-site visits to grantees. Staff also provide training and technical assistance as needed. In order to further reduce energy consumption and enhance self-sufficiency, the program is moving toward basing assistance levels on actual energy consumption costs and identifying households with higher than average energy consumption and prioritizing those households for maximum conservation measure.

This approach has been piloted in two state grantees and will be demonstrated in a larger number of agencies F.Y. 1987 with the intent of utilizing this method statewide in F.Y. 1988 if the results of the demonstrations are positive.

STATISTICS:	F.Y.1985	F.Y.1986	F.Y.1987	F.Y.1988	F.Y.1989
# of households assisted	133,744	130,415	133,000	133,000	133,000
Average assistance level (heating)	459	340	410	410	410
Households assisted with emergencies	9,308	9,077	8,000	8,000	8,000
Households assisted with repairs	3,438	2,243	3,500	3,500	3,500
EAP \$ expended for weatherization	9,000.0	3,913.6	3,913.6	3,913.6	3,913.6
On-site visits to subgrantees by CS staff	200	200	200	200	200
EAP total funds	\$82,239.2	\$78,271.5	\$78,271.5	\$78,271.5	\$78,271.5
Oil Overcharge Funds		\$ 5,500.0			

FEDERAL FUNDING CHANGES: The agency is estimating up to a 10% reduction in funding for this block grant based on current legislative activity. The agency is proposing to transfer 5% of the annual funding to the Community Services Block Grant. The funds proposed for heating assistance are allocated throughout the state based on need.

EXPLANATION OF BUDGET REQUEST: No state funds are requested for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ENERGY ASSISTANCE

PROGRAM: COMMUNITY SERVICES

AGENCY: JOBS & TRAINING

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,076.7	1,345.5	1,168.8	1,183.0		1,183.0	1,183.0	1,183.0		1,183.0	1,183.0
LOCAL ASSISTANCE	77,440.4	81,251.8	78,689.0	73,174.8		73,174.8	73,174.8	73,174.8		73,174.8	73,174.8
AIDS TO INDS.											
TOTAL EXPENDITURES	78,517.1	82,597.3	79,857.8	74,357.8		74,357.8	74,357.8	74,357.8		74,357.8	74,357.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	692.5	734.7	881.6	915.8		915.8	915.8	915.8		915.8	915.8
EXPENSES & CONTRAC. SERV	371.5	329.9	199.5	199.5		199.5	199.5	199.5		199.5	199.5
SUPPLIES & MATERIALS	9.0	29.2	40.0	20.0		20.0	20.0	20.0		20.0	20.0
EQUIPMENT	3.7	14.2	10.0	10.0		10.0	10.0	10.0		10.0	10.0
OTHER EXPENSE ITEMS		237.5	37.7	37.7		37.7	37.7	37.7		37.7	37.7
TOTAL STATE OPERATIONS	1,076.7	1,345.5	1,168.8	1,183.0		1,183.0	1,183.0	1,183.0		1,183.0	1,183.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE			5,500.0								
FEDERAL	78,517.1	82,597.3	74,357.8	74,357.8		74,357.8	74,357.8	74,357.8		74,357.8	74,357.8
TOTAL FINANCING	78,517.1	82,597.3	79,857.8	74,357.8		74,357.8	74,357.8	74,357.8		74,357.8	74,357.8
POSITIONS BY FUND											
FEDERAL	30.0	29.0	29.0	29.7		29.7	29.7	29.7		29.7	29.7
TOTAL POSITIONS	30.0	29.0	29.0	29.7		29.7	29.7	29.7		29.7	29.7

ACTIVITY: WEATHERIZATION
 Program: COMMUNITY SERVICES
 Agency: JOBS AND TRAINING, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OBJECTIVE: The objective is to reduce energy consumption for each weatherized household and to reduce the impact of higher fuel costs for low income families.

EFFECTIVENESS MEASURES:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
# of BTU saved per household	24,270.0	25,079.0	25,888.0	25,888.0	25,888.0
Dollar saved per household/yr. at current prices	\$182.00	\$188.00	\$194.00	\$194.00	\$194.00
Yearly savings to state	\$1,534.0	\$1,585.0	\$1,637.0	\$1,637.0	\$1,637.0
% energy savings/household	16.0	16.5	16.0	16.0	16.0

DESCRIPTION/BACKGROUND: Weatherization Program, Statutory References: M.S. 268.37. The activity has been dependent the last 3 years on several sources of funding. These sources are: U.S. Department of Energy (DOE) funds, Energy Assistance Program (EAP) block grant transfer funds and oil overcharge funds.

The program provides funds to local grantee agencies covering the state. Since 1978, the department has directed this effort through a network of 26 community action agencies, 3 counties, and 8 Indian Reservations. Since the inception of the program, DJT has placed a high priority on weatherizing elderly and handicapped households. Current program emphasis includes households experiencing high consumption. A 1984 study contracted to Boicentric, Inc., estimates that 225,000 households are eligible for the weatherization program at the 135% of poverty eligibility criteria. By the end of 1986, over 115,000 households will have received weatherization assistance. Activity funds are used for the purchase of weatherization materials, hiring of labor to install those materials, and program support costs which includes the purchase, maintenance and operation of vehicles, tools, and equipment. Agencies use a combination of contracted services and hired staff persons to deliver the service.

STATISTICS:	F.Y.1986	F.Y.1987*	F.Y.1988*	F.Y.1989*
# of households weatherized	10,881	11,562	5,938	5,938
% owner occupied	60	60	60	60
% renter occupied	40	40	40	40
% elderly	12	12	12	12
% handicapped	5	5	5	5

FEDERAL FUNDING CHANGES: The agency estimates the federal funding of weatherization to decrease by approximately 40% in F.F.Y. 1987. This is based on action taken by the House and Senate Appropriations Committees. The federal explanation for this reduction is the availability of oil overcharge funds in the states.

GRANT BUDGET HISTORY (EXPANDED):

	F.Y.1986	F.Y.1987*	F.Y.1988*	F.Y.1989*
DOE	\$ 9,300.0	\$ 9,100.0	\$5,600.0	\$5,600.0
State (Gen.)	0	0	0	0
EAP	9,250.0	3,900.0	3,900.0	3,900.0
Oil Overcharge	0	5,500.0	0	0
Total	\$18,550.0	\$18,500.0	\$9,500.0	\$9,500.0

GRANTS BY FUND:	F.Y.1986	F.Y.1987*	F.Y.1988*	F.Y.1989*
Federal	\$18,554.0	\$13,000.0	\$9,500.0	\$9,500.0
General	0	0	0	0
Other	0	5,500.0	0	0
Total	\$18,554.0	\$18,500.0	\$9,500.0	\$9,500.0

* Estimate

EXPLANATION OF BUDGET REQUEST: The agency is projecting a significant drop in federal and other funds available for this activity. CHANGE requests that follow include a request for funds to maintain this activity at current levels with state funds and two new initiatives.

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	TYPE
Weatherization Program Maintain current weatherization program and production. Covers support costs for full time employees. See CHANGE request.	\$ 9,750.0	\$ 9,750.0	Activity
Shared Savings To facilitate shared savings agreements between landlords and energy service companies, staff costs and audit costs. Program will make conservation improvements on large multi family buildings. See CHANGE request.	\$ 250.0	\$ 250.0	Activity
Conservation Economic Development	\$ 500.0	\$ 500.0	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: WEATHERIZATION PRGMS

PROGRAM: COMMUNITY SERVICES

AGENCY: JOBS & TRAINING

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	607.1	519.3	562.9	479.2	265.2	744.4	479.2	479.2	265.2	744.4	479.2
LOCAL ASSISTANCE	13,141.5	8,622.6	14,183.1	5,120.8	10,234.8	15,355.6	5,120.8	5,120.8	10,234.8	15,355.6	5,120.8
AIDS TO INDS.											
TOTAL EXPENDITURES	13,748.6	9,141.9	14,746.0	5,600.0	10,500.0	16,100.0	5,600.0	5,600.0	10,500.0	16,100.0	5,600.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	394.1	428.0	487.5	417.8	21.5	439.3	417.8	417.8	21.5	439.3	417.8
EXPENSES & CONTRAC. SERV	208.5	58.9	50.0	41.0	243.7	284.7	41.0	41.0	243.7	284.7	41.0
SUPPLIES & MATERIALS	4.4	3.0	5.0	3.0	3.0	3.0	3.0	3.0		3.0	3.0
EQUIPMENT	.1	5.2	5.0	2.0		2.0	2.0	2.0		2.0	2.0
OTHER EXPENSE ITEMS		24.2	15.4	15.4		15.4	15.4	15.4		15.4	15.4
TOTAL STATE OPERATIONS	607.1	519.3	562.9	479.2	265.2	744.4	479.2	479.2	265.2	744.4	479.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,118.0				10,500.0	10,500.0			10,500.0	10,500.0	
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE			5,500.0								
FEDERAL	12,630.6	9,141.9	9,246.0	5,600.0		5,600.0	5,600.0	5,600.0		5,600.0	5,600.0
TOTAL FINANCING	13,748.6	9,141.9	14,746.0	5,600.0	10,500.0	16,100.0	5,600.0	5,600.0	10,500.0	16,100.0	5,600.0
POSITIONS BY FUND											
GENERAL	3.0				.5	.5			.5	.5	
FEDERAL	17.0	18.0	18.0	13.0		13.0	13.0	13.0		13.0	13.0
TOTAL POSITIONS	20.0	18.0	18.0	13.0	.5	13.5	13.0	13.0	.5	13.5	13.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: WEATHERIZATION
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

RATIONALE: DJT requests state funds to maintain the current activity and to maximize the number of households weatherized and offset the decline of DOE, EAP, and oil overcharge funds. DJT requests \$244.0 annually for state operations. These funds are for administrative and direct support staff charges that were previously funded by federal funds. The goal is to weatherize 11,563 households annually. A 1984 study contracted by the Department with Biocentric, Inc., estimates the number of eligible households at 135% poverty guidelines is 225,000. The department has weatherized over 115,000 households by the end of F.Y. 1986.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Future oil overcharge settlements may be available for this purpose, and this possibility will be reviewed at the appropriate time.

Request Title: PROGRAM MAINTENANCE	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$9,750.0	-0-	\$9,750.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: The agency requests the above funds to maintain the current weatherization program by utilizing state funds to replace previously used federal funds which will not be available in F.Y. 1988-89. Included in this request is \$244.0 and \$244.0 for F.Y. 1987-88 respectively for state operations for this activity.

EFFECTIVENESS MEASURES:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Households weatherized	11,562	11,562	11,562	11,562
Cost per unit weatherized	\$1,600.0	\$1,600.0	\$1,600.0	\$1,600.0

DESCRIPTION/BACKGROUND: The activity goal is to weatherize all eligible households throughout the state, in order to save both fuel and money for the low-income residents of Minnesota. Program funds are used for the purchase of weatherization materials, hiring of labor to install those materials, and program support costs which includes the purchase, maintenance and operation of vehicles, tools and equipment. The program funds provide jobs for an estimated 600 workers statewide which includes private contractors who install weatherization materials. Weatherization materials include caulking, weatherstripping, glass repair or replacement, pipe insulation, hotwater heater jackets, insulation for attics, side walls and basements, as well as oil filters, flame retention burners and primary control replacement burners, combustion chambers, and thermostats for mechanical heating systems.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: WEATHERIZATION
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: SHARED SAVINGS PROGRAM				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$250.0	.5	\$250.0	.5
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATISTICS:	F.Y. 1988	F.Y. 1989
# of buildings	10	10
Average number of units/ buildings	150	150
Average cost per unit	\$80.00	\$80.00
Projected energy savings %	30	30

RATIONALE: Funding is not currently available for this program. This program would enable a large number of dwelling units to be weatherized with a minimal expenditure of government funds. The program would require personnel to identify buildings and local suitable Energy Service Companies. In some cases there would be an expenditure for energy audits. ESCOs would provide for the installation of conservation measures at their expense. Energy service companies generally have mechanical engineers on staff to make assessments of heating, ventilation, and air conditioning equipment. In this type of structure, these are the activities that generate the most savings. The Low Income Weatherization program currently does not have the ability to effectively address this type of structure.

GOVERNOR'S RECOMMENDATION: The Governor does not support the agency's request for this item. If significant savings from such efforts can be documented, energy companies and landlords can negotiate private business arrangements.

STATEMENT OF REQUEST/OBJECTIVE: The agency requests the above funds to develop and expand the pilot shared savings program to weatherize large multi-family buildings housing low-income residents. The program will provide grants to agencies that will enable them to facilitate shared savings arrangements between landlords/building operators and energy service companies. A portion of each grant would be used to cover the cost of building energy audits. The program will utilize mostly private sector financing to reduce energy consumption in large multi family structures occupied primarily by low-income persons.

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989
Units completed	1,500	1,500
Multi family audits completed	30	30
Private investments generated	1,500.0	1,500.0

DESCRIPTION BACKGROUND: In 1985, the Department of Jobs and Training developed and implemented a shared savings program with funds provided by the Federal Department of Energy. Through the program a suitable building was identified. Bids were solicited from Energy Services Companies to identify and install energy conservation measures. The energy service company provides the expertise on conservation measures and provides the financing for the installation of these measures. There is limited expenditure of funds on the part of the government. The ESCO recovers its costs through a formula that is tied to energy savings, and the building owner experiences overall lower energy costs. The demonstration project provided evidence that significant energy savings could be realized with very little public funds being used.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: WEATHERIZATION
 PROGRAM: COMMUNITY SERVICES
 AGENCY: JOBS AND TRAINING, DEPARTMENT OF

Request Title: PRIVATE ENERGY CONSERVATION PROJECT				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$500.0	-0-	\$500.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: 268.37 Subd. 1				

STATEMENT OF REQUEST/OBJECTIVE: This request is to develop local community action agencies with weatherization programs into energy service companies. These companies would conduct energy business activity which would produce incomes to supplement existing weatherization funding and allow the local agencies to develop more independence from federal funding. The funds would be used to develop business plans, create organizations, provide market research, technical help, and start-up resources. These objectives parallel federal objectives for local weatherization deliverers as a national effort.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Business operations formed	15	10
Business plans developed	20	5
Gross revenues generated	\$ 2.0	\$ 5.0
Profits generated for low income work	\$.1	\$ 2.5

DESCRIPTION/BACKGROUND: Local CAA weatherization programs have developed staff and research skills in residential and multi-family energy conservation since 1977. The agencies have also grown dependent on one source of funding for weatherization which a national budget-shift away from energy programs could eliminate. This would result in the destruction of the weatherization delivery mechanism.

In January, 1986, the U.S. Department of Energy started encouraging local deliverers to explore the development of energy businesses and offered demonstrational funds for that purpose. Two Minnesota grantees were successful in obtaining these funds. The concept of generating for profit business ventures is not new. It has been encouraged by other states such as Florida, California, Illinois, Oklahoma and Wisconsin where successful businesses are currently operating. These businesses generate profits for low-income weatherization work and maintain employment of skillful people during times of shrinking federal revenue.

<u>STATISTICS</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
# of organizations formed	15	10
Potential for employment or maintenance of current jobs	200	400
Increase energy conservation in the private sector	\$2.0	\$5.0

RATIONALE: Energy businesses outside of the weatherization programs with knowledgeable, trained staff are not common in many areas of Minnesota. With the demands of new construction and the promotion of energy conservation by public utilities mandated to provide revenues to their customers for conservation improvement the opportunity for energy business growth exists. Therefore, shifting community action agency weatherization programs to generate some of their resources from the private sector is appropriate. The private sector will benefit from the quality and cost effective work, and the profits from these activities can help maintain the low-income weatherization services. For these agencies to succeed, they need business planning and organizational help and start-up funding for marketing and operations.

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

AGENCY: JOB SKILLS PARTNERSHIP BOARD

1987-89 Biennial Budget

At the request of the Job Skills Partnership Board, the Governor has directed that budget detail for the board appear in the Higher Education section of the 1988-89 Biennial Budget. See that section for the board's budget narrative.

1987-89 BIENNIAL BUDGET
PROGRAM STRUCTURE

AGENCY: CORRECTIONS, DEPARTMENT OF

SECTION PAGE

5

PROGRAMS

ACTIVITIES

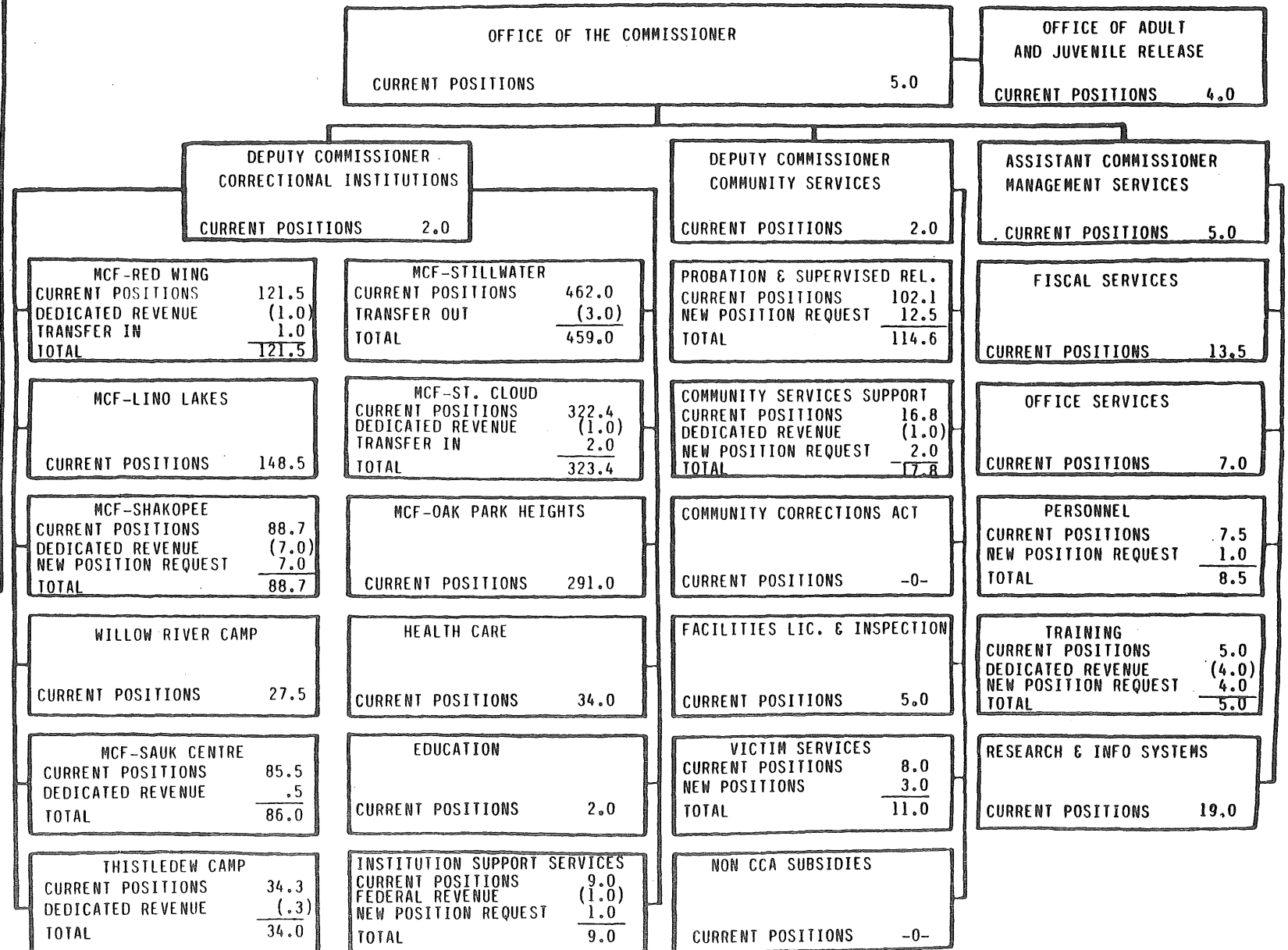
• CORRECTIONAL INSTITUTIONS	MCF - Red Wing MCF - Lino Lakes MCF - Shakopee Willow River Camp MCF - Sauk Centre Thistledew Camp MCF - Stillwater MCF - St. Cloud MCF - Oak Park Heights Health Care Education Institution Support Services	12 14 16 19 21 23 26 28 30 33 35 37
• COMMUNITY SERVICES	Probation and Supervised Release Community Services Support Community Corrections Act Facilities Licensing and Inspection Victim Services Non-CCA Subsidies	42 45 49 53 57 65
• MANAGEMENT SERVICES	Administrative Management Fiscal Services Office Services Personnel Training Research and Information Systems	70 72 74 76 79 82

DEPARTMENT OF CORRECTIONS

ORGANIZATION CHART
JULY, 1986

POSITION RECONCILIATION

AUTHORITY:	<u>CURRENT FY 87</u>	<u>REQUESTED FOR 6/30/89</u>
LEGISLATIVE AUTHORIZED		
GENERAL FUND	1,676.1	1,706.6
SPECIAL REVENUE	61.3	54.0
AGENCY	1.0	2.0
REVOLVING	65.0	72.0
FEDERAL	9.4	9.4
BUDGETED AUTHORIZED		
SPECIAL REVENUE	5.5	
REVOLVING	8.0	
AGENCY	1.0	
FEDERAL	1.0	
TOTAL PERMANENT POSITIONS	1,828.3	1,844.0
OTHER COMPLEMENT (FTE)	112.7	112.7
TOTAL AUTHORIZED POSITIONS	1,931.4	1,958.7
EMPLOYEES ON 6/30/86	1,912.0	



AGENCY PURPOSE: The Department of Corrections is a service and regulatory agency which develops and implements plans for the operation of institutions and community programs for adjudicated delinquents and adult felons. The Department establishes standards and provides money and technical assistance to counties for a wide variety of community corrections programs.

The primary goal of the department is to protect society by reducing criminal behavior both through incarceration of offenders and through the development of programs which will increase the likelihood that those committed to the custody of the department will function as law-abiding citizens when returned to the community.

OPERATION AND CLIENTELE: The Department of Corrections operates 9 institutions with an average daily population of over 2,600. It provides parole and probation services to approximately 9,000 persons annually and subsidy funds and technical assistance to 27 counties under the Community Corrections Act and numerous community programs.

Primary clients are inmates, parolees, supervised releasees and probationers. Secondary clients are others in the criminal justice system including Community Corrections Act advisory boards, judges, police, county attorneys, crime victims and the public at large.

The department's operation falls into 3 major program areas:

1. Correctional Institutions - deals with all aspects of the incarceration of and services to inmates. They provide security, education and vocational programs and voluntary rehabilitative services. This program also encompasses responsibility for administering health care, education, transporting inmates interstate and intrastate and industries coordination.
2. Community Services - provides supervised release, parole and probation services; plans, assists and monitors participation in the Community Corrections Act; and coordinates and evaluates the operation of community programs. In addition, this activity includes planning and the inspection of all state and local correctional facilities. It also administers the victims services programs.
3. Management Services - provides overall administration of the department including fiscal, personnel, training, office services, and research and information systems. It also includes the offices of adult and juvenile release and planning for women offenders.

In contrast to prior bienniums when inmate populations were projected to increase rapidly, the rate of growth, while still increasing, is expected to remain at a level which should keep the population within institution capacity for the coming biennium. Total cases served under probation and supervised release are also projected to increase in the next biennium.

Details of the department's operation are provided on the program and activity pages which follow.

<u>Index</u>	<u>Agency Request 1987-89 Biennium All Funds</u>	<u>Governor's Recommendation 1987-89 Biennium All Funds</u>	<u>Page</u>
Reconciliation of F.Y. 1987 to SAME level	\$231,197.5	\$231,197.5	
Agency-Wide CHANGE requests			
Attorney General Fees	124.0	-0-	5
Workers Compensation Fees	100.0	-0-	6
Subtotal	224.0	-0-	
Correctional Institutions			
Repair and Replacement	3,102.8	2,250.0	9
Special Equipment	221.8	221.8	10
Inmate Wage Increase	200.7	-0-	11
MCF-Shakopee Living Unit	659.8	94.0	18
Thistledeew Camp Operations	250.0	-0-	25
MCF-Oak Park Heights Funding	2,156.9	2,156.9	32
Minnesota Jail Resource Center	177.2	-0-	39
Subtotal	6,769.2	5,288.5	
Community Services			
Probation and Supervised Release	779.4	-0-	44
Work Release Program Expansion	357.7	-0-	46
Residential Contract Programs	121.6	-0-	47
Sentencing to Service	1,060.7	-0-	48
Community Corrections Act	7,888.8	2,000.0	51
Adult Female Jail Diversion Project	200.0	-0-	55
Purchased Services: Rule Review	49.5	-0-	56
Battered Women Grants	200.0	-0-	60
Crime Victim Centers Grants	40.0	-0-	61
Sexual Assault Grants	200.0	-0-	62
Sexual Assault Administration	48.1	-0-	63
Victims of Crime Act Administration	118.8	-0-	64
County Probation Reimbursement	2,912.2	1,984.6	67
Subtotal	13,976.8	3,984.6	
Management Services			
Department Affirmative Action Officer	76.0	38.0	78
Pre-Service/In-Service Training	806.4	-0-	81
Computerized Operations and Management Support	600.0	-0-	84
Subtotal	1,482.4	38.0	
AGENCY TOTAL	\$253,649.9	\$239,942.8	

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: CORRECTIONS,DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM:											
CORRECTIONAL INSTITUTIONS	77,840.4	80,141.0	87,356.0	87,201.7	3,422.1	90,623.8	89,564.6	87,037.6	3,532.5	90,570.1	89,397.4
COMMUNITY SERVICES	23,851.5	25,525.3	26,911.6	24,777.8	3,642.4	28,420.2	26,770.1	24,651.7	10,334.4	34,986.1	26,644.0
MANAGEMENT SERVICES	3,315.1	3,474.9	3,872.2	3,757.6	1,061.3	4,818.9	3,777.0	3,771.1	459.7	4,230.8	3,789.7
TOTAL	105,007.0	109,141.2	118,139.8	115,737.1	8,125.8	123,862.9	120,111.7	115,460.4	14,326.6	129,787.0	119,831.1
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	86,803.3	89,811.3	97,956.1	97,805.0	5,484.9	103,289.9	100,187.3	97,639.1	5,525.7	103,164.8	100,017.5
LOCAL ASSISTANCE	18,179.9	19,305.8	20,156.2	17,903.8	2,640.5	20,544.3	19,896.1	17,793.0	8,800.5	26,593.5	19,785.3
AIDS TO INDUS.	23.8	24.1	27.5	28.3	.4	28.7	28.3	28.3	.4	28.7	28.3
TOTAL EXPENDITURES	105,007.0	109,141.2	118,139.8	115,737.1	8,125.8	123,862.9	120,111.7	115,460.4	14,326.6	129,787.0	119,831.1
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	85,825.1	85,457.6	93,603.0	95,300.7	8,125.8	103,426.5	97,559.7	95,039.5	14,326.6	109,366.1	98,370.9
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	6,680.9	11,103.1	9,402.7	5,474.9		5,474.9	7,590.5	5,473.0		5,473.0	6,512.3
AGENCY	5,965.8	5,985.8	6,218.1	6,254.6		6,254.6	6,254.6	6,269.6		6,269.6	6,269.6
GIFTS AND DEPOSITS	17.6	9.7	6.2	1.5		1.5	1.5	1.5		1.5	1.5
CORRECTIONAL INDUS	5,971.7	5,600.3	7,224.2	7,238.4		7,238.4	7,238.4	7,320.6		7,320.6	7,320.6
FEDERAL	545.9	984.7	1,685.6	1,467.0		1,467.0	1,467.0	1,356.2		1,356.2	1,356.2
TOTAL FINANCING	105,007.0	109,141.2	118,139.8	115,737.1	8,125.8	123,862.9	120,111.7	115,460.4	14,326.6	129,787.0	119,831.1
POSITIONS BY FUND:											
GENERAL	1,656.4	1,683.4	1,676.1	1,676.1	29.0	1,705.1	1,676.6	1,676.1	30.5	1,706.6	1,676.6
SPECIAL REVENUE	51.4	58.9	66.8	54.0		54.0	54.0	54.0		54.0	54.0
AGENCY	1.0	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
CORRECTIONAL INDUS	70.4	72.4	73.0	72.0		72.0	72.0	72.0		72.0	72.0
FEDERAL	18.9	14.4	10.4	9.4		9.4	9.4	9.4		9.4	9.4
TOTAL POSITIONS	1,798.1	1,831.1	1,828.3	1,813.5	29.0	1,842.5	1,814.0	1,813.5	30.5	1,844.0	1,814.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: VARIOUS
 PROGRAM: CORRECTIONAL INSTITUTIONS, MANAGEMENT SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: ATTORNEY GENERAL FEES				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$62.0	-0-	\$62.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funding to pay fees assessed by the Attorney General's Office for legal services provided to the Department of Corrections. The objective is to obtain a budget for these unfunded liabilities.

DESCRIPTION/BACKGROUND:

Laws of Minnesota 1985, Chapter 13, Section 75, First Special Session, requires the Attorney General's Office to assess state departments for the cost of legal services provided to them. Section 75 establishes 2 ways to assess the fees depending upon the source of funds. If the fee relates to other than the general fund, then the fee is assessed in full. If the fee relates to the general fund, then the fee is one-fourth of that assessed. This request covers all of the Corrections' funds.

Due to the nature of the clientele of the Department of Corrections, the services of the Attorney General's Office are required on a regular basis. This causes fees to be assessed regularly to the Department of Corrections. No diminishing of the need for services is anticipated and the use of the Attorney General's services is very likely to increase due to current legal suits in process. This places an undue burden on all activities and on all funds.

STATISTICS:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Legal services provided with fee assessed	-0-	\$177.1	\$180.0	\$185.0	\$185.0
Legal fees assessed	-0-	\$59.4	\$60.0	\$62.0	\$62.0

RATIONALE:

The department does not have money in its budget for these unfunded assessments and requests \$62.0 each year of the biennium to pay for legal services provided through the Attorney General's Office.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: VARIOUS
 PROGRAM: CORRECTIONAL INSTITUTIONS, MANAGEMENT SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: WORKERS COMPENSATION ADMINISTRATIVE FEES				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$50.0	-0-	\$50.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATISTICS:

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Workers compensation costs	\$544.0	\$599.0	\$625.0	\$625.0	\$625.0
Administrative assessment at 8 percent	-0-	-0-	\$50.0	\$50.0	\$50.0

RATIONALE:

The department does not have money in its budget to cover the administrative fee assessment and requests the funds to pay this cost.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

STATEMENT OF REQUEST/OBJECTIVE:

The Department of Corrections requests the above funding to cover the costs assessed by the Department of Labor and Industry for the administration of workers compensation. The objective is to obtain a budget for these unfunded assessments.

DESCRIPTION/BACKGROUND:

Through a change in legislation in the 1986 Session (Minnesota Statutes 176.611, Subd. 2), state departments are now mandated to reimburse the state compensation revolving fund for the administration of their workers compensation claims as determined by the commissioner of the Department of Labor and Industry. The same legislation mandates that heads of state departments anticipate these payments by including them in their budgets.

Due to the nature of the clientele and the operation of 9 correctional facilities, the Department of Corrections incurs workers compensation claims and costs. The department is cognizant of the high cost of workers compensation and has been working to bring that cost down through the return to work of employees, reviewing and resolving old claims and safety prevention.

The assessment currently amounts to 8 percent of the total department workers compensation claims less claims paid from the Special Assessment Fund.

PROGRAM: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE: This program includes the operation of 9 correctional facilities plus the department-wide coordination and supervision of institution health care, education, support services, and industries coordination. The facilities serve a dual purpose--to protect the public by incarceration of the offender and to provide industrial, vocational, academic and therapeutic opportunities for inmates. The facilities are: Minnesota Correctional Facility-Red Wing, MCF-Lino Lakes, MCF-Shakopee, Willow River Camp, MCF-Sauk Centre, Thistledeew Camp, MCF-Stillwater, MCF-St. Cloud, and MCF-Oak Park Heights.

OPERATION: The institutions program includes the department's maximum, medium and minimum custody facilities which encompass 6 adult and 3 juvenile institutions. Each institution is headed by a chief executive officer who is responsible for day-to-day operations. The primary objective of this division is to operate secure, safe, just and humane facilities with meaningful programs for inmates.

The health care section plans, implements and coordinates medical, psychiatric and dental programs for each of the 9 correctional facilities. This activity also includes supervision of the department's secure medical unit at St. Paul-Ramsey Medical Center.

The education section develops and assists institutions in implementing new vocational and academic programs and coordinates ongoing programs. This activity includes the administration of federal education funds within the institutions.

Institution support services includes the coordination and supervision of health care and educational services plus the transporting of inmates and parole violators and the issuing of fugitive arrest warrants. Industries coordination provides coordination and technical direction for the department's industrial operations including planning, coordinating sales and assisting in new product development.

While the trend in the adult male population continues upward, the increase is within the facilities' capacity and should pose no problem in the coming biennium. With the opening of the new and larger women's facility in August, 1986, the increased adult female population can be accommodated. Juvenile populations remain in the area of 170.

	F.Y. 1987			F.Y. 1988			F.Y. 1989		
	ESTIMATED POPULATION			PROJECTIONS			PROJECTIONS		
	Adult	Juvenile	Total	Adult	Juvenile	Total	Adult	Juvenile	Total
MCF-Red Wing	25	100	125	25	100	125	25	100	125
MCF-Lino Lakes	200	-	200	200	-	200	200	-	200
MCF-Shakopee	90	-	90	110	-	110	110	-	110
Willow River Camp	60	-	60	60	-	60	60	-	60
MCF-Sauk Centre	-	70	70	-	70	70	-	70	70
MCF-Stillwater	1,045	-	1,045	1,045	-	1,045	1,045	-	1,045
MCF-St. Cloud	640	-	640	640	-	640	640	-	640
MCF-Oak Park Heights	375	-	375	375	-	375	375	-	375
TOTAL	2,435	170	2,605	2,455	170	2,625	2,455	170	2,625

Thistledeew Camp has juveniles who have not been committed to the Commissioner of Corrections. Thistledeew's average daily population for F.Y. 1987 is estimated at 45.

BUDGET ISSUES: The department requests funding to support the adult female population increase at Shakopee from 90 up to 110. The request includes 7.0 positions and funding to operate the fifth living unit. The department also requests full state appropriations to operate MCF-Oak Park Heights since Wisconsin revenue ended on June 30, 1986. Due to increasing costs of operation, the department also requests state funding for Thistledeew Camp.

The Minnesota Jail Resource Center, which was transferred to Corrections from the Department of Energy and Economic Development on July 1, 1985, has been funded by federal grants that end in F.Y. 1987. The department requests funds to continue this program. The department also requests funding for repair and replacement, equipment and an increase in inmate wages for support service.

<u>EXPLANATION OF BUDGET REQUEST:</u>	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Change Levels Requested:				
Attorney General Fees	\$47.4		\$47.4	
Workers Compensation Fees	\$45.3		\$45.3	
Repair and Replacement	\$1,528.9		\$1,573.9	
Special Equipment	\$114.6		\$107.2	
Inmate Wage Increase	\$66.1		\$134.6	
MCF-Shakopee Living Unit	\$329.9	7.0	\$329.9	7.0
Thistledeew Camp Operations	\$125.0		\$125.0	
MCF-Oak Park Heights Funding	\$1,076.3		\$1,080.6	
Minnesota Jail Resource Center	\$ 88.6	1.0	\$ 88.6	1.0
Total	\$3,422.1	8.0	\$3,532.5	8.0

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's requests for Attorney General Fees, Workers Compensation Fees Inmate wage increase, Thistledeew Camp operations, and Minnesota Jail Resource Center. The Governor concurs with the Special Equipment request, and recommends a biennial amount of \$2,250.0 for Repair and Replacement. The Governor concurs with the Oak Park Heights funding request, except that the necessary amount in F.Y. 1988 should be provided by dedicated receipts from the contract to house Alaskan inmates. Finally, the MCF-Shakopee living unit request should be funded by dedicated receipts from contracts to house federal inmates.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
MCF-RED WING	4,938.2	5,090.7	5,374.0	5,433.6	301.9	5,735.5	5,669.5	5,416.9	306.2	5,723.1	5,641.1
MCF-LINO LAKES	7,975.4	8,099.6	8,641.7	8,771.9	16.3	8,788.2	8,778.0	8,787.9	21.8	8,809.7	8,794.0
MCF-SHAKOPEE	2,459.2	2,780.8	4,239.6	4,265.7	332.8	4,598.5	4,312.7	4,256.6	335.7	4,592.3	4,303.6
WILLOW RIVER CAMP	1,635.4	1,659.6	1,771.3	1,819.4	44.1	1,863.5	1,856.2	1,816.0	49.6	1,865.6	1,857.3
MCF-SAUK CENTRE	3,844.8	3,852.7	4,093.6	3,903.7	131.5	4,035.2	3,959.2	3,893.5	11.5	3,905.0	3,949.0
THISTLEDEW CAMP	1,410.2	1,509.1	1,644.5	1,530.6	150.0	1,680.6	1,539.6	1,530.6	125.0	1,655.6	1,539.6
MCF-STILLWATER	25,057.1	24,982.5	27,102.1	27,662.0	904.3	28,566.3	28,396.0	27,613.9	1,241.4	28,855.3	28,347.7
MCF-ST CLOUD	14,065.8	14,804.4	15,676.7	15,967.6	302.6	16,270.2	16,129.9	15,847.5	176.1	16,023.6	16,009.8
MCF-OAK PARK	12,973.7	13,590.8	14,798.1	13,807.4	1,102.6	14,910.0	14,883.7	13,840.2	1,129.2	14,969.4	14,920.8
HEALTH CARE	2,711.4	2,832.1	3,034.4	3,109.8		3,109.8	3,109.8	3,105.9		3,105.9	3,105.9
EDUCATION	300.6	339.9	396.2	394.1		394.1	394.1	393.7		393.7	393.7
INSTITUTION SUPPORT SERV	468.6	598.8	583.8	535.9	136.0	671.9	535.9	534.9	136.0	670.9	534.9
TOTAL	77,840.4	80,141.0	87,356.0	87,201.7	3,422.1	90,623.8	89,564.6	87,037.6	3,532.5	90,570.1	89,397.4
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	77,806.6	80,098.9	87,324.3	87,173.4	3,421.7	90,595.1	89,536.3	87,009.3	3,532.1	90,541.4	89,369.1
LOCAL ASSISTANCE	10.0	18.0	4.2								
AIDS TO INDS.	23.8	24.1	27.5	28.3	.4	28.7	28.3	28.3	.4	28.7	28.3
TOTAL EXPENDITURES	77,840.4	80,141.0	87,356.0	87,201.7	3,422.1	90,623.8	89,564.6	87,037.6	3,532.5	90,570.1	89,397.4
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	59,601.3	60,044.6	67,710.3	69,735.0	3,422.1	73,157.1	70,974.6	69,475.6	3,532.5	73,008.1	71,788.4
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	6,061.7	7,993.7	5,733.1	3,663.8		3,663.8	4,787.1	3,661.9		3,661.9	3,708.9
AGENCY	5,805.8	5,735.1	5,928.1	5,964.6		5,964.6	5,964.6	5,979.6		5,979.6	5,979.6
GIFTS AND DEPOSITS	.2	.2	3.8	1.5		1.5	1.5	1.5		1.5	1.5
CORRECTIONAL INDUS	5,971.7	5,600.3	7,224.2	7,238.4		7,238.4	7,238.4	7,320.6		7,320.6	7,320.6
FEDERAL	399.7	767.1	756.5	598.4		598.4	598.4	598.4		598.4	598.4
TOTAL FINANCING	77,840.4	80,141.0	87,356.0	87,201.7	3,422.1	90,623.8	89,564.6	87,037.6	3,532.5	90,570.1	89,397.4
POSITIONS BY FUND:											
GENERAL	1,473.3	1,490.2	1,480.0	1,480.0	8.0	1,488.0	1,480.0	1,480.0	8.0	1,488.0	1,480.0
SPECIAL REVENUE	51.4	54.9	61.8	54.0		54.0	54.0	54.0		54.0	54.0
AGENCY	1.0	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
CORRECTIONAL INDUS	70.4	72.4	73.0	72.0		72.0	72.0	72.0		72.0	72.0
FEDERAL	18.1	13.6	9.6	8.6		8.6	8.6	8.6		8.6	8.6
TOTAL POSITIONS	1,614.2	1,633.1	1,626.4	1,616.6	8.0	1,624.6	1,616.6	1,616.6	8.0	1,624.6	1,616.6

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: VARIOUS
 PROGRAM: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: REPAIR AND REPLACEMENT				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$1,528.9	-0-	\$1,573.9	-0-
Governor's Recommendation				
General Fund	\$1,125.0	-0-	\$1,125.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The Department of Corrections requests the above funding to meet ongoing repair and replacement needs within the department's operating budget. The objective is to maintain the state's physical facilities.

DESCRIPTION/BACKGROUND: In recent legislative sessions, state policy has been to include a block of general fund dollars in the capital budget to offset some of the budget reductions that occurred in the early 1980's. Additionally, operating budgets for repair and replacement were increased somewhat during the 1985 session in an effort to provide agencies with a sufficient base to manage their efforts internally thus reducing reliance on the capital budget.

The department's capital budget appropriations were reduced by approximately \$140.0 during the unallotments following the 1986 Session. Similarly, the department reduced its operating budget repair and replacement appropriations by \$53.0 in F.Y. 1986 and \$56.0 in F.Y. 1987 during the same unallotment process.

The most illuminating way to evaluate this request is to examine the availability of repair and replacement funds from both capital and operating budgets. The table provides this information for F.Y. 1985 - 1987. Calculations based on this table indicate that the department has had an average of almost 2 million dollars available for repair and replacement over the past 3 years. Thus, the proposed level of spending for F.Y. 1988-1989 does not have as large an impact on the general fund as the size of the change request would seem to indicate.

<u>STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Repair and Replacement:					
Same level funding	\$ 510.7	\$1,011.6	\$ 761.8	\$ 906.5	\$ 824.4
Change level funding	-	-	-	1,528.9	1,573.9
Capital Budget (General Fund Appropriations)	\$2,475.4	\$1,072.0	-	-	-
Total	\$2,986.1	\$2,083.6	\$761.8	\$2,435.4	\$2,398.3

RATIONALE: Included in the capital budget requests over the years have been funds for items of routine maintenance and repair such as tuckpointing; roof, gutter and plumbing repairs; window replacement, etc. These items are all of a recurring nature and can be planned into a maintenance program to achieve an adequate level of building quality.

Inspection of Department of Corrections' facilities indicates that the department has not yet achieved an adequate level of building quality. Several roofs leak, to the extent that one building is condemned because of ceiling damage. Windows at several facilities are broken, contain large gaps in the frames, or are otherwise damaged or inefficient. Certain roads need paving. This request is designed to reverse the trend of deterioration in these facilities and provide sufficient funding and flexibility of usage so that the department may adequately manage and maintain the facilities entrusted to it.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$1,125.0 for F.Y. 1988 and \$1,125.0 for F.Y. 1989 rather than the agency's full request. This recommendation is part of a statewide policy initiative to improve each agency's ability to maintain its physical plant within available General Fund revenues. The Governor's intent has been to remove all Repairs and Replacements (R & R) projects from the Capital Budget in favor of consolidating R & R funding in the Operating Budget.

Appropriations are divided equally between F.Y. 1988 and F.Y. 1989 in order to identify the increase in each agency's funding level for future biennia. The Governor further recommends that agencies be permitted to move funds between fiscal years.

The Governor has directed agencies to develop criteria for allocation of R & R dollars and recommends that each agency report to the Legislature and to the Governor on the disposition of funds for R & R projects by November 1, 1988.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: VARIOUS
 PROGRAM: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: SPECIAL EQUIPMENT				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$114.6	-0-	\$107.2	-0-
Governor's Recommendation				
General Fund	\$114.6	-0-	\$107.2	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
MCF-Red Wing	\$49.4	\$37.7
MCF-Lino Lakes	6.1	6.1
Willow River Camp	14.8	19.3
MCF-Sauk Centre	11.5	11.5
MCF-Stillwater	28.0	27.8
MCF-St. Cloud	4.8	4.8
Total	<u>\$114.6</u>	<u>\$107.2</u>

RATIONALE:

The department has over 2,600 adults and juveniles in its correctional facilities. In order to provide a safe, secure and humane environment for these inmates and residents, adequate equipment must be maintained in food service, living units, programming areas such as vocational and educational units, in transporting inmates and in administrative areas.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

STATEMENT OF REQUEST/OBJECTIVE:

The Department of Corrections requests the above funding for equipment purchases at its correctional facilities. The objective is to maintain adequate equipment for inmate programming and operations.

DESCRIPTION/BACKGROUND:

Equipment budgets were reduced by \$51,600 in the last biennial budget process due to a new master lease program. Subsequently, the lease program was changed to apply only to equipment purchases with a capital value of more than \$100,000 but funds were not restored to equipment budgets. In addition, over the past several years, the equipment budgets have been reduced by budget cuts leaving very little to replace old and worn-out items. Funds are requested for the following facilities:

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: VARIOUS
 PROGRAM: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: INMATE WAGE INCREASE FOR SUPPORT SERVICE				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$66.1	-0-	\$134.6	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Department of Corrections requests the above funding to increase inmate wages 4 percent each year of the biennium. The objective is to compensate inmates for essential support service work.

DESCRIPTION/BACKGROUND:

It has been traditional for the department to employ inmates to carry out essential tasks in the operation of the institutions. The inmates supplement the work of state staff in many areas such as food service and building and grounds maintenance. Inmates are compensated for this work according to inmate pay scales which progress upward within a range based on length of service and work performance. The pay scales vary by institution depending upon the primary emphasis of their programming. MCF-St. Cloud, for example, has younger adult males and a strong emphasis on the educational/vocational program. The work day is shorter and wages are lower than at other institutions. On the other hand, at MCF-Oak Park Heights the primary focus is industry and a constructive work day. The work day is longer and the wages higher.

A 4 percent increase would not raise wages substantially. For F.Y. 1988, the increase ranges from 1¢ to 11¢ per hour and for F.Y. 1989, the increase would be from 2¢ to 23¢ per hour. The table following indicates the cost of the increases by institution.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
MCF-Red Wing	\$ 1.1	\$ 2.1
MCF-Lino Lakes	5.2	10.7
MCF-Shakopee	2.9	5.8
MCF-Stillwater	23.7	48.3
MCF-St. Cloud	11.8	24.0
MCF-Oak Park Heights	21.4	43.7
Total	<u>\$66.1</u>	<u>\$134.6</u>

RATIONALE:

The rate of inmate pay has generally not increased since F.Y. 1984 or even earlier. The department would like to increase inmate wages by 4 percent each year to adequately compensate inmates for essential support service work.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-RED WING
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION: The Minnesota Correctional Facility-Red Wing (MCF-Red Wing) exists to receive and treat, in a safe, secure and humane environment, delinquent juveniles up to 19 years of age committed to the Commissioner of Corrections from the juvenile courts in the 23 counties in the southeastern region of the state including the Twin Cities' metropolitan area. It also receives male adult offenders nearing their release dates. In addition to these court committed youths, MCF-Red Wing provides detention and pre-dispositional evaluations for the juvenile courts. The facility is an open campus and living quarters consist of 1-story and 2-story cottages, each housing between 25 and 30 residents.

MCF-Red Wing's mission includes the protection of the public and treatment for residents. This is accomplished through academic programming and pre-vocational training aimed at attitudinal and behavior changes. Pre-vocational training provides the resident with an understanding of various trades and includes programs in small engine repair, graphic arts, auto service station work, welding and printing. The academic program provides basic courses and remedial reading and mathematics, driver education, art and physical education. All residents participate in group therapy; individual counseling is also available.

Adults are transferred to the Red Wing facility from the Minnesota Correctional Facilities at St. Cloud, Stillwater and Lino Lakes. The adult male population is separated from juvenile residents. Programs for adults include vocational training, land management and other work programs. This program allows the adult male to accept responsibilities and acquire decision-making skills in preparation for his return to the community.

Authority for this activity is found in M.S. 242.41.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of inmates served:	425	412	405	405	405
Juvenile	389	356	350	350	350
Adult	36	56	55	55	55
Average daily population:	135	131	125	125	125
Juvenile	108	104	100	100	100
Adult	27	27	25	25	25
Average daily cost:	\$92.43	\$97.06	\$107.85	\$109.38	\$109.36
Average length of stay (months):					
Juvenile	5.7	5.8	5.8	5.8	5.8
Adult	6.0	6.7	6.7	6.7	6.7
Security:					
Juvenile runaways	104	78	65	65	65
Adult escapes	2	-0-	1	-0-	1
Average daily program participation:					
Juveniles:					
Education	108	104	100	100	100
Pre-vocational	108	104	100	100	100

ACTIVITY STATISTICS (CONTD.):

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Adults:					
Education	9	9	7	7	7
Pre-vocational	9	9	7	7	7
Work programs	18	18	18	18	18
Number served - county detention services	55	66	58	55	54
Number of county pre-dispositional evaluations	32	30	26	24	21

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Workers Compensation - Covers administrative fee assessment. See CHANGE request sheet following the agency fiscal page.	\$3.7	\$3.7	Agency Wide
Repair and Replacement - Covers statewide change in budgeting for repair and maintenance of state facilities. See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$247.7	\$262.7	Program Wide
Special Equipment - To provide for adequate equipment in programming and operations. See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$49.4	\$37.7	Program Wide
Inmate Wage Increase for Support Service - See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$1.1	\$2.1	Program Wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MCF-RED WING

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS,DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	4,933.2	5,090.7	5,374.0	5,433.6	301.9	5,735.5	5,669.5	5,416.9	306.2	5,723.1	5,641.1
LOCAL ASSISTANCE	5.0										
AIDS TO INDS.											
TOTAL EXPENDITURES	4,938.2	5,090.7	5,374.0	5,433.6	301.9	5,735.5	5,669.5	5,416.9	306.2	5,723.1	5,641.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	4,012.4	4,221.2	4,375.2	4,506.3	4.8	4,511.1	4,506.3	4,489.8	5.8	4,495.6	4,489.8
EXPENSES & CONTRAC. SERV	360.5	373.2	489.0	469.6	247.7	717.3	656.1	469.4	262.7	732.1	655.9
SUPPLIES & MATERIALS	516.7	473.1	483.9	444.1		444.1	444.1	444.1		444.1	444.1
EQUIPMENT	40.4	19.2	22.1	9.8	49.4	59.2	59.2	9.8	37.7	47.5	47.5
OTHER EXPENSE ITEMS	3.2	4.0	3.8	3.8		3.8	3.8	3.8		3.8	3.8
TOTAL STATE OPERATIONS	4,933.2	5,090.7	5,374.0	5,433.6	301.9	5,735.5	5,669.5	5,416.9	306.2	5,723.1	5,641.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	4,554.6	4,640.9	4,920.5	5,059.9	301.9	5,361.8	5,295.8	5,045.2	306.2	5,351.4	5,269.4
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	148.2	218.3	158.6	79.7		79.7	79.7	77.7		77.7	77.7
AGENCY	124.5	117.1	114.2	114.2		114.2	114.2	114.2		114.2	114.2
CORRECTIONAL INDUS	8.2										
FEDERAL	102.7	114.4	180.7	179.8		179.8	179.8	179.8		179.8	179.8
TOTAL FINANCING	4,938.2	5,090.7	5,374.0	5,433.6	301.9	5,735.5	5,669.5	5,416.9	306.2	5,723.1	5,641.1
POSITIONS BY FUND											
GENERAL	118.5	118.5	118.5	119.5		119.5	119.5	119.5		119.5	119.5
SPECIAL REVENUE	1.0	.5	1.0								
FEDERAL	3.0	2.5	2.0	2.0		2.0	2.0	2.0		2.0	2.0
TOTAL POSITIONS	122.5	121.5	121.5	121.5		121.5	121.5	121.5		121.5	121.5

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-LINO LAKES 1987-89 Biennial Budget
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

DESCRIPTION: The purpose of the Minnesota Correctional Facility-Lino Lakes (MCF-Lino Lakes) is to maintain a safe, secure humane environment for adult male offenders, within which they have an opportunity to participate in gainful employment with its monetary rewards and training in self discipline.

This is a medium-minimum security facility for adult male felons transferred from other close or maximum security Minnesota correctional facilities. Inmates at this institution are generally within the last 10 to 30 months of incarceration, however, appropriate long term inmates are also included. Current program capacity includes 162 inmates in medium security and 42 inmates in minimum security. Two additional minimum security cottages with a total of 40 beds are presently leased to the Anoka County Corrections Department.

MCF-Lino Lakes provides a program where the daily living conditions for inmates are patterned as closely as possible to life in the community while at the same time maintaining adequate security to assure the protection of the public. Similar to life outside the institution, primary emphasis is on employment, where each inmate must be productive, working 8 hours a day, 5 days a week, either in the industry program or performing essential services for the institution. The industry program is largely devoted to the production of wood products such as office furniture and institution accommodations. Other operations include a print shop, upholstery shop, metal furniture refinishing, plus a variety of miscellaneous projects as they become available. This program has consistently provided full employment for MCF-Lino Lakes inmates through income generated from the sale of industry products.

Counseling, educational, and leisure time resources are available outside of regular working hours. Two treatment programs, the Kenny Therapeutic Community and the Transitional Sex Offender Program are available to inmates who meet specific criteria. These programs include intensive individual and group counseling, with family participation where appropriate.

The minimum security area includes one cottage devoted to a pre-release program designed for selected inmates from MCF-Stillwater, MCF-St. Cloud and MCF-Lino Lakes with less than a month until release, who need help in searching for a job or finding a place to live. A second cottage houses a minimum security work program for inmates working on institution or community service jobs or who work in the industry program.

Authority for this activity is found in M.S. 242.385, Subd. 1.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number inmates served	557	538	550	550	550
Average daily population	198	199	200	200	200
Average daily cost	\$74.23	\$75.46	\$81.65	\$81.59	\$81.59
Average length of stay (months)	9.4	9.1	9.3	9.3	9.3

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 23.2	\$ 22.9	\$ 23.0	\$ 23.0	\$ 23.0

ACTIVITY STATISTICS (CONTD.):

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Security:					
Medium security escapes	1	0	0	0	0
Minimum security escapes	0	3	0-1	0-1	0-1
Average daily employment:	160	167	173	173	173
Industry Program	125	126	126	134	134
Support Services	35	41	47	39	39
Average daily program participation:					
Sex Offender Program	30	30	30	30	30
Kenny Ther. Comm.	30	30	30	30	30
Med. Sec. Work Program	100	100	100	100	100
Pre-release Program	20	20	20	20	20
Min. Sec. Work Program	18	19	20	20	20
Program Admissions:					
Sex Offender Program	42	38	40	40	40
Kenny Ther. Comm.	49	46	46	46	46
Med. Sec. Work Program	156	157	150	150	150
Pre-release Program	372	355	350	350	350
Min. Sec. Work Program	46	48	50	50	50

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Workers Compensation - Covers administrative fee assessments. See CHANGE request sheet following the agency fiscal page.	\$5.0	\$5.0	Agency Wide
Special Equipment - To provide for adequate equipment in programming and operations. See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$6.1	\$6.1	Program Wide
Inmate Wage Increase for Support Service - See CHANGE request sheet following the Correctional Institution Program fiscal page.	\$5.2	\$10.7	Program Wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MCF-LINO LAKES

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS,DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	7,972.1	8,099.6	8,641.7	8,771.9	16.3	8,788.2	8,778.0	8,787.9	21.8	8,809.7	8,794.0
LOCAL ASSISTANCE											
AIDS TO INDS.	3.3										
TOTAL EXPENDITURES	7,975.4	8,099.6	8,641.7	8,771.9	16.3	8,788.2	8,778.0	8,787.9	21.8	8,809.7	8,794.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	5,105.1	5,365.9	5,528.6	5,837.0	10.2	5,847.2	5,837.0	5,842.3	15.7	5,858.0	5,842.3
EXPENSES & CONTRAC. SERV	1,087.0	1,036.3	1,191.2	1,109.4		1,109.4	1,109.4	1,110.3		1,110.3	1,110.3
SUPPLIES & MATERIALS	1,619.8	1,610.3	1,696.2	1,736.2		1,736.2	1,736.2	1,751.1		1,751.1	1,751.1
EQUIPMENT	127.3	57.7	44.7	55.3	6.1	61.4	61.4	49.2	6.1	55.3	55.3
OTHER EXPENSE ITEMS	32.9	29.4	181.0	34.0		34.0	34.0	35.0		35.0	35.0
TOTAL STATE OPERATIONS	7,972.1	8,099.6	8,641.7	8,771.9	16.3	8,788.2	8,778.0	8,787.9	21.8	8,809.7	8,794.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	5,364.2	5,481.1	5,960.1	6,083.1	16.3	6,099.4	6,089.2	6,066.9	21.8	6,088.7	6,073.0
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	156.0	271.0	226.2	226.3		226.3	226.3	226.3		226.3	226.3
AGENCY	661.2	658.4	661.8	661.8		661.8	661.8	661.8		661.8	661.8
CORRECTIONAL INDUS	1,789.4	1,682.9	1,788.6	1,795.7		1,795.7	1,795.7	1,827.9		1,827.9	1,827.9
FEDERAL	4.6	6.2	5.0	5.0		5.0	5.0	5.0		5.0	5.0
TOTAL FINANCING	7,975.4	8,099.6	8,641.7	8,771.9	16.3	8,788.2	8,778.0	8,787.9	21.8	8,809.7	8,794.0
POSITIONS BY FUND											
GENERAL	135.5	134.5	134.5	134.5		134.5	134.5	134.5		134.5	134.5
SPECIAL REVENUE	.5	.5	.5	.5		.5	.5	.5		.5	.5
CORRECTIONAL INDUS	12.0	12.5	12.5	12.5		12.5	12.5	12.5		12.5	12.5
FEDERAL	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
TOTAL POSITIONS	149.0	148.5	148.5	148.5		148.5	148.5	148.5		148.5	148.5

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-SHAKOPEE
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 0.8	\$ 0.7	\$ 1.0	\$ 1.0	\$ 1.0

DESCRIPTION:

The Minnesota Correctional Facility-Shakopee (MCF-Shakopee) exists to provide a safe, secure and humane environment for adult female offenders. The mission of the institution is to protect the public while providing a variety of programs for the inmates. The facility houses adult women felons convicted by the courts and sentenced to more than one year. Offender characteristics show that 80 percent of the inmates are chemically dependent, 50 percent have dependent children and 63 percent are under the age of 35.

Institution activities provide education and access to a variety of academic and training classes as well as specialized programs including chemical dependency, family counseling, parenting, independent living skills, sex offender therapy programs, off grounds training and job placement activities. Industry programs of data entry, assembly, food service and maintenance supplement the total program.

The population has increased to "historic" proportions this past fiscal year. A new facility was substantially completed and occupied in August, 1986. This new facility should alleviate over-population problems plus furnish added physical space for programming.

Authority for this activity is found in M.S. 243.90.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of inmates served	170	190	200	200	200
Average daily population	78	89	90	90	90
Average daily cost	\$75.78	\$73.99	\$106.63	\$107.26	\$107.28
Average length of stay (months)	12.5	16.5	16.5	17.0	18.0
Security:					
Close security escapes	-0-	-0-	-0-	-0-	-0-
Minimum security escapes	3	5	0-3	0-3	0-3
Average daily employment:					
Industry programs	23	30	30	30	30
Support service	25	30	30	30	30
Education	30	38	38	38	38

ACTIVITY STATISTICS (CONTD.):

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Average daily program participation:					
Education	74	85	86	86	86
Chemical dependency	55	58	68	72	72
Chaplaincy program	62	62	68	68	68
Parenting	39	45	45	45	45
Independent living skills	59	67	72	72	72
Work release	7	8	8	8	8
Sex offender program	9	8	8	8	8
Percent of inmates in:					
Productive assignment	80	80	80	80	80
Segregation	4	5	5	5	5
Protective custody	0	0	1	2	2
Idle status	16	15	14	13	13

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Inmate Wage Increase for Support Service - See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$2.9	\$5.8	Program Wide
Fifth living unit and population increase - See CHANGE request sheet following the fiscal sheet for this activity.	\$329.9	\$329.9	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MCF-SHAKOPEE

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS,DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,458.1	2,779.2	4,237.8	4,263.9	332.4	4,596.3	4,310.9	4,254.8	335.3	4,590.1	4,301.8
LOCAL ASSISTANCE											
AIDS TO INDS.	1.1	1.6	1.8	1.8	.4	2.2	1.8	1.8	.4	2.2	1.8
TOTAL EXPENDITURES	2,459.2	2,780.8	4,239.6	4,265.7	332.8	4,598.5	4,312.7	4,256.6	335.7	4,592.3	4,303.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,793.3	2,024.9	3,000.1	3,051.6	212.0	3,263.6	3,051.6	3,042.5	214.9	3,257.4	3,042.5
EXPENSES & CONTRAC. SERV	402.9	508.9	623.4	624.8	58.1	682.9	624.8	624.8	58.1	682.9	624.8
SUPPLIES & MATERIALS	244.2	227.0	553.8	537.8	57.0	594.8	584.8	537.8	57.0	594.8	584.8
EQUIPMENT	15.7	16.6	55.9	35.6	5.3	40.9	35.6	35.6	5.3	40.9	35.6
OTHER EXPENSE ITEMS	2.0	1.8	4.6	14.1		14.1	14.1	14.1		14.1	14.1
TOTAL STATE OPERATIONS	2,458.1	2,779.2	4,237.8	4,263.9	332.4	4,596.3	4,310.9	4,254.8	335.3	4,590.1	4,301.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,157.7	2,403.4	3,502.9	3,533.8	332.8	3,866.6	3,533.8	3,524.7	335.7	3,860.4	3,524.7
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	13.9	25.3	310.6	320.1		320.1	367.1	320.1		320.1	367.1
AGENCY	179.1	209.4	274.9	274.9		274.9	274.9	274.9		274.9	274.9
CORRECTIONAL INDUS	104.6	128.1	132.0	132.0		132.0	132.0	132.0		132.0	132.0
FEDERAL	3.9	14.6	19.2	4.9		4.9	4.9	4.9		4.9	4.9
TOTAL FINANCING	2,459.2	2,780.8	4,239.6	4,265.7	332.8	4,598.5	4,312.7	4,256.6	335.7	4,592.3	4,303.6
POSITIONS BY FUND											
GENERAL	55.5	79.9	79.4	79.4	7.0	86.4	79.4	79.4	7.0	86.4	79.4
SPECIAL REVENUE	.6	.6	7.0								
CORRECTIONAL INDUS	1.4	1.4	2.0	2.0		2.0	2.0	2.0		2.0	2.0
FEDERAL	1.3	.3	.3	.3		.3	.3	.3		.3	.3
TOTAL POSITIONS	58.8	82.2	88.7	81.7	7.0	88.7	81.7	81.7	7.0	88.7	81.7

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-SHAKOPEE
 PROGRAM: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of inmates served	170	190	200	232	232
Average daily population	78	89	90	110	110
Average daily cost	\$75.78	\$73.99	\$106.63	\$96.03	\$96.14
Average daily employment:					
Industry program	23	30	30	36	36
Support services	25	30	30	35	35
Education	30	38	38	40	40

RATIONALE:

The fifth living unit provides living space for 32 inmates. Funding is to provide staff and operating costs for this unit as well as funding for the population increase.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. Instead, the agency should take advantage of space flexibility at the new facility and contract with other units of government to house inmates. Receipts from such contracts should remain with the department and be dedicated to funding costs outlined in this request.

Request Title: FIFTH LIVING UNIT AND POPULATION INCREASE	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$329.9	7.0	\$329.9	7.0
Governor's Recommendation				
Special Revenue	\$329.9	7.0	\$329.9	7.0
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to maintain the fifth living unit for women and to increase contractual expenses, personal support supplies and food supplies for the projected increase in population to provide a same level of service.

DESCRIPTION/BACKGROUND:

Chapter 344, Laws of 1983, provided funding in the amount of \$15,000,000 for a new prison for women. In the early stages of construction, it was determined that due to projected inmate population, it would be necessary to construct an additional living unit. Construction of the new unit was completed without an increase in the original funding.

ACTIVITY: WILLOW RIVER CAMP
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION: The primary purpose of Willow River Camp is to maintain a safe, secure and humane environment for adult male offenders. The Camp provides a vocational, academic, and group treatment program for committed adult felons who are transferred from the Minnesota Correctional Facilities-Stillwater, St. Cloud, and Lino Lakes and who are nearing their release dates. The capacity of the institution is 60. This minimum security facility provides: 1) protection to the public by incarcerating convicted offenders; 2) vocational and academic education to students; 3) gradual reintegration into the community by controlled participation by students in activities outside the facility; and 4) group treatment for developing social skills to adequately handle personal problems which might have contributed to the student's past criminal behavior. Most are released to their home community on the S.R.D. (Supervised Release Date) or through the work release program in the twin cities.

The Camp provides weekly to each student, 20 hours of vocational training in 1 of 5 programs, (machine tool operation, mechanics, truck driving, truck trailer repair, welding), 10 hours of classroom study of the skills, 10 hours of academic study and at least 6 hours of group meetings. All inmates are engaged as full time students in the education program. Six of the staff are contract employees of the Sandstone Public School system who are vocational instructors within this program.

Authority for this activity is found in M.S. 241.01, Subd. 3a.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of inmates served	141	152	155	153	153
Average daily population	48	54	60	60	60
Average daily cost	\$86.57	\$77.12	\$75.19	\$76.66	\$76.71
Average length of stay (months)	7.2	7.6	7.3	7.3	7.3
Security:					
Minimum security escapes	2	1	4	2	2
Average daily program participation:					
Machine tool operations	9	11	12	12	12
Mechanics	10	11	12	12	12
Truck driving	9	9	12	12	12
Truck trailer repair	10	12	12	12	12
Welding	10	11	12	12	12

ACTIVITY STATISTICS (CONTD.):

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Program admissions:					
Machine tool operations	17	24	24	24	24
Mechanics	23	20	24	24	24
Truck driving	13	18	21	21	21
Truck trailer repair	19	19	23	23	23
Welding	19	22	23	23	23

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Repair and Replacement - Covers statewide change in budgeting for repair and maintenance of state facilities. See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$29.3	\$30.3	Program Wide
Special Equipment - To provide for adequate equipment in programming and operations. See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$14.8	\$19.3	Program Wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: WILLOW RIVER CAMP

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS,DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,635.4	1,659.6	1,771.3	1,819.4	44.1	1,863.5	1,856.2	1,816.0	49.6	1,865.6	1,857.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,635.4	1,659.6	1,771.3	1,819.4	44.1	1,863.5	1,856.2	1,816.0	49.6	1,865.6	1,857.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	898.7	956.3	984.9	1,040.7		1,040.7	1,040.7	1,037.5		1,037.5	1,037.5
EXPENSES & CONTRAC. SERV	401.1	412.3	441.9	435.2	29.3	464.5	457.2	435.1	30.3	465.4	457.1
SUPPLIES & MATERIALS	263.2	254.5	304.1	307.6		307.6	307.6	307.6		307.6	307.6
EQUIPMENT	64.1	32.7	40.0	35.5	14.8	50.3	50.3	35.4	19.3	54.7	54.7
OTHER EXPENSE ITEMS	8.3	3.8	.4	.4		.4	.4	.4		.4	.4
TOTAL STATE OPERATIONS	1,635.4	1,659.6	1,771.3	1,819.4	44.1	1,863.5	1,856.2	1,816.0	49.6	1,865.6	1,857.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,516.8	1,520.1	1,646.7	1,695.9	44.1	1,740.0	1,732.7	1,692.5	49.6	1,742.1	1,733.8
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	10.2	26.1	3.3	3.3		3.3	3.3	3.3		3.3	3.3
AGENCY	84.3	84.1	85.4	85.4		85.4	85.4	85.4		85.4	85.4
FEDERAL	24.1	29.3	35.9	34.8		34.8	34.8	34.8		34.8	34.8
TOTAL FINANCING	1,635.4	1,659.6	1,771.3	1,819.4	44.1	1,863.5	1,856.2	1,816.0	49.6	1,865.6	1,857.3
POSITIONS BY FUND											
GENERAL	26.5	26.5	27.0	27.0		27.0	27.0	27.0		27.0	27.0
FEDERAL	1.0	1.0	.5	.5		.5	.5	.5		.5	.5
TOTAL POSITIONS	27.5	27.5	27.5	27.5		27.5	27.5	27.5		27.5	27.5

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-SAUK CENTRE
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 4.7	\$ 4.1	\$ 4.2	\$ 4.2	\$ 4.2

DESCRIPTION:

The Minnesota Correctional Facility-Sauk Centre (MCF-Sauk Centre) exists to receive and treat, in a safe, secure and humane environment, delinquent boys from the juvenile courts in the 64 counties comprising the Department of Corrections designated western region and delinquent girls from the juvenile courts throughout the state. In addition to these court committed youths, MCF-Sauk Centre also provides detention and pre-dispositional evaluations for the juvenile courts. The facility is an open campus and living quarters consist of 2-story cottages housing 20 residents each.

MCF-Sauk Centre's mission includes protection of the public as well as treatment of residents. This is accomplished through programming and the establishment of individual goals for each resident aimed at attitudinal and behavioral changes. Such changes are facilitated through academic and remedial education as well as individual counseling and group problem solving sessions.

Authority for this activity may be found in M.S. 242.51.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of residents served	334	296	300	300	300
Average daily population	80	74	70	70	70
Boys	60	56	47	50	50
Girls	20	18	23	20	20
Average daily cost	\$123.08	\$131.34	\$141.35	\$133.74	\$133.71
Average length of stay (months)	4.8	4.1	4.5	4.5	4.5
Security: Juvenile runaways	115	113	84	84	84
Average daily program participation: Education	80	74	70	70	70
Number served - county detention services	85	98	100	100	100
Number of county pre- dispositional evaluations	10	11	12	12	12

CHANGE REQUESTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Repair and Replacement - Covers statewide change in budgeting for repair and maintenance of state facilities. See CHANGE request sheet following the Correctional Institution Program fiscal page.	\$120.0	-0-	Program Wide
Special Equipment - To provide for adequate equipment in programming and operations. See CHANGE request sheet following the Correctional Institution Program fiscal page.	\$11.5	\$11.5	Program Wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MCF-SAUK CENTRE

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS,DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,839.8	3,852.7	4,093.6	3,903.7	131.5	4,035.2	3,959.2	3,893.5	11.5	3,905.0	3,949.0
LOCAL ASSISTANCE	5.0										
AIDS TO INDS.											
TOTAL EXPENDITURES	3,844.8	3,852.7	4,093.6	3,903.7	131.5	4,035.2	3,959.2	3,893.5	11.5	3,905.0	3,949.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	3,217.1	3,197.5	3,250.1	3,208.6		3,208.6	3,208.6	3,198.4		3,198.4	3,198.4
EXPENSES & CONTRAC. SERV	277.3	309.8	459.8	311.5	120.0	431.5	355.5	311.5		311.5	355.5
SUPPLIES & MATERIALS	312.3	314.2	346.6	350.6		350.6	350.6	350.6		350.6	350.6
EQUIPMENT	28.3	27.6	29.0	28.7	11.5	40.2	40.2	28.7	11.5	40.2	40.2
OTHER EXPENSE ITEMS	4.8	3.6	8.1	4.3		4.3	4.3	4.3		4.3	4.3
TOTAL STATE OPERATIONS	3,839.8	3,852.7	4,093.6	3,903.7	131.5	4,035.2	3,959.2	3,893.5	11.5	3,905.0	3,949.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	3,594.0	3,547.4	3,611.6	3,524.0	131.5	3,655.5	3,579.5	3,513.7	11.5	3,525.2	3,569.2
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	99.8	128.3	241.9	144.0		144.0	144.0	144.1		144.1	144.1
AGENCY	54.8	60.2	64.1	64.1		64.1	64.1	64.1		64.1	64.1
FEDERAL	96.2	116.8	176.0	171.6		171.6	171.6	171.6		171.6	171.6
TOTAL FINANCING	3,844.8	3,852.7	4,093.6	3,903.7	131.5	4,035.2	3,959.2	3,893.5	11.5	3,905.0	3,949.0
POSITIONS BY FUND											
GENERAL	95.0	90.0	78.5	78.5		78.5	78.5	78.5		78.5	78.5
SPECIAL REVENUE	4.0	3.0	3.0	3.5		3.5	3.5	3.5		3.5	3.5
FEDERAL	4.0	3.0	4.0	4.0		4.0	4.0	4.0		4.0	4.0
TOTAL POSITIONS	103.0	96.0	85.5	86.0		86.0	86.0	86.0		86.0	86.0

ACTIVITY: THISTLEDEW CAMP
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION: Thistledeew Camp provides on a per diem basis an educational and confidence building outdoor survival program for young men 13 to 18 years old who experience difficulties in their home communities. The program is designed to enhance their self-confidence and self-image so that when they return to their home community they will not be involved in further delinquent behavior. The camp is located in the George Washington State Forest, 250 miles North of Minneapolis/St. Paul on Highway 65 near Togo.

Thistledeew Camp is available for use by all juvenile county courts in Minnesota and provides county court services and social services with an alternative residential program. It provides educational resources and vocational exploration designed to meet the needs of individual students referred to the camp. The goal is to meet the academic needs of students continuing their high school education and to involve all students in pre-vocational and work skill programs at least 20 hours per week. The camp's challenge program is designed to build self-confidence, develop leadership abilities and teach the importance of teamwork.

The primary funding sources for operation of the camp include the purchase of service agreement with counties and a contract with the local school district.

Authority for this activity is found in M.S. 242.37.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of students served	252	241	227	227	227
Average daily population	49	49	45	45	45
Total per diem:	\$69.00	\$78.00	\$86.27	\$98.29	\$105.91
County contract per diem	\$54.00	\$59.00	\$63.00	\$72.59	\$77.11
Education contract per diem	\$15.00	\$19.00	\$23.27	\$25.70	\$28.80
Average length of stay (days)	96	97	96	96	96
Number entering program (admitted)	198	197	180	180	180
Number of successful completions (graduated)	159	170	164	164	164
Number of returnees (inappropriate referrals)	39	27	16	16	16
Percent of successful completions	80	86	91	91	91

ACTIVITY STATISTICS (CONTD.):

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Years of academic growth:					
Reading	.5	.6	.6	.6	.6
Math	1.9	2.1	2.0	2.0	2.0
Vocabulary	.9	.9	.9	.9	.9
Comprehension	1.2	1.4	1.3	1.3	1.3

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Repair and Replacement - Covers statewide change in budgeting for repair and maintenance of state facilities. See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$25.0	-0-	Program Wide
Thistledeew Camp Operations - To provide supplementary funding. See CHANGE request sheet following the fiscal sheet for this activity.	\$125.0	\$125.0	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: THISTLEDEW CAMP

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS,DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,410.2	1,509.1	1,644.5	1,530.6	150.0	1,680.6	1,539.6	1,530.6	125.0	1,655.6	1,539.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,410.2	1,509.1	1,644.5	1,530.6	150.0	1,680.6	1,539.6	1,530.6	125.0	1,655.6	1,539.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,047.4	1,125.4	1,228.8	1,240.9		1,240.9	1,240.9	1,240.9		1,240.9	1,240.9
EXPENSES & CONTRAC. SERV	161.4	169.3	167.0	127.7	65.3	193.0	136.7	127.7	40.3	168.0	136.7
SUPPLIES & MATERIALS	153.0	155.1	194.1	127.5	64.6	192.1	127.5	127.5	64.6	192.1	127.5
EQUIPMENT	25.0	33.8	28.6	8.5	20.1	28.6	8.5	8.5	20.1	28.6	8.5
OTHER EXPENSE ITEMS	23.4	25.5	26.0	26.0		26.0	26.0	26.0		26.0	26.0
TOTAL STATE OPERATIONS	1,410.2	1,509.1	1,644.5	1,530.6	150.0	1,680.6	1,539.6	1,530.6	125.0	1,655.6	1,539.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	46.8	32.0	30.0	31.0	150.0	181.0	40.0	31.0	125.0	156.0	40.0
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	1,328.5	1,409.9	1,541.5	1,426.6		1,426.6	1,426.6	1,426.6		1,426.6	1,426.6
AGENCY	34.9	40.0	38.0	38.0		38.0	38.0	38.0		38.0	38.0
FEDERAL		27.2	35.0	35.0		35.0	35.0	35.0		35.0	35.0
TOTAL FINANCING	1,410.2	1,509.1	1,644.5	1,530.6	150.0	1,680.6	1,539.6	1,530.6	125.0	1,655.6	1,539.6
POSITIONS BY FUND											
SPECIAL REVENUE	34.3	34.3	34.3	34.0		34.0	34.0	34.0		34.0	34.0
TOTAL POSITIONS	34.3	34.3	34.3	34.0		34.0	34.0	34.0		34.0	34.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: THISTLEDEW CAMP
 PROGRAM: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: THISTLEDEW CAMP OPERATIONS

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$125.0	-0-	\$125.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above supplementary funding for plant operations at Thistledeew Camp. These funds will allow a competitive per diem and thus assist the counties' ability to purchase these services. The result will be that appropriate juveniles will continue to have the opportunity to take part in the Thistledeew program.

DESCRIPTION/BACKGROUND:

Thistledeew Camp started as a state operated and funded forestry camp for adjudicated and committed juveniles in 1955.

Beginning in F.Y. 1976 the Camp became a residential resource to meet the need for a short-term facility for delinquents. The counties and school districts are billed for costs on a per diem basis and county courts maintain jurisdiction of the youth. Since 1976 the Camp has operated on dedicated receipts and received no state funding except for capital improvements.

The per diem charged has steadily increased over the years. The average daily population has remained around 45. This is the breakeven point for the facility. As Thistledeew Camp faces the problem of a higher per diem, the counties' and particularly the smaller counties' ability to purchase their services diminishes. As the population falls, the per diem rates will increase which intensifies the problem. If the per diem is not maintained at a reasonable level, the courts do have the option to commit the youth to a state institution and thus pay no fees.

STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Average daily population	49	49	45	45	45
Total per diem:	\$69.00	\$78.00	\$86.27	\$98.29	\$105.91
County contract per diem	54.00	59.00	63.00	72.59	77.11
School district contract per diem	15.00	19.00	23.27	25.70	28.80
Total per diem (with change request):	\$69.00	\$78.00	\$86.27	\$90.70	\$98.30
County contract per diem	54.00	59.00	63.00	65.00	69.50
School district contract per diem	15.00	19.00	23.27	25.70	28.80

RATIONALE:

Over the past 11 years, Thistledeew Camp has been self-supporting and providing services to juvenile county courts in Minnesota through an alternative residential program. This request would fund plant operations at Thistledeew Camp including heating fuel, utilities and minor repair and maintenance of the buildings. It would reduce the per diem charged to counties by \$7.59 the first year and \$7.61 the second year.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-STILLWATER
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 4.2	\$.1	\$ 1.0	\$ 1.0	\$ 1.0

DESCRIPTION: The primary purpose of MCF-Stillwater is to maintain a safe, secure and humane environment for adult male offenders and to protect the public. The secondary purpose is to provide academic and vocational education, therapeutic programs, and employment for inmates.

The Minnesota Correctional Facility-Stillwater is the state's largest correctional facility and serves as the receiving institution for all convicted male felons ages 24 and older. Incoming inmates who meet maximum custody classification standards are generally transferred to Oak Park Heights, and the remainder are continued in Stillwater for their terms of incarceration.

Educational programs range from basic education through college level plus a variety of vocational programs operated through a contract with Northeast Metropolitan Intermediate School District 916. There is also a full-time 90 day residential chemical dependency program in which 30 inmates participate. The industry program includes the metal products division, bus repair, and a variety of other smaller contract programs. Many inmates who are not involved in programs already mentioned work in institutional maintenance jobs.

The institution has a minimum security area outside the walls which houses about 70 inmates nearing the end of their incarceration.

Authority for this activity may be found in M.S. 243.40.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of inmates served	2,440	2,468	2,400	2,400	2,400
Average daily population	1,056	1,119	1,045	1,045	1,045
Average daily cost	\$46.34	\$43.51	\$50.11	\$51.50	\$51.51
Average length of stay(mo)	21.1	21.1	21.0	21.0	21.0
Security:					
Close security escapes	-0-	-0-	-0-	-0-	-0-
Minimum security escapes	2	6	0-2	0-2	0-2
Average daily employment:					
Industry program	196	151	180	200	220
Support services	490	549	525	500	500
Average daily selected program participation:					
Education	110	119	120	120	120
Vocational	73	66	70	70	70
Treatment Program	30	30	30	30	30

ACTIVITY STATISTICS (CONTD.):

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Percent of inmates in:					
Productive assignment	84.2	77.9	82.5	83.5	84.5
Segregation	3.5	3.7	3.5	3.5	3.5
Protective custody	4.3	4.7	4.5	4.5	4.5
Idle status	8.0	13.7	9.5	8.5	7.5

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Workers Compensation - Covers administrative fee assessment. See CHANGE request sheet following the agency fiscal page.	\$30.7	\$30.7	Agency Wide
Repair and Replacement - Covers statewide change in budgeting for repair and maintenance of state facilities. See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$821.9	\$1,134.6	Program Wide
Special Equipment - To provide adequate equipment in programming and operations. See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$28.0	\$27.8	Program Wide
Inmate Wage Increase for Support Service - See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$23.7	\$48.3	Program Wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MCF-STILLWATER

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	25,044.9	24,969.3	27,085.2	27,645.1	904.3	28,549.4	28,379.1	27,597.0	1,241.4	28,838.4	28,330.8
LOCAL ASSISTANCE											
AIDS TO INDS.	12.2	13.2	16.9	16.9		16.9	16.9	16.9		16.9	16.9
TOTAL EXPENDITURES	25,057.1	24,982.5	27,102.1	27,662.0	904.3	28,566.3	28,396.0	27,613.9	1,241.4	28,855.3	28,347.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	16,299.2	16,777.2	17,864.4	18,054.4	54.4	18,108.8	18,054.4	18,006.4	79.0	18,085.4	18,006.4
EXPENSES & CONTRAC. SERV	4,095.6	3,808.1	4,178.8	3,943.8	821.9	4,765.7	4,649.8	4,418.8	1,134.6	5,553.4	5,124.8
SUPPLIES & MATERIALS	4,118.3	4,129.5	4,747.4	5,017.8		5,017.8	5,017.8	5,017.8		5,017.8	5,017.8
EQUIPMENT	184.7	133.4	208.6	71.6	28.0	99.6	99.6	71.5	27.8	99.3	99.3
OTHER EXPENSE ITEMS	347.1	121.1	86.0	557.5		557.5	557.5	82.5		82.5	82.5
TOTAL STATE OPERATIONS	25,044.9	24,969.3	27,085.2	27,645.1	904.3	28,549.4	28,379.1	27,597.0	1,241.4	28,838.4	28,330.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	17,862.7	17,769.7	19,111.6	19,740.6	904.3	20,644.9	20,474.6	19,692.5	1,241.4	20,933.9	20,426.3
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	1,119.2	1,702.1	1,375.2	1,348.2		1,348.2	1,348.2	1,348.2		1,348.2	1,348.2
AGENCY	2,999.8	2,849.9	2,788.2	2,788.2		2,788.2	2,788.2	2,788.2		2,788.2	2,788.2
GIFTS AND DEPOSITS			3.8								
CORRECTIONAL INDUS	3,069.0	2,583.3	3,812.2	3,776.7		3,776.7	3,776.7	3,776.7		3,776.7	3,776.7
FEDERAL	6.4	77.5	11.1	8.3		8.3	8.3	8.3		8.3	8.3
TOTAL FINANCING	25,057.1	24,982.5	27,102.1	27,662.0	904.3	28,566.3	28,396.0	27,613.9	1,241.4	28,855.3	28,347.7
POSITIONS BY FUND											
GENERAL	396.0	396.0	396.0	393.0		393.0	393.0	393.0		393.0	393.0
SPECIAL REVENUE	11.0	16.0	16.0	16.0		16.0	16.0	16.0		16.0	16.0
AGENCY	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
CORRECTIONAL INDUS	49.0	49.0	49.0	49.0		49.0	49.0	49.0		49.0	49.0
FEDERAL	1.0										
TOTAL POSITIONS	458.0	462.0	462.0	459.0		459.0	459.0	459.0		459.0	459.0

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-ST. CLOUD
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$19.0	\$20.1	\$20.1	\$20.1	\$20.1

DESCRIPTION: The purpose of the Minnesota Correctional Facility-St. Cloud is to maintain a safe, secure and humane environment for adult male offenders. It is a close security facility housing younger adult males.

The facility provides protection to the public by holding offenders until officially released and by working with inmates through a variety of educational, vocational and work programs or specialized program, such as chemical dependency, to provide inmates with the opportunity to gain skills necessary to reenter the community with an expectancy of success.

A complete academic education program ranges from remedial school through high school and 2 years of college. The vocational school offers 12 different programs and includes baking, printing, small engine repair, auto body, meat cutting, auto mechanics, welding, barbering, upholstery, masonry, painting and decorating and furniture finishing.

Activities offered to inmates through the industry program include the manufacture and upholstery of furniture, the production of mattresses and license plates, engraving/silk screening.

Treatment programs include individual, group and job counseling and drug treatment.

Authority for this activity may be found in M.S. 243.75.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of inmates served	1,328	1,452	1,495	1,500	1,500
Average daily population	563	627	640	640	640
Average daily cost	\$59.32	\$55.87	\$58.28	\$59.97	\$59.97
Average length of stay (months)	19	19	20	20	20
Security:					
Close security escapes	-0-	-0-	-0-	-0-	-0-
Average daily employment:					
Industries	85	114	114	114	114
Support	196	242	225	225	225
Average program participation:					
Academic*	70	69	70	70	70
Vocational	114	121	125	125	125
Treatment program	41	48	50	52	52

*The count shown is based on a student or a combination of students attending 7 hours of classes per day.

ACTIVITY STATISTICS (CONTD.):

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Percent of inmates in:					
Productive assignments	85.2	87.9	90.0	89.5	89.5
Segregation	7.6	6.2	6.0	6.0	6.0
Idle status	7.2	5.9	4.0	4.5	4.5
CHANGE REQUESTS:			F.Y. 1988	F.Y. 1989	Type
Workers Compensation - Covers administrative fee assessment. See CHANGE request sheet following the agency fiscal page.			\$1.0	\$1.0	Agency Wide
Repair and Replacement - Covers statewide change in budgeting for repair and maintenance of state facilities. See CHANGE request sheet following Correctional Institutions Program fiscal page.			\$285.0	\$146.3	Program Wide
Special Equipment - To provide for adequate equipment in programming and operations. See CHANGE request sheet following the Correctional Institution Program fiscal page.			\$4.8	\$4.8	Program Wide
Inmate Wage Increase for Support Service - See CHANGE request sheet following the Correctional Institution Program fiscal page.			\$11.8	\$24.0	Program Wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MCF-ST CLOUD

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	14,059.1	14,796.2	15,667.9	15,958.8	302.6	16,261.4	16,121.1	15,838.7	176.1	16,014.8	16,001.0
LOCAL ASSISTANCE											
AIDS TO INDS.	6.7	8.2	8.8	8.8		8.8	8.8	8.8		8.8	8.8
TOTAL EXPENDITURES	14,065.8	14,804.4	15,676.7	15,967.6	302.6	16,270.2	16,129.9	15,847.5	176.1	16,023.6	16,009.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	10,765.1	11,335.9	11,581.7	12,057.9	12.8	12,070.7	12,057.9	12,019.3	25.0	12,044.3	12,019.3
EXPENSES & CONTRAC. SERV	1,067.2	1,239.1	1,350.4	1,449.7	285.0	1,734.7	1,607.2	1,368.3	146.3	1,514.6	1,525.8
SUPPLIES & MATERIALS	1,931.6	1,997.4	2,367.2	2,284.5		2,284.5	2,284.5	2,284.5		2,284.5	2,284.5
EQUIPMENT	212.9	163.6	353.3	151.4	4.8	156.2	156.2	151.3	4.8	156.1	156.1
OTHER EXPENSE ITEMS	82.3	60.2	15.3	15.3		15.3	15.3	15.3		15.3	15.3
TOTAL STATE OPERATIONS	14,059.1	14,796.2	15,667.9	15,958.8	302.6	16,261.4	16,121.1	15,838.7	176.1	16,014.8	16,001.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	12,190.3	12,785.6	13,615.1	14,243.5	302.6	14,546.1	14,405.8	14,123.4	176.1	14,299.5	14,285.7
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	416.3	314.1	369.9	71.6		71.6	71.6	71.6		71.6	71.6
AGENCY	858.7	954.8	1,000.0	1,025.0		1,025.0	1,025.0	1,025.0		1,025.0	1,025.0
CORRECTIONAL INDUS	460.2	494.7	500.0	500.0		500.0	500.0	500.0		500.0	500.0
FEDERAL	140.3	255.2	191.7	127.5		127.5	127.5	127.5		127.5	127.5
TOTAL FINANCING	14,065.8	14,804.4	15,676.7	15,967.6	302.6	16,270.2	16,129.9	15,847.5	176.1	16,023.6	16,009.8
POSITIONS BY FUND											
GENERAL	314.6	314.6	314.6	316.6		316.6	316.6	316.6		316.6	316.6
CORRECTIONAL INDUS	7.0	7.0	7.0	6.0		6.0	6.0	6.0		6.0	6.0
FEDERAL	5.8	4.8	.8	.8		.8	.8	.8		.8	.8
TOTAL POSITIONS	327.4	326.4	322.4	323.4		323.4	323.4	323.4		323.4	323.4

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-OAK PARK HEIGHTS 1987-89 Biennial Budget
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION: The primary objective of Minnesota's maximum security correctional facility is to operate with a high priority on public safety, while providing a secure, safe, just and humane environment, which assists the inmate in facilitating those changes in himself that improve his predictability for a successful adjustment upon his return to a less secure facility and/or to the free community.

The Minnesota Correctional Facility-Oak Park Heights as the state's high security adult male correctional institution is designed to receive inmates transferred from the St. Cloud and Stillwater facilities who are classified as maximum custody or risks to the public including those convicted of serious person offenses, high escape risks and dangerous or serious management cases. Program opportunities are provided in the areas of training, education, and work experiences under close supervision within a highly structured environment. The institution climate is designed to encourage inmate participation and maximize the number of difficult to manage inmates involved in constructive program assignments, while reducing the frequency, scope and seriousness of the inevitable incidents in a maximum security facility. This institution houses over 90% person offenders of which nearly 40% have taken 1 or more lives, and are programmed out of their cells 15 hours a day, 7 days a week. The Oak Park Heights program enables the department to operate the other major correctional institutions with increased safety and security for inmates and staff, while permitting more creative and less restrictive programming in these facilities.

While the institution is designed and staffed to maximize the control and supervision of identified high risk inmates, the institution does provide a wide range of activities with the primary focus on industry. Product lines include micrographics, vinyl office products, commercial sewing, printing and a variety of contract services that not only provide opportunities for the inmates to acquire marketable skills, but also viable products which have the potential of generating sufficient revenue to operate a financially solvent industry program.

Authority for this activity is found in M.S. 241.01, Subd. 3a.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of inmates served	650	625	650	650	650
Average daily population	355	359	375	375	375
Average daily cost	\$87.69	\$90.45	\$94.34	\$93.72	\$93.90
Average length of stay (mo.):					
Excluding Mental Health Unit	14.0	15.0	16.0	16.0	16.0
Mental Health Unit only	1.9	1.5	1.5	1.5	2.0
Security:					
Maximum security escapes	-0-	-0-	-0-	-0-	-0-
Average daily employment:					
Industry program	87	98	95	97	100
Support services	57	55	56	56	56
Food services	27	26	27	27	27

ACTIVITY STATISTICS (CONTD.):

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Average daily program participation:					
Education program	36	35	36	36	36
Treatment program	51	50	49	49	49
Mental health assignments	18	17	18	18	18
Infirmary assignments	6	5	5	5	5
Segregation assignments	38	34	38	38	38
Receiving & orientation assignments	4	3	4	4	4
Percent of inmates in:					
Constructive assignments	80	80	77	78	79
Segregation	11	9	10	10	10
Idle status	9	11	13	12	11

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Workers Compensation - Covers administrative fee assessment. See CHANGE request sheet following the agency fiscal page.	\$4.9	\$4.9	Agency Wide
Inmate Wage Increase for Support Service - See CHANGE request sheet following the Correctional Institutions Program fiscal page.	\$21.4	\$43.7	Program Wide
Oak Park Heights Funding - Full appropriated funding is requested to operate the facility during the biennium. See CHANGE request sheet following the fiscal sheet for this activity.	\$1,076.3	\$1,080.6	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MCF-OAK PARK

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS,DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	12,973.2	13,589.7	14,798.1	13,806.6	1,102.6	14,909.2	14,882.9	13,839.4	1,129.2	14,968.6	14,920.0
LOCAL ASSISTANCE											
AIDS TO INDUS.	.5	1.1		.8		.8	.8	.8		.8	.8
TOTAL EXPENDITURES	12,973.7	13,590.8	14,798.1	13,807.4	1,102.6	14,910.0	14,883.7	13,840.2	1,129.2	14,969.4	14,920.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	8,914.9	9,466.5	10,313.4	10,410.7	26.3	10,437.0	10,410.7	10,403.2	48.6	10,451.8	10,403.2
EXPENSES & CONTRAC. SERV	1,934.6	1,998.8	2,400.7	1,640.3	558.4	2,198.7	2,198.7	1,654.6	562.4	2,217.0	2,217.0
SUPPLIES & MATERIALS	1,824.3	1,800.9	1,930.5	1,675.2	469.2	2,144.4	2,144.4	1,701.2	469.2	2,170.4	2,170.4
EQUIPMENT	270.9	130.8	137.3	74.9	48.7	123.6	123.6	74.9	49.0	123.9	123.9
OTHER EXPENSE ITEMS	28.5	192.7	16.2	5.5		5.5	5.5	5.5		5.5	5.5
TOTAL STATE OPERATIONS	12,973.2	13,589.7	14,798.1	13,806.6	1,102.6	14,909.2	14,882.9	13,839.4	1,129.2	14,968.6	14,920.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	8,846.1	8,208.8	11,389.8	11,805.4	1,102.6	12,908.0	11,805.4	11,773.2	1,129.2	12,902.4	12,853.8
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	2,769.6	3,898.6	1,505.9	44.0		44.0	1,120.3	44.0		44.0	44.0
AGENCY	808.5	761.2	901.5	913.0		913.0	913.0	928.0		928.0	928.0
GIFTS AND DEPOSITS	.2	.2		1.5		1.5	1.5	1.5		1.5	1.5
CORRECTIONAL INDUS	540.3	711.3	991.4	1,034.0		1,034.0	1,034.0	1,084.0		1,084.0	1,084.0
FEDERAL	9.0	10.7	9.5	9.5		9.5	9.5	9.5		9.5	9.5
TOTAL FINANCING	12,973.7	13,590.8	14,798.1	13,807.4	1,102.6	14,910.0	14,883.7	13,840.2	1,129.2	14,969.4	14,920.8
POSITIONS BY FUND											
GENERAL	287.5	286.2	287.5	287.5		287.5	287.5	287.5		287.5	287.5
AGENCY		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
CORRECTIONAL INDUS	1.0	2.5	2.5	2.5		2.5	2.5	2.5		2.5	2.5
TOTAL POSITIONS	288.5	289.7	291.0	291.0		291.0	291.0	291.0		291.0	291.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: MINNESOTA CORRECTIONAL FACILITY-OAK PARK HEIGHTS
 PROGRAM: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: OAK PARK HEIGHTS FUNDING				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$1,076.3	-0-	\$1,080.6	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$1,080.6	-0-
Special Revenue	\$1,076.3	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: For both F.Y. 1988 and 1989 the agency requests full general fund appropriations to operate the Minnesota Correctional Facility-Oak Park Heights. Dedicated receipts from housing Wisconsin and other inmates provided funding for 31% of the F.Y. 1986 and 12% of the F.Y. 1987 operating budgets. These receipts will no longer be available in the next biennium. The institution is at full program capacity and is operating with a full staff complement. In order to provide a stable funding source for the continued operation of the state's maximum security institution, it is essential that this institution receive a fully general funded operating budget for F.Y. 1988-89.

DESCRIPTION/BACKGROUND: During the 1981 session of the legislature, only 25% of the requested operating budget was appropriated because of the state's most serious fiscal crisis in its history. However, with the combination of revenue received from a temporary contract with the State of Wisconsin for housing Wisconsin inmates at Stillwater, Oak Park Heights and St. Cloud facilities, Oak Park Heights' staff were able to open and operate 6 of the institution's 8 inmate housing/program units. Early in the 1983-85 biennium, all 8 units were opened and before the end of the F.Y. 1984, the institution had filled the staff complement positions and was operating at full program capacity. MCF-Oak Park Heights' F.Y. 1983 operating budget was funded by 55% state appropriations and 45% of the budget was provided by revenues from the Wisconsin contract and other dedicated receipts. The legislature appropriated 72% of the MCF-Oak Park Heights budget for F.Y. 1984 and the remaining 28% was made up by dedicated receipts. For the F.Y. 1985 budget MCF-Oak Park Heights received 79% general funding and 21% was funded by dedicated receipts. The institution's F.Y. 1986 operating budget was 69% general funded and the F.Y. 1987 budget was 88% general funded.

The contract with the State of Wisconsin was a temporary arrangement, which provided very much needed relief to Wisconsin's critical overcrowding problems and was a temporary source of operating revenue for the Oak Park Heights facility. This interim arrangement with Wisconsin has ended as Wisconsin has completed construction of new facilities. In the next biennium, these sources of revenue cannot be relied upon to fund MCF-Oak Park Heights operations.

<u>STATISTICS:</u>	F.Y. 1983	F.Y. 1984	F.Y. 1985	F.Y. 1986	F.Y. 1987
Total operating budget	\$6,374.6	\$10,279.4	\$11,361.8	\$11,852.2	\$12,912.4
Percent general fund	55	72	79	69	88
Percent dedicated receipts	45	28	21	31	12
Average inmate population	195	346	355	359	375

	F.Y. 1988	F.Y. 1989
Total operating budget	\$12,906.7	\$12,900.8
Percent general fund	100	100
Percent dedicated receipts	-0-	-0-
Average inmate population	375	375

RATIONALE: It is essential that the state's maximum security correctional facility at Oak Park Heights operate from an assured, stable funding base. The facility houses and programs for the state's high risk inmates, which include high escape risks, dangerous, chronic management problems and those who are serving long sentences for person offenses. Temporary sources of revenue can no longer be relied upon to fund essential elements of the state's correctional programs. This point can be illustrated by the recent return of almost all Wisconsin inmates to that state earlier than the anticipated return date. The MCF-Oak Park Heights original F.Y. 1987 operating budget anticipated receiving \$669,000 from housing Wisconsin inmates during F.Y. 1987 but will now receive only \$72,000.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's 1987-89 objectives and total financing; however the agency should take advantage of space flexibility in the system and contract with the state of Alaska or other governmental units to house inmates. Receipts from such contracts should be used to fund the request in F.Y. 1988; in F.Y. 1989, the full General Fund request should be provided.

ACTIVITY: HEALTH CARE
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION: The purpose of this activity is to plan, implement and coordinate medical, mental health, dental, environmental and other support programs for the Department of Corrections to ensure the development of adequate, comprehensive, quality health services. Aside from the on-site primary medical and dental services delivered at each institution, other major efforts include: 1) the inpatient unit at the St. Paul-Ramsey Medical Center; 2) the Mental Health Unit at Oak Park Heights; and 3) the coordination and advancement of chemical health within the department.

Authority for this activity may be found in M.S. 241.021, Subd. 4, and 241.69, Subd. 1.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of inmates seen at sick call throughout the state per day	125	151	155	155	155
Patients served by St. Paul-Ramsey Medical Center:					
Inpatient	176	200	220	210	210
Outpatient	1,849	2,026	2,000	2,000	2,000
Total	2,025	2,226	2,220	2,210	2,210
Number of admissions to Mental Health Unit	107	114	120	120	120
Number of medical record audits	9	22	30	30	30
Number of institutional inspections by external regulatory bodies	32	34	26	25	30

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH CARE

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,711.4	2,832.1	3,034.4	3,109.8		3,109.8	3,109.8	3,105.9		3,105.9	3,105.9
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	2,711.4	2,832.1	3,034.4	3,109.8		3,109.8	3,109.8	3,105.9		3,105.9	3,105.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,035.8	1,124.2	1,140.6	1,188.6		1,188.6	1,188.6	1,184.7		1,184.7	1,184.7
EXPENSES & CONTRAC. SERV	1,656.9	1,691.8	1,878.4	1,905.8		1,905.8	1,905.8	1,905.8		1,905.8	1,905.8
SUPPLIES & MATERIALS	18.7	16.1	15.4	15.4		15.4	15.4	15.4		15.4	15.4
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	2,711.4	2,832.1	3,034.4	3,109.8		3,109.8	3,109.8	3,105.9		3,105.9	3,105.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,711.4	2,832.1	3,034.4	3,109.8		3,109.8	3,109.8	3,105.9		3,105.9	3,105.9
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	2,711.4	2,832.1	3,034.4	3,109.8		3,109.8	3,109.8	3,105.9		3,105.9	3,105.9
POSITIONS BY FUND											
GENERAL	34.0	34.0	34.0	34.0		34.0	34.0	34.0		34.0	34.0
TOTAL POSITIONS	34.0	34.0	34.0	34.0		34.0	34.0	34.0		34.0	34.0

ACTIVITY: EDUCATION
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The education unit provides centralized planning, implementation, and coordination of educational services in 9 correctional institutions. Services include: 1) determination of services to be offered; 2) allocation and development of federal resources and legislative appropriations; 3) program design and methodology; 4) program evaluation; 5) college and school district contracting; 6) industry education support; 7) liaison to colleges, universities, vocational schools, school districts, state Department of Education, and other allied agencies; 8) technical assistance to wardens, superintendents, and educational administrators within the correctional facilities. These activities support inmates' access to educational services commensurable with outside community education including remedial, education resources, and maintain acceptable standards of education to improve inmate literacy and employable skills.

Authority for this activity is found in M.S. 241.01, Subd. 3a.

ACTIVITY STATISTICS:	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of educational programs available	42	48	50	50	50
Number of students earning a high school diploma or a GED	203	215	210	210	210
Number of vocational certificates earned	109	115	110	110	110
Number of college degrees earned	7	9	11	11	11
Number of students served:					
Juveniles	723	652	650	650	650
Adult male	2,365	2,489	2,500	2,500	2,500
Adult female	95	103	90	100	100
Total number of students served	3,183	3,328	3,210	3,300	3,300
Cost per student served:					
Juvenile programs	\$2,429	\$2,334	\$2,400	\$2,500	\$2,600
Adult male	\$1,110	\$1,134	\$1,155	\$1,175	\$1,200
Adult female	\$1,421	\$1,552	\$2,474	\$2,500	\$2,500

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: EDUCATION

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	300.6	339.9	396.2	394.1		394.1	394.1	393.7		393.7	393.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	300.6	339.9	396.2	394.1		394.1	394.1	393.7		393.7	393.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	58.6	97.6	104.8	102.8		102.8	102.8	102.8		102.8	102.8
EXPENSES & CONTRAC. SERV	206.7	217.5	269.6	269.5		269.5	269.5	269.1		269.1	269.1
SUPPLIES & MATERIALS	19.1	14.5	14.5	14.5		14.5	14.5	14.5		14.5	14.5
EQUIPMENT	16.2	10.3	7.3	7.3		7.3	7.3	7.3		7.3	7.3
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	300.6	339.9	396.2	394.1		394.1	394.1	393.7		393.7	393.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	288.1	320.1	370.4	372.1		372.1	372.1	371.7		371.7	371.7
DEDICATED APPROPRIATIONS:											
FEDERAL	12.5	19.8	25.8	22.0		22.0	22.0	22.0		22.0	22.0
TOTAL FINANCING	300.6	339.9	396.2	394.1		394.1	394.1	393.7		393.7	393.7
POSITIONS BY FUND											
GENERAL	2.2	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
FEDERAL	1.0										
TOTAL POSITIONS	3.2	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0

ACTIVITY: INSTITUTION SUPPORT SERVICES
 Program: CORRECTIONAL INSTITUTIONS
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION: The purpose of this activity is to provide centralized coordination for the support activities to assure that adequate services are provided at each institution, to prevent duplication of services within the department and to provide fiscal control of the activities. Both the health care and education support services are supervised through this unit. This activity includes departmentwide coordination of transportation of inmates and supervised release violators, fugitive apprehension and control, sheriffs' expense reimbursement, facility accreditation, facility planning and development, jail staff training, law library services, industries coordination and interstate corrections compact. Activities under this program include the following:

The transportation unit which coordinates the transportation of inmates between correctional facilities and between the St. Paul-Ramsey Medical Center and correctional facilities. Parole violators who are returned to correctional facilities (adult and juvenile) from Minnesota and out of state locations are also transported by this unit.

The fugitive unit is responsible for the issuing of fugitive arrest warrants of adult and juvenile fugitives and for coordinating the return to custody when they are located.

The accreditation activity involves the process whereby each correctional facility completes a detailed self-assessment and external audit of the facility's compliance with standards promulgated by the national Commission of Accreditation for Corrections which leads to a three year accreditation by the Commission.

The facility planning and development activity involves planning of physical plant and/or modification of correctional facilities.

The Jail Resource Center provides technical assistance, training, hosts of visits, special issue seminars and an information clearinghouse for local jails.

The Law Library unit provides law library services to inmates.

Administer the Interstate Corrections Compact which provides for the transfer to/from Minnesota correctional facilities for the confinement, treatment and rehabilitation of inmates.

The industries function provides professional level coordination and technical direction for the Department of Corrections industrial operation. This unit develops short and long range goals, provides technical assistance to institution industry programs, coordinates sales and assists in new product development. It monitors and reports system wide data regarding fiscal and marketing problems for all correctional industries. Industries coordination also maintains a liaison with the private sector and monitors operations in terms of compliance with existing state and federal legislation.

Authority for this activity may be found in M.S. 241.01, Subd. 3a and 243.17, Subd. 1.

ACTIVITY STATISTICS (CONTD.):

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of warrants issued	458	429	468	460	460
Number of adult escapees/ furlough violators	18	21	20	12	12
Number of persons transported	504	388	510	520	530
Number of persons transported by sheriff	1,296	1,210	1,300	1,350	1,400
Number of consultant days plus person trained days	956	2,108	2,200	2,300	2,400
Number of inmate law library requests processed	800	2,507	3,000	3,300	3,700
Industry net sales	\$6,479.6	\$5,365.5	\$6,000.0	\$6,200.0	\$6,500.0

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Attorney General Fees - Assessment for legal services. See CHANGE request sheet following the agency fiscal page.	\$47.4	\$47.4	Agency Wide
Minnesota Jail Resource Center - State funding to continue the program. See CHANGE request sheet following the fiscal sheet for this activity.	\$88.6	\$88.6	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: INSTITUTION SUPPORT SERV

PROGRAM: CORRECTIONAL INSTITUTIONS

AGENCY: CORRECTIONS,DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	468.6	580.8	579.6	535.9	136.0	671.9	535.9	534.9	136.0	670.9	534.9
LOCAL ASSISTANCE		18.0	4.2								
AIDS TO INDS.											
TOTAL EXPENDITURES	468.6	598.8	583.8	535.9	136.0	671.9	535.9	534.9	136.0	670.9	534.9
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	313.4	369.0	384.6	357.8	34.8	392.6	357.8	356.8	34.8	391.6	356.8
EXPENSES & CONTRAC. SERV	154.2	202.2	191.6	175.7	97.0	272.7	175.7	175.7	97.0	272.7	175.7
SUPPLIES & MATERIALS	1.0	4.0	1.9	1.4	3.2	4.6	1.4	1.4	3.2	4.6	1.4
EQUIPMENT		5.4	1.0	1.0	1.0	2.0	1.0	1.0	1.0	2.0	1.0
OTHER EXPENSE ITEMS		.2	.5								
TOTAL STATE OPERATIONS	468.6	580.8	579.6	535.9	136.0	671.9	535.9	534.9	136.0	670.9	534.9
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	468.6	503.4	517.2	535.9	136.0	671.9	535.9	534.9	136.0	670.9	534.9
DEDICATED APPROPRIATIONS:											
FEDERAL		95.4	66.6								
TOTAL FINANCING	468.6	598.8	583.8	535.9	136.0	671.9	535.9	534.9	136.0	670.9	534.9
POSITIONS BY FUND											
GENERAL	8.0	8.0	8.0	8.0	1.0	9.0	8.0	8.0	1.0	9.0	8.0
FEDERAL		1.0	1.0								
TOTAL POSITIONS	8.0	9.0	9.0	8.0	1.0	9.0	8.0	8.0	1.0	9.0	8.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: INSTITUTION SUPPORT SERVICES
 PROGRAM: CORRECTIONAL INSTITUTIONS
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: MINNESOTA JAIL RESOURCE CENTER				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$88.6	1.0	\$88.6	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Department of Corrections requests the above funds to continue the operation of the Minnesota Jail Resource Center which is currently funded through federal grants. This source of funding will end in F.Y. 1988 and the objective is to maintain the level of direct services that it provides to local jails in Minnesota.

DESCRIPTION/BACKGROUND:

The Minnesota Jail Resource Center has been operating as a part of State government over the past 6 years as a cooperative effort between the National Institute of Corrections and the State of Minnesota functioning as a full-service resource for local jails. Services provided at no cost to local jails and local public officials include on-site technical assistance and consultancy, hosted visits, special issues seminars, training sessions, and assistance in accreditation and standards compliance. An information clearinghouse is also provided. The Minnesota Jail Resource Center has been recognized nationally as a model for the provision of direct services to local jails. Due to changes in the primary National Institute of Corrections funding source, an increase in State funds is required to maintain the current level of services for local jurisdictions. There are no other viable sources of comparable replacement funds. The level of activity and services provided by the Minnesota Jail Resource Center is as follows:

STATISTICS:	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Technical assistance events provided	29	52	45	40	40
Hosted visit events provided	18	10	15	15	15
Training events provided	25	40	50	55	60
Information requests processed	107	198	205	210	210
Total number of service days provided to jails	956	2,108	2,200	2,300	2,400

RATIONALE:

The Minnesota Jail Resource Center provides a direct service to local jurisdictions. Over the past 6 years, as the issue of jail lawsuits has become more severe, and as jail standards have strengthened, local officials have increasingly relied upon the Minnesota Jail Resource Center to provide technical assistance, training, and information for their jails. The goal of the project is reduce the risk of civil litigation/liability and to increase the professionalism and constitutionality of Minnesota's jails. Requests for assistance from county commissioners, sheriffs, and jail employees have increased annually indicating an increased need as well as reliance upon these services by local jurisdictions.

This change request will enable the Minnesota Jail Resource Center to continue operation at a substantially reduced budget level from previous years' funding.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding. The Governor would support funding this item with dedicated receipts if available.

PROGRAM PURPOSE:

This program provides a broad range of correctional services in the community. Included are jail and local facilities inspection and standards enforcement; probation, supervised release, work release and investigative services; Community Corrections Act administration and technical assistance, administration of subsidies to counties not participating in the Community Corrections Act; community residential programs and programs for victims of crime. The objectives of these services are: protection of the public, the control of criminal behavior, the development of the skills offenders require to function in a normal community setting, assistance to victims of crime and increased compliance with standards relating to local correctional facilities.

OPERATION:

This program encompasses the following operations:

1. Planning and programming for approximately 9,000 adults and juveniles annually through the use of probation, parole/supervised release and work release services, direct operation of a residential facility, contracts for services at residential facilities, and contracts for non-residential services.
2. Implementation and administration of the Community Corrections Act including assisting in the process of developing local correctional services to reduce utilization of state correctional services.
3. Provision of services to victims of crime, victims of battering, victims of sexual assault, programs for the treatment of batterers, and public and professional education regarding victimization.
4. Inspection, licensing and monitoring of approximately 175 holding facilities, lockups, jails, adult correctional facilities, and juvenile and adult residential facilities; providing technical assistance and training to jail operators.

BUDGET ISSUE:

In a major effort to control the growth of institution populations (to ensure availability of beds for serious offenders) and foster the use of less costly programming, the department emphasizes the special need for the following programs:

1. Increased state funding of the Community Corrections Act to encourage continued county participation.
2. Additional corrections agents (probation officers) to permit supervision of offenders at a level adequate to foster public safety.
3. Funding of the Sentencing to Service project which will place selected offenders on Department of Natural Resources work projects.

EXPLANATION OF BUDGET REQUEST:

Change levels requested for this program are as follows:

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Probation and Supervised Release	\$375.8	11.0	\$403.6	12.5
Work Release Program Expansion	\$142.3	2.0	\$215.4	2.0
Residential Contract Programs	\$44.1		\$77.5	
Sentencing to Service	\$326.5		\$734.2	
Community Corrections Act	\$1,000.0		\$6,888.8	
Adult Female Jail Diversion Project	\$100.0		\$100.0	
Purchased Services: Rule Review, Amendment and Associated Activity	\$26.6		\$22.9	
Battered Women Grants	\$100.0		\$100.0	
Crime Victim Centers Grants	\$20.0		\$20.0	
Sexual Assault Grants	\$100.0		\$100.0	
Sexual Assault Administration	\$25.2	1.0	\$22.9	1.0
Victims of Crime Act Administration and Technical Assistance	\$61.4	2.0	\$57.4	2.0
County Probation Reimbursement	\$1,320.5		\$1,591.7	
	\$3,642.4	16.0	\$10,334.4	17.5

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for these requests, with two exceptions: \$1,000.0 each year is recommended for the Community Corrections Act to ensure that the current grant level not be reduced; the share of dedicated receipts from DWI reinstatement fees lost in the 1986 Session should be restored to the County Probation Reimbursement account.

The Victim Services program requests are not recommended because of the availability of Federal Victims of Crime Act funds; while the remaining requests have merit, other spending priorities preclude additional funding.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: COMMUNITY SERVICES

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
PROB & SUPERVISED REL	3,318.0	3,631.2	3,854.2	3,998.0	375.8	4,373.8	3,998.0	3,986.3	403.6	4,389.9	3,986.3
COMM SERVICE SUPPORT	1,872.4	2,503.4	2,317.5	2,274.6	512.9	2,787.5	2,274.6	2,272.6	1,027.1	3,299.7	2,272.6
COMM CORR ACT	13,612.1	13,346.1	13,024.4	12,329.5	1,000.0	13,329.5	13,329.5	12,329.5	6,888.8	19,218.3	13,329.5
FACILITIES LIC & INSPECT	212.3	231.3	270.0	240.8	126.6	367.4	240.8	240.1	122.9	363.0	240.1
VICTIM SERVICES	3,001.3	3,517.3	4,843.4	4,325.1	306.6	4,631.7	4,325.1	4,213.4	300.3	4,513.7	4,213.4
NON CCA SUBSIDIES	1,835.4	2,296.0	2,602.1	1,609.8	1,320.5	2,930.3	2,602.1	1,609.8	1,591.7	3,201.5	2,602.1
TOTAL	23,851.5	25,525.3	26,911.6	24,777.8	3,642.4	28,420.2	26,770.1	24,651.7	10,334.4	34,986.1	26,644.0
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	5,681.6	6,237.5	6,759.6	6,874.0	1,001.9	7,875.9	6,874.0	6,858.7	1,533.9	8,392.6	6,858.7
LOCAL ASSISTANCE	18,169.9	19,287.8	20,152.0	17,903.8	2,640.5	20,544.3	19,896.1	17,793.0	8,800.5	26,593.5	19,785.3
AIDS TO INDS.											
TOTAL EXPENDITURES	23,851.5	25,525.3	26,911.6	24,777.8	3,642.4	28,420.2	26,770.1	24,651.7	10,334.4	34,986.1	26,644.0
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	22,997.5	22,155.5	22,404.1	21,860.0	3,642.4	25,502.4	22,860.0	21,844.7	10,334.4	32,179.1	22,844.7
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	619.2	2,950.1	3,325.8	1,788.3		1,788.3	2,780.6	1,788.3		1,788.3	2,780.6
AGENCY	160.0	250.7	290.0	290.0		290.0	290.0	290.0		290.0	290.0
GIFTS AND DEPOSITS	1.5	5.9									
FEDERAL	73.3	163.1	891.7	839.5		839.5	839.5	728.7		728.7	728.7
TOTAL FINANCING	23,851.5	25,525.3	26,911.6	24,777.8	3,642.4	28,420.2	26,770.1	24,651.7	10,334.4	34,986.1	26,644.0
POSITIONS BY FUND:											
GENERAL	118.9	129.0	130.9	130.9	16.0	146.9	130.9	130.9	17.5	148.4	130.9
SPECIAL REVENUE			1.0								
TOTAL POSITIONS	118.9	129.0	131.9	130.9	16.0	146.9	130.9	130.9	17.5	148.4	130.9

ACTIVITY: PROBATION AND SUPERVISED RELEASE
 Program: COMMUNITY SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	ACTUAL F.Y. 1985 \$ 396.5	ACTUAL F.Y. 1986 \$ 395.6	ESTIMATE F.Y. 1987 \$ 427.8	ESTIMATE F.Y. 1988 \$ 444.9	ESTIMATE F.Y. 1989 \$ 462.7
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DESCRIPTION: The probation and supervised release activity attempts to control the criminal behavior of released offenders and adults and juveniles on probation. It is comprised of 2 regions representing 60 counties not in the CCA, with district offices in St. Cloud, Willmar, Detroit Lakes, Bemidji, Stillwater, Albert Lea and Shakopee. In those 60 counties not under the act, agents of the Department of Corrections supervise a monthly average of approximately 6,000 adult and juvenile offenders. Over 90 percent of these offenders are on court-ordered probation, with the remainder on parole or supervised release. This activity also completes investigations and reports required by the courts and releasing authorities, monitors local correctional programs, and assists in the inspection and licensing of jails, lockups, detention facilities and group homes and in the investigation of complaints made against them. Supervising staff are responsible for conducting revocation hearings and the imposition of sanctions against those found to be in violation of conditions of parole or supervised release. This activity is directed toward maintaining a revocation rate not to exceed 10 percent of those offenders on probation, parole or supervised release and to ensure compliance with court-ordered special conditions of probation.

Authority for this activity is found in M.S. 609.115 and 609.135.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Percent of offenders charged with violation	9.5	8.1	9.0	9.0	9.0
Restitution collected	\$468,075	\$559,503	\$575,000	\$600,000	\$625,000
Fines, court costs, assessments collected	\$525,828	\$490,743	\$500,000	\$510,000	\$520,000
<u>Adult - District Court:</u> (60 counties)					
Total cases served	8,231	8,592	8,968	9,000	9,200
Average monthly caseload	5,007	5,221	5,443	5,500	5,600
Average monthly workload points	9,094	9,399	9,539	9,682	9,827
Presentence investigations (PSIs) completed:					
By agent	1,105	1,287	1,498	1,617	1,682
By contract	1,333	1,076	1,200	1,250	1,300
Total	2,438	2,363	2,698	2,867	2,982
Cost per PSI	\$117	\$149	\$138	\$150	\$160
Cost of supervision per case per year	\$411	\$456	\$451	\$460	\$470

ACTIVITY STATISTICS (CONTD.):

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Juvenile/County Court:</u> (13 counties)					
Average monthly caseload (juvenile)	460	468	480	490	500
Average monthly caseload (misdemeanant/gross misdemeanor caseload)	520	452	500	510	520

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Probation and Supervised Release - Covers salary and support costs for increased staff. See the CHANGE request sheet following the fiscal sheet for this activity.	\$375.8	\$403.6	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PROB & SUPERVISED REL

PROGRAM: COMMUNITY SERVICES

AGENCY: CORRECTIONS,DPT OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,318.0	3,631.2	3,854.2	3,998.0	375.8	4,373.8	3,998.0	3,986.3	403.6	4,389.9	3,986.3
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	3,318.0	3,631.2	3,854.2	3,998.0	375.8	4,373.8	3,998.0	3,986.3	403.6	4,389.9	3,986.3
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,795.0	3,076.1	3,201.0	3,336.7	294.2	3,630.9	3,336.7	3,325.0	336.2	3,661.2	3,325.0
EXPENSES & CONTRAC. SERV	516.5	527.6	625.7	633.8	54.0	687.8	633.8	633.8	63.0	696.8	633.8
SUPPLIES & MATERIALS	5.0	19.4	12.4	12.4	10.7	23.1	12.4	12.4	2.4	14.8	12.4
EQUIPMENT	1.5	8.1	15.1	15.1	16.9	32.0	15.1	15.1	2.0	17.1	15.1
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	3,318.0	3,631.2	3,854.2	3,998.0	375.8	4,373.8	3,998.0	3,986.3	403.6	4,389.9	3,986.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	3,318.0	3,631.2	3,854.2	3,998.0	375.8	4,373.8	3,998.0	3,986.3	403.6	4,389.9	3,986.3
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	3,318.0	3,631.2	3,854.2	3,998.0	375.8	4,373.8	3,998.0	3,986.3	403.6	4,389.9	3,986.3
POSITIONS BY FUND											
GENERAL	92.1	101.2	102.1	102.1	11.0	113.1	102.1	102.1	12.5	114.6	102.1
TOTAL POSITIONS	92.1	101.2	102.1	102.1	11.0	113.1	102.1	102.1	12.5	114.6	102.1

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: PROBATION AND SUPERVISED RELEASE
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: PROBATION AND SUPERVISED RELEASE				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$375.8	11.0	\$403.6	12.5
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: This request is made to enable the Department of Corrections to conduct quality and timely investigative services for the district courts and to supervise those persons on probation and supervised release at a cost effective level. The highest level of attention is given to those persons posing the greatest degree of risk to the public.

For F.Y. 1988 this request reflects the addition of 6.0 corrections agents and 3.0 clerk steno positions to provide clerical service to field staff. An additional 2.0 secretarial positions are requested to be used in 4 locations to accommodate increased clerical workloads. For F.Y. 1989 an additional agent and clerk steno are requested to bring agent workloads into compliance with standards of supervision as determined by the department case classification system.

DESCRIPTION/BACKGROUND: M.S. 609.115 requires the Commissioner of Corrections to conduct presentence investigations for the district courts. M.S. 609.135 requires the Commissioner of Corrections to supervise offenders (felony and gross misdemeanors) placed on probation by the court.

For several years increasing workloads have made it impossible for department agents to supervise offenders at the appropriate level of supervision. The standards established for the various levels of supervision are based on the offender's risk and need. Results of monthly reviews indicate that, due to excessive workloads, supervisory approval has been required for agents to supervise approximately 500 cases at a level lower than that required by Department of Corrections' standards. This request will permit supervision and surveillance deemed appropriate for the offender.

<u>STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Percent of clients charged with violations	9.5	8.1	9.0	9.0	9.0
Restitution collected	\$468,075	\$559,503	\$575,000	\$600,000	\$625,000
Fines, court costs, assessments collected	\$525,828	\$490,743	\$500,000	\$510,000	\$520,000

RATIONALE: With the additional staff positions requested, supervision will be provided to 100 percent of offenders at the surveillance level as prescribed by the Department of Corrections. This will enhance public safety.

The case classification system acknowledges that offenders differ greatly in the degree of risk and need that they present and in the amount of time an agent must spend to supervise them properly. Recognizing this, utilizing validated scales for measuring risk and need, and applying the results of extensive time studies, various classifications of cases have been assigned specific point values and a determination made that the workload an agent can effectively handle in a normal working month is 156 points.

The following table reflects the excessive workloads confronting agents and the staff needed to provide total and complete coverage:

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Average monthly points	9,094	9,399	9,539	9,682	9,827
Average workload/agent	186	174	170	156	156
Number of agents needed @ 156 points/agent	58	60	61	62	63
Number of agents	49	54	56	62	63
Additional agents needed but not funded	9	6	5	0	0

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: COMM SERVICE SUPPORT

PROGRAM: COMMUNITY SERVICES

AGENCY: CORRECTIONS,DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,856.6	2,046.9	2,317.5	2,274.6	512.9	2,787.5	2,274.6	2,272.6	1,027.1	3,299.7	2,272.6
LOCAL ASSISTANCE	15.8	456.5									
AIDS TO INDS.											
TOTAL EXPENDITURES	1,872.4	2,503.4	2,317.5	2,274.6	512.9	2,787.5	2,274.6	2,272.6	1,027.1	3,299.7	2,272.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	506.3	564.8	585.0	573.3	57.2	630.5	573.3	571.3	57.2	628.5	571.3
EXPENSES & CONTRAC. SERV	1,320.1	1,445.3	1,647.0	1,647.4	454.1	2,101.5	1,647.4	1,647.4	969.4	2,616.8	1,647.4
SUPPLIES & MATERIALS	27.7	34.7	80.4	48.8	1.1	49.9	48.8	48.8	.5	49.3	48.8
EQUIPMENT	2.5	2.1	5.1	5.1	.5	5.6	5.1	5.1		5.1	5.1
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,856.6	2,046.9	2,317.5	2,274.6	512.9	2,787.5	2,274.6	2,272.6	1,027.1	3,299.7	2,272.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,670.4	2,176.3	1,937.8	1,951.6	512.9	2,464.5	1,951.6	1,949.6	1,027.1	2,976.7	1,949.6
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	26.2	35.9	89.7	33.0		33.0	33.0	33.0		33.0	33.0
AGENCY	160.0	250.7	290.0	290.0		290.0	290.0	290.0		290.0	290.0
FEDERAL	15.8	40.5									
TOTAL FINANCING	1,872.4	2,503.4	2,317.5	2,274.6	512.9	2,787.5	2,274.6	2,272.6	1,027.1	3,299.7	2,272.6
POSITIONS BY FUND											
GENERAL	15.8	15.8	15.8	15.8	2.0	17.8	15.8	15.8	2.0	17.8	15.8
SPECIAL REVENUE			1.0								
TOTAL POSITIONS	15.8	15.8	16.8	15.8	2.0	17.8	15.8	15.8	2.0	17.8	15.8

ACTIVITY: COMMUNITY SERVICES SUPPORT
 Program: COMMUNITY SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

DESCRIPTION: The Community Services Support activity attempts to control the criminal behavior of offenders in the community and to foster the development of skills offenders need to live a law-abiding life in the community. Community Services Support: 1) directly operates 1 residential facility, Anishinabe Longhouse (for American Indian offenders); 2) contracts for services at community residential facilities; 3) purchases non-residential community services from 2 or more organizations providing job placement, support service and referral for offenders; and 4) provides by contract for work release services for offenders being released from state institutions. The above provides and assists intensive supervision, structured living, the reintegration of offenders entering community life by providing them with practical work experience, educational and vocational assistance, chemical dependency/alcohol treatment, cultural experiences and therapeutic involvement. These programs are designed to enhance public safety while assisting offender reintegration into the community.

This activity also includes interstate and federal compacts, administration of reciprocal agreements providing for the supervision of interstate parolees/probationers and administration of detainers. Also included is administrative record-keeping for statewide probation matters and monitoring of probation services for district courts throughout the state.

Authority for this activity is found in M.S. 241.26, 241.32, 243.09 and 243.16.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Work Release:</u>					
Number of residents served	168	189	190	190	190
Number of resident days	11,507	15,494	15,500	15,500	15,500
Average cost per resident per day	\$30.50	\$30.05	\$30.05	\$30.05	\$30.05
Percent of successful completion	64	71	70	70	70
Percent participating without felony	100	99	96	96	96
<u>Residential Contract Programs:</u>					
Number of residents served	350	334	350	350	350
Number of resident days	21,537	18,150	19,000	19,000	19,000
Average cost per resident per day	\$30.08	\$30.88	\$32.37	\$32.37	\$32.37
Percent of successful program completion	59	62	70	70	70
Percent participating without new felony	99	99	98	98	98

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Anishinabe Longhouse:</u>					
Number of residents served	50	57	57	60	60
Number of resident days	4,730	3,947	5,206	5,340	5,405
Average cost per resident per day	\$70.82	\$80.22	\$60.82	\$59.29	\$58.58
Percent satisfactorily terminated	68	52	65	70	70
Percent participating without felony	97	98	99	99	99
<u>CHANGE REQUESTS:</u>			F.Y. 1988	F.Y. 1989	Type
Work Release Program Expansion - Needed to meet growing demands for work release activity. See the CHANGE request sheet following the fiscal sheet for this activity.			\$142.3	\$215.4	Activity Specific
Residential Contract Programs - Needed to cover increased demand for such services. See the CHANGE request sheet following the fiscal sheet for this activity.			\$44.1	\$77.5	Activity Specific
Sentencing to Service - Covers costs of expanding the project to 5 DNR regions. See the CHANGE request sheet following the fiscal sheet for this activity.			\$326.5	\$734.2	Activity Specific

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: COMMUNITY SERVICES SUPPORT
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: WORK RELEASE PROGRAM EXPANSION				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$142.3	2.0	\$215.4	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds to enable the Work Release Program to expand its selection guidelines to include 20 percent more inmates in F.Y. 1988 and an additional 17 percent in F.Y. 1989.

These funds will be used to purchase additional services from vendors serving the residential needs of work releasees from the department's adult institutions. These additional funds will also be used to employ a secretary without whom expansion will not be possible and another corrections agent to supervise the increased caseload.

DESCRIPTION/BACKGROUND:

This is a program designed to provide structured living and very close supervision/surveillance for newly released offenders. Prisoners become eligible for work release not more than 6 months prior to regularly scheduled release. Cost per bed day are lower than at our institutions and this is a cost effective alternative for selected offenders.

<u>STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of residents served	168	189	190	228	266
Number of resident days	11,507	15,494	15,500	18,600	21,700
Cost per resident day	\$30.50	\$30.05	\$30.05	\$32.30	\$31.07

RATIONALE:

The Department of Corrections' institution populations have been increasing over the past several years. The department must plan to make use of community based work release to the fullest extent possible consistent with public safety. As noted, the additional funds will be used to buy bed space and hire a corrections agent and a full-time secretary to do the additional paperwork of the increased caseload.

The effectiveness indicator used to evaluate this item will be the increased numbers of residents served.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: COMMUNITY SERVICES SUPPORT
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: RESIDENTIAL CONTRACT PROGRAMS				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$44.1	-0-	\$77.5	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Department of Corrections requests funds to increase the amount of space available in residential community facilities (halfway houses) for selected high risk offenders released from prison on supervised release status. The additional funds will also provide more residential placement alternatives out of the metropolitan area and more placement options for the woman offender in the community.

DESCRIPTION/BACKGROUND:

One objective of the Community Corrections Act and Minnesota sentencing guidelines is to deal with more non-violent property offenders in the local community and send those convicted of more serious crimes to the state prisons. As this is happening, the percentage of violent person offenders in the prisons has been increasing. There are also a greater number of sex offenders being convicted and sent to prison. As these offenders are released to the community, there is an increased utilization of structured residential care and the supervision/surveillance it provides.

STATISTICS:

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of residents served	350	334	350	370	390
Number of resident days	21,537	18,150	19,000	19,950	20,948
Average cost per resident per day	\$30.08	\$30.88	\$32.37	\$33.98	\$35.67

RATIONALE:

The department through its Office of Adult Release, is mandating residential conditions for a greater number of our releasees to help ensure a high level of public safety. More and more of the most serious offenders sentenced under sentencing guidelines are now reaching their mandatory supervised release dates. They include more sex offenders, both male and female and other violent offenders. This department needs structured, well supervised placements to maintain a low risk to the community. We are also responding to the requests of out-state Minnesota to provide more placement options for both male and female offenders returning to those, more rural communities.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: COMMUNITY SERVICES SUPPORT
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: SENTENCING TO SERVICE				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$326.5	-0-	\$734.2	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funds to expand a pilot project which diverts non-dangerous offenders to community service in lieu of jail or fine. The project accesses a labor force which will benefit the citizens of Minnesota, improve management of the state's natural resources, increase sentencing alternatives for the court and preserve scarce security beds in jails.

DESCRIPTION/BACKGROUND:

As part of the governor's Strive Toward Excellence in Performance program, a pilot project in northeastern Minnesota was developed cooperatively by the Minnesota Department of Corrections and the Minnesota Department of Natural Resources and funded by the Blandin Foundation. The Sentencing to Service project is designed to serve needs of both the DNR and the criminal justice system by sentencing non-dangerous offenders to community service. This provides the DNR with a previously untapped resource for projects which would otherwise not be done. However, no project will displace state employees.

A portion of the funds received will be contracted to the DNR for work supervisors and equipment. The remainder will be retained by Corrections to provide coordination between the court system and various DNR sites. Coordinators will also identify and coordinate alternate work sites in various areas of the state.

STATISTICS:

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Offenders in program	-0-	-0-	400	1,000	5,000
Hours of service performed	-0-	-0-	18,840	215,000	508,800
Value of service performed at \$5/hr.	-0-	-0-	\$94,200	\$1,075,000	\$2,544,000

RATIONALE:

Many desirable natural resource projects cannot be undertaken due to insufficient funds, staff and time. Many non-dangerous offenders can be sentenced to service on DNR lands to make these projects achievable.

The Sentencing to Service project will be a cooperative effort by Corrections and DNR. It is estimated that for an investment of \$1.1 million, the citizens of the state would realize about \$3.6 million in service (estimated at \$5.00 per hour) in the biennium. Additional indirect savings will be realized because of the expected reduced need to build more and bigger jails.

The cost represents a full time coordinator and part time clerical staff in each of 2 (5 in second year) DNR districts and seasonally employed crew supervisors: 7 in the first year and 15 in the second. Also included are costs of transporting crews to remote sites, equipment and office space as necessary.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Instead, the agency should pursue all available alternatives to continue the two current pilot projects when foundation funds expire. To the extent that dedicated receipts for housing inmates on contract are available, the department should use such funds to support this initiative at the current level of effort.

ACTIVITY: COMMUNITY CORRECTIONS ACT
 Program: COMMUNITY SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ACTUAL F.Y. 1985 -0-	ACTUAL F.Y. 1986 -0-	ESTIMATE F.Y. 1987 -0-	ESTIMATE F.Y. 1988 -0-	ESTIMATE F.Y. 1989 -0-
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DESCRIPTION: The Community Corrections Act authorizes the Commissioner of Corrections to provide subsidy grants to counties so they may provide the following correctional services: Crime prevention programs, diversion programs, probation and parole/supervised release services, community corrections centers, and facilities to detain, confine and treat offenders of all age groups.

Twenty-seven counties are currently under the Community Corrections Act with 1 other (Kandiyohi) scheduled to enter during 1987. These counties represent approximately 60 percent of the State's population.

The grants are available to counties and groups of contiguous counties with a combined population of at least 30,000. Participating counties must establish a corrections advisory board composed of representatives from law enforcement, the judiciary, the prosecution, education, corrections, racial minorities, social welfare services, and the lay citizenry. Participating counties must develop a local comprehensive plan which identifies correctional needs and defines programs designed to meet those needs. The comprehensive plan is presented to the board of county commissioners for approval and is forwarded to the Department of Corrections for review and final approval by department staff and the Commissioner of Corrections.

Authority for this activity is found in M.S. 401.01 - 401.16.

CRITERIA AND FORMULAS DETERMINING AMOUNT OF PAYMENT TO RECIPIENT:

The subsidy formula is specified in M.S. 401.10. It includes factors that reflect both the correctional needs of the county and the county's financial resources available to meet those needs. Specifically, the formula operates in the following manner:

Step 1: For each participating county, 4 separate ratios are calculated:

- a) the county's per capita income is divided into the 87 county average;
- b) the county's per capita taxable value is divided into the 87 county average;
- c) the county's per capita expenditure for correctional purposes is divided by the 87 county average;
- d) the county's percent of county population aged 6 through 30 is divided by the 87 county average.

Step 2: For each county, the 4 ratios calculated in step 1 are summed and the result is divided by 4.

Step 3: For each county, the amount calculated in step 2 is multiplied by the total county population.

Step 4: Each participating county's share of the total appropriation for community corrections grants is the ratio of its step 3 score to the sum of the step 3 scores for all participating counties.

ACTIVITY STATISTICS:	C.Y. 1985	C.Y. 1986	C.Y. 1987	C.Y. 1988	C.Y. 1989
Number of participating counties	27	27	28	28	28
Population of participating counties (in thousands)	2,457	2,475	2,492	2,550	2,568
Total number served in participating counties at year end	147,573	154,951	162,699	170,834	170,834
Sources of revenue for services - participating counties (\$ in thousands):					
State subsidy	\$15,782.7	\$15,330.6	\$14,856.0	\$15,086.0	\$15,086.0
County funds	\$46,331.2	\$46,352.5	\$46,552.5	\$46,552.5	\$46,552.5
Total	\$62,113.9	\$61,683.1	\$61,408.5	\$61,638.5	\$61,638.5
<u>CHANGE REQUESTS:</u>			<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Community Corrections Act - Increases state payment to counties. See the CHANGE request sheet following the fiscal sheet for this activity.			\$1,000.0	\$6,888.8	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: COMM CORR ACT

PROGRAM: COMMUNITY SERVICES

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	13,612.1	13,346.1	13,024.4	12,329.5	1,000.0	13,329.5	13,329.5	12,329.5	6,888.8	19,218.3	13,329.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL											
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	13,612.1	13,346.1	13,024.4	12,329.5	1,000.0	13,329.5	13,329.5	12,329.5	6,888.8	19,218.3	13,329.5
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: COMMUNITY CORRECTIONS ACT
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: COMMUNITY CORRECTIONS ACT				
Agency Request				
General Fund	\$1,000.0	-0-	\$6,888.8	-0-
Governor's Recommendation				
General Fund	\$1,000.0	-0-	\$1,000.0	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests additional funds for counties participating in the Community Corrections Act to encourage continued county participation. The main objective is to increase the state payment to counties by \$5,888,800 in order to maintain the balance between community based services and state institutions. This request also includes \$1.0 million each year to maintain the same level of services now provided by counties.

DESCRIPTION/BACKGROUND:

To promote efficiency and economy in the delivery of correctional services, the commissioner is authorized to make grants to assist counties in developing, implementing and operating programs to carry out this purpose. There are presently 27 counties participating in the Act. Between F.Y. 1979 and F.Y. 1986, no new counties entered the Act; in F.Y. 1987, 1 more county will join. These counties represent approximately 60 percent of the state's population.

Counties under the Act provide a comprehensive array of correctional services to their respective communities. These services include: crime prevention programs, probation and supervised release services and community corrections centers. The per diem cost of youths committed to state institutions by these counties is deducted from their grants.

From 1979 to 1985, the state's share of expenditures for community based services has declined from 36.5 percent to 25.4 percent while the counties' share has increased from 63.5 percent to 74.6 percent. The decline in state funding is a disincentive for counties to enter or to remain in the Act. Should counties leave the Act, state institution populations would rise creating the need for more institution beds.

Community Corrections Act funding is based on an established amount of \$24.6 million for all 87 counties. The 27 counties currently in the Act account for \$14.9 million of that total. State appropriations have never fully funded the formula generated allocation to counties because of chargebacks for institution use and the carryforward of county-obligated but unspent funds. However, over the past few years, the trend of counties to spend prior year obligated funds and to use institutions less, coupled with state budget reductions, eliminated all flexibility in the use of these funds. Without additional funding, the state will have to reduce same level funding to the counties thus reducing community based correctional services.

STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of counties	27	27	27	28	28
Population of participating counties (thousands)	2,475	2,492	2,550	2,568	2,568
State expenditures/appropriations (thousands)	\$13,612.1	\$13,346.1	\$13,024.4	\$12,329.5	\$12,329.5
With Change Level	\$13,612.1	\$13,346.1	\$13,024.4	\$13,329.5	\$19,218.3

RATIONALE:

In order to provide a functional correctional system at reasonable cost, it is important to maintain the balance of institution and community based services. The Community Corrections Act is a vital component in this balance. The erosion of state funding has created a situation in which some county boards may consider terminating participation. This would destroy Minnesota's vital balance between institution and community based services with resulting increases in need for state institutional beds. The request in the second year of the biennium for \$5,888,800 will restore the state's share of funding to 31.1 percent in F.Y. 1989. The request for \$1.0 million each year should provide same level funding to the counties to maintain the same level of service.

POLICY ISSUES:

The department requests a rider to the appropriation bill:

Salaries for probation officers of CCA jurisdictions shall be commensurate with the salaries paid to comparable positions in the classified service of the state civil service.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

(Continuation)

ACTIVITY: COMMUNITY CORRECTIONS ACT

PROGRAM: COMMUNITY SERVICES

AGENCY: CORRECTIONS, DEPARTMENT OF

Chargebacks to CCA counties for adults shall be adjusted to the projected F.Y. 1986 actual cost of \$63.23. Chargebacks to CCA counties for juveniles shall be adjusted to the projected F.Y. 1986 actual cost of \$112.38.

The present system of chargebacks (per diems) to CCA counties for all juveniles sent to state institutions shall be retained.

Chargebacks (per diems) shall be assessed CCA counties for each adult offender sentenced to state institutions as the result of offenses classified by sentencing guidelines severity level 1 and/or 2 with a criminal history score of 5 or below.

Chargebacks (per diems) shall be assessed CCA counties for each adult offender sentenced to state institutions as a direct result (i.e., current sentence) of serial charging by which the criminal history score has been increased past the presumptive commit line in the case of property offenses occurring within a single criminal act.

GOVERNOR'S RECOMMENDATION:

The Governor recommends partial funding of this request in the amount of \$1,000.0 each year of the biennium to ensure that grant awards to participating counties continue at the SAME level of effort as in the current biennium. Additional funds requested to increase grant payments are not recommended, as other spending priorities preclude additional funding.

ACTIVITY: FACILITIES LICENSING AND INSPECTION
 Program: COMMUNITY SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION: This activity inspects and licenses secure and non-secure correctional facilities on a statewide basis. Facilities under the inspection and licensing responsibility of this unit include: jails, lockups, holding facilities, adult correctional facilities including workhouses/work farms, correctional group foster homes, adult halfway houses, secure juvenile detention facilities and juvenile residential facilities such as county home schools. This activity also provides training and technical assistance to the staff overseeing secure correctional facilities; develops and enforces standards for correctional facilities in accordance with legislative directives and the administrative rule-making process; maintains and analyzes statistical data on approximately 75-85,000 admissions annually in local secure correctional facilities, and acts as a statewide clearinghouse in accordance with statutory requirements for the review and approval of remodeling, renovation or new construction relating to secure county correctional facilities.

The above responsibilities are designed to ensure that conditions of confinement and security of persons detained or incarcerated in local facilities meet basic safety, health and constitutional standards while ensuring protection of the public.

Authority for this activity is found in M.S. 241.021.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Inspections completed on annual basis	175	175	175	180	185
Average cost per inspection	\$358	\$388	\$400	\$432	\$465
Hours of training conducted	4,648	3,592	4,250	4,500	4,500
Total training costs	\$7,824	\$7,028	\$8,575	\$8,893	\$9,783
Cost per manhour of training	\$1.68	\$1.96	\$2.02	\$1.98	\$2.17
Local units of county government receiving contract technical assistance annually	36	48	50	52	54
Total contract technical assistance costs	\$14,530	\$17,207	\$15,925	\$18,057	\$19,862
Total contract technical assistance per unit of government	\$404	\$358	\$319	\$347	\$368
Percent of facilities which meet physical plant standards required of 1 year jails	76.5	78.4	82.0	86.0	90.0

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of county operated detention facilities classified as condemned or condemnable	1	-0-	-0-	-0-	-0-
Number of conditions of confinement suits filed against jails	-0-	-0-	-0-	-0-	-0-
Percent of approved beds in jail-type facilities	86	87	90	90	92
Number of facilities operating with annual average daily populations at or greater than 90% of their existing bed capacities	14	8	6	5	4

CHANGE REQUESTS:	F.Y. 1988	F.Y. 1989	Type
Adult Female Jail Diversion Project - Covers grants for local projects. See the CHANGE request sheet following the fiscal sheet for this activity.	\$100.0	\$100.0	Activity Specific
Purchased Services - Covers costs of hearings and printing of rules. See the CHANGE request sheet following the fiscal sheet for this activity.	\$26.6	\$22.9	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FACILITIES LIC & INSPECT

PROGRAM: COMMUNITY SERVICES

AGENCY: CORRECTIONS,DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	212.3	231.3	230.0	240.8	26.6	267.4	240.8	240.1	22.9	263.0	240.1
LOCAL ASSISTANCE			40.0		100.0	100.0			100.0	100.0	
AIDS TO INDS.											
TOTAL EXPENDITURES	212.3	231.3	270.0	240.8	126.6	367.4	240.8	240.1	122.9	363.0	240.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	177.5	187.8	191.7	202.0		202.0	202.0	201.3		201.3	201.3
EXPENSES & CONTRAC. SERV	34.5	43.0	37.7	38.2	26.6	64.8	38.2	38.2	22.9	61.1	38.2
SUPPLIES & MATERIALS	.3	.5	.6	.6		.6	.6	.6		.6	.6
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	212.3	231.3	230.0	240.8	26.6	267.4	240.8	240.1	22.9	263.0	240.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	212.3	231.3	230.0	240.8	126.6	367.4	240.8	240.1	122.9	363.0	240.1
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE			40.0								
TOTAL FINANCING	212.3	231.3	270.0	240.8	126.6	367.4	240.8	240.1	122.9	363.0	240.1
POSITIONS BY FUND											
GENERAL	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0
TOTAL POSITIONS	5.0	5.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: FACILITIES LICENSING AND INSPECTION
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

During F.Y. 1987, the Department of Corrections developed a Request for Proposal for Adult Female Jail Diversion Pilot Projects and has allocated \$40,000 of dedicated receipts for the funding of not less than 2 demonstration pilot projects. This request is intended to provide funds to continue successful demonstration projects and to provide funds to counties interested in replicating demonstration projects or establishing similar projects.

Request Title: ADULT FEMALE JAIL DIVERSION PROJECT				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$100.0	-0-	\$100.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATISTICS:	<u>C.Y. 1985</u>	<u>C.Y. 1986</u>	<u>C.Y. 1987</u>	<u>C.Y. 1988</u>	<u>C.Y. 1989</u>
Adult female offenders classified as minimum security:					
Percent sentenced to jails	100	100	100	100	100
Percent of days spent in jail	100	100	90	80	82
Adult females sentenced to jail	830	1,092	1,200	1,320	1,450
Days confined by sentenced females	8,420	10,584	10,767	10,485	11,915
Average days confined	10.1	9.7	9.0	7.9	8.2
Average daily population	23.1	29.2	29.5	28.7	32.6

STATEMENT OF REQUEST/OBJECTIVE: The Department of Corrections requests funds to provide reimbursement to non-Community Corrections Act counties for the use of non-jail alternatives for sentenced adult females classified as minimum security risks.

It is the objective of this request to reduce the number of adult females classified as minimum security under sentence in jail facilities through the establishment of non-jail alternatives such as house arrest, adult foster homes and community restitution programs in counties selected for participation in this project.

DESCRIPTION/BACKGROUND: Department of Corrections' data indicates significant increases in the number of adult females sentenced to jail facilities and the total days confined by those females. The Department wishes to implement a plan to enhance the delivery of local correctional services with an emphasis on improved programming for female offenders outside jail facilities.

Currently, when a woman is sentenced to a county jail in counties exclusive of the metropolitan area or St. Louis County she is frequently the only adult female in the jail. Consequently, the time served by the offender may be characterized as isolation. The special needs of the adult female offender are often not addressed due to the impracticality of establishing jail programs for small numbers of offenders. In small jails operating with one jailer it is often necessary to provide matron services in addition to the jailer on duty whenever females are detained in order to comply with Minnesota statute.

Actual F.Y. 1987 base data will be established through proposals received on counties selected to participate in a pilot project funded by Corrections through dedicated receipts and Detention Information System data on all eligible counties.

RATIONALE: The change level is based on an estimated 2,715 days of non-jail detention of sentenced adult females classified as minimum security at \$35.00 per day in F.Y. 1988 and 2,585 days in F.Y. 1989 at \$36.75 per day. Selection of counties for participation in this project shall be based on proposals received from counties.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: FACILITIES LICENSING AND INSPECTION
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: PURCHASED SERVICES: RULE REVIEW, AMENDMENT AND ASSOCIATED ACTIVITY				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$26.6	-0-	\$22.9	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests funds to facilitate on going review, amendment and associated activities relative to administrative rules governing the inspection and licensing of facilities. This will include costs of hearings, hearing examiners and printing of rules.

It is the objective of this request to ensure that agency rules are consistent with current Minnesota Statutes, judicial decisions that have been made since such rules were last amended and state of the art technological changes that have occurred with respect to construction and/or operation of facilities governed by Department of Corrections rules.

DESCRIPTION/BACKGROUND: In 1976 the Department of Corrections was mandated by M.S. 241.021 to develop rules relative to adult detention facilities inclusive of jails, lockups, holding facilities and adult corrections facilities. The Department of Corrections worked with a mandated task force during the period 1976 through May of 1978 at which time rules were adopted governing the operation of adult detention facilities and the construction of new corrections facilities.

In 1978 legislation was also passed mandating that the Department of Corrections establish minimum standards for all correctional facilities throughout the state. That legislation resulted in the establishment of rules for group foster homes, adult halfway houses, secure juvenile detention facilities, and juvenile residential facilities.

STATISTICS:

Number of facilities effected by rules:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Adult Detention Centers	96	99	99	100	100
Group Foster Homes	45	48	48	50	50
Adult Halfway Houses	9	8	8	10	12
Secure Juvenile Detention Facilities	5	5	5	5	5
Juvenile Residential Facilities	7	7	7	7	7
Municipal Police Facilities	<u>51</u>	<u>52</u>	<u>53</u>	<u>54</u>	<u>55</u>
Total	213	219	220	226	229

RATIONALE: The Department of Corrections perceives its statutory responsibility under M.S. 241.021 to include review and amendment of administrative rules as appropriate to statutory change, judicial decisions and changes in state of the art technology impacting upon those facilities licensed and inspected by the Inspection and Enforcement Unit. The Inspection and Enforcement Unit perceives its statutory responsibility to include ongoing assessment of rules and less restrictive application of such rules to the greatest extent possible. This request is intended to accomplish each of these goals.

Minnesota's correctional system inclusive of the facilities of types indicated herein has often been perceived as a leader on a nationwide basis. This is in part attributable to Minnesota's efforts to be proactive in the area of rulemaking, licensing and inspection of correctional facilities.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

ACTIVITY: VICTIM SERVICES
 Program: COMMUNITY SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

DESCRIPTION: The victim services activity provides programs and services for crime victims throughout the state and administration of federal Victims of Crime Act funds, which are allocated to programs serving victims of sexual assault, domestic abuse, child abuse and other crimes.

1) Battered Women Services: (Statutory Reference: M.S. 611A.31 to 611A.36)
 The Battered Women's Program administers funds and provides technical assistance to 53 community programs. Services provided include emergency shelter, support and advocacy, community intervention, public education, training for staff and community professionals, statewide coordination of programs and violent partner treatment programs. Programs which meet the special needs of women of color, disabled women and older women are supported.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Women sheltered	2,565	2,850	3,365	3,350	3,350
Women receiving support services	15,000	16,900	21,000	21,000	21,000
Children served	4,125	4,980	5,625	5,600	5,600
Requests for shelter unable to accommodate	4,500	5,392	5,000	5,000	5,000
Phone calls on program crisis lines	31,000	38,000	39,000	39,000	39,000
Men served in education groups/treatment	1,100	1,100	1,575	1,575	1,575
Community education/workshop attendance	47,000	57,000	60,000	57,000	57,000
Programs funded	37	53	75	63	63
<u>Grants by Fund (in thousands)</u>					
General	\$1,579.2	\$1,565.5	\$1,781.7	\$1,772.5	\$1,772.5
Dedicated	565.9	823.3	1,066.1	630.0	630.0
Federal	-0-	22.0	321.8	293.8	255.5
TOTAL	\$2,145.1	\$2,410.8	\$3,169.6	\$2,696.3	\$2,658.0

2) Crime Victim Centers: (Statutory Reference: M.S. 611A.41 to 611A.44)
 Provides funds to 3 community organizations for the operation of crime victim centers providing crisis intervention counseling, advocacy for victims in the court process, emergency referral to appropriate community services, information services, neighborhood organizing activities, and liaison with law enforcement, prosecution and court systems.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Victims served	1,958	2,044	2,146	2,253	2,365
Calls received requesting service	8,897	11,627	12,441	13,312	14,244
<u>Grants by Fund (in thousands)</u>					
General	\$157.3	\$157.2	\$173.7	\$173.7	\$173.7
Federal	-0-	-0-	16.5	14.9	12.7
TOTAL	\$157.3	\$157.2	\$190.2	\$188.6	\$186.4

3) Sexual Assault Services: (Statutory Reference: M.S. 611A.21 to 611A.23)
 The Sexual Assault Program coordinates a statewide network to address the issue of sexual assault. The program administers a grant program for and provides technical assistance to community based sexual assault centers. These local programs provide direct services to victims, including crisis intervention, advocacy and support services; training of professionals who interact with sexual assault victims; public education on topics related to sexual assault; prevention education for children and adults and coordinate interagency communication on a local level. The state program also provides specialized training and public education, develops and disseminates resource materials, acts as a statewide clearinghouse on programs, materials, services, data and resources and coordinates with and acts as a resource to other statewide agencies and organizations for and about victims of sexual assault in order to increase the availability of sensitive, competent assistance to victims, increase public awareness and acquaint the public with available services.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Local programs funded	27	33	34	35	35
Victims served	4,470	5,166	5,200	5,200	5,200
Professionals trained	19,627	13,424	14,000	14,500	14,500
Community education participants	86,976	83,589	84,000	84,500	85,000
<u>Grants by Fund (in thousands)</u>					
State fund	\$350.6	\$458.1	\$456.0	\$446.8	\$446.8
Federal fund	53.6	58.5	292.3	268.7	236.8
TOTAL	\$404.2	\$516.6	\$748.3	\$715.5	\$683.6

ACTIVITY: VICTIM SERVICES
(Continuation)
Program: COMMUNITY SERVICES
Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Battered Women Grants - Provides funding for increased demand for programming. See CHANGE request sheet following the fiscal sheet for this activity.	\$100.0	\$100.0	Activity Specific
Crime Victim Centers Grants - Provides funding for increased demand for programming. See CHANGE request sheet following the fiscal sheet for this activity.	\$20.0	\$20.0	Activity Specific
Sexual Assault Grants - Provides funding for increased demand for programming. See CHANGE request sheet following the fiscal sheet for this activity.	\$100.0	\$100.0	Activity Specific
Sexual Assault Administration - Covers support costs for increased staff. See CHANGE request sheet following the fiscal sheet for this activity.	\$25.2	\$22.9	Activity Specific
Victims of Crime Act Administration - Covers support costs for increased staff. See CHANGE request sheet following the fiscal sheet for this activity.	\$61.4	\$57.4	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: VICTIM SERVICES

PROGRAM: COMMUNITY SERVICES

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	294.7	328.1	357.9	360.6	86.6	447.2	360.6	359.7	80.3	440.0	359.7
LOCAL ASSISTANCE	2,706.6	3,189.2	4,485.5	3,964.5	220.0	4,184.5	3,964.5	3,853.7	220.0	4,073.7	3,853.7
AIDS TO INDS.											
TOTAL EXPENDITURES	3,001.3	3,517.3	4,843.4	4,325.1	306.6	4,631.7	4,325.1	4,213.4	300.3	4,513.7	4,213.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	219.6	252.6	291.8	291.9	70.6	362.5	291.9	291.0	70.6	361.6	291.0
EXPENSES & CONTRAC. SERV	70.5	72.1	61.1	63.7	8.6	72.3	63.7	63.7	8.5	72.2	63.7
SUPPLIES & MATERIALS	4.3	3.4	4.9	4.9	2.7	7.6	4.9	4.9	1.2	6.1	4.9
EQUIPMENT	.3				4.7	4.7					
OTHER EXPENSE ITEMS			.1	.1		.1	.1	.1		.1	.1
TOTAL STATE OPERATIONS	294.7	328.1	357.9	360.6	86.6	447.2	360.6	359.7	80.3	440.0	359.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,349.3	2,459.2	2,740.2	2,722.6	306.6	3,029.2	2,722.6	2,721.7	300.3	3,022.0	2,721.7
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	593.0	929.6	1,211.5	763.0		763.0	763.0	763.0		763.0	763.0
GIFTS AND DEPOSITS	1.5	5.9									
FEDERAL	57.5	122.6	891.7	839.5		839.5	839.5	728.7		728.7	728.7
TOTAL FINANCING	3,001.3	3,517.3	4,843.4	4,325.1	306.6	4,631.7	4,325.1	4,213.4	300.3	4,513.7	4,213.4
POSITIONS BY FUND											
GENERAL	6.0	7.0	8.0	8.0	3.0	11.0	8.0	8.0	3.0	11.0	8.0
TOTAL POSITIONS	6.0	7.0	8.0	8.0	3.0	11.0	8.0	8.0	3.0	11.0	8.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: VICTIM SERVICES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: BATTERED WOMEN GRANTS				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$100.0	-0-	\$100.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to increase programming for battered women and their families. The objective is to ensure the availability of programming to battered women who are older, who are disabled or who live in communities where programs are currently not available or where programs are unable to meet the demand for services.

DESCRIPTION/BACKGROUND:

While programs for battered women have been developed in many communities and locations, program staff and program statistics indicate that older women and disabled women do not avail themselves to current services. In F.Y. 1986-87 the Department of Corrections embarked on an assessment and training project on the special needs of older women and disabled women who are battered. This important effort needs to continue through implementation of project recommendations.

Further, the Program for Battered Women would like to assess the special needs of battered women who are mentally ill and other special groups who are battered. Appropriate programming would be implemented to address the special needs if warranted. In addition, these funds would support intervention and direct services in other unserved or underserved areas.

STATISTICS:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Women sheltered	2,565	2,850	3,365	3,400	3,400
Women receiving support services	15,000	16,900	21,000	21,250	21,250
Children served	4,125	4,980	5,625	5,700	5,700
Phone calls on crisis lines	31,000	38,000	39,000	40,000	40,000
Older women provided services	NA	50	75	250	350
Disabled women provided services	NA	25	35	150	250
Request for shelter unable to accommodate	4,500	5,392	5,000	5,000	5,000

RATIONALE:

To increase efforts to serve older women, disabled women, and other special groups who are battered, an additional appropriation from the general fund is needed. Without additional funding to implement recommendations many battered women will not fully benefit from current efforts to make services accessible and sensitive to their special needs.

It is recommended that the funds requested herein be allocated to increase the availability of programming to battered women and their families.

Performance indicators used to evaluate this item will be the numbers and demographics of people using battered women services.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. Increased dedicated receipts in F.Y. 1987, coupled with availability of Federal Victims of Crime Act funds should provide sufficient funding for this activity.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: VICTIM SERVICES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: CRIME VICTIM CENTERS GRANTS				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$20.0	-0-	\$20.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The department requests additional funds for crime victim centers. At the present time there are centers in Minneapolis/St. Paul, Mower County (Austin), and Freeborn County (Albert Lea). This funding is requested to maintain an adequate level of service in the face of growing populations.

DESCRIPTION/BACKGROUND:

The centers are serving increased numbers of victims as the victim is receiving more attention from the court system and law enforcement officials. Advocacy groups are becoming stronger and more victims are aware of their rights and opportunities. These centers have become more accepted and need additional funds to meet the increased demand.

The centers provide crisis intervention, counseling, advocacy for victims in the court process, emergency referral to appropriate community services, information services, neighborhood organizing activities, and liaison with law enforcement, prosecution and court system.

<u>STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Victims served	1,958	2,044	2,146	2,361	2,597
Calls received requesting service	8,897	11,627	12,441	13,312	14,244

RATIONALE:

In the past few years the plight of the victim has been increasingly highlighted and a number of national and local advocacy groups have been formed. As a result, the needs of victims have been increasingly recognized.

Battered women services and sexual assault services have, over time, organized a great deal of community support. While that is to be commended, organizational support for the victim of non-violent street crime or residential crime is still in its infancy.

The department is requesting additional funds which will enable the crime victim centers to provide more services to victims of non-violent crime in the urban and rural areas of the state.

The performance indicators used to evaluate this item will be the number of victims serviced.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. Federal Victims of Crime Act appropriation should provide sufficient additional funding for this activity.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: VICTIM SERVICES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: SEXUAL ASSAULT GRANTS				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$100.0	-0-	\$100.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department requests the above funds for grants and aids in order to provide adequate monies to underfunded existing programs, to develop services in unserved areas of the state, and to expand services for special populations, especially racial minorities.

DESCRIPTION/BACKGROUND: M.S. 611A.21 through 611A.23 require the development of a community based, statewide program to aid adult and child victims of sexual assault. Currently, 34 local programs receive funding through the sexual assault unit's grant program. Many of these existing programs are extremely underfunded and serve a large geographic area with 1 staff person who often is not even full-time. These local sexual assault centers have developed credibility within their local communities and the demand for their services has increased dramatically. Client workloads have risen and similar increases have been experienced in requests for professional training and public education programs. The increased awareness of child abuse necessitates the development of services to meet this population's needs. Experience shows that the most economical way to provide services to rural communities is by regional programs. Even though most of the existing programs have additional sources of funding (county, foundations), it is extremely difficult for the established programs to maintain current level of services at the present level of funding.

Several geographic areas of the state have no services available. Agencies within some of these areas have expressed an interest in providing services, but presently no funds are available.

It has become apparent that racial minority victims need services within their own communities. Only a small amount of funds is available for those specialized services. Now that public awareness has increased, funds must be made available to provide culturally appropriate direct victim assistance and increase professional training.

The following data illustrates the increase in services provided by existing local sexual assault centers.

STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Local programs funded	27	33	34	35	36
Number of local minority programs funded	4	6	6	7	7
Number of victims served	4,470	5,166	5,200	5,600	5,700
Number of professionals trained	19,627	13,424	14,000	15,000	15,000
Community education participants	86,976	83,589	84,000	92,000	92,000

Currently, 17 counties, nearly one quarter of the state, do not have services available for sexual assault victims. Additionally, only \$22,100 in state grant funds are available for services in the Black community, \$14,600 for services in the Hispanic community, and \$21,900 for services to American Indians, both urban and rural. A program has been funded to begin education on the issue of sexual abuse in the Asian community. The need for developing a direct service component appropriate to that community has already emerged.

RATIONALE: In many areas of the state, the sexual assault programs are the major resource for victims and their families, prevention programming and professional training. These funds will enable services to be available to nearly all sexual abuse victims regardless of race, age, sex or geographic area. Training to enable professionals to respond more effectively to both child and adult victims would expand. Programs would coordinate community efforts to provide prevention programs needed to break the cycle of abuse. Performance indicators will be the number of counties and ethnic communities receiving services, the number of victims served, professionals trained, and people reached through community education programs.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. Federal Victims of Crime Act appropriations should provide sufficient additional funding for this activity.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: VICTIM SERVICES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: SEXUAL ASSAULT ADMINISTRATION				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$25.2	1.0	\$22.9	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE

The department requests funds to hire 1.0 data entry operator to work with the program's micro-computer system and compile the program's various types of data. The requests also include the funds for office space and equipment such as a desk, chair, file cabinet and a typewriter for this position.

DESCRIPTION/BACKGROUND:

Since its inception in August of 1975 the Minnesota Program for Victims of Sexual Assault has had as its major objectives to provide services to victims through community based programs, to provide training and community education programs, to develop and disseminate materials and information, to act as a clearinghouse on materials and services relating to sexual assault. Throughout the years the number of community based programs, the amount of materials and the demands for information from the state programs has increased. There is also a heightened awareness of the problems of sexual abuse which has resulted in the creation of many task forces that also require information. The increase in the number of programs funded has resulted in an increase of time support staff must devote to the implementation of that grant program.

The addition of computer equipment has increased the unit's capacity to manage information more efficiently. The amount of data submitted to the agency has increased because of the increased number of local programs. No staff time has been added for these increasing responsibilities.

STATISTICS:

The following information provides some examples of the increased workload of the state sexual assault program.

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of local sexual assault centers requesting information	27	33	34	35	35
Number of publications distributed	9	10	10	11	12
Number of entries on the mailing list	2,000	2,500	3,000	3,300	3,600

RATIONALE:

The addition of 1.0 position will enable the sexual assault unit to better meet the demands to provide information to the professional community and the general public more systematically, plus improve data collection and entry.

The performance indicators will be the dissemination of information in a timely manner, the entry of information into the computer no later than a month after receipt, the number of requests for information or assistance processed and the types of data collected.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: VICTIM SERVICES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: VICTIMS OF CRIME ACT ADMINISTRATION AND TECHNICAL ASSISTANCE				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$61.4	2.0	\$57.4	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

RATIONALE:

The Department of Corrections has substantial experience and an excellent reputation for providing funding for a variety of programs of service to victims of various crimes. In order for the Department to receive the federal funds, assure that appropriate community agencies are aware of the funds and the process for application and for the orderly and equitable review of applications followed by an efficient granting process and careful monitoring, additional staff and resources are required. Federal funds make it possible to expand and enhance victims services in the state of Minnesota to a substantial degree. Since no state matching funds are required for these federal monies, this request represents an excellent investment in improved victims services in Minnesota.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this request is to provide staff and equipment for the Department to administer and grant federal Victims Crime Act monies, monitor the performance of subgrantees to assure provision of victims services and provide technical assistance to the subgrantees needing it.

DESCRIPTION/BACKGROUND:

Minnesota qualified for \$726,000 in federal funds for federal F.Y. 1986 for services to victims of crime and expects to qualify for similar amounts in coming years. These funds are dedicated receipts from federal fines, penalty assessments and bail forfeiture.

The Victims of Crime Act prohibits use of these funds by the state for administrative functions. However, staff are needed to distribute subgrants equitably to private, nonprofit organizations and governmental agencies and to oversee the services to be provided. In addition to grants in the areas of services to victims of sexual assault and domestic abuse, which the Department is administering with our current staff assigned to those areas, nearly \$400,000 of federal funds will be subgranted to more than 30 agencies providing a variety of direct services to victims including general victims of crime and victims of child abuse.

ACTIVITY: NON-CCA SUBSIDIES
 Program: COMMUNITY SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

DESCRIPTION: Funding in this activity aids non-Community Corrections Act (CCA) counties in providing correctional services for juveniles adjudicated as delinquent. The non-CCA subsidies fund correctional services in 3 categories:

1. County Probation Reimbursement: Minnesota Statutes provide for 50 percent reimbursement of county probation officer(s) salary in non-CCA counties. If the appropriation is insufficient, reimbursement shall be prorated. (Statutory reference: M.S. 260.311)
2. Foster Group Care: Minnesota Statutes provide that when an adjudicated delinquent is placed in a licensed group foster care facility the state shall reimburse counties for 50 percent of costs not paid by federal funds or other state aids/grants. Reimbursement shall be prorated if the appropriation is insufficient. This grant limits reimbursement of costs to a maximum of \$7.50 per day. Homes are licensed either by the Department of Corrections or the Department of Human Services. (Statutory reference: M.S. 260.251)
3. Community Corrections Centers: Minnesota Statutes allow subsidy to provide housing, education, supervision and treatment of juveniles adjudicated as delinquent and placed on probation or parole. Two programs are presently receiving grants under this statute:
 - a) The Northwest Juvenile Training Center, a non-profit corporation, operates under a joint power agreement involving 8 counties. The program provides treatment and also non-secure detention for those awaiting court disposition. It is coeducational and is licensed by the Department of Corrections.
 - b) Leech Lake Youth Lodge is licensed by the Leech Lake Reservation Business Committee. The lodge provides a substitute home environment for hard to place predisposition Indian youth and those on probation or parole. (Statutory reference: M.S. 241.31)

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
1) County probation reimbursement:					
Number of counties receiving subsidy	60	60	60	59	59
Percent reimbursed	39.6	48.4	50.0	24.9	22.6
Agent positions filled	141	146	148	160	165
Funds	\$1,519,400	\$1,984,642	\$2,290,600	\$1,298,300	\$1,298,300
2) Foster Group Care reimbursement:					
Number of counties participating in program	39	39	39	40	40
Number of children placed	497	518	520	520	520
Number of group homes	132	159	159	159	159
Funds paid	\$127,600	\$125,800	\$125,800	\$125,800	\$125,800
Percent of reimbursement	22.1	21.3	20.0	19.0	18.0

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

STATISTICS (CONTD): F.Y. 1985 F.Y. 1986 F.Y. 1987 F.Y. 1988 F.Y. 1989

3) Community Corrections Centers:

a) NW Juv. Trng. Center

Number of counties served	8	8	8	8	8
Number of beds, center	32	32	32	32	32
Number of beds, satellite home	20	20	20	20	20
Number of children served	220	259	235	235	235
Grant percent of budget	23.2	20.6	19.1	17.9	16.7
Appropriation	\$120,000	\$118,200	\$118,250	\$118,250	\$118,250

Remainder of financing is through county funds

b) Leech Lake Youth Lodge

Number of counties served	7	7	7	8	8
Number of beds	12	12	12	12	12
Number of children served	21	20	22	23	24
Grant percent of budget	36.0	35.6	35.0	34.5	34.0
Appropriation	\$68,400	\$67,400	\$67,450	\$67,450	\$67,450

Remainder of financing is through local funds

CHANGE REQUESTS:

County Probation Reimbursement - Covers increased subsidy funding to non CCA counties. See the CHANGE request sheet following the fiscal sheet for this activity.

	F.Y. 1988	F.Y. 1989	Type
County Probation Reimbursement - Covers increased subsidy funding to non CCA counties. See the CHANGE request sheet following the fiscal sheet for this activity.	\$1,320.5	\$1,591.7	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: NON CCA SUBSIDIES

PROGRAM: COMMUNITY SERVICES

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS											
LOCAL ASSISTANCE	1,835.4	2,296.0	2,602.1	1,609.8	1,320.5	2,930.3	2,602.1	1,609.8	1,591.7	3,201.5	2,602.1
AIDS TO INDS.											
TOTAL EXPENDITURES	1,835.4	2,296.0	2,602.1	1,609.8	1,320.5	2,930.3	2,602.1	1,609.8	1,591.7	3,201.5	2,602.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES											
EXPENSES & CONTRAC. SERV											
SUPPLIES & MATERIALS											
EQUIPMENT											
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS											
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,835.4	311.4	617.5	617.5	1,320.5	1,938.0	617.5	617.5	1,591.7	2,209.2	617.5
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		1,984.6	1,984.6	992.3		992.3	1,984.6	992.3		992.3	1,984.6
TOTAL FINANCING	1,835.4	2,296.0	2,602.1	1,609.8	1,320.5	2,930.3	2,602.1	1,609.8	1,591.7	3,201.5	2,602.1
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: NON CCA SUBSIDIES
 PROGRAM: COMMUNITY SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

STATISTICS:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Counties receiving subsidy	60	60	60	59	59
Percent paid	39.6	48.4	50.0	50.0	50.0
Agent positions filled	141	146	148	160	165

RATIONALE:

The percent of reimbursement to the counties had steadily declined since 1983. To the extent that the state does not provide an adequate level of reimbursement, the county's ability to provide an adequate level of supervision is diminished. This could result in an increase in commitments to the state's correctional facilities.

A total of \$992,300 is requested each year to replace the loss of dedicated receipts. An additional \$328,200 in F.Y. 1988 and \$599,400 in F.Y. 1989 is requested to bring the reimbursement to the 50 percent level.

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. This activity has been funded by dedicated receipts from the DWI driver's license reinstatement fee. The distribution of receipts from this fee had been 50% County Probation, 50% Trunk Highway Fund. 1986 Session legislation changed this to 25% County Probation, 25% alcohol-impaired driver's education programs, 50% Trunk Highway Fund. This action cut funds available to County Probation reimbursement in half. The Governor recommends that funding be restored to this activity by legislation in the 1987 Session to change the fee distribution to 50% County Probation, 25% alcohol-impaired driver's education, 25% Trunk Highway Fund.

Request Title: COUNTY PROBATION REIMBURSEMENT

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$1,320.5	-0-	\$1,591.7	-0-
Governor's Recommendation				
Special Revenue	\$ 992.3	-0-	\$ 992.3	-0-

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Department of Corrections requests the above funds to increase the reimbursement to counties which provide probation and parole services to juveniles, thus aiding counties in providing probation services to county courts. The objective is to increase the counties' ability to provide supervision of their clients.

DESCRIPTION/BACKGROUND:

Chapter 698, Laws of 1959 provides for 50 percent reimbursement of salary and fringe benefits to agents incurred in the provision of probation and parole services. If the appropriation is insufficient, reimbursement shall be prorated. The level of funding (\$1.5 million) has remained constant since F.Y. 1983. Reimbursement has fallen from 47.3 percent in F.Y. 1983 to 39.6 percent in F.Y. 1985. Funding for calendar years 1985 and 1986 is based on dedicated receipts (M.S. 171, subd. 2), which provided reimbursement of 48.4 percent in 1985 and approximately 50 percent in 1986; however, the 1986 Legislature reduced by 50 percent the dedicated receipts.

PROGRAM PURPOSE: This program provides a broad range of management support services throughout the department. Included are the administrative management of the department, fiscal services, hearing officer services, office services, personnel, staff training, departmental research and information systems. The planning and coordination of women's correctional programs is provided in the program. This program also includes funding for the offices of adult and juvenile release.

The primary objective of this program is to provide management direction that will contribute to accomplishing the department's mission.

OPERATION: There are 6 functions within this program.

1. Administrative management establishes major policy for the department and provides executive leadership to over 1,900 employees.
2. The fiscal services section maintains the fiscal records of the department and directs the formulation of budgets and financial reports. All transactions are conducted to ensure that sound financial management policies are followed. This section also monitors subsidy grants to counties and to other programs within the criminal justice system.
3. The office services section provides support services within the department for a variety of services and functions including: state vehicle use, mailroom, photocopying, word processing and equipment and office space assignments.
4. The personnel section coordinates recruiting and selection of new employees, and all personnel transactions with the Department of Employee Relations. This section administers the department's affirmative action program and represents the department in labor negotiations. All personnel records are maintained within this section.
5. The staff training section operates a training program for new employees and is responsible for providing in-service training programs throughout the Department of Corrections.
6. The research and information systems section provides operational and management information for department staff, other criminal justice agencies, and public groups which require factual information regarding the clientele and operation of the department. The information produced by this activity is maintained in the form of inmate records, a computerized management information system and analytical research reports.

BUDGET ISSUES: The department is requesting additional funding for an Affirmative Action Officer to increase the number of protected class employees. Funding is requested to reactivate the Training Academy at MCF-Sauk Centre to increase training opportunities for department staff. Funding is also requested to enhance the department's access to timely and accurate information.

EXPLANATION OF BUDGET REQUEST: Change levels requested for this program are as follows:

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Attorney General Fees	\$14.6		\$14.6	
Workers Compensation Fees	\$4.7		\$4.7	
Department Affirmative Action Officer	\$38.8	1.0	\$37.2	1.0
Pre-Service/In-Service Training	\$403.2	4.0	\$403.2	4.0
Computerized Operations and Management Support	\$600.0			
Total	\$1,061.3	5.0	\$459.7	5.0

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for these requests, except for a biennial amount of \$38.0 and 0.5 position for a Department Affirmative Action Officer. While the other requests have merit, other spending priorities preclude additional funding.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: MANAGEMENT SERVICES

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
ADMINISTRATIVE MGT	942.1	960.4	963.0	1,019.7	19.3	1,039.0	1,019.7	1,018.0	19.3	1,037.3	1,018.0
FISCAL SERVICES	437.3	443.0	455.2	485.2		485.2	485.2	483.7		483.7	483.7
OFFICE SERVICES	578.3	555.6	596.9	648.1		648.1	648.1	667.8		667.8	667.8
PERSONNEL	299.5	317.2	323.6	343.7	38.8	382.5	363.1	342.6	37.2	379.8	361.2
TRAINING	54.8	125.7	342.7	49.2	403.2	452.4	49.2	49.0	403.2	452.2	49.0
RESEARCH & INFO SYS	1,003.1	1,073.0	1,190.8	1,211.7	600.0	1,811.7	1,211.7	1,210.0		1,210.0	1,210.0
TOTAL	3,315.1	3,474.9	3,872.2	3,757.6	1,061.3	4,818.9	3,777.0	3,771.1	459.7	4,230.8	3,789.7
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,315.1	3,474.9	3,872.2	3,757.6	1,061.3	4,818.9	3,777.0	3,771.1	459.7	4,230.8	3,789.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	3,315.1	3,474.9	3,872.2	3,757.6	1,061.3	4,818.9	3,777.0	3,771.1	459.7	4,230.8	3,789.7
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	3,226.3	3,257.5	3,488.6	3,705.7	1,061.3	4,767.0	3,725.1	3,719.2	459.7	4,178.9	3,737.8
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		159.3	343.8	22.8		22.8	22.8	22.8		22.8	22.8
GIFTS AND DEPOSITS	15.9	3.6	2.4								
FEDERAL	72.9	54.5	37.4	29.1		29.1	29.1	29.1		29.1	29.1
TOTAL FINANCING	3,315.1	3,474.9	3,872.2	3,757.6	1,061.3	4,818.9	3,777.0	3,771.1	459.7	4,230.8	3,789.7
POSITIONS BY FUND:											
GENERAL	64.2	64.2	65.2	65.2	5.0	70.2	65.7	65.2	5.0	70.2	65.7
SPECIAL REVENUE		4.0	4.0								
FEDERAL	.8	.8	.8	.8		.8	.8	.8		.8	.8
TOTAL POSITIONS	65.0	69.0	70.0	66.0	5.0	71.0	66.5	66.0	5.0	71.0	66.5

ACTIVITY: ADMINISTRATIVE MANAGEMENT
 Program: MANAGEMENT SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

DESCRIPTION: This area is responsible for planning, organizing, directing and administering the activities of the department. The administrative management activity establishes major policy for the department and provides executive leadership to more than 1,900 employees working in 9 institutions, 39 field offices and numerous support service areas throughout the state. This includes administrative direction and review, management decision-making, and the development of both internal and external communication. This activity provides direction to the department by:

1. Implementing the department's mission statement; regularly evaluating existing uses of institutions and modifying their use as appropriate.
2. Organizing the department's divisions through delegation of authority and assignment of responsibility to agency managers.
3. Setting policy and establishing procedures which implement policies on a departmentwide basis.
4. Planning major department activities; integrating these plans into the budget process, evaluating activity progress and improving problem areas.
5. Reviewing the department's budget regularly, adjusting expenditures as necessary and seeking any revenue generating possibilities.
6. Maintaining a high level of agency participation in criminal justice policy-making activities on the state and local levels.
7. Maintaining interaction with the Office of the Governor, the State Legislature, and state agencies including the Sentencing Guidelines Commission, the Ombudsman for Corrections, and the Departments of Public Safety, Human Services, Health, State Planning, Administration, Employee Relations and Finance.
8. Providing direction and support to the department's affirmative action efforts.

This activity also includes: 1) the Office of Adult and Juvenile Release which is responsible for approval of release plans, conducting revocation hearings, issuance of warrants and orders for discharge and conducting progress reviews for all adults and juveniles committed to the commissioner; 2) hearing officer services for disciplinary hearings for adult inmates; and 3) planning and coordination of women's correctional programs and staffing of the state Advisory Task Force on the Woman Offender in Corrections.

Authority for these activities can be found in M.S. 241.01, 241.70, 242.10 and 243.05 Subd. 2.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Protected class employees:					
Women employees	493	505	520	535	555
Minority employees	107	110	110	130	140
Handicapped employees	152	165	170	175	180
Vietnam veteran employees	<u>299</u>	<u>302</u>	<u>305</u>	<u>310</u>	<u>315</u>
Total	1,051	1,082	1,105	1,150	1,190

Note: One employee may qualify for more than 1 category.

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Attorney General Fees - Assessment for legal services. See CHANGE request sheet following the agency fiscal page.	\$14.6	\$14.6	Agency Wide
Workers Compensation Fees - Covers administrative fee assessment. See CHANGE request sheet following the agency fiscal page.	\$4.7	\$4.7	Agency Wide

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ADMINISTRATIVE MGT

PROGRAM: MANAGEMENT SERVICES

AGENCY: CORRECTIONS,DPT OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	942.1	960.4	963.0	1,019.7	19.3	1,039.0	1,019.7	1,018.0	19.3	1,037.3	1,018.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	942.1	960.4	963.0	1,019.7	19.3	1,039.0	1,019.7	1,018.0	19.3	1,037.3	1,018.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	841.9	891.6	877.3	950.1	4.7	954.8	950.1	948.4	4.7	953.1	948.4
EXPENSES & CONTRAC. SERV	96.3	65.4	82.8	66.7	14.6	81.3	66.7	66.7	14.6	81.3	66.7
SUPPLIES & MATERIALS	3.9	3.1	2.9	2.9		2.9	2.9	2.9		2.9	2.9
EQUIPMENT		.3									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	942.1	960.4	963.0	1,019.7	19.3	1,039.0	1,019.7	1,018.0	19.3	1,037.3	1,018.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	901.4	949.7	945.3	1,019.7	19.3	1,039.0	1,019.7	1,018.0	19.3	1,037.3	1,018.0
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	15.9	1.0	2.4								
FEDERAL	24.8	9.7	15.3								
TOTAL FINANCING	942.1	960.4	963.0	1,019.7	19.3	1,039.0	1,019.7	1,018.0	19.3	1,037.3	1,018.0
POSITIONS BY FUND											
GENERAL	18.0	18.0	18.0	18.0		18.0	18.0	18.0		18.0	18.0
TOTAL POSITIONS	18.0	18.0	18.0	18.0		18.0	18.0	18.0		18.0	18.0

ACTIVITY: FISCAL SERVICES
 Program: MANAGEMENT SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

Fiscal Services monitors and measures all fiscal activity within the department and reports the economic effect to managers and employees. It collects, classifies, records and summarizes financial transactions and data. A primary responsibility is to provide managers with information necessary for planning and controlling operations on a day-to-day basis. Fiscal services include budgeting, payroll, position control, institution accounting coordination, grant accounting and coordination, federal grant administration, accounting and coordination, grant accounting and coordination, an internal auditing function, purchasing and disbursements, billings and receipts, travel audits, cost analysis, cost reporting, management and financial reporting, contract coordination and investing of industry funds.

All of the above responsibilities are designed to support department staff in achieving Department of Corrections' goals and priorities. Special emphasis is given to prompt payment of agency bills and provision of audit services to the many programs administered by the department.

Much of the fiscal effort is directed towards preparing an accurate workable budget and assisting managers to control program expenditures, thereby increasing the efficiency and effectiveness of the Department of Corrections. Fiscal Services provides the information by which department managers can make informed decisions.

Authority for this activity is found in M.S. 241.01.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total annual budget	\$105,007,000	\$109,141,200	\$118,139,800	\$115,737,100	\$115,460,400
Number of payment transactions	66,500	70,900	74,000	75,600	75,600
Percent of bills paid within 30 days	97	98	98	98	98
Audits conducted	23	31	31	31	31
Grant administration of federal funds	\$545,900	\$984,700	\$1,685,600	\$1,467,000	\$1,356,200
Grant administration of non-CCA subsidies	\$1,835,400	\$2,296,000	\$2,602,100	\$1,609,800	\$1,609,800

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: FISCAL SERVICES

PROGRAM: MANAGEMENT SERVICES

AGENCY: CORRECTIONS,DPT OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	437.3	443.0	455.2	485.2		485.2	485.2	483.7		483.7	483.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	437.3	443.0	455.2	485.2		485.2	485.2	483.7		483.7	483.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	413.7	405.0	441.2	465.0		465.0	465.0	463.5		463.5	463.5
EXPENSES & CONTRAC. SERV	6.7	6.3	13.3	19.5		19.5	19.5	19.5		19.5	19.5
SUPPLIES & MATERIALS	4.3	3.9	.7	.7		.7	.7	.7		.7	.7
EQUIPMENT	1.8	27.8									
OTHER EXPENSE ITEMS	10.8										
TOTAL STATE OPERATIONS	437.3	443.0	455.2	485.2		485.2	485.2	483.7		483.7	483.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	400.8	400.6	433.1	456.1		456.1	456.1	454.6		454.6	454.6
DEDICATED APPROPRIATIONS:											
FEDERAL	36.5	42.4	22.1	29.1		29.1	29.1	29.1		29.1	29.1
TOTAL FINANCING	437.3	443.0	455.2	485.2		485.2	485.2	483.7		483.7	483.7
POSITIONS BY FUND											
GENERAL	12.7	12.7	12.7	12.7		12.7	12.7	12.7		12.7	12.7
FEDERAL	.8	.8	.8	.8		.8	.8	.8		.8	.8
TOTAL POSITIONS	13.5	13.5	13.5	13.5		13.5	13.5	13.5		13.5	13.5

ACTIVITY: OFFICE SERVICES
 Program: MANAGEMENT SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The office services unit provides the support services necessary to facilitate the work of the staff working in central office and community services, outside of the central office.

The specific services for central office include word processing, motor pool, receptionist/switchboard, printing, duplicating, responsibility for specialized departmentwide forms, assisting in the compliance with the American Correctional Association standards, mail service, daily courier service and liaison with building management regarding leasing of space, remodeling and office and building amenities.

This section also provides services to both central office and community services in the areas of office supplies, purchase and repair of furniture and equipment, purchase, repair and changes of telephones and telephone service, fixed and consumable asset control and the coordination of the purchase, maintenance and assignment of cars out of the department central office motor pool.

Authority for this activity is found in M.S. 241.01.

<u>STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Federal mail received and sent from central office	102,234	112,258	113,000	114,000	115,000
Interoffice mail (number of pieces handled)	62,000	63,700	68,800	69,500	69,500
UPS packages sent out	1,020	875	950	1,000	1,000
Number of fixed assets	1,585	1,610	1,625	1,700	1,700
Percent of fixed asset audit accuracy	85	85	90	92	95

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: OFFICE SERVICES

PROGRAM: MANAGEMENT SERVICES

AGENCY: CORRECTIONS,DPT OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	578.3	555.6	596.9	648.1		648.1	648.1	667.8		667.8	667.8
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	578.3	555.6	596.9	648.1		648.1	648.1	667.8		667.8	667.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	184.6	197.1	203.2	214.9		214.9	214.9	214.2		214.2	214.2
EXPENSES & CONTRAC. SERV	347.7	323.6	363.7	402.4		402.4	402.4	422.8		422.8	422.8
SUPPLIES & MATERIALS	23.6	34.6	30.0	30.8		30.8	30.8	30.8		30.8	30.8
EQUIPMENT	22.4	.3									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	578.3	555.6	596.9	648.1		648.1	648.1	667.8		667.8	667.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	578.3	545.2	596.9	648.1		648.1	648.1	667.8		667.8	667.8
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		10.4									
TOTAL FINANCING	578.3	555.6	596.9	648.1		648.1	648.1	667.8		667.8	667.8
POSITIONS BY FUND											
GENERAL	7.0	7.0	7.0	7.0		7.0	7.0	7.0		7.0	7.0
TOTAL POSITIONS	7.0	7.0	7.0	7.0		7.0	7.0	7.0		7.0	7.0

ACTIVITY: PERSONNEL
 Program: MANAGEMENT SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The personnel unit: 1) provides the department's administrators and managers with information, consultation, and direction concerning interpretation of personnel policies, grievance disputes, discipline matters, staffing patterns and the formulation of personnel policies and union negotiation positions; 2) monitors departmental personnel transactions to ensure equity and consistency with established policies; 3) provides professional personnel staff in the larger correctional institutions to service the needs of those individual facilities; 4) performs personnel duties for the camps and smaller institutions through assignment of other staff with coordination from the central office unit.

The department has employees in 12 of the 16 bargaining units authorized by the legislature and administers 7 collective bargaining agreements. The personnel unit plays a key role in interpreting contracts as well as in negotiations, grievance and arbitration matters. The unit also has responsibility for developing plans and assisting institution administrators to ensure that the department is prepared for possible employee strike action.

Authority for this activity is found in M.S. 241.01.

<u>STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Job audits, allocations reallocation of positions	208	233	240	245	250
Disciplinary actions processed	109	129	125	120	110
Examinations for Cor- rectional Counselor applications processed	1,312	1,406	1,313	1,335	1,335
Applicants interviewed	615	593	545	550	550
Other examinations	278	299	300	310	325
Performance reviews	2,346	2,399	2,400	2,400	2,400
Personnel transactions (hires, transfers, promo- tions, separations)	861	886	885	885	885

CHANGE REQUESTS:

Affirmative Action Officer - Covers personnel and support costs for an Affirmative Action Officer. See the CHANGE request sheet following the fiscal sheet for this activity.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
	\$38.8	\$37.2	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PERSONNEL

PROGRAM: MANAGEMENT SERVICES

AGENCY: CORRECTIONS,DPT OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	299.5	317.2	323.6	343.7	38.8	382.5	363.1	342.6	37.2	379.8	361.2
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	299.5	317.2	323.6	343.7	38.8	382.5	363.1	342.6	37.2	379.8	361.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	296.5	313.9	314.1	334.2	33.7	367.9	351.0	333.1	33.7	366.8	349.9
EXPENSES & CONTRAC. SERV	2.8	3.2	9.5	9.5	3.3	12.8	9.5	9.5	3.2	12.7	9.5
SUPPLIES & MATERIALS	.2	.1			1.3	1.3	2.6		.3	.3	1.8
EQUIPMENT					.5	.5					
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	299.5	317.2	323.6	343.7	38.8	382.5	363.1	342.6	37.2	379.8	361.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	299.5	317.2	323.6	343.7	38.8	382.5	363.1	342.6	37.2	379.8	361.2
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	299.5	317.2	323.6	343.7	38.8	382.5	363.1	342.6	37.2	379.8	361.2
POSITIONS BY FUND											
GENERAL	7.5	7.5	7.5	7.5	1.0	8.5	8.0	7.5	1.0	8.5	8.0
TOTAL POSITIONS	7.5	7.5	7.5	7.5	1.0	8.5	8.0	7.5	1.0	8.5	8.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: PERSONNEL
 PROGRAM: MANAGEMENT SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: DEPARTMENT AFFIRMATIVE ACTION OFFICER				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$38.8	1.0	\$37.2	1.0
Governor's Recommendation				
General Fund	\$19.4	0.5	\$18.6	0.5
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

This agency request is to fulfill the mandate of the legislature that all departments of a certain size hire a full time affirmative action officer. The objective is to increase the number of protected class employees in the department's staff complement.

DESCRIPTION/BACKGROUND:

Per M.S. 43.191, Sec. 175, "Each agency with an approved complement over 1,000 shall have at least 1 affirmative action officer, who shall have primary responsibility for developing and maintaining the agency's affirmative action plan. The officer shall devote full time to the affirmative action activities." Unlike other agencies the DOC institution client population is 33.8% non-white so department goals for minorities are higher than those established by the Equal Opportunity Division.

STATISTICS:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Protected Class Employees:					
Women	493	505	520	555	600
Minorities	107	110	110	140	160
Handicapped	152	165	170	180	190
Vietnam Veterans	299	302	305	315	320
Total	1,051	1,082	1,105	1,190	1,270

Discrimination Complaints Filed:

With Department of Human Rights	34	28	25	20	15
With DOC	14	16	14	12	10

RATIONALE:

With a full time affirmative action officer the department expects to improve, not only its recruitment and selection of protected class employees, but more importantly, its retention of the work force. Considering the cost of orientation and training necessary to assign a worker in DOC programs it is more efficient when the department is able to keep long term employees.

The filing of discrimination complaints is one of the means of expressing dissatisfaction in a work place. The affirmative action officer will be available to train managers and supervisors so that they will be sensitive to problems as they occur and handle them before they are serious issues. The affirmative action officer will also be available to complainants to de-escalate a situation and reach mutually satisfactory adjustments. With an enlightened work force it is anticipated that formal complaints and actions can be averted, and the protected class employees will be satisfied employees who will want to remain with the department.

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding this request at a biennial level of \$38.0 and 0.5 position to achieve the 1987-89 objectives.

ACTIVITY: TRAINING
 Program: MANAGEMENT SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

Staff training provides relevant pre-service and in-service training aimed at developing and maintaining employee competence in performing their work. Staff training also enables employees to maintain current knowledge in the areas of due process, emergency procedures, impact of gangs on prison population, the treatment of AIDS as well as other subject matters that have a dynamic impact on the department's operation. Basically, staff training is aimed at the development and maintenance of a safe and humane environment which incorporates all aspects of due process. In addition to our institutional and field staff, the department has a statutory obligation to provide training to county probation officers. Departmental field staff and county probation officers are trained in individual counseling skills as well as in family centered intervention. Field and institutional staff are trained in case law regarding legal liabilities in staff relationships with clients. We continue to train in the area of sexual harassment. AIDS and gangs are newly surfaced issues about which the department is placing heavy training emphasis.

Authority for this activity is found in M.S. 241.01, Subd. 5.

ACTIVITY STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of correctional counselor trainees completing pre-service academy	120	125	125	125	125
Number of persons receiving orientation to department	25	25	25	25	25
Number of persons receiving in-service training	718	680	700	700	700
Number of in-service training hours presented	320	431*	320	320	320
Total number of person hours of in-service training	8,180	8,930*	8,200	8,200	8,200
Percent of in-service training hours provided toward meeting ACA training standards	15	16	15	15	15

*Includes special 2-week training for MCF-Shakopee staff prior to beginning operation of new physical plant.

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Pre-service/In-service Training - Needed to reactivate department Training Academy at MCF-Sauk Centre. See CHANGE request sheet following the fiscal sheet for this activity.	\$403.2	\$403.2	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: TRAINING

PROGRAM: MANAGEMENT SERVICES

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	54.8	125.7	342.7	49.2	403.2	452.4	49.2	49.0	403.2	452.2	49.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	54.8	125.7	342.7	49.2	403.2	452.4	49.2	49.0	403.2	452.2	49.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	42.0	96.7	238.7	48.5	258.3	306.8	48.5	48.3	258.3	306.6	48.3
EXPENSES & CONTRAC. SERV	12.3	21.4	98.0	.7	123.1	123.8	.7	.7	123.1	123.8	.7
SUPPLIES & MATERIALS	.5	7.6	6.0		21.4	21.4			21.4	21.4	
EQUIPMENT					.4	.4			.4	.4	
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	54.8	125.7	342.7	49.2	403.2	452.4	49.2	49.0	403.2	452.2	49.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	43.2	43.8	42.7	49.2	403.2	452.4	49.2	49.0	403.2	452.2	49.0
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		79.5	300.0								
FEDERAL	11.6	2.4									
TOTAL FINANCING	54.8	125.7	342.7	49.2	403.2	452.4	49.2	49.0	403.2	452.2	49.0
POSITIONS BY FUND											
GENERAL	1.0	1.0	1.0	1.0	4.0	5.0	1.0	1.0	4.0	5.0	1.0
SPECIAL REVENUE		4.0	4.0								
TOTAL POSITIONS	1.0	5.0	5.0	1.0	4.0	5.0	1.0	1.0	4.0	5.0	1.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: TRAINING
 PROGRAM: MANAGEMENT SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: PRE-SERVICE/IN-SERVICE TRAINING				
Agency Request				
General Fund	\$403.2	4.0	\$403.2	4.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

This change request is made to enable the department to reactivate its Pre-Service Training Academy at Minnesota Correctional Facility (MCF)-Sauk Centre, and to provide a cost-effective method of producing necessary topics and hours of training that will enable department staff to meet departmental and national standards.

The department's objectives are as follows: 1) To establish a Pre-Service Training Academy that will provide 3 weeks instruction for all new Correctional Counselors and a 3 day orientation program for all new department employees; 2) To utilize available space at the MCF-Sauk Centre as a regional staff training center; 3) To provide sufficient training opportunities to enable all employees to meet departmental and national training standards.

DESCRIPTION/BACKGROUND:

Until the end of F.Y. 1981 this department had a Pre-Service Academy, 6 weeks in length, for all new Correctional Counselors. Also, the department produced 50 to 60 in-service training workshops per year, using staff to produce approximately half of these and retaining outside consultants to produce the other half. Through the academy, 3 day orientation sessions for new employees were produced on a quarterly basis.

Because of the severe budget cutbacks beginning in F.Y. 1982, the staff training budget was cut from approximately \$400,000 to \$40,000 per year. Four training staff were lost and the ability to produce in-service training was severely curtailed. The Training Academy was cut from 6 weeks to 2 weeks; the cost of operating this abbreviated academy was obtained by cutting institutional on the job training by 2 weeks. The following statistics demonstrate the results of such cutbacks by showing the increased training hours which would be made available with reinstatement of the academy in F.Y. 1988-89.

STATISTICS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of in-service training hours presented	320	431	320	1,120	1,120
Total number of person hours of in-service training	8,180	8,930	8,200	28,000	28,000

RATIONALE:

The number of hours of pre-service training has been curtailed to the extent that only those issues are dealt with that might cause legal challenges to the department. The expanded restructured academy format will provide much more meaningful material in the area of human relations with special reference to the needs of minorities in the institution.

In-service training for all department employees has been curtailed to the extent that national standards are not being met. Orientation training has, since 1982, proceeded on a rather indefinite basis and will return to a full 3 days provided through the Pre-Service Academy. Available space at MCF-Sauk Centre will be utilized as a regional staff training center. This request will provide a cost effective way of accomplishing pre-service and in-service training objectives and meeting standards.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding. The Governor would support funding this item with dedicated receipts if available.

ACTIVITY: RESEARCH AND INFORMATION SYSTEMS
 Program: MANAGEMENT SERVICES
 Agency: CORRECTIONS, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

DESCRIPTION:

The research and information system section provides computerized data processing services, research support and central records management services to department operational and management staff. This activity provides department staff, other criminal justice agencies and the public with accurate and timely information regarding the department's clientele and operations. Information systems provides the central management for the department's automated data processing systems which include automated support for inmate records, inmate accounting, automated sentence computation and inmate classification. The research component produces program evaluations, statistical reports and policy analyses for agency managers and other public authorities. The demand for services, particularly computer support, is increasing rapidly as the department continues to modernize its management practices.

Authority for this activity is found in M.S. 241.01, Subd. 5 and 241.06.

<u>STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of staff with direct access to computerized data and resources	500	500	500	530	550
Number of on-site operations computers	24	24	24	30	38
Number of direct access terminals	79	79	79	90	95
Number of functional areas supported by data processing	19	19	19	22	23
Number of research requests processed	850	850	850	850	850
Number of paper documents converted to microfilm	250,000	250,000	260,000	275,000	280,000

CHANGE REQUESTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Computerized Operations and Management Support - Introduction of improved data processing technology into department operations. See CHANGE request sheet following the fiscal sheet for this activity.	\$600.0	-0-	Activity Specific

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: RESEARCH & INFO SYS

PROGRAM: MANAGEMENT SERVICES

AGENCY: CORRECTIONS, DPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,003.1	1,073.0	1,190.8	1,211.7	600.0	1,811.7	1,211.7	1,210.0		1,210.0	1,210.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,003.1	1,073.0	1,190.8	1,211.7	600.0	1,811.7	1,211.7	1,210.0		1,210.0	1,210.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	557.3	597.6	627.1	679.5		679.5	679.5	675.7		675.7	675.7
EXPENSES & CONTRAC. SERV	269.4	284.1	353.4	342.9		342.9	342.9	345.0		345.0	345.0
SUPPLIES & MATERIALS	47.5	52.0	48.6	27.6		27.6	27.6	27.6		27.6	27.6
EQUIPMENT	128.9	139.3	161.7	161.7	600.0	761.7	161.7	161.7		161.7	161.7
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,003.1	1,073.0	1,190.8	1,211.7	600.0	1,811.7	1,211.7	1,210.0		1,210.0	1,210.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,003.1	1,001.0	1,147.0	1,188.9	600.0	1,788.9	1,188.9	1,187.2		1,187.2	1,187.2
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		69.4	43.8	22.8		22.8	22.8	22.8		22.8	22.8
GIFTS AND DEPOSITS		2.6									
TOTAL FINANCING	1,003.1	1,073.0	1,190.8	1,211.7	600.0	1,811.7	1,211.7	1,210.0		1,210.0	1,210.0
POSITIONS BY FUND											
GENERAL	18.0	18.0	19.0	19.0		19.0	19.0	19.0		19.0	19.0
TOTAL POSITIONS	18.0	18.0	19.0	19.0		19.0	19.0	19.0		19.0	19.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: RESEARCH AND INFORMATION SYSTEMS
 PROGRAM: MANAGEMENT SERVICES
 AGENCY: CORRECTIONS, DEPARTMENT OF

Request Title: COMPUTERIZED OPERATIONS AND MANAGEMENT SUPPORT				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$600.0	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests the above funds to support the use of faster and less expensive methods to meet its need for timely and accurate information.

DESCRIPTION/BACKGROUND: For more than a decade the Department of Corrections has been using computers to improve performance and to contain costs. This effort has resulted in the widespread use of computers throughout the department. In spite of this successful effort, a recently completed analysis by managers has shown that more than 70% of the information which is needed by staff to make decisions is not yet computerized. This essential information is either maintained by hand or is simply not available when it is needed.

Over the years the department has developed many computer uses which have greatly improved productivity. Sentence computation, inmate banking, inmate security classification and other uses have been developed and are now essential parts of the department's daily operations. Progress has, however, come slowly and at considerable cost. This was acceptable because even at a high cost these applications have proven to be highly effective.

The situation has changed dramatically. There are now new computer languages available which make it possible to develop computer uses much more rapidly and at a much lower cost than has been the case in the past. These new languages are widely used in the private sector as they dramatically reduce the time and cost required to develop and maintain essential business information.

STATISTICS:

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of staff with direct access to computerized data and research	500	500	500	700	750
Number of functional areas supported by computerized data processes	19	19	19	23	28

RATIONALE:

The department's current computer system does not permit the use of the new computer languages because it was designed long before fourth generation languages were available. In order to take advantage of the new technologies, it is necessary that department systems be upgraded so that they are capable of using the new languages. It is not a good business decision to continue to maintain older, slower and more expensive systems when more effective and less expensive methods are available. This request is for a one-time expenditure that will permit the Department of Corrections to employ the right technology to address its information needs. It is most cost effective to make the transition now rather than continuing to use more expensive and less effective methods.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding. The Governor would support funding this item with dedicated receipts if available.

AGENCY: SENTENCING GUIDELINES COMMISSION

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

AGENCY PURPOSE:

The commission consists of 10 appointed members that represent the criminal justice system and public. The commission is required to develop, implement, and modify guidelines for sentencing convicted felons whose offenses occurred on or after 5-1-80. The guidelines are a major reform designed to increase sentencing uniformity and proportionality by indicating when state imprisonment is proper and provide a fixed presumptive sentence which is reduced only by good time.

The commission is required to monitor sentences imposed for felon offenders. The commission is also required to evaluate the effectiveness of the guidelines; study their impact on criminal justice system resources and processes, including plea negotiations; make recommendations to the legislature regarding improvements in criminal justice; serve as a clearinghouse for the collection, analysis, and dissemination of information on sentencing practices; and provide ongoing training in the use of the guidelines. The commission is authorized, but not required, to establish guidelines for nonimprisonment sanctions.

OPERATION AND CLIENTELE:

The Sentencing Guidelines Commission operates an information system which is used to monitor all felony sentences imposed in the state. The data generated from the monitoring system are used: 1) to determine the impact of legislative proposals on prison populations; 2) to project prison populations in conjunction with the Department of Corrections; and 3) to assess the effectiveness of the guidelines in achieving sentence uniformity and proportionality. The guidelines policies developed and modified by the commission are used by 217 district and county court judges in sentencing felony offenders. The commission also serves as a resource for probation officers and other criminal justice professionals in applying the guidelines.

OBJECTIVE:

To increase uniformity and proportionality in sentencing practices.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of New Cases Monitored	6,000	6,000	6,000	6,000
Error Rate in Sentencing Worksheets	18%	20%	20%	18%

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1) Training				
Responses to Guidelines	200	200	300	400
Application Questions				
Training Sessions	4	5	6	7
2) Monitoring				
Inquiries to Correct Data	500	500	300	300
Requests for Departure Reports	600	600	500	500

EXPLANATION OF BUDGET REQUEST:

The SAME level budget is requested for all areas except 2. An increase of \$3.0 in F.Y. 1988 and \$3.0 in F.Y. 1989 is requested for part-time seasonal employment. This increase is necessary to cover the contractual agreement with the Department of Corrections for administrative services and to continue occasional temporary staffing to assist in monitoring activities. An increase of \$2.8 in F.Y. 1988 and \$2.8 in F.Y. 1989 is requested for repair services to cover the costs of a maintenance contract on micro computer equipment.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MN SENTNCING GUIDELINE COM

PROGRAM: MN SENTNCING GUIDELINE COM

AGENCY: SENTENCING GDLS COM

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	177.6	236.4	212.9	198.0	5.8	203.8	198.0	201.1	5.8	206.9	201.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	177.6	236.4	212.9	198.0	5.8	203.8	198.0	201.1	5.8	206.9	201.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	120.0	162.2	151.0	139.6	3.0	142.6	139.6	139.4	3.0	142.4	139.4
EXPENSES & CONTRAC. SERV	55.7	53.2	54.2	55.2	2.8	58.0	55.2	58.5	2.8	61.3	58.5
SUPPLIES & MATERIALS	1.6	3.6	7.7	1.7		1.7	1.7	1.7		1.7	1.7
EQUIPMENT	.3	17.4		1.5		1.5	1.5	1.5		1.5	1.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	177.6	236.4	212.9	198.0	5.8	203.8	198.0	201.1	5.8	206.9	201.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	158.0	192.0	195.0	198.0	5.8	203.8	198.0	201.1	5.8	206.9	201.1
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	19.6		6.0								
FEDERAL		44.4	11.9								
TOTAL FINANCING	177.6	236.4	212.9	198.0	5.8	203.8	198.0	201.1	5.8	206.9	201.1
POSITIONS BY FUND											
GENERAL	3.0	4.0	4.0	4.0		4.0	4.0	4.0		4.0	4.0
GIFTS AND DEPOSITS	1.0										
TOTAL POSITIONS	4.0	4.0	4.0	4.0		4.0	4.0	4.0		4.0	4.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: SENTENCING GUIDELINES COMMISSION
 PROGRAM: SENTENCING GUIDELINES COMMISSION
 AGENCY: SENTENCING GUIDELINES COMMISSION

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: MAINTENANCE CONTRACT & TEMPORARY PART-TIME STAFF				
Agency Request				
General Fund	\$ 5.8	-0-	\$ 5.8	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The commission requests the above funds to cover the costs of a maintenance contract for recently purchased office micro computer equipment (\$2.8), fund the necessary continued services of temporary part-time staff to assist in occasional monitoring activities (\$1.7), and cover the increased costs of administrative services rendered by the Department of Corrections (\$1.3).

DESCRIPTION/BACKGROUND:

The commission recently purchased micro computer equipment for staff offices.

The commission monitoring system is backlogged due to a nearly complete staff turnover in 1985.

The commission's legislative mandate states that the Commissioner of Corrections shall provide administrative services for the commission and that the commission shall reimburse the commissioner for the services provided. The commission has maintained an informal agreement over the last two biennium budget periods regarding these services. The Department of Corrections has now entered into a formal agreement with the commission for these administrative services resulting in more certain costs.

RATIONALE:

The micro computer equipment was purchased to provide more efficient and effective research and administrative capabilities. A maintenance contract (\$2.8) is necessary to assure dependable and reliable equipment.

The monitoring system, while providing valuable information on statewide sentencing practices, generates an enormous amount of paper work. Occasional temporary staffing helps to control the paper flow and is especially needed due to the monitoring backlog. The commission is requesting \$1.7 to continue the use of occasional temporary staffing.

The contractual agreement regarding administrative services from the Department of Corrections will result in an obligation that is \$1.3 more than the actual costs spent in the past for these administrative services. The previous informal agreement for determining the costs of these services underestimated the actual costs now clearly detailed in the formal agreement.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

AGENCY PURPOSE:

The Ombudsman for Corrections is an independent state agency, created by M.S. 241.41. The Ombudsman conducts investigations of inmate and staff complaints and makes recommendations to the Corrections Department, reports to the Governor, provides information to the legislature as requested and performs a variety of other program and policy functions related to the state and county correctional programs and facilities covered under the Community Corrections Act (M.S. 401).

OPERATION AND CLIENTELE:

Case investigation is the major activity of the agency and includes all aspects of contact with inmates, their families, corrections staff and the public. This involves resolution of individual concerns which serve to relieve correctional institution tension and enhance the operation of the corrections system. Beyond individual complaint resolution, there are policy recommendations. These are for larger, broader concerns for which recommendations are made calling for new or improved corrections policies.

OBJECTIVE:

To promote the highest attainable standards of competence, efficiency, and justice in the administration of corrections.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Total Contacts:	2,592	2,600	2,550	2,500
Policy Recommendations Accepted:	12	12	13	13

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of Cases Opened for Investigation:	2,397	2,340	2,295	2,250
Number of Cases Resolved: (Percentage of Investigations)	2,209 (92%)	2,106 (90%)	2,066 (90%)	2,025 (90%)
Cases Resolved within 0-15 Days:	1,602	1,453	1,426	1,397
Same Day Interview:	1,092	1,053	1,033	1,012
Policy Recommendations Made	12	12	15	15
Served as Guardian ad litem at Inmate Commitment Hearings:	6	6	6	6

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

EXPLANATION OF BUDGET REQUEST:

Allows for the rapid and thorough investigations of complaints and high quality analysis of correctional policy which serves to reduce repetitiveness of individual complaints.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: OMBUDSMAN CORRECTION

PROGRAM: OMBUDSMAN-CORRECTION

AGENCY: OMBUDSMAN FOR CORR

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	287.8	324.2	330.3	331.9	10.0	341.9	331.9	331.5	4.3	335.8	331.5
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	287.8	324.2	330.3	331.9	10.0	341.9	331.9	331.5	4.3	335.8	331.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	245.3	267.7	282.2	283.2		283.2	283.2	282.8		282.8	282.8
EXPENSES & CONTRAC. SERV	39.7	40.1	45.4	46.0	4.3	50.3	46.0	46.0	4.3	50.3	46.0
SUPPLIES & MATERIALS	2.5	3.8	2.0	2.0	.3	2.3	2.0	2.0		2.0	2.0
EQUIPMENT	.3	12.6	.7	.7	5.4	6.1	.7	.7		.7	.7
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	287.8	324.2	330.3	331.9	10.0	341.9	331.9	331.5	4.3	335.8	331.5
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	285.8	322.2	330.3	331.9	10.0	341.9	331.9	331.5	4.3	335.8	331.5
DEDICATED APPROPRIATIONS:											
GIFTS AND DEPOSITS	2.0	2.0									
TOTAL FINANCING	287.8	324.2	330.3	331.9	10.0	341.9	331.9	331.5	4.3	335.8	331.5
POSITIONS BY FUND											
GENERAL	7.0	7.5	7.5	7.5		7.5	7.5	7.5		7.5	7.5
TOTAL POSITIONS	7.0	7.5	7.5	7.5		7.5	7.5	7.5		7.5	7.5

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: OMBUDSMAN FOR CORRECTIONS
 PROGRAM: OMBUDSMAN FOR CORRECTIONS
 AGENCY: OMBUDSMAN FOR CORRECTIONS

Request Title: OFFICE AUTOMATION COMPLETION				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 10.0	-0-	\$ 4.3	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

Request includes addition of necessary software and license fees for recently acquired office automation system, including ¼ "meg" of memory, annual license fee which allows for document processing and record processing, cost for annual onsite maintenance agreement, and purchase of a letter quality printer.

DESCRIPTION/BACKGROUND:

Last biennium the agency obtained an office automation system in an attempt to reduce staff time spent on individual investigations. However, the amount granted was less than the original request. To achieve the system's fullest benefit to the agency, it is necessary to expand present software and memory capacity. The breakdown of purchases will be as follows:

	F.Y. 1988	F.Y. 1989
Infocalc (Spreadsheet)	\$ 0.3	\$ -0-
¼ Meg Memory	1.8	-0-
Annual License Fees	2.7	2.7
Annual Maintenance Costs	1.6	1.6
Printer	3.6	-0-
TOTAL	\$ 10.0	\$ 4.3

RATIONALE:

Currently the Ombudsman operates an office automation system in an attempt to analyze data relating to specific complaints of institutional staff and inmates. The present system is limited in that only 3 of the 4 terminals can operate simultaneously; the printer cannot operate while 3 terminals are in use; and the agency cannot fully analyze data without another ¼ "meg" of memory and required license fee, annual maintenance agreement and spreadsheet capability. Funds were not appropriated last biennium for printer costs, and currently the agency absorbs the cost of leasing a printer. Purchase of the printer will be "paid back" in just over 3 years by elimination of current lease costs.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

1987-89 BIENNIAL BUDGET
PROGRAM STRUCTURE

• AGENCY: HEALTH, DEPARTMENT OF

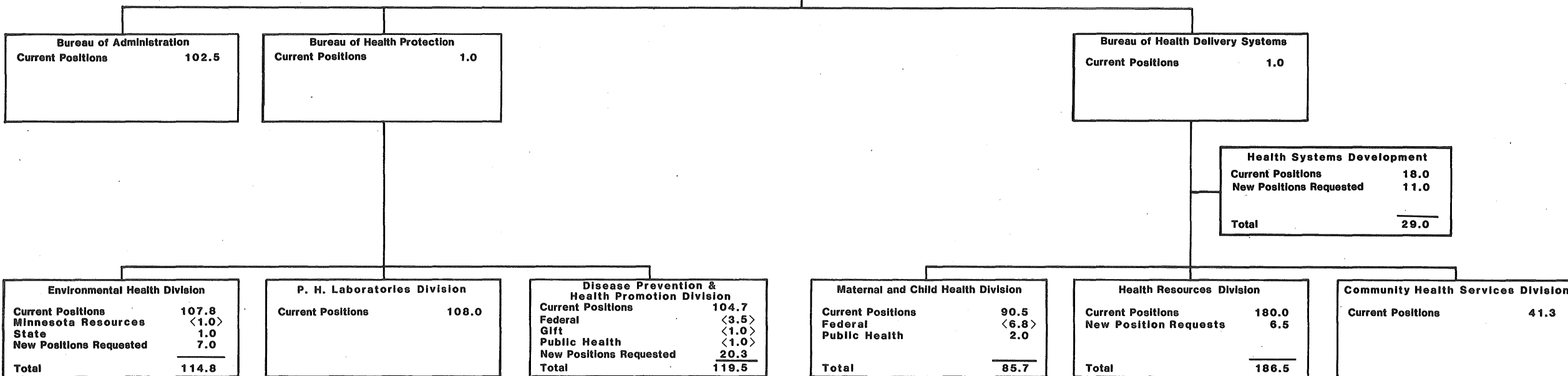
<u>PROGRAMS</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
• PREVENTIVE AND PROTECTIVE HEALTH SERVICES	Disease Prevention and Health Promotion • Public Health Laboratories • Environmental Health •	3	9 • 18 • 22 •
• HEALTH DELIVERY SYSTEMS	Maternal and Child Health • Health Systems Development • Health Resources • Community Health Services •		31 • 38 • 44 • 48 •
• HEALTH SUPPORT SERVICES	General Support • Health Information •		55 • 59 •

**DEPARTMENT OF HEALTH
Organization Chart 10/1/86**

POSITION RECONCILIATION		
AUTHORITY:	CURRENT FY 87	REQUESTED FOR 6/30/89
Legislative Authorized		
General	255.7	309.0
Minnesota Resources	1.0	
Public Health	29.0	30.0
Special Revenue	206.7	253.7
Trunk Highway	11.0	11.0
Metro Landfill Fund	1.0	1.0
Gifts and Deposits	1.0	
Federal	263.9	207.1
Total Permanent Positions	769.3	811.8
Other Complements (FTE)	39.0	39.0
Total Authorized Positions	811.8	850.8
Employees on 6/30/86	726.0	

OFFICE OF THE COMMISSIONER	
Current Positions	11.5

Office of Health Facility Complaints	
Current Positions	6.5
New Positions Requested	4.5
Total	11.0



AGENCY PURPOSE: It is the purpose of the Minnesota Department of Health (MDH) to protect, maintain and improve the health of the citizens of the State. This purpose is accomplished through the development and maintenance of an organized system of effective and efficient programs and services carried out by both state and community agencies with the cooperation of the private sector. The 3 parts working together -- state, local, private sector -- constitute the State's public health system.

The role of the State described in this budget request is to provide leadership and support to community and private agencies, to provide direct services when that can be done most effectively at the state level, and to maintain quality standards for the health systems of the State.

OPERATION AND CLIENTELE: The first Board of Health was created in 1872 to combat the spread of communicable disease. Cholera, tuberculosis (TB), smallpox and other communicable diseases made the average life expectancy of a newborn infant at the turn of the century 47 years. An infant born in 1986 can expect to reach the age of 80, an increase of 33 years of life. This gain was accomplished in large part by the application of preventive health measures, immunizations, sanitation and improved living conditions.

Control of communicable diseases has led to a different set of health problems for our population. Cancer and heart disease have replaced TB and influenza as leading causes of death. The major public health problems are no longer caused by infectious agents but rather by actions we initiate ourselves.

As the causes of our health problems have changed, so must the programs designed to combat those problems. It is necessary to maintain immunization and sanitation programs in order to avoid slippage backwards, but new emphasis must be placed on programs to reduce the harm we do ourselves in everyday living. The thrust of this budget is to continue that transition toward combating chronic diseases using the organized State's public health system. The Department will continue its program emphasis in nonsmoking and health and is requesting new programs in cancer surveillance and nutrition monitoring and surveillance. AIDS continues to be a very serious public health problem and the Department is requesting expansion of the current efforts in this area.

The Department's primary purpose is protection of the public's health and, therefore, its clients are all citizens of the State. These clients are served through the Department's 3 programs, the Preventive and Protective Health Services Program comprised of Disease Prevention and Health Promotion, Public Health Laboratories and Environmental Health activities working together to prevent disease and protect the public's health. The Health Delivery Systems Program includes the Maternal and Child Health, Health Systems Development, Health Resources and Community Health Services activities working together to assure efficient and effective delivery of health services throughout the State. The Health Support Services Program provides leadership on public health policy and a centralized management and information system for the Department.

INDEX	Agency Request	Governor's	Page
	1987-89 Biennium All Funds	1987-89 Biennium All Funds	
Reconciliation of F.Y. 1987 to Same Level	\$ 167,476.7	\$ 167,476.7	
Activity Specific CHANGE Requests:			
Disease Prevention and Health Promotion			
Cancer Surveillance System	1,409.1	-0-	12
Acquired Immunodeficiency Syndrome (AIDS)	840.0	370.0	13
Nutrition Initiative	612.3	-0-	14
Pulmonary Disease Study	103.9	-0-	15
Dental Public Health Initiative	282.3	-0-	16
Chlamydia Screening and Intervention	1,233.3	-0-	17
Public Health Laboratories			
Equipment: Microparticulate Laboratory	210.0	210.0	20
Equipment: Organic Laboratory	200.0	200.0	21
Environmental Health			
Indoor Air Quality and Radon Program	485.0	-0-	24
Asbestos Hazard Evaluation and Control	149.8	-0-	25
Hazardous Substance Information	141.8	-0-	26
Public Swimming Pool Surveillance and Monitoring	107.7	107.7	27
Well Abandonment Management Techniques	72.8	-0-	28
Maternal and Child Health			
Women, Infants and Children (WIC)			
Contingency	500.0	-0-	34
Family Planning Grants: Inflation	134.3	-0-	35
Health Systems Development			
Health Maintenance Organization (HMO)	644.8	644.8	40
Health Insurance Plan Commission	55.3	-0-	42
Health Care Cost Containment	130.2	-0-	43
Health Resources			
Home Health Agency Licensures	516.6	516.6	47
Community Health Services			
Community Health Services Subsidy	1,603.7	-0-	51
General Support			
Office of Health Facilities Complaints:			
Investigation	140.3	140.3	57
Reduction - Emergency Medical Services	-0-	(750.0)	52
	<u>\$ 177,049.9</u>	<u>\$ 168,916.1</u>	

GOVERNOR'S RECOMMENDATION:

The Governor's recommendations include a total agency increase of \$1,439.4 for the 1987-89 biennium. Further detail is provided on the following pages.

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: HEALTH, DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM:											
HEALTH PROTECTION	10,605.9	12,882.7	14,520.7	14,353.0	3,194.9	17,547.9	14,992.3	14,337.8	2,653.1	16,990.9	14,586.2
HEALTH DELIVERY SYST	53,056.5	56,760.5	64,213.7	63,492.8	1,325.5	64,818.3	63,960.3	63,384.8	2,130.6	65,515.4	63,199.9
SUPPORT SERVICES	5,294.3	5,450.2	5,845.6	5,923.3	117.3	6,040.6	6,040.6	5,985.0	151.8	6,136.8	6,136.8
TOTAL	68,956.7	75,093.4	84,580.0	83,769.1	4,637.7	88,406.8	84,993.2	83,707.6	4,935.5	88,643.1	83,922.9
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	27,423.5	29,957.1	34,926.6	35,292.4	3,872.8	39,165.2	36,514.8	35,331.0	3,460.6	38,791.6	36,296.3
LOCAL ASSISTANCE	20,763.8	23,775.1	25,844.4	25,658.4	514.9	26,173.3	25,660.1	25,558.3	1,224.9	26,783.2	24,808.3
AIDS TO INDS.	20,769.4	21,361.2	23,809.0	22,818.3	250.0	23,068.3	22,818.3	22,818.3	250.0	23,068.3	22,818.3
TOTAL EXPENDITURES	68,956.7	75,093.4	84,580.0	83,769.1	4,637.7	88,406.8	84,993.2	83,707.6	4,935.5	88,643.1	83,922.9
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	25,773.8	27,172.5	29,896.1	29,303.3	4,637.7	33,941.0	30,527.4	29,341.8	4,935.5	34,277.3	29,557.1
GENERAL FUND - LCMR	65.0										
MN RESOURCES		191.3	173.7								
PUBLIC HEALTH		1,979.3	3,253.0	3,420.4		3,420.4	3,420.4	3,419.3		3,419.3	3,419.3
TRUNK HIGHWAY	414.0	548.8	530.7	536.0		536.0	536.0	535.4		535.4	535.4
METRO LANDFILL CONTN		59.5	140.0	140.1		140.1	140.1	140.1		140.1	140.1
DEDICATED APPROPRIATIONS:											
GENERAL	116.4	167.8	358.4	310.4		310.4	310.4	312.1		312.1	312.1
SPECIAL REVENUE	4,137.7	5,721.8	7,115.4	9,222.3		9,222.3	9,222.3	9,222.3		9,222.3	9,222.3
TRUNK HIGHWAY		21.2									
GIFTS AND DEPOSITS	243.3	176.5	73.1								
FEDERAL	38,206.5	39,054.7	43,039.6	40,836.6		40,836.6	40,836.6	40,736.6		40,736.6	40,736.6
TOTAL FINANCING	68,956.7	75,093.4	84,580.0	83,769.1	4,637.7	88,406.8	84,993.2	83,707.6	4,935.5	88,643.1	83,922.9
POSITIONS BY FUND:											
GENERAL	281.7	257.3	255.7	259.2	46.3	305.5	272.2	259.2	51.8	311.0	281.2
GENERAL FUND - LCMR	1.0										
MN RESOURCES		2.0	1.0								
PUBLIC HEALTH		11.0	29.0	30.0		30.0	30.0	30.0		30.0	30.0
SPECIAL REVENUE	125.5	172.2	206.7	254.3		254.3	254.3	254.3		254.3	254.3
TRUNK HIGHWAY	9.0	13.5	11.0	11.0		11.0	11.0	11.0		11.0	11.0
METRO LANDFILL CONTN		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
GIFTS AND DEPOSITS	8.4	1.0	1.0								
FEDERAL	269.8	281.7	263.9	206.4		206.4	206.4	206.4		206.4	206.4
TOTAL POSITIONS	695.4	739.7	769.3	761.9	46.3	808.2	774.9	761.9	51.8	813.7	783.9

PROGRAM PURPOSE: It is the purpose of activities within this program to reduce the incidence of preventable disease and to minimize the impact of illness when it occurs. This purpose is accomplished by controlling exposure to infectious agents and hazardous conditions, including environmental hazards, by detecting and correcting health problems or hazardous environmental conditions at an early stage.

OPERATION: This program includes the following activities:

1. The Disease Prevention and Health Promotion activity maintains statewide surveillance of communicable and chronic disease; identifies and investigates outbreaks or unusual disease problems; assures that prompt and appropriate control measures are instituted to control or eliminate the spread of disease; provides epidemiologic consultation, training, and information to physicians and other health workers; conducts specific programs for control of vaccine preventable disease, venereal disease, tuberculosis (TB), dental disease, cancer, heart disease, hypertension and other conditions; plans and implements educational and regulatory programs to reduce the prevalence of chronic disease risk factors, such as smoking, in the population.
2. The Public Health Laboratories activity provides: 1) physical, chemical, and radiologic analyses on materials such as air, water, sludge, wastewater, sediment, soil, tissue and toxic and hazardous materials; 2) testing services for infectious chronic, metabolic and hereditary diseases as an integral part of the Department's disease prevention and control programs; 3) reference and verification testing using sophisticated technology which is not generally available in private laboratories; and 4) a statewide quality assurance and improvement program for hospitals, clinics and other laboratories.
3. The Environmental Health activity protects the public's health and safety through environmental control. It reduces illness and injuries which occur in the home, work and community environments through the enforcement of state and federal standards and provision of highly specialized technical consultative services. This activity has responsibility in the areas of: 1) occupational health; 2) water supply monitoring; 3) radiation control; 4) environmental health risk assessment; 5) regulation of hotels, resorts, restaurants and other public facilities; and 6) promotion of local environmental health programs.

BUDGET ISSUES: The continuation of the currently limited federal funding for AIDS prevention and control programs is uncertain. As the epidemic continues, more federal funds may become available to Minnesota. However, the majority of federal support is in the area of research.

The cost of vaccine is increasing so fast it threatens our ability to provide it. DPT vaccine costed 11¢ per dose in 1983. Today, that cost is \$3.01 per dose and if purchased commercially, it costs \$11.40. These increases are primary due to product liability litigations. While federal funding has prevented critical shortages at public clinics, continued close monitoring of this situation is necessary.

The Public Health Laboratories are deeply involved in a variety of environmental monitoring and surveillance activities as well as basic epidemiological investigations. The laboratory is a service organization that must be responsive to its clientele while maintaining efficient operations. The major challenge is to find timely ways to develop new capacity so that operational systems are in place when needed. This requires careful planning for replacing, modernizing and expanding analytical capacity in the laboratory.

The Department is currently in the process of reviewing federal legislation and rules as well as its own operations in the safe drinking water program. It is expected that the Department will make recommendations to the 1988 Session of the Legislature to expand the current drinking water surveillance program to include additional tests and expand the program to include sanitary surveys of approximately 6,000 currently unlicensed non-community water supplies.

EXPLANATION OF BUDGET REQUESTS: The following CHANGE levels are requested for this program:

	F.Y. 1988	F.Y. 1989
1. Cancer Surveillance System	\$ 743.5	\$ 665.6
2. Acquired Immunodeficiency Syndrome (AIDS) Program	470.0	370.0
3. Nutrition Initiative	264.4	347.9
4. Pulmonary Disease Study	79.0	24.9
5. Dental Public Health Initiative	139.8	142.5
6. Chlamydia Screening and Intervention	620.0	613.3
7. Equipment - Microparticulate Laboratory	210.0	-0-
8. Equipment - Organic Laboratory	190.0	10.0
9. Indoor Air Quality and Radon Program	242.5	242.5
10. Asbestos Hazard Evaluation and Control	73.9	75.9
11. Hazardous Substance Information	71.1	70.7
12. Public Swimming Pool Surveillance and Monitoring	54.3	53.4
13. Well Abandonment Management Techniques	36.4	36.4

GOVERNOR'S RECOMMENDATION:

The Governor's recommendations include an increase of \$887.7 in this program for the 1988-89 biennium. Further detail is provided in the following pages.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: HEALTH PROTECTION

AGENCY: HEALTH, DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
DIS PREV & HLTH PROM	3,205.1	4,760.5	5,925.4	6,073.6	2,316.7	8,390.3	6,258.6	6,070.1	2,164.2	8,234.3	6,255.1
PUBLIC HEALTH LABS	3,767.3	3,836.7	3,969.1	3,900.6	400.0	4,300.6	4,300.6	3,895.1	10.0	3,905.1	3,905.1
ENVIRONMENTAL HEALTH	3,633.5	4,285.5	4,626.2	4,378.8	478.2	4,857.0	4,433.1	4,372.6	478.9	4,851.5	4,426.0
TOTAL	10,605.9	12,882.7	14,520.7	14,353.0	3,194.9	17,547.9	14,992.3	14,337.8	2,653.1	16,990.9	14,586.2
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	10,206.4	11,837.2	13,865.0	13,940.3	3,194.9	17,135.2	14,579.6	13,925.1	2,653.1	16,578.2	14,173.5
LOCAL ASSISTANCE	399.5	1,045.5	655.7	412.7		412.7	412.7	412.7		412.7	412.7
AIDS TO INDS.											
TOTAL EXPENDITURES	10,605.9	12,882.7	14,520.7	14,353.0	3,194.9	17,547.9	14,992.3	14,337.8	2,653.1	16,990.9	14,586.2
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	5,500.6	5,811.7	6,491.6	6,454.2	3,194.9	9,649.1	7,093.5	6,437.4	2,653.1	9,090.5	6,685.8
GENERAL FUND - LCMR	65.0										
MN RESOURCES		191.3	173.7								
PUBLIC HEALTH		1,010.4	1,747.7	1,727.2		1,727.2	1,727.2	1,726.8		1,726.8	1,726.8
TRUNK HIGHWAY	.8	88.2									
METRO LANDFILL CONTN		59.5	140.0	140.1		140.1	140.1	140.1		140.1	140.1
DEDICATED APPROPRIATIONS:											
GENERAL	73.7	116.3	72.0	112.0		112.0	112.0	114.0		114.0	114.0
SPECIAL REVENUE	1,010.6	1,250.9	1,779.0	1,749.4		1,749.4	1,749.4	1,749.4		1,749.4	1,749.4
GIFTS AND DEPOSITS	242.8	176.5	50.6								
FEDERAL	3,712.4	4,177.9	4,066.1	4,170.1		4,170.1	4,170.1	4,170.1		4,170.1	4,170.1
TOTAL FINANCING	10,605.9	12,882.7	14,520.7	14,353.0	3,194.9	17,547.9	14,992.3	14,337.8	2,653.1	16,990.9	14,586.2
POSITIONS BY FUND:											
GENERAL	145.9	143.2	140.6	142.1	26.3	168.4	144.1	142.1	27.3	169.4	144.1
GENERAL FUND - LCMR	1.0										
MN RESOURCES		2.0	1.0								
PUBLIC HEALTH		7.0	10.0	9.0		9.0	9.0	9.0		9.0	9.0
SPECIAL REVENUE	29.1	35.5	57.5	57.3		57.3	57.3	57.3		57.3	57.3
TRUNK HIGHWAY		3.5									
METRO LANDFILL CONTN		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
GIFTS AND DEPOSITS	8.4	1.0	1.0								
FEDERAL	103.0	108.4	105.9	104.3		104.3	104.3	104.3		104.3	104.3
TOTAL POSITIONS	287.4	301.6	317.0	313.7	26.3	340.0	315.7	313.7	27.3	341.0	315.7

1987-89 Biennial Budget

Fiscal Summary for Federal Block Grants
Dollars in Thousands (137,522 = 137.5)

AGENCY: HEALTH, DEPARTMENT OF
FEDERAL GRANT TITLE: PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT
STATE LEGAL AUTHORITY: M.S. 144.05

ANTICIPATED RECEIPT DATES:

The department anticipates that federal appropriations will remain constant in federal fiscal years 1987, 1988 and 1989; however, in the event that the Gramm-Rudman-Hollings Balanced Budget Act must be used to balance the federal budget, the available amount will be less. The federal fiscal year begins on October 1 and ends on September 30. Dollar amounts contained in this document reflect estimates based on the state fiscal year.

GRANT OBJECTIVES:

These block grant funds are intended by federal law to be used for the following:

1. Preventive health service programs for the control of rodents, and community and school-based fluoridation programs.
2. Establishing and maintaining preventive health service programs for screening for, the detection, diagnosis, prevention, and referral for treatment of, and follow-up on compliance with treatment prescribed for, hypertension.
3. Community-based programs for the purpose of demonstrating and evaluating optimal methods for organizing and delivering comprehensive preventive health services to defined populations, comprehensive programs designed to deter smoking and the use of alcoholic beverages among children and adolescents, and other risk reduction and health education programs.
4. Comprehensive public health services.
5. Demonstrate the establishment of home health agencies (as defined in section 1861(m) of the Social Security Act) in areas where the services of such agencies are not available. Amounts provided for such agencies may not be used for the direct provision of health services.
6. Feasibility studies and planning for emergency medical services systems and the establishment, expansion, and improvement of such systems. Amounts for such systems may not be used for the costs of the operation of the systems or the purchase of equipment for the systems.
7. Providing services to rape victims and for rape prevention.

FEDERALLY PERMITTED USES AND USE RESTRICTIONS:

For federal fiscal year 1983 and beyond, the legislature must hold public hearings on the intended use of funds. Funds may not be used for: 1) inpatient services; 2) cash payment to intended recipients of health services; 3) capital expenditures; 4) satisfy matching requirements of other federal funds; 5) supplanting state, local and other nonfederal funds; 6) direct provision of health services in home health agencies; 7) the purchase of equipment or the cost of operating emergency medical service systems.

Grant Use	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
I. Financial Assistance to Individuals or Political Subdivisions					
Budget Activities:					
Disease Prevention and Health Promotion	\$ 111.8	\$ 63.5	\$ -0-	\$ -0-	\$ -0-
Environmental Health	56.1	-0-	-0-	-0-	-0-
Health Resources	524.8	625.7	560.0	435.0	335.0
Community Services	264.6	-0-	-0-	-0-	-0-
General Support	31.0	62.0	62.0	62.0	62.0
Subtotal	988.3	751.2	622.0	497.0	397.0
II. State Agency Operations					
Budget Activities:					
Disease Prevention and Health Promotion	364.2	495.4	576.2	489.1	489.1
Public Health Laboratories	246.9	386.0	412.7	412.7	412.7
Environmental Health	226.9	366.8	379.4	379.4	379.4
Health Resources	54.7	-0-	-0-	-0-	-0-
Community Services	239.0	208.8	215.7	215.7	215.7
Health Information	73.8	-0-	-0-	-0-	-0-
Subtotal	1,205.2	1,457.0	1,584.0	1,496.9	1,496.9
III. Other					
Transfers	300.6	303.4	306.8	306.8	306.8
Inflation Increases	-0-	-0-	-0-	79.2	158.0
Subtotal	300.6	303.4	306.8	386.0	464.8
<hr/>					
Total \$ This Grant	2,494.1	2,511.6	2,512.8	2,379.9	2,358.7
Required State/Local Match	-0-	-0-	-0-	-0-	-0-
Agency Complement (FTE) Funded by This Grant	26.6	41.1*	41.0	41.0	41.0

*Includes a transfer of 8.0 positions from State to Preventive Health and Health Services Block Grant in order to fund 100% of the Community Health Services Subsidy with State funds.

Fiscal Summary for Federal Block Grants:

PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT
(Continuation)

AGENCY: HEALTH, DEPARTMENT OF
STATE LEGAL AUTHORITY: M.S. 144.05

FEDERALLY PERMITTED USES AND USE RESTRICTIONS (contd.):

Funds are made available for a 2-year period. No more than 10% of the funds may be used for administration.

ALLOCATION RECOMMENDED BY AGENCY:

Generally, funds were distributed proportionally to activities that were previously funded with the categorical grants that were combined to establish the Preventive Health and Health Services Block Grant. In addition, funds were used for special projects or initiatives such as the Smoking and Nutrition Initiatives, the study of AID's, and the Poison Information System.

ACTIVITY: DISEASE PREVENTION AND HEALTH PROMOTION
 Program: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 Agency: HEALTH, DEPARTMENT OF

1987-89 Biennial Budget

OBJECTIVE: Develop and implement programs, conduct epidemiologic research, and promote improved individual health in order to reduce or prevent the morbidity and mortality associated with acute and chronic diseases in Minnesota.

DESCRIPTION: Disease Prevention and Health Promotion Activity monitors disease occurrence, conducts programs to control communicable disease and improve the health status of individuals, and provides technical assistance and information to local health agencies, private physicians, and the public. A major responsibility of this activity is responding to the AIDS epidemic and initiating programs to prevent the transmission of this virus. Through this activity the department maintains statewide surveillance of communicable and chronic disease; identifies and investigates outbreaks or unusual disease problems; assures that prompt and appropriate control measures are instituted to control or eliminate the spread of disease; provides epidemiologic consultation, training, and information to physicians and other health workers; conducts specific programs for control of vaccine preventable disease, sexually transmitted disease (STD), tuberculosis (TB), dental disease, cancer, cardiovascular disease, diabetes, and other conditions; plans and implements educational and regulatory programs to reduce the prevalence of chronic disease risk factors in the population; i.e., smoking, poor nutrition, stress, hypertension, and lack of exercise. This activity has also provided coordination for policy development and technical support to other areas of state government relating to the AIDS epidemic.

PERFORMANCE INDICATORS:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of Cases Reported of:					
Cumulative Cases of AIDS	--	128	258	508	908
Measles	48	46	75	30	20
Mumps	5	1	10	10	10
Pertussis	23	152	75	50	50
New active tuberculosis	149	152	162	165	170
Uncomplicated gonorrhoea	6,307	4,816	4,600	4,400	4,200
Penicillinase producing Neisseria gonorrhoeae	24	24	22	20	18
Infectious syphilis	72	78	76	70	68
Gonococcal pelvic inflammatory disease	189	130	120	100	90
Death Rate per 100,000 persons:					
heart disease	303	294	299	288	285
cancer	190	179	183	186	184
stroke	46	40	38	37	35
% nonsmokers over 18	71	72.5	74	75.5	77

In order to accomplish these tasks, this activity has been divided into the following components:

1. Acute Disease Epidemiology: Maintains statewide surveillance of acute or communicable disease occurrence, investigates unusual problems or outbreaks promptly,

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

assures that outbreak control measures are instituted, and provides expert epidemiologic consultation and training to health personnel. This activity is responsible for the surveillance, epidemiologic studies, training and technical consultation for AIDS and related conditions in Minnesota.

Statistics	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
New cases of AIDS	23	78	130	250	400
Large outbreaks investigated (>10 person hours)	57	63	70	70	70
Data on individual cases obtained and analyzed	8,256	8,306	8,500	8,500	8,500
Implemented control measures	234	235	240	245	250
AIDS Risk Reduction Projects funded	-	1	5	5	5

Grants by Fund	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General Fund	\$ -0-	\$ 46.0	\$ 75.0	\$ 100.0	\$ 100.0

2. Acute Disease Programs: Aims its programs at reducing the incidence of TB, STD and vaccine-preventable diseases and at assuring that refugees arriving in Minnesota are free of health conditions which could affect the public's health or their personal well-being. To accomplish this, the activity coordinates the provision of health screening services and necessary treatment for newly arrived refugees; assures the maintenance of high immunization levels among the newborn population; maintains statewide surveillance of TB incidence; identifies unusual problems or outbreaks; assures that prompt and appropriate control measures are instituted to control or eliminate the spread of TB; and provides screening and surveillance services, counseling and epidemiologic follow-up, diagnostic, treatment, and educational activities in order to prevent disease or interrupt transmission of a variety of sexually-transmitted diseases.

Statistics	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Lowest immunization level (%) in K-12	98.9%	99.0%	99.3%	99.3%	99.3%
TB cases under supervision	264	174	175	170	170
No. of persons on preventive treatment for TB	720	700	720	740	760
No. of doses of vaccine distributed	213,048	331,253	325,000	325,000	325,000
% newly arrived refugees with documented health assessment	97.3%	97.2%	97.5%	97.5%	97.5%

(Continuation)

Program: PREVENTIVE AND PROTECTIVE HEALTH SERVICES

Agency: HEALTH, DEPARTMENT OF

Grants by Fund F.Y. 1985 F.Y. 1986 F.Y. 1987 F.Y. 1988 F.Y. 1989

Federal

3. Chronic Disease Epidemiology: Identifies and quantifies patterns of chronic disease in the Minnesota population in relation to environmental and behavioral causes. The activity maintains surveillance of selected chronic diseases and conducts epidemiologic investigations of populations exposed to cancer-causing agents. It provides regular epidemiologic analysis of chronic disease patterns in the state and assists in the design of prevention and control programs. The activity has completed a feasibility study of a statewide cancer surveillance program and is recommending statewide implementation.

<u>Statistics:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of major investigations	4	5	5	6	8
No. of cancer clusters investigated	40	44	60	70	80
No. of cancers registered	5,000	5,000	5,000	5,000	5,000

4. Center for Health Promotion and Education: Reduces the physiological and behavioral risk factors for cardiovascular diseases, cancer, and other chronic diseases and injuries that result in premature death, disability and increased health care costs. Specific risk factors identified and targeted for this biennium include tobacco use, elevated serum cholesterol, hypertension, excessive lipid and salt intake, and lack of exercise. A major focus of the activity during the last biennium and for the next biennium will be the promotion of nonsmoking and the reduction of smoking attributable disease and the \$600 million of direct and indirect costs associated with smoking related illness. Close working ties are maintained with the National Institutes of Health and the Centers for Disease Control and several national demonstration projects funded by these federal agencies are located in Minnesota.

<u>Statistics:</u>		<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
% of adolescents (14 years old) using tobacco						
Cigarettes:	Male	N/A	16.5	15.5	14.5	13
	Female	N/A	14.5	14.5	14.5	14
Smokeless tobacco products:	Male	N/A	14.9	17	18	17
	Female	N/A	1.3	2	3	3
Community nonsmoking projects funded		none	8	8	8	10

Grants by Fund F.Y. 1985 F.Y. 1986 F.Y. 1987 F.Y. 1988 F.Y. 1989

Public Health Fund

5. Dental Health: Supports local and statewide dental public health programs by providing coordination and technical information. The personnel of this activity

develop and disseminate audio-visual material, manage grants and contracts, and provide technical consultation to schools, local health departments, voluntary agencies and health professionals; develop HIV (virus that causes AIDS) infection control guidelines for private and public dental providers; and conduct oral epidemiologic studies to assess the occurrence and distribution of oral diseases in Minnesota.

6. Epidemiologic Field Services: Provides support to the other activities of the division through 5 epidemiologists stationed throughout the state. This activity is also responsible for publishing the Disease Control Newsletter which is sent to all physicians, hospitals and public health agencies 10 times a year and has proven to be the most effective and efficient communication tool for dissemination of recent changes in disease control recommendations to the practicing medical community. The field epidemiologists provide training and technical consultation to health providers and the community relating to AIDS, and conduct epidemiologic studies regarding AIDS and other infectious diseases in greater Minnesota.

<u>Statistics:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Investigative and consultative services:					
Immunization	100	250	200	130	140
Sexually Transmitted Diseases	1,140	1,100	1,150	1,150	1,150
Tuberculosis	200	350	250	250	250
Other communicable disease outbreaks	500	500	550	550	550

CHANGE REQUESTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>TYPE</u>
Cancer Surveillance System	743.6	665.6	Activity
Acquired Immunodeficiency Syndrome (AIDS) Program	470.0	370.0	Activity
Nutrition Initiative	264.4	347.9	Activity
Pulmonary Disease Study	79.0	24.9	Activity
Dental Public Health Initiative	139.8	142.5	Activity
Chlamydia Screening and Intervention	620.0	613.3	Activity

See CHANGE request sheets following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: DIS PREV & HLTH PROM

PROGRAM: HEALTH PROTECTION

AGENCY: HEALTH, DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	2,861.7	3,939.9	5,537.7	5,660.9	2,316.7	7,977.6	5,845.9	5,657.4	2,164.2	7,821.6	5,842.4
LOCAL ASSISTANCE	343.4	820.6	387.7	412.7		412.7	412.7	412.7		412.7	412.7
AIDS TO INDS.											
TOTAL EXPENDITURES	3,205.1	4,760.5	5,925.4	6,073.6	2,316.7	8,390.3	6,258.6	6,070.1	2,164.2	8,234.3	6,255.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,145.8	2,503.3	3,033.6	2,994.3	551.6	3,545.9	2,994.3	2,908.2	719.0	3,627.2	2,908.2
EXPENSES & CONTRAC. SERV	476.0	901.5	2,282.6	2,423.6	1,475.6	3,899.2	2,608.6	2,495.2	1,320.3	3,815.5	2,680.2
SUPPLIES & MATERIALS	203.1	460.8	188.5	199.9	18.5	218.4	199.9	210.9	18.4	229.3	210.9
EQUIPMENT	36.8	74.3	33.0	43.1	271.0	314.1	43.1	43.1	106.5	149.6	43.1
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	2,861.7	3,939.9	5,537.7	5,660.9	2,316.7	7,977.6	5,845.9	5,657.4	2,164.2	7,821.6	5,842.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,081.6	1,433.3	1,896.0	2,011.9	2,316.7	4,328.6	2,196.9	2,008.8	2,164.2	4,173.0	2,193.8
PUBLIC HEALTH		972.8	1,722.4	1,701.8		1,701.8	1,701.8	1,701.4		1,701.4	1,701.4
TRUNK HIGHWAY	.8	88.2									
DEDICATED APPROPRIATIONS:											
GENERAL		50.0									
SPECIAL REVENUE	51.9	41.2	40.7	39.8		39.8	39.8	39.8		39.8	39.8
GIFTS AND DEPOSITS	242.8	176.5	50.1								
FEDERAL	1,828.0	1,998.5	2,216.2	2,320.1		2,320.1	2,320.1	2,320.1		2,320.1	2,320.1
TOTAL FINANCING	3,205.1	4,760.5	5,925.4	6,073.6	2,316.7	8,390.3	6,258.6	6,070.1	2,164.2	8,234.3	6,255.1
POSITIONS BY FUND											
GENERAL	28.5	31.3	35.3	34.8	19.3	54.1	34.8	34.8	20.3	55.1	34.8
PUBLIC HEALTH		6.0	9.0	8.0		8.0	8.0	8.0		8.0	8.0
SPECIAL REVENUE	1.3	.5	1.5	1.5		1.5	1.5	1.5		1.5	1.5
TRUNK HIGHWAY		3.5									
GIFTS AND DEPOSITS	8.4	1.0	1.0								
FEDERAL	50.0	46.9	54.4	53.1		53.1	53.1	53.1		53.1	53.1
TOTAL POSITIONS	88.2	89.2	101.2	97.4	19.3	116.7	97.4	97.4	20.3	117.7	97.4

CHANGE REQUEST

 Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: DISEASE PREVENTION AND HEALTH PROMOTION
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: CANCER SURVEILLANCE SYSTEM				
Agency Request				
General Fund	\$ 743.5	8.5	\$ 665.6	11.5
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to establish the Minnesota Cancer Surveillance System (MCSS). The objective of the MCSS is to determine the baseline cancer rates in the residents of the State and use this data to monitor the long term effects of exposures to known or suspected carcinogens; conduct research into cancer treatment and control; target resources to benefit cancer patients and communities; and answer public concerns and questions about cancer.

DESCRIPTION/BACKGROUND:

M.S. 1981, Ch. 340 mandated that the Minnesota Department of Health (MDH) study the feasibility of a population-based statewide cancer surveillance system. In response to the mandate, the MDH, along with a committee of prominent physicians and scientists and approximately \$80,000 in financial assistance from the American Cancer Society, determined that a comprehensive feasibility study of pathology and population-based statewide cancer surveillance system should be conducted. The Bush Foundation awarded the MDH \$400,000 which supported the 2-1/2 year Feasibility Study of A Statewide Pathology-Based Cancer Surveillance System.

The Feasibility Study was completed in December 1985, and the system proposed by the feasibility study was accepted by the Commissioner of Health and the Minnesota Cancer Council. Legislation was introduced which was passed by both the House and the Senate. The legislation was not adopted due to differences in the Conference Committee. The Governor's action relating to the unallotment of funds authorized the MDH to transfer funds from the AIDS program to the cancer surveillance program. The

Department subsequently authorized the transfer of \$100,000 for cancer surveillance development. Another \$150,000 was received from the American Cancer Society and The Bush Foundation for fiscal year 1986 to continue planning and implementing the system.

RATIONALE:

Approximately 15,000 new cancers will be diagnosed among Minnesotans during 1986. At this rate, approximately 1/3 of those persons living today will develop cancer during their lifetimes and approximately 3/4 of all Minnesota families will experience cancer in a family member. Cancer is second only to heart disease as a cause of death.

Cancer represents an estimated \$500 million/year burden for the State in terms of diagnosis, treatment, cost of lost income, and premature death.

During the past decade Minnesotans have become increasingly concerned and alarmed by the popularized "cancer epidemic." In addition to smoking, dietary deficiencies, and ethnicity factors, they have heard and read about leukemia among highway maintenance workers in Wheaton, creosote in St. Louis Park drinking water, asbestos in Duluth drinking water, chloroform in the Rosemount/Coates drinking water supply, and tri-chloroethylene in New Brighton drinking water, as well as possible pulmonary disease among persons living on the Iron Range.

At present, Minnesota does not have a cancer surveillance system which can: 1) Monitor incidence trends of cancer, enabling the State (among other users) to detect potential problems that may have public health significance, to describe and predict the risk of developing cancer and to assist in the investigation of cancer clusters; 2) Develop and accurately target resources that will benefit cancer patients and their families; 3) Promote high quality applied research by enabling population-based studies to be performed to provide better information for cancer control; 4) Inform health professionals and educate citizens regarding specific health risks, early detection and treatment for cancers known to be elevated in their communities; and 5) Answer public concerns and questions about cancer.

The proposed MCSS has demonstrated through extensive study to be the most accurate, complete, and inexpensive method for obtaining the required cancer surveillance data.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not include funding for this request. While the Governor supports the agency's request to establish a cancer surveillance system, other spending priorities preclude funding at this time. Various funding options will be reviewed in an attempt to identify resources for implementation.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: DISEASE PREVENTION AND HEALTH PROMOTION
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF (MDH)

Request Title: ACQUIRED IMMUNODEFICIENCY SYNDROME (AIDS) PROGRAM				
Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$470.0	-0-	\$370.0	-0-
Governor's Recommendation				
General Fund	\$185.0	-0-	\$185.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to expand community based intervention programs to limit transmission of the AIDS virus, and to expand public education for both the general public and for targeted risk groups.

DESCRIPTION/BACKGROUND:

The AIDS epidemic is an extremely serious public health problem in Minnesota. As of 9-20-86 Minnesota had reported 130 cases of AIDS, and this number will continue to increase. Recent studies suggest that 15,000-20,000 individuals in Minnesota may be already infected with the virus but have not yet exhibited symptoms. Individuals who are infected are generally infectious for life and may take years to develop any symptoms of the disease. The primary transmission mechanism for this disease is sexual transmission, illicit needle use, or blood or maternal transmission. This disease has been and is projected to remain a problem for primarily homosexual men, intravenous drug users, and other individuals who engage in those types of high risk activities. It is estimated that Minnesota has 100,000 gay or bisexual men who would be susceptible to this disease. To address this growing problem and to expand efforts already begun, additional funds are needed.

RATIONALE:

MDH epidemiologists have recently predicted that between 800 and 1,800 additional AIDS cases are expected to occur in Minnesota by the end of 1990. Because AIDS is a deadly disease for which there is no vaccination or effective treatment, disease prevention efforts are critical to the control of this epidemic. Given the high medical costs of a single AIDS case (roughly \$90,000) and the projected impact on public finance programs such as Medicaid, prompt efforts to limit the spread of this disease will save tax dollars as well as lives.

Reducing transmission of this disease is dependent on large numbers of individuals changing their sexual and needle sharing behaviors. Knowledge change alone is inadequate to assure behavior change. Consequently, a multifaceted program of providing information and alternative behaviors is needed. General information on the media, seminars, support groups, and counseling are all required. Public information programs together with testing and counseling activities and contact notification will inform individuals about high risk behaviors, encourage those individuals to refrain from high risk behaviors, instill a sense of vulnerability in individuals who engage in high risk behaviors and refer those individuals to programs that will assist them in actually accomplishing the behavior change. The specific intervention programs will provide the skills, encouragement and support to individuals in actually changing their sexual behavior. Community based intervention programs will focus on gay/bisexual men, high risk women of reproductive age, intravenous drug users, male and female prostitutes and adolescents.

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding of \$185.0 in each year of the biennium to increase efforts in the area of community risk reduction grants. A local match of 10% will be required for all risk reduction grants awarded to public or private agencies.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: DISEASE PREVENTION AND HEALTH PROMOTION
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: NUTRITION INITIATIVE	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$264.4	6.5	\$347.9	6.5
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to develop and implement components of a comprehensive nutritional disease prevention program. The first objective is to conduct nutritional status monitoring and surveillance as specified in M.S. 1986, Ch. 404, Sec. 6 in order to develop and coordinate a reporting system to document nutritional inadequacies and nutritional status problems, and to identify groups with special problems or at high risk. The second objective is to develop and implement priority nutritional chronic disease prevention projects based on recommendations of the Minnesota Technical Advisory Committee on Nutrition and Health (TACNH). Programs include: Professional Education, Technical Assistance, and Resource Development and Community Interventions.

DESCRIPTION AND BACKGROUND:

Proper and adequate food and nutrient intakes are critical for growth and development, positive pregnancy outcome, maintaining health, and preventing chronic disease. Major nutrition problems and nutrition related diseases in Minnesota include: childhood anemia, low pregnancy weight gain and the associated low birth weight, heart disease, cancer, diabetes, obesity, hypertension, osteoporosis, elevated serum cholesterol, and dental disease. These nutrition problems not only affect health status, disability and mortality rates, but also affect health care utilization and costs. The TACNH, the Department of Health and Human Services, National Cancer Institute (NCI), Centers for Disease Control and Association of State and Territorial Health Officers have focused on nutrition as a major area for disease prevention and disease control and have specified nutrition monitoring and surveillance as a major priority.

RATIONALE:

Concerns have arisen about Minnesotans receiving adequate food. Food shelves, and emergency feeding sites report dramatic increases in use of these services; also 65% of

households using food shelves have children under 18 years old. The WIC program, which provides supplemental foods to pregnant women and children with nutritional problems, is unable to serve all eligible; 12% of infants and children and 24% of pregnant women enter the WIC program with anemia. Many elderly suffer from inadequate food intake due to lack of mobility, isolation, inadequate resources and chronic disease. Systematic data collection from these and other sources is not conducted or coordinated making it difficult to assess the extent of nutritional problems.

Heart disease, stroke and cancer are the 3 largest causes of death in Minnesota. Elevated serum cholesterol is a major risk factor for heart disease; 25-35% of adults have high risk serum cholesterol. Dietary change is a major treatment of elevated cholesterol. Recent medical studies show that each 1% reduction in serum cholesterol results in a 2% reduction in the heart disease death rate. Twenty-five percent of adult Minnesotans have high blood pressure. Some 35-55% of all cancers are believed to be related to diet intake, particularly breast, colon, stomach, larynx, mouth, uterus, ovarian, bladder, and liver cancers. There are approximately 15,000 newly diagnosed cancer cases each year in Minnesota. NCI data estimates that if dietary changes particularly in fat and fiber were made, cancer mortality could be reduced 8 - 10% by the year 2000. Osteoporosis, a major chronic debilitating disease of older people, affects at least 310,000 Minnesotans, with 27,000 suffering osteoporotic fractures each year.

TACNH was convened by the Commissioner of Health in 1985. Its recommendations reflected the need for a comprehensive aggressive approach to nutritional problems, with the Minnesota Department of Health (MDH) providing major leadership in several areas. Nutrition monitoring and surveillance were identified as critical elements needed to target interventions for cost effectiveness, to maximize improved health outcomes and for program evaluation. The lack of nutrition programs, materials, and staff expertise in chronic disease areas at the local level was identified as a major barrier to accomplishing the nutrition health promotion objectives. Professional education and practices, technical assistance/resources and training, and development of a nutrition alliance for community interventions were identified as priority projects for MDH.

Implementation of the above recommendations would provide for nutrition monitoring and identification of nutritional inadequacies. This data will be invaluable to Community Health Service Agencies for program development and allocation of resources. It will also be critical in seeking special federal and foundation grants. Development of nutrition chronic disease programs will provide a comprehensive and efficient method for improving nutrition and decreasing morbidity and mortality from nutrition related diseases.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: DISEASE PREVENTION AND HEALTH PROMOTION
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: PULMONARY DISEASE STUDY				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 79.0	2.3	\$ 24.9	.3
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to conduct a case history study of clinic patients in northeastern Minnesota with lung abnormalities. The purpose of the request is to assess the significance of these abnormalities and any possible relationship to personal, environmental or occupational causative factors. Appropriate environmental studies including air monitoring would be done based on findings of the case history study.

DESCRIPTION/BACKGROUND:

The possibility of excess lung abnormalities in clinic populations of northeastern Minnesota was suggested by observations of a radiologist in Virginia, Minnesota. These observations were subsequently investigated by staff from the Minnesota Department of Health (MDH), the National Institute for Occupational Safety and Health (NIOSH), and the Environmental Sciences Laboratory at Mount Sinai Medical Center in New York. This and other evidence was reviewed by a panel of internationally known experts assembled in April 1985 by the MDH -- the Range Studies Advisory Committee. The Committee contained representatives from the Mayo Clinic, University of Minnesota, University of Iowa, NIOSH, McMaster University in Ontario, Canada, Wisconsin Department of Health and Social Services, and Environmental Sciences Laboratory in New York. No previously existing health, environmental, or occupational data had suggested an excess of lung disease in this area of the State. Although the Range Studies Advisory Committee found no evidence of a generalized, environmental problem in northeastern Minnesota at this time, the Committee felt that the number of cases in the clinic populations reviewed was higher than expected and could represent a subset of the population with common

exposures, particularly occupational exposures. The Committee unanimously recommended that the Department of Health obtain detailed histories of residential and occupational exposures. In addition, smoking histories and demographic characteristics should be used to identify risk factors which might explain the findings for these individuals. Activities are underway to seek some support for undertaking the health studies from private sources. It is unclear at this point how successful those efforts will be.

RATIONALE:

Follow-up on these recommendations is necessary to determine the nature of the problem, if any, that may exist and to determine if the individuals with obvious pulmonary disease represent a larger group of individuals that may need protection from ongoing exposures. Not resolving this issue will leave unanswered questions which could be raised in the future about increased risks of disease and harmful exposures which may be occurring.

The above funding level is recommended to obtain the personnel, supplies, and contractual support from the University of Minnesota which will be needed to complete the case history study recommended by the Range Studies Advisory committee. The case history study would require funding of \$103,860 and the environmental studies would require \$169,205. Some adjustment in the environmental studies might be necessary depending upon findings in the case history study. Therefore, it is recommended that the environmental studies be delayed until the findings of the case history study are evaluated. This study fulfills the Committee's recommendations and will provide direction for conducting the other recommended studies. It is apparent that some subset of the population has experienced a potentially deleterious exposure, most likely in the workplace. It is important that the nature and source of this exposure be identified, along with the population at risk. If exposures are continuing, remedial actions can be taken. The primary goal will be to identify those factors that are associated with pulmonary abnormalities in these clinic populations. Factors to be investigated include occupational and residential histories, smoking and other life-style factors, medical conditions and therapy, and demographic variables. Findings of this investigation will be used to establish priorities for any additional investigation, such as environmental or workplace monitoring for silica or asbestos-type dusts, review of additional radiographics in particular populations in the Range area, and establishment of appropriate disease registries.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: DISEASE PREVENTION AND HEALTH PROMOTION
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: DENTAL PUBLIC HEALTH INITIATIVE				
Agency Request				
General Fund	\$139.8	2.0	\$142.5	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to decrease the prevalence of oral diseases and the total aggregate cost of dental care to Minnesotans. The purpose of the request is to accomplish these objectives by:

- conducting oral epidemiologic studies
- developing fluoride dental caries prevention activities
- providing financial support to local agencies and schools for developing dental health education activities, school programs, and demonstration projects
- providing consultation to local agencies and schools for developing dental health education activities, school programs, demonstration projects, nursing home and home care services and programs for the developmentally disabled

The agency has received the only grant awarded by the Centers for Disease Control (CDC) to demonstrate the effectiveness of an innovative community/school fluoridation system.

DESCRIPTION/BACKGROUND:

Three major areas of initiative are suggested in order to accomplish the above objectives. First, there is a lack of Minnesota oral health status data. Data are needed to determine the occurrence and distribution of oral diseases in the Minnesota population so that limited dental public health prevention resources can be targeted to geographic areas and population groups that are in greatest need. Oral epidemiologic studies are recommended to provide this information.

Second, only 75% of Minnesota's population is served by fluoridated water. The remaining 25% (1 million people) do not have access to adequate fluoride because they receive drinking water from private wells, and will never have access to fluoridated municipal water. This places them at inordinate risk for developing dental caries which necessitate extensive treatment expenditures, or if untreated, can result in serious health problems. Activities to improve the access of Minnesotans to the dental caries preventive effects of fluoride are recommended to remedy this situation.

Third, outside of the Twin Cities metropolitan area, limited resources are available for dental health education activities or to demonstrate the feasibility of implementing cost effective oral disease prevention programs. Providing financial support, consultation, and technical assistance to local agencies and schools for the development of school programs, demonstration projects, nursing home and home care services, and programs for the developmentally disabled is recommended to address these deficiencies.

RATIONALE:

Up to 98% of Minnesotans have experienced the detrimental health effects of oral pathologies. These chronic degenerative conditions often begin early in childhood and cause recurrent pain, dysfunction, and school and work absenteeism throughout life. In 1985, as a result of these oral health problems, dental treatment expenditures in the U.S. approached \$30 billion, and the dental component of the Minnesota Medicaid Program cost \$13.5 million. Prevention of oral diseases is the only cost effective method to deal with a health problem of this magnitude.

The agency currently focuses its limited resources on the promotion of proven oral disease prevention activities. Implementation of the recommendations listed above would provide a comprehensive, systematic, and cost-effective method of decreasing oral diseases and reducing the pain, disability, and expense incurred by all Minnesotans as a result of these conditions.

GOVERNOR'S RECOMMENDATIONS:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: DISEASE PREVENTION AND HEALTH PROMOTION
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF (MDH)

Request Title: CHLAMYDIA SCREENING AND INTERVENTION				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$620.0	-0-	\$613.3	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to conduct surveillance testing regarding Chlamydia trachomatis in persons who are at high risk, i.e., individuals attending sexually transmitted disease clinics, particularly those who are young, heterosexual, of lower socio-economic status and having multiple sex partners, to provide intervention programs to interrupt the transmission of chlamydia, to arrange professional education for health care providers dealing with persons who are particularly vulnerable to chlamydia infections and its effects, to provide public information and to ensure the reproductive health of the young men and women.

DESCRIPTION/BACKGROUND:

Infections caused by Chlamydia trachomatis are now recognized as the most prevalent, and are among the most damaging, of all sexually transmitted diseases (STD) seen in Minnesota today. An estimated 18,000 to 25,000 Minnesotans suffer from a chlamydial infection each year. Men, women and infants are affected, but women in particular bear an inordinate burden because of their increased risk for adverse reproductive consequences including e.g. sterility, infertility, ectopic pregnancy, and newborns with eye infections and pneumonia. Though usually not considered a fatal disease, infections caused by Chlamydia trachomatis are responsible for spontaneous abortions, maternal deaths, and neonatal deaths. The disease is usually asymptomatic or indistinguishable from other genital infections, making the control of Chlamydia difficult until now. As the infection goes untreated, the transmission to unsus-

pecting sexual partners and newborns continues. Recently developed rapid and accurate laboratory diagnostic tests and effective treatment of chlamydia are the initial steps to containing the spread of infection in Minnesota.

RATIONALE:

Since 1973, MDH has operated a federally funded Gonorrhea Screening Program to detect asymptomatic infections in women. A natural offshoot of the Gonorrhea Screening Program would be applying the experience gained in this operation to screening high risk, sexually active young men and women who are patients in the same facilities. The clinical staff, laboratory service and data communication network would be 85 identical for both programs. For the foreseeable future, all MDH testing would be confined to this established network of STD screening sites.

We propose offering a Chlamydia Screening Service to approximately 35 of the state's Gonorrhea Screening Sites / STD Treatment Centers using an ELISA-based test that will be performed in the MDH Laboratories. Two separate field trials have shown this method to be the most practical method to use in statewide screening programs. Each participating site would also agree to counsel and refer in sexual partners of patients found infected, in compliance with the revised Rules Governing Communicable Diseases (1985). It is estimated that 100,000 persons will be screened in each year of the next biennium at a cost of \$6.13 per test.

The figure of 100,000 is based on the number annually screened in the Gonorrhea Screening Program. The patients would also be screened for chlamydia. The cost of chlamydia tests has been recently reduced, thus this program is well justified given the cost benefits of this program. These include, in women, avoiding 1,596 pelvic inflammatory disease infections, 25 hospitalizations for ectopic pregnancies, 1,064 infertility evaluations, and in men, avoiding a variety of hospitalizations and evaluation costs. This expenditure of \$1,233,300 for the biennium could return \$10,335,054 in direct cost savings, or \$8.38 saved for each dollar spent on testing.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not include funding for this request. While the Governor supports the agency's request to establish a chlamydia screening and intervention program, other spending priorities preclude funding at this time. Various funding options will be reviewed in an attempt to identify resources for implementation.

ACTIVITY: PUBLIC HEALTH LABORATORIES
 Program: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 Agency: HEALTH, DEPARTMENT OF

1987-89 Biennial Budget

DESCRIPTION:

A new division of Public Health Laboratories has been established and given the duties previously assigned to the Division of Medical Laboratories and to the Environmental Laboratories. The new division has been functionally organized into a Section of Chemical Laboratories, a Section of Clinical Laboratories and a Section of Laboratory Services.

The Chemical Laboratories provides physical, chemical and radiologic analyses on materials such as air, water, wastewater, sludge, sediment, soil, tissue and toxic and hazardous materials for 20 programs within the Department of Health and to 65 programs in other public agencies. The Clinical Laboratories provides testing services for infectious, chronic, metabolic, and hereditary diseases on materials obtained primarily from clinical specimens for the Department's disease prevention and control activities. Both the Chemical and Clinical Labs provide reference and verification testing using sophisticated technology not generally available in the private sector. A statewide quality assurance and improvement program for hospitals, clinics and other laboratories in the State is also provided.

MAJOR OBJECTIVES:

1. To provide high quality laboratory services in a timely manner in support of public health and pollution control programs.
2. To provide reference testing services for selected programs of public health significance, using sophisticated technology not generally available from private laboratories.
3. To provide Laboratory Improvement Services, including quality control, training, consultation and methods evaluations, for outside laboratories.

ACTIVITY STATISTICS:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
1) Chemical Lab Analyses					
General Chemistry	36,967	37,219	34,000	34,000	34,000
Organic Chemistry	6,680	6,791	8,007	8,443	8,890
Metals	17,169	17,587	16,000	16,000	16,000
Radiation	4,191	2,786	2,800	2,800	2,800
Microparticulates	650	751	750	750	750
2) Clinical Lab Exams					
Enteric Bacteriology	5,184	4,392	5,000	5,000	5,000
TB	21,392	25,528	26,000	26,000	26,000
Water Bacteriology	12,280	12,243	12,000	12,000	12,000
Parasites	10,244	9,648	10,000	10,000	10,000
Fungus	5,274	5,762	5,500	5,500	5,500
Reference Bacteriology	1,165	1,010	1,000	1,000	1,000

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 752.4	\$ 564.7	\$ 711.4	\$ 711.4	\$ 711.4

ACTIVITY STATISTICS (Contd.):

2) Clinical Lab Exams (Contd.)	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Immunology	174,492	163,815	170,800	170,000	170,000
Hereditary/Metabolic & Virus					
Cytogenetics	1,343	832	1,000	1,000	1,000
Metabolics	266,106	239,028	250,000	250,000	250,000
Virology	20,167	19,029	20,000	20,000	20,000
3) Laboratory Improvement					
No. of Laboratories in Proficiency Testing	485	430	430	430	430
No. of Laboratories Certified for Bacteriological examinations	51	54	55	55	55
No. of Training Workshops	22	19	20	20	20

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Equipment: Microparticulate Laboratory See CHANGE Request sheet following this activity	\$ 210.0	\$ -0-	Activity
Equipment: Organic Laboratory See CHANGE Request sheet following this activity	\$ 190.0	\$ 10.0	Activity

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: PUBLIC HEALTH LABS

PROGRAM: HEALTH PROTECTION

AGENCY: HEALTH, DEPT OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,767.3	3,836.7	3,969.1	3,900.6	400.0	4,300.6	4,300.6	3,895.1	10.0	3,905.1	3,905.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	3,767.3	3,836.7	3,969.1	3,900.6	400.0	4,300.6	4,300.6	3,895.1	10.0	3,905.1	3,905.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,918.4	3,072.1	3,109.4	3,021.5		3,021.5	3,021.5	3,016.0		3,016.0	3,016.0
EXPENSES & CONTRAC. SERV	187.0	228.8	164.6	165.1		165.1	165.1	165.1		165.1	165.1
SUPPLIES & MATERIALS	381.8	385.7	466.7	449.0		449.0	449.0	449.0		449.0	449.0
EQUIPMENT	280.1	150.1	228.4	265.0	400.0	665.0	665.0	265.0	10.0	275.0	275.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	3,767.3	3,836.7	3,969.1	3,900.6	400.0	4,300.6	4,300.6	3,895.1	10.0	3,905.1	3,905.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,044.3	1,751.6	1,834.1	1,794.1	400.0	2,194.1	2,194.1	1,788.6	10.0	1,798.6	1,798.6
GENERAL FUND - LCMR	65.0										
MN RESOURCES		68.4									
PUBLIC HEALTH		12.5									
METRO LANDFILL CONTN		20.2									
DEDICATED APPROPRIATIONS:											
GENERAL	41.3	39.0									
SPECIAL REVENUE	916.7	1,174.1	1,721.8	1,693.8		1,693.8	1,693.8	1,693.8		1,693.8	1,693.8
GIFTS AND DEPOSITS			.5								
FEDERAL	700.0	770.9	412.7	412.7		412.7	412.7	412.7		412.7	412.7
TOTAL FINANCING	3,767.3	3,836.7	3,969.1	3,900.6	400.0	4,300.6	4,300.6	3,895.1	10.0	3,905.1	3,905.1
POSITIONS BY FUND											
GENERAL	59.1	50.6	44.0	45.0		45.0	45.0	45.0		45.0	45.0
GENERAL FUND - LCMR	1.0										
MN RESOURCES		1.0									
SPECIAL REVENUE	26.8	34.0	55.0	54.8		54.8	54.8	54.8		54.8	54.8
FEDERAL	17.0	19.0	9.0	9.0		9.0	9.0	9.0		9.0	9.0
TOTAL POSITIONS	103.9	104.6	108.0	108.8		108.8	108.8	108.8		108.8	108.8

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: PUBLIC HEALTH LABORATORIES
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: EQUIPMENT: MICROPARTICULATE LABORATORY				
Agency Request				
General Fund	\$ 210.0	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$210.0	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

This request is to maintain analytical capacity in the Microparticulate Laboratory which analyzes samples from Reserve Mining Company, Erie Mining Company, OSHA and for public water supplies. One of the two electron microscopes used in this laboratory is no longer reliable and must be replaced to ensure that the Department has the continued capability for processing samples.

DESCRIPTION/BACKGROUND:

The state purchased a used Hitachi HU-12A microscope in 1974 and a second microscope (H500) in 1978 to respond to the additional workload of samples generated by the Reserve Mining operations. These microscopes have been used primarily to analyze samples for asbestos, but they have also been used for other purposes such as determining the amount of lead in solder, virus identification, and the identification of unknown materials brought to the laboratory. The lab has considerable expertise in the analysis of asbestos samples and the interpretation of the results, especially in the geologically complex areas found in Minnesota. They are committed to maintaining this capability to provide the state with accurate answers to asbestos exposure problems. This includes a commitment to provide services which are mandated under the terms of the Reserve Mining and Erie Mining Companies National Pollutant Discharge Elimination System (NPDES) permits. The workload in the Microparticulate Laboratory is expected to be stable (for the Mining Companies and the OSHA Program), with modest increases probable in response to new requirements for public water supplies, which have recently added asbestos as a parameter to be measured in drinking water. Thus, the purchase of this electron microscope is not to increase laboratory capacity but rather to replace an antiquated electron microscope.

RATIONALE:

The HU-12A is 14 years old. The useful life is normally estimated as 8 to 10 years. All of the associated problems of older technology, higher maintenance costs, more downtime, and reduced availability of repair parts are evident. Even though the instrument is maintained on a service contract (\$7,200 per year), many of the critical parts are no longer stocked in the United States. This can lead to long delays while parts are shipped from Japan. Electron microscopes depend on maintaining a high vacuum within the instrument in order to operate. Many of the O-rings which maintain the vacuum are becoming brittle and cracked, which causes leaks. This degrades the instrument performance, leads to image instability and requires frequent attention and downtime. The instrument is inoperable approximately 1 to 2 months every year while it is being repaired.

Even when it is operable the efficiency of its use has declined. The older electronics require more frequent adjustment and alignment. The specimen holder (one of a kind in the world) has worn surfaces which make sample manipulation difficult for the most experienced analysts, and the x-ray detector requires twice as long to collect a spectra as the one on the newer microscope. About 40% fewer usable electron diffraction patterns are produced on the HU-12A. Because the quality of information obtained from the sample is lower, the analyses are less precise and less specific.

Two electron microscopes are necessary because the workload is too great for a single instrument. At the same time, the lab receives samples which need urgent response. In F.Y. 1986, 25% of the Reserve Mining samples and 10% of the OSHA samples had critical turn around times. If only 1 microscope were available, it would be impossible to respond quickly to samples which require immediate analysis because an ordinary analysis requires that the sample be in the microscope for 6-12 hours. Frequently this will mean a delay at a construction site with the consequent loss of work time or the continued exposure of the public to air which may contain asbestos while the results of the analyses are pending. In addition, by having the 2 scopes, 1 is still available when the other is down for repairs. We have considered and sometimes used other electron microscope sites such as those at the University of Minnesota. However, these scopes are rarely available when needed and they are not set up to produce data for our computations.

This equipment request is for a transmission electron microscope with scanning capability and an energy dispersive x-ray attachment. This unit would replace our current unit and allow us the benefit of the new techniques available in instrumentation.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: PUBLIC HEALTH LABORATORIES
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: EQUIPMENT: ORGANIC LABORATORY				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$190.0	-0-	\$ 10.0	-0-
Governor's Recommendation				
General Fund	\$190.0	-0-	\$ 10.0	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

This request is to expand analytical capacity and assure responsiveness in the Organic Chemistry Laboratory to meet the projected demand from public water supply surveillance and monitoring activities, environmental monitoring activities of the Minnesota Pollution Control Agency (MPCA), Department of Transportation (DOT) and other environmental health programs.

DESCRIPTION/BACKGROUND:

The Organic Chemistry Laboratory provides analytical support services to a variety of state and local environmental health and pollution control programs. Essentially all the projected increases for environmental analyses are in the Organic Chemistry Lab. The workload for the analysis of pesticides and volatile organics, is projected to increase 20% during the next 3 years.

The Organic Chemistry Laboratory, as is the entire Chemistry Laboratory, on the "cutting edge" of technology and has a reputation for exceptional quality work. However, during several recent periods of work expansion, the laboratory has not been able to meet production schedules. The projected 20% increase during the next 3 years will further challenge system capacity and, if response times are to be maintained, plans for equipment purchases and related capacity building activities must be established to assure that operational systems will be in place when needed. Installation of newer networking technology is also indicated which will permit efficiencies by linking the gas chromatographs, and the mass spectrophotometers.

RATIONALE:

Current equipment will be unable to meet the projected analyses. Therefore, based upon our current equipment and standard equipment loading factors, our projected requirements for gas chromatograph (GC) and for gas chromatograph mass spectrophotometers (GC/MS) are indicated below:

FISCAL YEAR	PROJECTED ANALYSES	PROJECTED EQUIPMENT REQUIREMENTS		EQUIPMENT PURCHASE PLANS			
		GC	GC/MS	NUMBER		COST	
				GC	GC/MS	GC	GC/MS
1987	8,007	12	1	-0-	-0-	\$ -0-	\$ -0-
1988	8,443	13	2	1	1	\$ 10,000	\$ 180,000
1989	8,890	14	3	1	-0-	\$ 10,000	\$ -0-
1990	9,530	15	3	-0-	-0-	\$ -0-	\$ -0-

The cost of the gas chromatograph mass spectrophotometer includes the cost of a networking system, including the software. The network would provide more uniformity in data handling among instruments and will reduce training time. This uniformity provides management with the flexibility of shifting operators between analyses. This system will permit the purchase of instruments without their individual data systems in the future, at a much lower cost. For example, the 2 GC's included in this request would normally cost between \$35,000 and \$45,000 each. Thus the \$55,000 additional cost for the networking system (included in the cost of the GC/MS) is essentially paid for in savings in the purchase price of these 2 GC's. Additional savings will be realized for future purchases. The software will also generate forms, reports and quality control procedures.

Included in this plan is the required lead time for purchasing, delivery and installation of the various equipment items so that implementation of the programs is not delayed. The lead time used in these calculations for both equipment purchase and training personnel is essential if the laboratory is to be totally operational when sampling on a given program begins. This will avoid any delays in implementation of production schedules.

In summary, this request is for 2 gas chromatographs and 1 gas chromatograph mass spectrophotometer, which will be used primarily for analysis of volatile organics and pesticides in water, air and soil samples. This results in a total request for F.Y. 1988 of \$190,000 and in F.Y. 1989 of \$10,000 for a grand total for the biennium of \$200,000.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY: ENVIRONMENTAL HEALTH
 Program: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 Agency: HEALTH, DEPARTMENT OF

1987-89 Biennial Budget

DESCRIPTION:

The environmental health activity exists to carry out the statutory responsibilities for all of the following activities:

1. Minimize outbreaks of infectious and communicable diseases and chemical contamination of food and beverages served in public places, and reduce the risk of accidental injury due to falls, burns, or other physical factors in approximately 23,000 lodging, recreation, beverage or food establishments, and manufactured home parks. This is done through a) enforcement of standards for food service, equipment, facilities, water and waste system maintenance, and physical plant standards and b) providing technical consultation and training to the managers and operators of facilities which serve the public.
2. Ensure safety of drinking water sources and adequacy of sanitation inspections by assuring personnel competency through training, licensing, certification, and registration; minimize outbreaks of waterborne illnesses by regulation and inspection of public water supplies, bathing places and pools, mineral exploration boring sites, soil absorption sewage disposal system installations, and new water wells; survey water supply systems for abandoned dump leachates, pesticides, and other organic chemicals in order to identify contaminated supplies and take appropriate remedial action to protect the public health.
3. Minimize exposure to radiation through inspection and regulation of sources of ionizing radiation and participation in the state's nuclear plant and transportation emergency response plans.
4. Reduce the incidence of occupationally related diseases through enforcement of state and federal occupational health and hazard disclosure standards, and through consultation to evaluate possible occupational health problems in the private sector.
5. Conduct special investigations of environmental exposures which may pose serious health risks and make recommendations for maximum exposure limits; minimize indoor air contaminants and enforce the Minnesota Clean Indoor Air Act (MCIAA) in public places, and respond to and investigate complaints and provide information to the public regarding environmental hazards.

MAJOR OBJECTIVES:

To protect the health of the public by assuring that actual and potential risks from exposure to environmental hazards are minimized and controlled. Public health protection is achieved through a combination of licensing, enforcement of standards, technical consultation, training, field inspections, contaminant surveys, and recommendations for addressing new environmental hazards.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$929.9	\$1,108.6	\$1,574.7	\$1,177.3	\$1,521.3

PERFORMANCE INDICATORS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Public facility licenses being issued by local health agencies	60%	67%	72%	74%
Occupational health investigations and consultations completed	544	544	720	720
Environmental project reviews and risk assessments completed	170	170	175	175
Sources of radioactive material registered	279	10,000	400	10,300
Licensed facilities inspected	9,096	9,310	9,310	9,310
Water supplies inspected	780	780	780	780
Persons licensed, registered or certified	7,365	7,471	8,550	8,673
Training sessions person days of training given	3,296	3,150	3,250	3,250
Construction plans reviewed - Public facilities	1,426	1,465	1,530	1,580
Water supplies	480	525	525	525

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Indoor Air Quality and Radon Program	\$242.5	\$242.5	Activity
Asbestos Hazard Evaluation and Control	73.9	75.9	Activity
Hazardous Substances Information	71.1	70.7	Activity
Public Swimming Pool Surveillance and Monitoring	54.3	53.4	Activity
Well Abandonment Management Techniques	36.4	36.4	Activity

See CHANGE request sheets following the fiscal sheet for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: ENVIRONMENTAL HEALTH

PROGRAM: HEALTH PROTECTION

AGENCY: HEALTH, DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,577.4	4,060.6	4,358.2	4,378.8	478.2	4,857.0	4,433.1	4,372.6	478.9	4,851.5	4,426.0
LOCAL ASSISTANCE	56.1	224.9	268.0								
AIDS TO INDS.											
TOTAL EXPENDITURES	3,633.5	4,285.5	4,626.2	4,378.8	478.2	4,857.0	4,433.1	4,372.6	478.9	4,851.5	4,426.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	3,078.3	3,512.5	3,649.2	3,741.4	247.2	3,988.6	3,790.4	3,735.2	248.3	3,983.5	3,784.2
EXPENSES & CONTRAC. SERV	346.9	417.4	637.8	568.9	198.5	767.4	574.2	568.9	205.1	774.0	573.3
SUPPLIES & MATERIALS	49.0	56.0	55.8	53.1	21.5	74.6	53.1	53.1	21.5	74.6	53.1
EQUIPMENT	103.2	74.7	15.4	15.4	11.0	26.4	15.4	15.4	4.0	19.4	15.4
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	3,577.4	4,060.6	4,358.2	4,378.8	478.2	4,857.0	4,433.1	4,372.6	478.9	4,851.5	4,426.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	2,374.7	2,626.8	2,761.5	2,648.2	478.2	3,126.4	2,702.5	2,640.0	478.9	3,118.9	2,693.4
MN RESOURCES		122.9	173.7								
PUBLIC HEALTH		25.1	25.3	25.4		25.4	25.4	25.4		25.4	25.4
METRO LANDFILL CONTN		39.3	140.0	140.1		140.1	140.1	140.1		140.1	140.1
DEDICATED APPROPRIATIONS:											
GENERAL	32.4	27.3	72.0	112.0		112.0	112.0	114.0		114.0	114.0
SPECIAL REVENUE	42.0	35.6	16.5	15.8		15.8	15.8	15.8		15.8	15.8
FEDERAL	1,184.4	1,408.5	1,437.2	1,437.3		1,437.3	1,437.3	1,437.3		1,437.3	1,437.3
TOTAL FINANCING	3,633.5	4,285.5	4,626.2	4,378.8	478.2	4,857.0	4,433.1	4,372.6	478.9	4,851.5	4,426.0
POSITIONS BY FUND											
GENERAL	58.3	61.3	61.3	62.3	7.0	69.3	64.3	62.3	7.0	69.3	64.3
MN RESOURCES		1.0	1.0								
PUBLIC HEALTH		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
SPECIAL REVENUE	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
METRO LANDFILL CONTN		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
FEDERAL	36.0	42.5	42.5	42.2		42.2	42.2	42.2		42.2	42.2
TOTAL POSITIONS	95.3	107.8	107.8	107.5	7.0	114.5	109.5	107.5	7.0	114.5	109.5

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: INDOOR AIR QUALITY AND RADON PROGRAM				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$242.5	2.0	\$242.5	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: Funding is requested to initiate a survey of indoor air contaminants that affect human health. The program will have the following components: 1) A study to identify the magnitude of the indoor air problem in public buildings and homes in Minnesota. Approximately 100 homes and 20 office buildings will be surveyed. Health information will be gathered from building occupants and residents. Air contaminants such as radon, nitrogen dioxide, carbon monoxide, volatile organic compounds, particulates and formaldehyde will be measured. 2) Using information gathered by the Minnesota Pollution Control Agency's (MPCA) indoor air control service, currently available control technologies which best suit Minnesota's indoor air problems will be identified and used in approximately 15% of the homes and office buildings investigated. Additional sampling will occur after the indoor air control techniques have been initiated. 3) The results of the Minnesota Department of Health (MDH) studies will be used to develop recommendations regarding potential health effects in conjunction with the complementary MPCA proposal to develop an indoor air pollution control service for Minnesota homes. The objective is to identify the scope of the indoor air problem as it affects human health and to develop techniques for remedying the problem which can then be promoted through private sector service providers.

DESCRIPTION/BACKGROUND: The urban population of the United States spends approximately 90% of its time indoors and 65% in the home. Several studies have shown indoor pollution measurements are the best estimator of individual exposure. Energy conservation can reduce infiltration and ventilation rates of buildings, and pollutants tend to concentrate inside the buildings. Such pollutants include radon, nitrogen dioxide, formaldehyde, respirable particles, microorganisms, and volatile organic compounds. Radon is a naturally occurring radioactive gas which is

suspected of causing between 5,000 to 20,000 lung cancer deaths per year in the United States. Radon gas enters homes through a variety of paths including basement foundations, through dirt floors and sump pumps where it may accumulate to dangerous levels. Elevated radon levels are known to exist in Minnesota. Based on a sample of 130 homes (not randomly selected), as many as 1/3 of the houses in the state may have radon levels exceeding the U.S. Environmental Protection Agency's (EPA) minimum action level (4p Ci/l).

Since Minnesota has actively encouraged the construction of energy efficient buildings and energy conservation measures in existing buildings, public concern about indoor air quality has increased. During the past 2 years, the department has received over 2,500 documented calls regarding indoor air problems. Due to a lack of resources, the department has been unable to provide adequate response or to make recommendations for corrective action.

RATIONALE: The number of complaints received by state agencies and data from other states indicate that indoor air pollution affects the public's health adversely. The current state efforts cannot deal with indoor air quality in a comprehensive manner. It is necessary that the state undertake the activities supported by this request, since assistance is not available from other sources. The private sector has been unwilling to initiate research on indoor air pollution because of costs and liability concerns.

Several state agencies, including MDH, MPCA, Department of Energy and Economic Development (DEED), Minnesota Geological Survey (MGS), and the Environmental Quality Board (EQB) have been meeting since 1983 to develop a comprehensive response for Minnesota. Through these meetings, it has become evident that much more information needs to be gathered. The proposed studies must be carried out before the MDH can fulfill its responsibilities to determine the extent of the health problem and to make recommendations to help reduce its magnitude. Depending upon the study findings, the MDH and MPCA will develop educational materials and recommend practices to help reduce the level of risk to which Minnesotans are exposed. The protocols developed for investigation and mitigation of indoor air problems will be made available to the private sector. The role of the state will be as a catalyst to encourage the involvement of private organizations in indoor air quality issues.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: ASBESTOS HAZARD EVALUATION AND CONTROL				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 73.9	1.0	\$ 75.9	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: New Legislation				

STATEMENT OF REQUEST/OBJECTIVE:

This request will support 1 full-time position to establish a program for the control of asbestos, in buildings which are accessible to the public, through establishment of asbestos worker training requirements, measurement of asbestos in air in public buildings and design of a method by which to survey asbestos in publicly owned buildings. The need for an indoor air level for asbestos will be determined and a standard adopted, if appropriate. An educational effort will be initiated to improve awareness of contractors and building officials and maintenance workers about the hazards of breathing asbestos dust and to improve asbestos removal techniques. These activities would reduce the asbestos exposure to the public and to workers involved in removal projects. Funds are requested to support travel, air sample collection and analysis, and rulemaking costs.

DESCRIPTION/BACKGROUND:

Asbestos containing building materials are frequently removed in Minnesota without due respect for the hazards to health caused by dust generated, i.e., lung cancer and mesothelioma. Some contractors and building maintenance personnel follow U.S. Environmental Protection Agency (EPA) and Occupational Safety and Health Administration (OSHA) asbestos removal guidelines and assure that dust control, proper disposal of debris, and negligible exposure to the general public and workers occurs. Other asbestos removal jobs occur haphazardly without use of proper techniques and unnecessary exposure of workers and the general public results. Training course content is not uniform, thus requiring that some criterion of adequacy be imposed to assure adequate worker training.

There is also the need to identify which materials contain asbestos within a building to assure that asbestos materials are kept in a good state of repair, are not disturbed without proper precautions being taken, and that responsible people know where the asbestos is located. Air samples should be collected where significant amounts of asbestos exist to assure day-to-day exposures are at acceptable levels. The Minnesota Pollution Control Agency (MPCA) receives notification of asbestos projects and visits approximately 25 worksites each year. The Minnesota Department of Health will rely on that notification system for verifying worker training credentials and to assess air fiber concentrations in areas accessible to the public.

An indoor air quality standard may need to be developed for Minnesota. The OSHA standard which applies only in the workplace is set at 0.2 fibers/cc air. This level has been judged to be too high for public exposure, either in nonasbestos workplaces or in places visited by the public. A task force of interested building inspectors, maintenance staff, and removal contractors would be convened to advise in development of a standard. A survey of publicly owned buildings should be designed so that these buildings can be properly assessed and remedial action can be taken where necessary to help reduce public exposure. There is a need to document the extent of the problem and an educational effort should be undertaken to recommend appropriate maintenance or removal schedules to building owners and managers.

RATIONALE:

The Governor has designated the Department of Health as the lead agency on asbestos issues as they might affect Minnesota citizens. The department has staff experience in dealing with asbestos, has a laboratory experienced in asbestos identification and in asbestos particle counting, and capabilities for dispensing educational information to the general public and target groups. By designating 1 person to work full-time in assuring worker training, in surveying the needs in publicly owned buildings for asbestos control programs and in developing an asbestos indoor air quality standard, the public health of Minnesotans will be improved. The Attorney General's office is currently involved in litigation to recover costs from asbestos building material used in state buildings and data compiled could prove valuable in that case.

GOVERNOR'S RECOMMENDATIONS:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: HAZARDOUS SUBSTANCES INFORMATION				
Agency Request				
General Fund	\$ 71.1	1.0	\$ 70.7	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The purpose of this request is to provide the resources necessary for the department to implement the provisions of the 1986 Hazardous Substances Information Act. The funds will be used to fund 1 full-time Research Scientist and pay for the person's related travel and other expenses associated with visiting sites where hazardous substances are suspected of having been released, responding to public complaints, and evaluating information about the potential environmental health risk of released substances. In addition, funding will be used for consultant contracts and laboratory analyses which will be necessary for community exposure assessment.

The resources provided by this request will also be used to work on human health risk issues which need more attention than current funding levels permit. These include the assessment of risk from various waste disposal (garbage burning) projects, a number of groundwater contamination problems for which volatile (VOC) and synthetic organics (SOC) drinking water guidelines must be developed and development of guidelines for child exposure to soil-bound lead.

DESCRIPTION/BACKGROUND: The state receives numerous requests from the public to investigate suspected hazardous substance releases to outdoor air and into groundwater. If no Minnesota Pollution Control Agency (MPCA) permit is required, there is no systematic way by which investigations of these complaints can now be undertaken. For example: Complaints associated with pollutants near auto plant paint shops or near large industrial complexes

could not be adequately investigated nor could health assessments be done, for lack of adequate resources. Funding this request will enable the department to develop and implement an orderly mechanism by which the public can indirectly obtain information from businesses and other entities which may release into the environment, substances which are hazardous to health. To accomplish this goal, the Commissioner of Health is empowered to enter the premises of any employer and conduct an inspection to "investigate the actual, suspected, or potential release of a hazardous substance if there is evidence or risk of exposure to the community." Any releases which are determined to have significant health impacts would be referred to the MPCA for possible regulatory action. Implementation will be carried out in conjunction with a proposed federal requirement for hazardous substances reporting which is expected to take effect in 1988.

This request will also provide some much needed support for existing risk assessments being conducted in support of the MPCA's regulatory activities. This support will bolster the department's efforts in the various waste disposal and guideline development areas and help to bring them to completion within the desired time frame. This will result in a more detailed consideration of human health effects in these issue areas.

RATIONALE: Support for this new activity will fill a long existing need which the public has had for information about possible environmental exposures. The proposal is based on the frequency of complaints and requests for investigation which various departments have received during the last few years. The activity will serve as an interface between businesses, many of which prefer not to have to deal with the public directly, and complainants who heretofore have had no recourse except to seek a legal remedy. The activity will include on-site inspections to determine the type and amount of hazardous substances present, monitoring of air, soil and water, and the preparation of information about the substances found and their potential health effects.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: PUBLIC SWIMMING POOL SURVEILLANCE AND MONITORING				
Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ 54.3	2.0	\$ 53.4	2.0
Governor's Recommendation				
General Fund	\$ 54.3	2.0	\$ 53.4	2.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: One engineering position and 1 clerical position are being requested to adequately support the department's public swimming pool program. The addition of these 2 positions would result in reducing pool plan review turnaround time from the present 6 weeks to 2 weeks, provide needed technical assistance to local health departments who have undertaken pool inspection programs, and to provide systematic initial pool construction inspections that are presently not being accomplished. The overall objective is to protect the health and safety of all users of public pools in Minnesota.

DESCRIPTION/BACKGROUND: The Minnesota swimming pool program, regulatory since 1971, consists of plan review, surveillance, and monitoring functions. At present, plan review is conducted by a small engineering staff which also provides support for water supply, plumbing, and on-site sewage reviews. The turnaround times for swimming pool plan reviews approach 6 weeks which is unacceptable to the industry, especially due to the short sales and construction season in Minnesota. In addition, there is presently no field follow-up on pools during the construction phase or prior to their initial opening. During a recent spot check of construction practices, it was noted that 3 of 5 pools inspected did not follow the engineering plan approved by the department. Surveillance and monitoring are provided by Environmental Field Services sanitarians or Community Health Services staff on a "request" or "complaint" basis or during routine inspections of lodging and resort facilities.

Of the estimated 3,000 public swimming pools in Minnesota, there are approximately 250 municipal and 350 school pools in use. The remainder serve apartments, condominiums, resorts, hotels, motels, private health clubs, spas, etc. The department

presently has agreements with 33 of 86 counties for pool inspections. Of the 33, only 13 counties provide for inspection of pools that are not a part of their food, beverage, and lodging program. All engineering review for new construction is provided by health department staff, primarily due to the level of engineering expertise required and the small number of new pools constructed in each county on a yearly basis.

STATISTICS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. swimming pools constructed	193	210	230	255
No. operational inspections	202	200	450	450
No. Minnesota Department of Health staff (FTE)	.7	.7	2.7	2.7

RATIONALE: Each year, department staff is subpoenaed for a growing number of lawsuits involving accidents in swimming pools. Most accidents are caused by the lack of safety equipment, improper pool construction, or poor pool operations. These accidents may result in death, permanent (total) disability, partial disability, etc. In a 1975 National Safety Council report, drowning death figures were listed at 8,100 or 3.8 per 100,000 population which is significant when compared to deaths from fires at 3.1 and poisonings at 1.8. The report also indicated that of deaths occurring in swimming pools, 50% occurred in pools serving the public. The remaining 50% occur in home pools. Minnesota has experienced a large number of deaths (approximately 20) during the last 15 years, 4 of which occurred in 1 pool over a 6-month period. The department is also noticing a larger number of accidents resulting in paraplegic or quadriplegic disabilities and gets many complaints of pool-related infections.

Expansion of this program would contribute considerably to reduce many of the health and safety hazards associated with improper pool construction and operation.

As a result, it is recommended that additional resources be committed to this program for the biennium to provide for adequate plan review, construction surveillance, and technical assistance for proper operation.

REVENUE GENERATION: It is anticipated that the increase in program expenditure could be offset through a plan review fee based on swimming pool type and size, for which there is industry support.

GOVERNOR'S RECOMMENDATION: The Governor concurs with the agency's request to achieve the 1987-89 objectives. The increase in this program will be completely recovered through fees.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: ENVIRONMENTAL HEALTH
 PROGRAM: PREVENTIVE AND PROTECTIVE HEALTH SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: WELL ABANDONMENT MANAGEMENT TECHNIQUES	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$ 36.4	1.0	\$ 36.4	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The department has the responsibility for abandonment of water wells and monitoring wells as a part of its water well construction program. The additional staff person will enable the Groundwater Quality Control Unit to determine the most feasible method(s) for locating, inventorying, and tracking abandoned water and monitoring wells. The staff person will also determine the most feasible method(s) for implementing an effective program for sealing abandoned wells.

DESCRIPTION/BACKGROUND: It is estimated that there are 400,000-800,000 abandoned water wells and 5,000 monitoring wells in the State of Minnesota. Abandoned wells pose a serious threat to groundwater because they provide a means for rapid movement of contaminants from the land surface or from contaminated aquifers into otherwise protected potable aquifers. Monitoring wells present special concerns because of their frequent location in areas of known or suspected groundwater contamination.

At present, there is not an effective statewide program for identifying, inventorying, tracking and sealing of abandoned water and monitoring wells. One staff person will provide the department with adequate resources to:

1. Determine the feasibility of identifying, inventorying, and tracking abandoned water and monitoring wells through an automated data management system.
2. Study the potential management techniques for effectively bringing about the sealing of abandoned wells. The study will review: a) legal authorities/procedures necessary to require disclosure and sealing of abandoned wells at the time of real estate property transfer; b) use of local government, real estate, banking, or other interested parties to assist local decisionmakers in establishing and implementing programs for the upgrading or sealing of abandoned wells; c) cost-share programs

such as low interest loans (repaid through tax assessments), tax exemptions, a well abandonment fund (for sealing critical wells which are difficult to get sealed due to legal, financial or other constraints), etc.

3. Examine implementation costs for feasible alternatives identified in items Nos. 1 and 2 above.
4. Recommend future actions for state/local agencies.
5. Implement formal abandonment strategy/program.

RATIONALE: The groundwater quality program presently consists of water well construction, mineral exploration, monitoring well engineers, and heat pump/vertical heat exchanger activities. Under the program responsibilities, staff also become involved with the evaluation of contamination transport through the groundwater and the resultant impact on public health through water withdrawal for domestic and other uses. Because of the public awareness associated with the presence of groundwater contamination and related transport mechanisms associated with abandoned wells, greater demands are being placed on staff to respond to issues related to improperly abandoned wells.

The existing staff of 4 hydrologists, responsible for a statewide program with comprehensive responsibilities for licensing, enforcement, technical assistance, education, etc., does not provide acceptable alternatives in achieving additional service in an area of demand without severely curtailing activities in other areas which are just as critical.

Identification of feasible alternatives for identifying, inventorying, tracking, and sealing abandoned water and monitoring wells is an essential step in the development and implementation of a successful program for sealing of abandoned wells in the state. Such a program will reduce the spread of groundwater contamination, thereby protecting groundwater and the public health.

It has been estimated that 100 industrial and 500 residential wells have been sealed in Minnesota during 1985. The average cost for sealing an abandoned industrial well is approximately \$3,000 and the average cost for sealing an abandoned residential well is approximately \$600. The cost for sealing some abandoned industrial wells, however, can run as high as \$100,000. Because of the promotional work through the State Health Department and local interests in groundwater protection, we would project the number of abandoned wells being sealed to increase by 100% each year over the next several years. This, however, results in a very small number when compared to the total number of abandoned wells in the state.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

PROGRAM PURPOSE: This program is comprised of the Department's extensive activities relating to maternal and child health, the medical care delivery system and Minnesota's unique community-based public health care delivery system. The objectives of these activities are: the protection and promotion of maternal, child and fetal health; the protection of the public from inappropriate or substandard health care; the containment of medical care costs; and, the promotion, development and maintenance of a state-supervised, locally-managed system of community public health services.

OPERATION: This program includes the following operations:

1. Services to approximately 10,000 children annually in the areas of identification, diagnosis and treatment of handicapping conditions through the use of appropriate public and private providers of medical care (Services for Children with Handicaps Program).
2. Services to approximately 55,000 mothers, infants and children annually through state and local administration of the federal Woman, Infants and Children (WIC) Program designed to provide nutrition education and financial assistance to these clients in the purchase of essential healthful foods.
3. Grants and professional technical assistance services to community health services agencies, non-profit corporations, schools and voluntary organizations in the areas of child health screening, family planning, human genetics and general maternal and child health services directed toward assisting low income mothers and children at a high degree of medical risk.
4. Economic analysis, information monitoring and recommendations for policy improvement in the area of medical care cost containment.
5. Protection of consumers of health maintenance organization (HMO) service through regulation of the fiscal stability and benefits and administrative practices of the State's 14 HMOs, with over 1 million enrollees.
6. Provision of a thorough analytical administrative process through which the practices of members of human services occupations, not presently directly regulated by state government, are examined from quality of care, risk of public harm and economic perspectives so as to determine whether state regulatory intervention into these practices is warranted.
7. Provision of a system of regulation of approximately 1,600 hospitals, nursing homes, boarding care homes, supervised living facilities, home health agencies, ambulance services and others for purposes of assuring the compliance of these providers with minimum requirements for services provisions through comprehensive mechanisms for standard-setting inspections and sanctions.
8. Provision of a state subsidy and professional technical assistance to local public health agencies covering all 87 Minnesota counties for the purpose of providing services to prevent illness, disease and disability. In 1984, CHS agencies provided maternal and child health (MCH) clinic services to 77,784 persons; MCH home visits to 97,327; adult screening and treatment clinic services to 313,534; and home health visits to 283,669. CHS agencies conducted 3,899 acute disease investigations and 33,635 environmental health inspections, and investigated 46,252 environmental health complaints.

9. Grants to develop, maintain and improve regional systems of emergency medical care for the purpose of reducing mortality and minimizing disability of victims of unforeseen critical illness or injury.
10. Provision of public health nursing technical support to local units of government in the areas of maternal and child health, home health care, disease prevention and control, health education and other public health activities.

BUDGET ISSUE:

1. Currently, the Department utilizes about 1/2 of the federal MCH Block Grant and 6 local projects are funded under categorical grants. State law changes this distribution in the next biennium by limiting the Department to 1/3 and allows the categorical projects to be reduced by up to 20% in calendar year 1988 and 30% in calendar year 1989. The Department is proposing that State funds generated by increased efficiencies and other changes in the Services for Children with Handicaps (SCH) Activity be used to offset these potential reductions.
2. Between 1984 and 1986, HMO enrollment in Minnesota grew 35%, consumer complaints filed with MDH increased 200% and filings of HMO operating changes were up 265%. Rapid growth in the HMO market has substantially increased the workload of the HMO unit. It is anticipated that this market will continue to grow, and that there will be 20 HMOs with 1.7 million enrollees in F.Y. 1989.

EXPLANATION OF BUDGET REQUEST:

	F.Y. 1988	F.Y. 1989
1. Community Health Services Subsidy	\$ 469.0	\$ 1,134.7
2. Home Health Care Licensing	191.4	325.2
3. HMO Regulation	329.3	324.9
4. Commission on Health Plan Regulation	36.3	19.0
5. Health Care Cost Containment	51.3	64.5
6. Women, Infants and Children (WIC) Contingency	250.0	250.0
7. Family Planning Grants Inflation	44.2	90.1

The Department is also requesting continuation of authority to carry forward state funds in the MCH Activity and to use these funds to partially offset reductions required as a result of redistribution of federal MCH block grant funds. Significant additional carry over funds will be generated as a result of various efficiency measures and other changes in the SCH Activity.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendations include an increase of \$282.6 in this program for the 1988-89 biennium. Further detail is provided on the following pages.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: HEALTH DELIVERY SYST

AGENCY: HEALTH, DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
MATERNAL&CHILD HEALTH	33,750.8	34,815.7	40,326.7	39,504.9	294.2	39,799.1	39,504.9	39,504.7	340.1	39,844.8	39,504.7
HEALTH SYS DEVELOPMENT	452.3	510.6	613.5	664.6	417.2	1,081.8	987.0	663.2	413.1	1,076.3	985.6
HEALTH RESOURCES	6,570.5	7,983.3	9,626.2	9,458.1	145.1	9,603.2	9,603.2	9,354.8	242.7	9,597.5	8,847.5
COMMUNITY HEALTH SRVS	12,282.9	13,450.9	13,647.3	13,865.2	469.0	14,334.2	13,865.2	13,862.1	1,134.7	14,996.8	13,862.1
TOTAL	53,056.5	56,760.5	64,213.7	63,492.8	1,325.5	64,818.3	63,960.3	63,384.8	2,130.6	65,515.4	63,199.9
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	11,953.8	12,731.7	15,278.0	15,490.8	562.3	16,053.1	15,958.3	15,482.9	655.7	16,138.6	16,048.0
LOCAL ASSISTANCE	20,333.3	22,667.6	25,126.7	25,183.7	513.2	25,696.9	25,183.7	25,083.6	1,224.9	26,308.5	24,333.6
AIDS TO INDS.	20,769.4	21,361.2	23,809.0	22,818.3	250.0	23,068.3	22,818.3	22,818.3	250.0	23,068.3	22,818.3
TOTAL EXPENDITURES	53,056.5	56,760.5	64,213.7	63,492.8	1,325.5	64,818.3	63,960.3	63,384.8	2,130.6	65,515.4	63,199.9
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	17,501.5	18,553.2	20,598.8	19,877.2	1,325.5	21,202.7	20,344.7	19,870.5	2,130.6	22,001.1	19,685.6
PUBLIC HEALTH		898.9	1,505.3	1,693.2		1,693.2	1,693.2	1,692.5		1,692.5	1,692.5
TRUNK HIGHWAY	413.2	460.6	530.7	536.0		536.0	536.0	535.4		535.4	535.4
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	3,065.1	4,408.5	5,285.4	5,277.5		5,277.5	5,277.5	5,277.5		5,277.5	5,277.5
GIFTS AND DEPOSITS	.5		22.2								
FEDERAL	32,076.2	32,439.3	36,271.3	36,108.9		36,108.9	36,108.9	36,008.9		36,008.9	36,008.9
TOTAL FINANCING	53,056.5	56,760.5	64,213.7	63,492.8	1,325.5	64,818.3	63,960.3	63,384.8	2,130.6	65,515.4	63,199.9
POSITIONS BY FUND:											
GENERAL	81.5	59.6	58.6	58.6	16.5	75.1	67.6	58.6	20.0	78.6	76.6
PUBLIC HEALTH		4.0	19.0	21.0		21.0	21.0	21.0		21.0	21.0
SPECIAL REVENUE	95.4	135.7	148.2	148.0		148.0	148.0	148.0		148.0	148.0
TRUNK HIGHWAY	9.0	10.0	11.0	11.0		11.0	11.0	11.0		11.0	11.0
FEDERAL	110.8	105.8	93.0	88.6		88.6	88.6	88.6		88.6	88.6
TOTAL POSITIONS	296.7	315.1	329.8	327.2	16.5	343.7	336.2	327.2	20.0	347.2	345.2

ACTIVITY: MATERNAL AND CHILD HEALTH (MCH)
 Program: HEALTH DELIVERY SYSTEMS
 Agency: HEALTH, DEPARTMENT OF

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ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 8.4	\$ 9.3	\$ 5.0	-0-	-0-

DESCRIPTION: MCH services are grouped into the following 3 categories:

1. Special Supplemental Food Program for Women, Infants and Children (WIC):

This portion of the activity provides standards, technical assistance, training, grants management, program and fiscal monitoring, and related support to local subgrantees of the federally funded WIC program. Through local subgrantees and approved food vendors, WIC participants receive nutrition education, assistance in arranging for other needed health services, and supplemental foods.

2. Services for Children with Handicaps (SCH):

This portion of the activity provides for the identification, diagnosis and treatment of children with handicapping, or potentially handicapping, conditions caused by birth defects, congenital cardiac lesions, hereditary disease, or chronic diseases such as diabetes, cystic fibrosis or cancer. SCH services are delivered through field clinics and by referral to medical centers for specialty treatment. Reimbursement is provided for a portion of the cost of care for children whose families cannot afford the full expense.

3. MCH Grants and Technical Coordination:

This portion of the activity provides guidelines and technical assistance for the state's child health and developmental screening programs. Consultation is provided to physicians and counseling to patients and family members with known or suspected genetic diseases. In addition, grants and technical assistance are provided to a variety of locally based programs which impact on MCH needs throughout the state

GRANTS AND AID:

1. WIC Supplemental Food Program:

Authority for WIC is found in the Child Nutrition Act of 1966 and amendments of 1978. Some 60 local subgrantees receive funds for purposes of conducting outreach, determining participant eligibility, providing nutrition education, and making referrals for other needed health services. Approximately 54,500 participants per month receive WIC vouchers that may be exchanged at approved vendors for specified foods which have been determined on the basis of nutritional risk.

2. SCH Treatment:

Authority for SCH is found in M.S. 144.146 and Title V of the Social Security Act. Payments are made to hospitals and/or private medical, dental and/or surgical providers throughout the state for authorized treatment/rehabilitative services for children with handicapping conditions. The children for whom payments are made are determined to be financially and medically eligible in accordance with Department administrative rules in which criteria are specified, including a cost sharing requirement. SCH pays for approximately 36% of the authorized care for eligible children with the remainder being paid by insurance (62.6%), Medicaid and the family (1.4%).

3. MCH Grants:

Authority for MCH Grants is found in M.S. 145.882-145.889, 145.925 and Title V of the Social Security Act.

- a. Family Planning Grants are awarded to some 56 public and private non-profit agencies for purposes of improving and expanding pre-pregnancy family planning services. Grants are awarded on a competitive basis in accordance with criteria which are specified in Department administrative rules. Approximately 49,000 persons receive services through these projects.
- b. MCH Special Project Grants are awarded to 6 pre-block grant projects, 6 competitive projects and 42 formula projects for purposes of assuring that mothers and children have access to quality health care services. The competitive and formula grants are targeted to programs which improve pregnancy outcomes, meet the special medical needs of children with handicapping conditions, or provide family planning services. Approximately 46,000 persons receive services through these projects.

MAJOR OBJECTIVES: To improve or maintain the health status of mothers and children in Minnesota through measures which are intended to:

1. Assure optimal birth outcomes for all infants.
2. Assure optimal growth and development for children with handicapping, or potentially handicapping, conditions.
3. Assure optimal growth and development for infants and young children who are at nutritional risk.

ACTIVITY: MATERNAL AND CHILD HEALTH (MCH)
 (Continuation)
 Program: HEALTH DELIVERY SYSTEMS
 Agency: HEALTH, DEPARTMENT OF

1987-89 Biennial Budget

PERFORMANCE INDICATORS:	F.Y.1986	F.Y.1987	F.Y.1988	F.Y.1989
Infant Mortality Rate * (per 1,000 live births)	8.8	8.5	8.2	8.0
Neonatal Mortality Rate * (per 1,000 live births)	5.4	5.3	5.1	5.0
No. of WIC participants served (avg./mo.)	54,564	54,800	54,800	54,800
Percent of Pregnant Women (of total WIC caseload)	11.06%	12.17%	13.39%	14.73%
No. of WIC on-site local agency reviews	28	30	30	30
No. of WIC on-site vendor reviews	236	230	230	230
No. of SCH field clinics held	265	260	260	260
No. of children served in SCH field clinics	4,678	4,500	4,500	4,500
No. of children served in medical facilities	3,829	3,830	3,830	3,830
No. of SCH consultations	10,134	9,955	9,955	9,955
No. of persons served through agencies receiving family planning grants	49,000	49,000	47,040	45,080
No. of persons served through agencies receiving MCH Special Project grants	44,600	46,000	46,000	46,000
Genetic counseling provided to patients/families	147/420	150/400	150/400	150/400
No. of MCH workshops/ participants	171/2,411	176/2,476	179/2,506	179/2,506

* These compare with 1984 U.S. rates of 10.6 and 6.9 respectively.

RECENT BUDGET HISTORY: During the 1985 Special Session, legislation was enacted which limits the Department's share of the federal MCH Block Grant to 1/3. The legislation also provided for reductions in funding of up to 20% in calendar year 1988 and 30% in calendar year 1989 for the 6 pre-block grant projects. During the 1986 Session, legislation was enacted which requires the Department to annually expend at least 99% of the federal WIC allocation.

FEDERAL (OTHER) FUNDING SOURCES: Staff and other direct expenditures of this activity are supported primarily by the federal MCH Block Grant and the federal WIC Grant.

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	TYPE
WIC Contingency	\$250.0	\$250.0	Activity Specific
Family Planning Grants - Inflation	\$44.2	\$90.1	Activity Specific
Alternative funding to partially offset potential reductions in MCH Block Grant funds. See narrative included with Fiscal Summary for Federal Block Grants.	-0-	-0-	Activity Specific

See CHANGE request sheets following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: MATERNAL&CHILD HEALTH

PROGRAM: HEALTH DELIVERY SYST

AGENCY: HEALTH,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	4,016.5	4,014.0	4,898.5	4,917.4		4,917.4	4,917.4	4,917.3	.1-	4,917.2	4,917.3
LOCAL ASSISTANCE	8,964.9	9,440.5	11,619.2	11,769.2	44.2	11,813.4	11,769.2	11,769.1	90.2	11,859.3	11,769.1
AIDS TO INDS.	20,769.4	21,361.2	23,809.0	22,818.3	250.0	23,068.3	22,818.3	22,816.3	250.0	23,068.3	22,818.3
TOTAL EXPENDITURES	33,750.8	34,815.7	40,326.7	39,504.9	294.2	39,799.1	39,504.9	39,504.7	340.1	39,844.8	39,504.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	2,563.4	2,620.1	2,709.3	2,798.7		2,798.7	2,798.7	2,798.6	.1-	2,798.5	2,798.6
EXPENSES & CONTRAC. SERV	1,384.8	1,342.3	2,068.4	2,019.6		2,019.6	2,019.6	2,019.6		2,019.6	2,019.6
SUPPLIES & MATERIALS	51.1	40.5	95.3	73.6		73.6	73.6	73.6		73.6	73.6
EQUIPMENT	17.2	11.1	25.5	25.5		25.5	25.5	25.5		25.5	25.5
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	4,016.5	4,014.0	4,898.5	4,917.4		4,917.4	4,917.4	4,917.3	.1-	4,917.2	4,917.3
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	4,078.7	3,721.2	5,251.0	4,346.1	294.2	4,640.3	4,346.1	4,346.1	340.1	4,686.2	4,346.1
PUBLIC HEALTH		898.9	1,180.8	1,341.2		1,341.2	1,341.2	1,341.0		1,341.0	1,341.0
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	36.3	44.4	46.2	46.2		46.2	46.2	46.2		46.2	46.2
GIFTS AND DEPOSITS			21.7								
FEDERAL	29,635.8	30,151.2	33,827.0	33,771.4		33,771.4	33,771.4	33,771.4		33,771.4	33,771.4
TOTAL FINANCING	33,750.8	34,815.7	40,326.7	39,504.9	294.2	39,799.1	39,504.9	39,504.7	340.1	39,844.8	39,504.7
POSITIONS BY FUND											
GENERAL	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
PUBLIC HEALTH		4.0	10.0	12.0		12.0	12.0	12.0		12.0	12.0
SPECIAL REVENUE	.5	1.0	.5	.3		.3	.3	.3		.3	.3
FEDERAL	85.8	85.0	79.0	74.6		74.6	74.6	74.6		74.6	74.6
TOTAL POSITIONS	87.3	91.0	90.5	87.9		87.9	87.9	87.9		87.9	87.9

CHANGE REQUEST

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Agency Program Activity

ACTIVITY: MATERNAL AND CHILD HEALTH
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

STATISTICS:	F.Y.1986	F.Y.1987	F.Y.1988	F.Y.1989
Average food cost per month per participant	\$28.82	\$29.99	\$31.20	\$32.46
Federal allocation for WIC supplemental foods	\$19,368.6	\$19,949.0	\$20,547.0	\$21,164.0

Request Title: WOMEN, INFANTS AND CHILDREN (WIC) CONTINGENCY	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
General Fund	\$250.0	-0-	\$250.0	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected:

This CHANGE item affects only the Maternal and Child Health Activity.

RATIONALE:

The WIC Program operates with several variables over which the Department has little control. Examples include: 1) case mix (food packages for infants are much more costly than those for children); 2) participant changes in selection of brand names (the food items are specified but not the brand names and costs can vary significantly from one brand to another); and 3) variations during the year in food item prices. Unlike the Food Stamp Program, WIC vouchers do not specify a dollar amount. Therefore, in order to avoid inadvertent overexpenditures in the WIC Program, the Department previously established a contingency fund within the federal allocation. This approach was successful in avoiding disruptive suspensions in service, but it resulted in lapses of up to 2% of the federal allocation. Given the Department's current efforts to fully expend the federal allocation, it encounters a much greater risk of expending all of the funds prior to the end of the fiscal year. Should this problem arise, a State contingency fund would make it possible to continue to provide supplemental foods to WIC participants until the beginning of the next federal fiscal year. It is less likely that the Department will find it necessary to draw upon the contingency fund if Congress adopts an amendment, which is under consideration, to allow states to overspend by up to 1% and deduct it from their allocation amount for the next fiscal year.

STATEMENT OF REQUEST/OBJECTIVE:

The above funds are requested to establish a state contingency fund, to be released only upon approval of the Commissioner of Finance, for the WIC Program which could be utilized, if necessary, to pay for the cost of WIC supplemental foods for program participants in order to avoid a disruption in service.

EFFECTIVENESS MEASURES:	F.Y.1986	F.Y.1987	F.Y.1988	F.Y.1989
No. of WIC participants served (avg./mo.)	54,564	54,800	54,800	54,800

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request as a result of federal congressional action. Recent changes in federal law allow states to overspend up to 1% and deduct the overspent amount from the next year's appropriation. Therefore, this request is no longer necessary.

DESCRIPTION/BACKGROUND:

During the 1986 Legislative Session a provision was enacted (Laws of 1986, Ch. 404, Sec. 8) which requires the Department of Health to expend at least 99% of its federal allocation for the WIC Program each year. Because of the inability to precisely predict the cost of WIC supplemental foods, it is possible that the Department (in its effort to fully expend the federal allocation) could inadvertently expend all of the federal WIC allocation prior to the end of the fiscal year. This would require a complete suspension of services to WIC participants until the beginning of the next federal fiscal year. The contingency fund would be used, if necessary, to avoid this disruption in service to WIC participants across the State.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MATERNAL AND CHILD HEALTH
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

RATIONALE:

Increases in costs, due to inflation, affect the ability of local public and private agencies to maintain effective programs without additional revenues. A failure to provide the additional funds necessary to compensate for inflation will result in a commensurate reduction in the amount of family planning services delivered through this grants program.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: FAMILY PLANNING GRANTS: INFLATION				
Agency Request				
General Fund	\$44.2	-0-	\$90.1	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The above funds are requested to compensate for increased costs (due to inflation) in the provision of family planning services. The objective of these services is to make it possible for families to effectively plan for the number and spacing of their children.

EFFECTIVENESS MEASURES:

	F.Y.1986	F.Y.1987	F.Y.1988	F.Y.1989
No. of persons served through agencies receiving family planning grants	49,000	49,000	49,000	49,000

DESCRIPTION/BACKGROUND:

M.S. 145.925 authorizes the commissioner of health to make special grants to cities, counties, groups of cities or counties, or nonprofit corporations to provide pre-pregnancy family planning services. The agency has administered a grants program under this authority since 1978 and the appropriation was increased in the last 2 bienniums in order to compensate for inflation. This change request represents an inflationary increase of 4.0% per year.

STATISTICS:

	F.Y.1986	F.Y.1987	F.Y.1988	F.Y.1989
No. of grantees	56	56	56	56

This CHANGE item affects only the Maternal and Child Health Activity.

1987-89 Biennial Budget

Fiscal Summary for Federal Block Grants
Dollars in Thousands (137,522 = 137.5)

AGENCY: HEALTH, DEPARTMENT OF
FEDERAL GRANT TITLE: MATERNAL AND CHILD HEALTH (MCH) BLOCK GRANT
STATE LEGAL AUTHORITY: M.S. 144.05

ANTICIPATED RECEIPT DATES: It is anticipated that the federal appropriations for federal fiscal years 1987, 1988, and 1989 will remain constant; however, in the event that the Gramm-Rudman-Hollings Balanced Budget Act must be used to balance the federal budget, the available funds would be less. The federal fiscal year begins on October 1 and ends on September 30 of each year. Dollar amounts contained in this document reflect estimates based on the state fiscal year.

GRANT OBJECTIVES: The purpose of this grant is to enable each state: 1) to assure mothers and children (in particular those with low income or with limited availability of health services) access to quality maternal and child health services; 2) to reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children, to reduce the need for inpatient and long-term care services, to increase the number of children (especially preschool children) appropriately immunized against disease and the number of low income children receiving health assessments and follow-up diagnostic and treatment services, and otherwise to promote the health of mothers and children (especially by providing preventive and primary care services for low income children, and prenatal, delivery, and postpartum care for low income mothers); 3) provide rehabilitation services for blind and disabled individuals under the age of 16 receiving benefits under Title XVI of this Act; 4) provide services for locating, and for medical, surgical, corrective, and other services, and care for, and facilities for diagnosis, hospitalization, and aftercare for children who are crippled or who are suffering from conditions leading to crippling.

FEDERALLY PERMITTED USES AND USE RESTRICTIONS: This block grant must be administered by the state health agency. Funds may not be used for: 1) Cash payments to intended recipients of health services; 2) capital expenditures; 3) satisfying matching requirement of other federally funded programs.

Funds must be used for: 1) "Special consideration" must be given to the continuation of the funding of special projects previously funded; 2) a "reasonable proportion" must be used to continue activities previously funded.

ALLOCATION RECOMMENDED BY AGENCY: Maternal and Child Health (MCH) Block Grant funds will be allocated to 3 components: 1) Services for Children with Handicaps (SCH); 2) other Minnesota Department of Health (MDH) expenditures; and 3) grants to local entities. The allocations currently are based on M.S. 145.882, Subd. 2, which provides that MDH may use up to 1/3 of the block grant for components 1 and 2. Grants to local entities include 6 pre-block grant projects and 42 new formula grant projects which were funded for the first time in January, 1986.

Grant Use	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
I. Financial Assistance to Individual or Political Subdivisions					
Budget Activity: Maternal and Child Health	\$ 3,677.6	\$ 3,636.5	\$ 4,978.5	\$ 4,978.5	\$ 4,978.5
Subtotal	3,677.6	3,636.5	4,978.5	4,978.5	4,978.5
II. State Agency Operations					
Budget Activities:					
Disease Prevention and Health Promotion	123.0	150.0	-0-*	-0-	-0+
Public Health Laboratories	185.4	209.2	-0-*	-0-	-0-
Maternal and Child Health	2,598.7	2,262.1	2,484.1	2,428.5	2,428.5
Community Services	296.6	312.7	-0-*	-0-	-0-
Health Information	45.4	-0-	-0-*	-0-	-0-
Subtotal	3,249.1	2,934.0	2,484.1	2,428.5	2,428.5
III. Other					
Transfers	684.4	624.3	472.4	463.4	463.4
Inflation Increases	-0-	-0-	-0-	124.2	251.8
Subtotal	684.4	624.3	472.4	587.6	715.2
Total \$ This Grant**	7,611.1	7,194.8	7,935.0	7,994.6	8,122.2
Required State/Local Match	5,708.3	5,396.1	5,951.3	5,996.0	6,091.6
Agency Complement (FTE) Funded by This Grant	96.1	97.7	70.0	63.2	63.2

*Funding for this activity is provided from the Public Health Fund.

**These totals are greater than the grant award and reflect need for funding options requested in narrative.

1987-89 Biennial Budget

Fiscal Summary for Federal Block Grants:
MATERNAL AND CHILD HEALTH (MCH) BLOCK GRANT
(Continuation)

AGENCY: HEALTH, DEPARTMENT OF
STATE LEGAL AUTHORITY: M.S. 144.05

ALLOCATION RECOMMENDED BY AGENCY (contd.):

Description/Background: Prior to C.Y. 1986, the Department utilized approximately 1/2 of the MCH Block Grant for its direct program activities including SCH, Family Planning and MCH Special Project grants administration, and technical support for local MCH projects. During the 1985 Special Session of the Legislature, a provision was enacted which limited (after 1-1-86) the Department's share of the MCH Block Grant to 1/3. In order to avoid reductions in Department MCH activities during the 1986-87 biennium, the Legislature authorized the Department to utilize \$1.4 million in federal F.Y. 1985 carryover funds and appropriated an additional \$900,000 from the Public Health Fund (Cigarette Tax Revenue). However, the \$1.4 million represented a one-time source of funding for Department program activities. In the 1988-89 biennium, the Department will experience a potential shortfall of approximately \$1.4 million. By eliminating its statutory responsibility to maintain, staff, and operate a cytogenetics laboratory (a service offered by several medical facilities), by developing greater efficiency in the SCH claims reimbursement system (a STEP project), and achieving better coordination in the provision of technical support for local MCH projects, the Department will be able to reduce expenditures by approximately \$500,000 during the biennium. It is requested that the remainder of the potential deficit be covered by utilizing funding sources which are identified below.

Prior to 1981, 6 local MCH projects (hereinafter referred to as "pre-block grant projects") were funded under Federal categorical programs. These projects provide services in the cities of Minneapolis and St. Paul (the largest projects) and several outstate counties. The types of services provided include: 1) maternal and infant care; 2) adolescent health care; 3) perinatal intensive care; 4) dental health; 5) family planning; and 6) the prevention of sudden infant death syndrome. In 1981, the categorical programs (through which these pre-block grant projects received funding) were folded into the new MCH Block Grant. Since that time, the State Legislature has required that the pre-block grant projects be maintained at their previous funding levels. During the 1985 Special Session, however, a provision was enacted which allows these projects to be reduced by up to 20% in C.Y. 1988 and 30% in C.Y. 1989. Funds resulting from these reductions are to be shifted into MCH formula grants which support local projects in 42 Community Health Service areas. Approximately \$1.2 million of the funds discussed in the next paragraph will be used to maintain the 6 pre-block grant projects at their previous funding levels while, at the same time, allowing for the planned expansion of the formula grant projects.

The Department has made a determined effort to maximize the use of other third party payors in its SCH program and this has resulted in savings in State SCH treatment dollars. Additionally, a Strive Toward Excellence in Performance (STEP) project has recommended that SCH treatment payments be made on a cash basis of accounting, rather than an accrual basis of accounting, and this change will result in a significant one-time savings. Last, an audit settlement pertaining to the SCH treatment program will result in a reimbursement to the Department for prior year expenditures. Combined, these sources should provide the funding necessary (approximately \$2.1 million) to prevent further reductions in the Department's direct MCH program activities and to maintain the 6 pre-block grant projects at their previous funding levels.

Rationale: The purpose of limiting the Department's share of the MCH Block Grant to 1/3 was to provide additional federal funds for the newly created MCH formula grants program. As indicated by the Legislature's authorization to use federal carryover funds and an appropriation from the Public Health Fund, the Department was not required to reduce its MCH activities during the 1986-87 biennium. However, it was anticipated that the Department would use the 1986-87 biennium to identify ways in which its activities could be conducted more efficiently. This process has been completed and the Department has identified reductions of approximately \$500,000 for the 1988-89 biennial period. Further reductions in Department MCH activities could not be accomplished without seriously jeopardizing the SCH program or the Agency's ability to provide technical support for local MCH projects which are being implemented for the first time in 42 Community Health Service areas across the State.

The 6 pre-block grant projects are well established programs which have demonstrated their effectiveness over time. These projects serve as models for similar programs which are being developed with formula MCH grants. The purpose of the reduction provision enacted during the 1985 Special Session was to bring about, in C.Y. 1988 and C.Y. 1989, greater equity in the funding levels between pre-block and formula grant projects. This purpose can also be accomplished by holding the pre-block projects at their current base level and increasing the funding level for formula grant projects. The pre-block grant projects have not received any increases to compensate for inflation since 1981.

The Department will generate sufficient savings in the SCH program to offset reductions in excess of the proposed \$500,000 reduction. These savings will be generated by: 1) a significant increase in third party payments for treatment services; 2) a change in accounting methods as recommended by a STEP project; and 3) unexpected reimbursement of prior year hospital treatment payments. The Department requests that these funds be made available to offset the potential MCH reductions. This can be done by continuing the current authority to carry-over funds in the SCH activity and permitting these funds to be used to offset the further reductions in the MCH activity. Continuation of this authority would also permit the Department to absorb inflationary increases in medical care costs and any increases in payments resulting from program and economic changes. It should be noted that the funding solutions proposed are to some extent one-time solutions making it important for the Department to continue to identify efficiencies and program changes.

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
 Program: HEALTH DELIVERY SYSTEMS
 Agency: HEALTH, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 8.8	\$ 18.8	\$ 233.8	\$ 567.2	\$ 567.2

OBJECTIVE: To monitor activities in the health care market relating to cost of health care, access to health care and health care quality, to identify potential problem areas and make recommendations to executive branch and legislative policy makers as to appropriate solutions.

DESCRIPTION: The Office of Health Systems Development maintains 3 principal activities:

1. Health Economics Program (HEP): This activity fosters state goals relating to health care costs, access and quality by formulating policy recommendations and facilitating competition. The activity administers the Health Care Cost Information System by collecting, analyzing and disseminating hospital and surgical center price information.

Policy development entails identifying and/or evaluating state actions to 1) enhance purchasers' skills or otherwise foster conditions for competitive markets; 2) preserve Minnesotans' access to health care; and 3) assure that competitive market forces do not result in serious quality of care problems.

To facilitate competition, the activity provides health care purchasers with information about providers' products and prices and about buying techniques to increase competitive pressures. The activity prepares a biennial report to the Governor and the Legislature on Minnesota health care markets and the status of the state's cost, access and quality goals.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of Facilities Reporting	176	177	170	100

2. Health Maintenance Organizations (HMOs): This activity provides consumer protection services for 1,200,000 enrollees of 14 HMOs in the areas of financial stability, quality of care, scope of benefits and other minimum requirements of state law and rules. The activity assures common operating standards for health maintenance organizations in order that fair, equitable competition can be maintained and that consumer needs are adequately met.

The activity protects HMO enrollees by assessing 1) the financial viability of HMOs; 2) risks assumed by provider groups; 3) benefits offered in HMO contracts; and 4) HMO quality assurance functions. Enrollees rely on these assessments for assurance of continued availability of needed HMO services.

This activity previously fulfilled state responsibility for administration of the federal Hill-Burton program. This program ended on Oct. 1, 1986, when Federal Health Planning Funds that supported the program terminated.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
No. of HMOs	13	16	18	20
Statewide HMO Enrollment	1,043,000	1,252,000	1,477,000	1,713,000
No. of Written HMO Complaints	306	350	400	450
Operating Changes Requested	369	450	525	600
New HMO Applications Under Review	4	5	5	5
Public Information Programs	22	30	60	60
No. of HMO Audits Conducted	2	2	6	6
Enforcement Actions	6	6	12	12

3. Occupational Analysis Section: This activity administers a process through which human service occupational groups can become credentialed by the state. Requests for credentialing are evaluated on the basis of 4 review factors: the possibility of public harm from the unregulated practice of an occupation; specialized skill or training required; other means of effectively protecting the public; and the cost effectiveness and economic impact of regulation. The process includes input from the public, professional groups and an advisory council. The program provides technical assistance and advice to the legislature on regulation of human service occupations.

Statistics:	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Applications Received	4	4	2	2
Questionnaires Received	3	6	5	4
Determinations Made	1	4	4	3
Rules Promulgated	2	2	4	4

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Health Maintenance Organization	\$ 322.4	\$ 322.4	Activity
Health Insurance Plan Commission	\$ 36.3	\$ 19.0	Activity
Health Care Cost Containment	\$ 58.5	\$ 71.7	Activity

See CHANGE request sheets following the fiscal page for this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH SYS DEVELOPMENT

PROGRAM: HEALTH DELIVERY SYST

AGENCY: HEALTH,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	452.3	510.6	613.5	664.6	417.2	1,081.8	987.0	663.2	413.1	1,076.3	985.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	452.3	510.6	613.5	664.6	417.2	1,081.8	987.0	663.2	413.1	1,076.3	985.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	351.0	454.8	522.5	579.6	322.6	902.2	829.6	578.2	305.3	883.5	828.2
EXPENSES & CONTRAC. SERV	83.3	40.5	76.6	77.1	85.0	162.1	139.9	77.1	98.2	175.3	139.9
SUPPLIES & MATERIALS	2.6	3.7	10.4	3.9	.6	4.5	4.5	3.9	.6	4.5	4.5
EQUIPMENT	15.4	11.6	4.0	4.0	9.0	13.0	13.0	4.0	9.0	13.0	13.0
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	452.3	510.6	613.5	664.6	417.2	1,081.8	987.0	663.2	413.1	1,076.3	985.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	370.0	442.8	490.2	534.8	417.2	952.0	857.2	533.4	413.1	946.5	855.8
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE		29.7	42.7	36.7		36.7	36.7	36.7		36.7	36.7
GIFTS AND DEPOSITS	.5		.5								
FEDERAL	81.8	38.1	80.1	93.1		93.1	93.1	93.1		93.1	93.1
TOTAL FINANCING	452.3	510.6	613.5	664.6	417.2	1,081.8	987.0	663.2	413.1	1,076.3	985.6
POSITIONS BY FUND											
GENERAL	8.0	11.0	12.0	12.0	11.0	23.0	21.0	12.0	11.0	23.0	21.0
SPECIAL REVENUE		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
FEDERAL	4.0	3.0	5.0	5.0		5.0	5.0	5.0		5.0	5.0
TOTAL POSITIONS	12.0	15.0	18.0	18.0	11.0	29.0	27.0	18.0	11.0	29.0	27.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: HEALTH MAINTENANCE ORGANIZATIONS (HMO)				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 322.4	9.0	\$ 322.4	9.0
Governor's Recommendation				
General Fund	\$ 322.4	9.0	\$ 322.4	9.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: Increased funding is requested to enable the Activity to respond to dramatic and unanticipated changes in the HMO market. The number of HMOs has increased from 12 to 17 since December, 1984. HMO enrollment in Minnesota grew 35% between 1984 and 1986. Consumer complaints filed with the Agency increased 200%, and operating changes filed increased 265% during those same 2 years. The HMO audit function is to be increased due to the size and complexity of the industry. Increased funding is needed to establish verification standards for HMO quality assurance programs. Without additional funding, the Activity will be less effective in preventing consumer hardships or responding quickly to HMOs' problems.

The annual objectives to be accomplished with the change request are:

1. To receive, answer and, if necessary, investigate approximately 400 consumer complaints about HMO services;
2. To approve/disapprove approximately 525 operating changes submitted pursuant to M.S. 62D.08;
3. To conduct at least 6 audits of HMOs pursuant to M.S. 62D.14;
4. To develop and implement methods to validate the effectiveness of HMO quality assurance programs operated pursuant to M.S. 62D.04, Subd. 1(b); and
5. To provide the public with objective information about the availability of HMOs and how to choose an HMO by annually making 60 community presentations and training programs in various locations throughout Minnesota.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Written Complaints	195	306	350	400	450
Operating Changes	259	369	450	525	600
Audits Completed	1	2	4	6	6
New HMO Applications	2	4	5	5	5
Under Review					
Public Information Programs	10	22	30	60	60

DESCRIPTION/BACKGROUND: In 1985, the Agency requested and received an increase of 1 full time professional staff. That request was based upon the following projections of activity.

	<u>F.Y. 1983</u>	<u>F.Y. 1984</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>
Written Complaints	43	105	150	200	250
Operating Changes	34	101	126	157	196
Comprehensive Audits	2	1	1	4	4
New HMO Applications	2	2	2	1	1

Comparing these projections with actual experience, it is clear that activity far exceeded expectations. Consumer complaints exceeded projections for the biennium by 45.7%, and operating changes exceeded projections by 132%. To meet the increased demands, HMO staff priorities were redirected to focus almost exclusively on review of consumer complaints, new HMO applications, and review of requests for operating changes. Only a fraction of the most serious violations of the HMO Act were investigated.

Four audits of HMOs were initiated in F.Y. 1986, but were less comprehensive, and took longer to complete than anticipated. Given the current level of activity relative to staff resources, and the number of HMOs, triennial audits as required by M.S. 62D.14 cannot be performed.

A serious challenge to the ability of the HMO Activity to monitor and respond to changing market conditions occurred in the late spring of 1986. As the result of an audit, one HMO appeared to be insolvent. The staff auditor worked nearly half time on the case for two months, and subsequent to his findings, Activity and Program management became involved at a nearly half time level for three weeks. The situation was, fortunately, resolved. Had any other serious enforcement situation arisen at that time, the Activity would have been unable to respond effectively.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity
(Continuation)

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT

PROGRAM: HEALTH DELIVERY SYSTEMS

AGENCY: HEALTH, DEPARTMENT OF

DESCRIPTION/BACKGROUND (Contd.) :

Quality assurance is perhaps one of the most crucial factors in the legislature's original determination to assign regulation of HMOs to the Department of Health. HMOs are health delivery systems, and not just health care financiers, as were the fee-for-service indemnity carriers. HMOs create financial incentives which impact providers' decisions about health care services, and they create mechanisms which regulate enrollee access to health care services. Due to staff limitations, recent quality assurance activities have been limited to the development of a "field test" involving a small subset of HMO medical services.

RATIONALE: A personnel increase of 2 full-time classified positions and associated support costs is necessary to respond to consumer complaints and review requests for operating changes. Complaints are expected to increase by nearly 30% during the next biennium. Current staffing levels permit only perfunctory responses to many consumer complaints. Increased staff will allow the activity to provide greater assistance to consumers, and more thorough investigation of complaints.

As the HMO market continues to evolve, the need for operating changes will continue to increase. These filings are expected to increase by nearly 40% over the next 2 years. All changes must be carefully reviewed to assure consistency with the HMO Act, and fair and even-handed treatment of the HMOs. Without additional staff, errors in review are likely to occur, creating problems for both the industry and the consumer.

Two full-time classified positions and associated support costs are sought to permit the performance of triennial audits as required by law. Continued competition in the HMO industry is likely to result in other instances of financial insolvency. Minnesota's HMO consumers need to be assured that the agency will become aware of those cases in a timely fashion, and take the necessary actions to assure that their health care needs are met. The increasing complexity of the industry will further increase the time needed to perform an audit, and will require staff with specialized knowledge in financial matters and HMO administration.

Two full-time classified positions and \$29,500 in funds for consulting services are needed for the development and implementation of a system for externally validating HMO quality assurance systems. At this time, there is no good model anywhere in the United States for such a system. Minnesota will need to create one.

The consulting funds will be needed in each year of the next biennium, but are not requested as a permanent addition to the base for the Activity. The positions requested are to be permanent. The Activity does not currently have staff with the necessary expertise in such matters as medical terminology, and medical records systems. This type of expertise is essential to effective oversight of HMO quality assurance systems.

One staff position is needed to work with the consultants in the development of the quality assurance system standards. That position will later take over the revision of the quality assurance standards. The second staff position will function as a quality assurance monitor, reviewing HMO compliance with the standards established.

Three full-time, classified positions are needed to provide administrative and clerical support to 4 existing HMO staff and the Director of the Office of Health Systems Development as well as the new positions. These positions will also provide assistance to members of the public requesting review of documents, respond to routine telephone inquiries and inform consumers of the process for filing complaints.

Associated support costs are slightly higher in F.Y. 1988, due to the need to order equipment for new personnel. In subsequent years, only replacement equipment will be needed.

The agency will recover the increased appropriation through increased fees to the HMOs as provided by M.S. 144.122.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives. The Minnesota Department of Health will be required to fully recover the increased cost of additional staff through fees.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Request Title: HEALTH INSURANCE PLAN COMMISSION				
Agency Request				
General Fund	\$ 36.3	1.0	\$ 19.0	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The change request would fund a temporary, full-time, unclassified professional analyst for 18 months. The Health Department analyst would staff a newly created "Governor's Commission on the Health Plan Regulatory Structure for the 1990s," and would have expertise in Health Maintenance Organizations (HMO) regulation.

In addition to the Health Department analyst, we estimate that during its 18-month life the Commission would require a second full-time analyst, one half-time administrative assistant, and one half-time secretary. The second analyst would be based at the Commerce Department and would have expertise in health insurance regulation. The administrative assistant and the secretary would be based at the State Planning Agency. The State Planning Agency would serve as the administrative "home" of the Commission.

BACKGROUND:

The financing and management of health care has undergone sweeping changes in recent years. For many decades, most health care was paid for by insurers or patients on a fee-for-service basis, and doctors had few constraints in deciding what services to provide. That way of doing business is rapidly being replaced by new types of insurance arrangements and new constraints on what services are provided.

The most prominent change has been the growth of health maintenance organizations (HMOs). In 1975, 2 HMOs had 124,000 enrollees in Minnesota. Currently, 14 HMOs have slightly over 1.2 million enrollees, or approximately 1 out of every 4 Minnesotans. In response to HMOs' growth, insurance companies have adopted many of the successful features of HMOs, including controls on the use of services and direct arrangements with hospitals and doctors.

Current statutes and rules governing HMOs and insurers are often inadequate to describe the health plans and arrangements being developed. Equitable competition may be impaired if the old regulatory structure inappropriately favors some plans and arrangements over others. Consumer protection may be impaired if rules do not keep pace with actual marketplace developments.

RATIONALE:

The Commission needs to examine in depth and understand the current health plan regulatory structure, including statutes and rules governing commercial health insurance companies, non-profit health service plan corporations, health maintenance organizations, and joint self-insurance plans. This work requires considerable effort on the part of the research staff to investigate and distill these issues on behalf of the Commission members.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: HEALTH SYSTEMS DEVELOPMENT
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: HEALTH CARE COST CONTAINMENT				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
General Fund	\$ 58.5	1.0	\$ 71.7	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: A. PROTECT ACCESS TO HEALTH CARE IN GREATER MINNESOTA. Additional funding of \$37.2 for each year of the biennium is requested for a classified position and associated support costs in the Health Economics Program. The additional position is needed to address problems created by the growth and increased complexity of the health care industry.

BACKGROUND: Reliance on competitive markets to contain rising health care costs may seriously jeopardize access to health care. Many small rural hospitals face imminent closure. Financing of medical education, research, tertiary care services, organ transplants and other "high tech" treatments are also problems in our strongly competitive market, and there are concerns about quality of delivery systems and services as financial incentives encourage provision of not more, but fewer services.

RATIONALE: Facilitating cost containment through competitive markets is the focus of the Activity. Since medical services inflation continues to outpace inflation for other goods and services, it is clear that continued efforts to strengthen competition are needed. At the same time, competition in the health care industry is impacting other important public policy objectives, such as access to care and quality of care. The Activity must identify access and quality problems resulting from competition, and quickly propose solutions.

For the biennium, the foremost problem requiring the state's attention is the likely closure of many small, rural hospitals, and the consequent reduction in access to hospital services in Greater Minnesota. Developing indicators and

implementing a tracking system to provide early warning signals are two pressing priorities. Providing information and guidance to emerging state and national health care organizations as they reshape geographically-based networks of providers and services is also a timely and needed activity.

STATEMENT OF REQUEST/OBJECTIVE: B. STRENGTHEN BUSINESS' CAPABILITIES IN PURCHASING HEALTH INSURANCE. Additional funding of \$21.3 in F.Y. 1988 and \$34.5 in F.Y. 1989 is requested for consulting services needed to supplement staff expertise. The objective of the projects to be undertaken by the consultants is to strengthen business' capabilities as health benefits purchasers so that health care costs can be further contained, and savings passed along to Minnesota employers and consumers.

BACKGROUND: Employers play a critical role in financing health care. Thus, continued gains in containing rising health care costs depend on enhancing employers' ability to negotiate with health plans. Employers must be able to compare prices and other features of the many competing health plans in order to bring more competitive pressures to bear. Such comparisons are difficult to make, and premium information is not readily available.

RATIONALE: The Activity has an ongoing need for funds for consultant expertise for special projects to strengthen competition. The increased funds will replace previously available federal funds, enabling the Activity to maintain its current level of effort. The funds requested would enable the Activity to undertake three major projects during the biennium: 1) An "Employer Health Plan Data Exchange." The Activity recently conducted a statewide survey of over 1,000 employers, from which it learned that many respondents would be interested in participating in and contributing to the costs of a Data Exchange for sharing premium and other health plan information. 2) A "Health Plan Price Index." Similar in concept to the consumer price index, a health plan price index would provide a needed "report card" to public policymakers, the Legislature, and to employers and health insurers. 3) A second edition of the statewide "Employer Health Benefit Survey." Periodic updates of this survey are needed for the Activity to determine how to best strengthen competition.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While this request has merit, other spending priorities preclude additional funding.

ACTIVITY: HEALTH RESOURCES
 Program: HEALTH DELIVERY SYSTEMS
 Agency: HEALTH, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$1,154.0	\$1,189.0	\$1,486.9	\$1,500.0	\$1,500.0

DESCRIPTION:

The Health Resources activity consists of 5 management level activities:

Survey and Compliance (S&C): This activity provides assurance of an appropriate quality of care to recipients of health care services. The activity includes: 1) onsite inspections; 2) issuance of correction orders and/or federal deficiencies; 3) follow-up visits; 4) issuance of penalty assessments or initiation of other legal proceedings if compliance is not obtained; 5) participation in contested case hearings; 6) inspections and clearances for initial licensure and/or certification, or upon change of ownership; 7) complaint investigations of suspected violation of federal regulation, or alleged unlicensed or improperly licensed care providers, or upon referral from the Office of Health Facilities Complaints or the Commissioner of Health; 8) review and processing of all required documentation for licensure and certification; 9) development or amendment of rules for licensure; and 10) collection, compilation, analysis, publication, and dissemination of information regarding the type, extent, and utilization of health care services in the state. The direct clients are the over 1,400 licensed or certified facilities or providers. The indirect clients served are the consumers of these services located throughout Minnesota.

Quality Assurance and Review (QA&R): This activity fulfills the federal requirement for the State to conduct an annual inspection of the care (IOC) of all recipients of care under Title XIX Medicaid (36,000), in order to assure that the quality and quantity of services provided are appropriate to their medical, physical, and psychosocial needs. In addition to the IOC review, all private pay residents (17,000) in Medicaid certified nursing homes are also reviewed in order to establish reimbursement classifications for all residents in certified nursing homes under the new Case Mix reimbursement system for Medicaid. Reimbursement classifications are computed for all reviews completed by the facilities (89,240) and by the Pre-Admission Screening Programs (8,645) of the county government.

Technical Consultation and Training (TC&T): This activity has in the past provided technical consultation to individuals and groups, and provided and/or co-sponsored educational programs for the staffs of health care facilities and services that are certified under Medicare and Medicaid. Recent policy changes by the Health Care Finance Administration (HCFA) of the U.S. Department of Health and Human Services have stipulated that consultation activities for Medicare will be limited. Consultation under Medicaid will continue to be allowed. Additionally, recent changes in the federal facility certification program have required a redeployment of TC&T resources in the survey (S&C) area. These changes include: 1) specialist surveyor participation, e.g. dietitians, in federal certification surveys; 2) continuance of inservice and orientation activities for S&C staff; 3) continuance of activities related to lab improvement in hospital and independent laboratories; 4) continuance of

activities related to utilization review in federally certified facilities; and 5) the provision of technical advice and information to providers.

Engineering Services (ES): This activity functions for the purpose of securing a comfortable, sanitary, and safe environment for patients and residents by enforcing physical plant rules for state licensure and Life Safety Code (LSC) standards for federal certification. The ES Section reviews plans for health care facility construction and alterations, conducts inspections of completed projects, and provides information on physical plant rules and standards. It also completes initial LSC surveys for construction projects and processes LSC survey documentation for federally certified facilities. The Section also monitors the Department's contract with the State Fire Marshal's office for the periodic inspection and enforcement of the LSC standards.

Emergency Medical Services (EMS): This activity exists to reduce mortality and minimize disability of victims of unforeseen critical illness or injury by improving the quality and availability of emergency medical care throughout the state. Responsibilities include the regulation of approximately 300 life support transportation services in Minnesota, the administration of the state EMS Systems Act, the designation of a state poison information center under a competitive grant program, the training of emergency medical service personnel, and the reimbursement of volunteer emergency medical technicians. Other key activities include administration of federal funds received under Section 402c of the Highway Safety Act of 1966 (Public Law 89-564) as amended, which focuses on the pre-hospital delivery of emergency care; and under the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), the Preventive Health and Health Services Block Grant, which focuses on the development of comprehensive regional emergency care systems including the hospital and inter-hospital delivery of emergency care.

GRANTS AND AID:

Three grant programs are administered by the Emergency Medical Services Section:

Minnesota Emergency Medical Service Systems Act (M.S. 144.8093). The purpose of this state funded grant program is to develop, maintain, and improve regional systems of emergency care in each of 8 designated regions. A portion of this fund is also awarded on a competitive basis for special projects with a potential statewide significance.

Volunteer EMT Training Reimbursement (M.S. 144.8091). The purpose of this state funded grant program is to reimburse non-profit ambulance services for the expenses associated with the initial and refresher training of volunteer emergency medical technicians.

ACTIVITY: HEALTH RESOURCES
 (Continuation)
 Program: HEALTH DELIVERY SYSTEMS
 Agency: HEALTH, DEPARTMENT OF

1987-89 Biennial Budget

F.Y. 1985 F.Y. 1986 F.Y. 1987 F.Y. 1988 F.Y. 1989

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Engineering Services</u>					
Construction Projects	175	103	130	130	130
Plans Received	346	192	190	190	190
Construction Inspections	164	98	120	120	120
LSC Surveys	33	28	35	35	35
LSC Short Form Survey Reviews	178	215	200	200	200
LSC Monitoring Reviews	-0-	-0-	75	75	75

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
<u>Emergency Medical Services</u>					
License Inspections	137	165	137	120	182
Training Programs	72	70	74	75	78
Certified Pre-Hospital Personnel	6,784	7,193	7,575	7,600	8,125
Volunteers Completing Reimbursable Training	1,393	1,427	1,410	1,430	1,410

Preventive Health Services Block Grant (Omnibus Budget Reconciliation Act of 1981, P.L. 97-35). The purpose of this use of this federal grant program is twofold: 1) to develop, maintain, and improve regional systems of emergency care in each of Minnesota's 8 EMS regions; and 2) to support a state poison control program including support for poison prevention/education, and for the operation of a telephone poison information service.

MAJOR OBJECTIVES:

To protect and promote the well-being of persons receiving care from regulated pre-hospital, hospital, outpatient, and long term care facilities and services.

<u>PERFORMANCE INDICATORS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<u>Survey and Compliance</u>					
Complete Surveys	2,106	1,814	1,900	2,000	2,050
Follow-up Visits	959	756	700	700	650
Correction Orders Issued	3,431	4,067	5,800	4,100	3,900
Per Survey	4.8	6.7	6.9	6.8	6.7
Certification Deficiencies	4,720	5,610	9,000	8,100	7,300
Per Survey	3.4	4.7	4.4	4.4	4.4
Penalty Assessments Issued	37	34	40	35	35
<u>Quality Assurance & Review</u>					
Medicaid Onsite Reviews	34,944	35,738	36,000	36,000	36,000
Private Pay Reviews	16,737	16,762	17,000	17,000	17,000
Case Mix Classifications					
Assigned	-0-	150,385	141,000	141,500	142,000
Desk Reviews	-0-	100,790	88,000	66,000	40,000
Onsite Audits	-0-	-0-	10,000	12,500	15,000
Reconsiderations	-0-	2,905	3,000	3,500	3,500
<u>Technical Consultation & Training</u>					
Requests for Spec. Surveyor Assist.	-0-	-0-	100	225	225
Evacuation Capability Surveys	-0-	-0-	260	260	260
Consultations	3,826	3,617	3,500	3,500	3,500
Consultation Site Visits	221	292	100	100	100
Education Programs	93	100	60	60	60
Trainees	4,075	8,156	5,000	4,000	3,000
Newspaper Distribution per issue	1,700	1,900	2,000	2,000	2,000

RECENT BUDGET HISTORY:

Recent changes in the federal certification program for long term care facilities, as well as a Medicare-driven move away from consultative services, have increased the responsibility of Division staff. The Department is in the process of requesting additional federal funding to support these federally required activities; additional state monies are not being requested. The 1985 Legislature appropriated \$1.5 million dollars for EMS systems development.

<u>CHANGE REQUESTS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>Type</u>
Home Health Agency Licensure	\$ 145.2	\$ 242.7	Department

See CHANGE request sheet following this activity fiscal page. The costs for the Office of Health Facility Complaints (OHFC) are reflected in the General Support Activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH RESOURCES

PROGRAM: HEALTH DELIVERY SYST

AGENCY: HEALTH,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	5,898.2	6,586.5	8,032.4	8,151.6	145.1	8,296.7	8,296.7	8,148.3	242.7	8,391.0	8,391.0
LOCAL ASSISTANCE	672.3	1,396.8	1,593.8	1,306.5		1,306.5	1,306.5	1,206.5		1,206.5	456.5
AIDS TO INDS.											
TOTAL EXPENDITURES	6,570.5	7,983.3	9,626.2	9,458.1	145.1	9,603.2	9,603.2	9,354.8	242.7	9,597.5	8,847.5
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	4,397.5	4,874.9	5,652.9	5,767.9	127.9	5,895.8	5,895.8	5,764.6	212.5	5,977.1	5,977.1
EXPENSES & CONTRAC. SERV	1,392.5	1,616.1	2,291.2	2,297.4	17.2	2,314.6	2,314.6	2,297.4	28.2	2,325.6	2,325.6
SUPPLIES & MATERIALS	29.2	40.9	32.4	30.4		30.4	30.4	30.4	2.0	32.4	32.4
EQUIPMENT	79.0	54.6	55.9	55.9		55.9	55.9	55.9		55.9	55.9
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	5,898.2	6,586.5	8,032.4	8,151.6	145.1	8,296.7	8,296.7	8,148.3	242.7	8,391.0	8,391.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,762.3	1,599.7	1,938.7	1,896.3	145.1	2,041.4	2,041.4	1,893.6	242.7	2,136.3	1,386.3
TRUNK HIGHWAY	407.6	448.3	518.4	523.7		523.7	523.7	523.1		523.1	523.1
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	2,965.5	4,233.9	5,091.9	5,090.0		5,090.0	5,090.0	5,090.0		5,090.0	5,090.0
FEDERAL	1,435.1	1,701.4	2,077.2	1,948.1		1,948.1	1,948.1	1,848.1		1,848.1	1,848.1
TOTAL FINANCING	6,570.5	7,983.3	9,626.2	9,458.1	145.1	9,603.2	9,603.2	9,354.8	242.7	9,597.5	8,847.5
POSITIONS BY FUND											
GENERAL	47.0	24.3	24.3	24.3	5.5	29.8	24.3	24.3	9.0	33.3	33.3
SPECIAL REVENUE	92.4	130.7	143.7	143.7		143.7	143.7	143.7		143.7	143.7
TRUNK HIGHWAY	9.0	10.0	11.0	11.0		11.0	11.0	11.0		11.0	11.0
FEDERAL	4.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
TOTAL POSITIONS	152.4	166.0	180.0	180.0	5.5	185.5	180.0	180.0	9.0	189.0	189.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: HEALTH RESOURCES
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: HOME HEALTH AGENCY LICENSURE				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 191.4	5.5	\$ 325.2	9.0
Governor's Recommendation				
General Fund	\$ 191.4	5.5	\$ 325.2	9.0
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected: Establishes new statutory language and revises present language in M.S. 144 and 144A.				

STATEMENT OF REQUEST/OBJECTIVE:

This funding will allow the Department of Health to implement a program for the licensing of home health agencies. F.Y. 1988 activities will focus on initial implementation of this activity and would include the development of rules, monitoring compliance with the Bill of Rights, and development of an information and referral service. F.Y. 1989 activities will include full implementation of the bill.

DESCRIPTION/BACKGROUND:

During the last legislative session, the establishment of a licensure program for home health agencies was a Governor's and Department's initiative. While the licensure bill passed the Senate, the House did not approve this measure. The need for a licensure program establishing a mechanism to monitor the quality of home health services still exists. The vulnerability of clients receiving these services, the continuing emphasis on alternatives to institutional care, and the expansion of service providers necessitates that legislative approval be attained this session. The passage of this bill is a Department's and Governor's initiative.

RATIONALE:

This proposal will result in new activity for the Department's Survey & Compliance (S&C) Section. At the present time, the section certifies 200 home health agencies

which participate in the Medicare and Medicaid programs. Based on the recent rapid increase in certified providers, and on the fact that the licensure program will apply to agencies not currently eligible for certification, we estimate that there are as many as 100 more non-certified agencies.

Costs incurred in F.Y. 1988 may have to be entirely state funded. S&C costs include: a Health Facility Evaluator Supervisor 3 to work on the development of the initial licensure system and the information and referral service; an intermediate Health Program Representative to develop the permanent rules; a HFE-Nurse Evaluator 2 to monitor compliance with the Bill of Rights by certified agencies and non-certified agencies and a Clerk-Typist 3 to handle the initial licensure processing and data collection activities. The Office of Health Facility Complaints (OHFC) costs for F.Y. 1988 will cover the hiring of one additional surveyor and a half-time clerk typist. This will allow for the investigation of Bill of Rights complaints, as well as training in the requirements of the new licensing system. Total F.Y. 1988 costs: S&C - \$145,196 and OHFC - \$46,270.

Costs to be incurred by S&C in F.Y. 1989 will provide for full implementation of the licensure program. These costs include: a Health Facility Evaluator Supervisor 3 to monitor the program; a half-time Health Program Representative Intermediate to complete the rule making activities; 4 Health Facility Evaluators-Nurse Evaluator 2 to perform the licensure activities; and a Clerk-Typist 3 to provide assistance in the licensure processing and the information and referral service. OHFC will require another nurse position since the number and scope of complaints will increase once the licensure program is fully implemented. The hiring of the 4 S&C nurse positions and the additional OHFC nurse position in July, 1988 also provides sufficient time for the training and orientation of these individuals prior to full implementation. Total F.Y. 1989 costs are: S&C - \$242,729 and OHFC - \$82,458.

These costs could be recovered by fees. However, the fee issue generated considerable concern among the small providers during the discussion of a similar bill last session. The Department will be proposing that a sliding fee system be established to minimize these concerns; however, the full fee costs for larger agencies may be controversial. Recovery of the F.Y. 1988 costs would require an average fee of \$638 per agency (\$190,670 / 300 providers); while the F.Y. 1989 costs would require an average fee of \$1,084.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives. The Minnesota Department of Health will fully recover the cost of this program initiative through fees by the end of the biennium.

ACTIVITY: COMMUNITY HEALTH SERVICES
 Program: HEALTH DELIVERY SYSTEMS
 Agency: HEALTH, DEPARTMENT OF

1987-89 Biennial Budget

OBJECTIVE: To support and improve public health efforts by local health agencies.

EFFECTIVENESS MEASURES:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Total No. of Counties	86	87	87	87	87
No. of Counties Providing Selected Activities:					
Community Nursing	86	87	87	87	87
Home Health	86	87	87	87	87
Disease Prevention and Control (Blood Pressure Monitoring, Immunizations)	86	87	87	87	87
Emergency Medical Services	65	70	75	80	85
Health Promotion	86	87	87	87	87
Environmental Health					
Food, Beverage, Lodging Inspections	28	28	35	40	45
Private Well Water Testing	75	75	80	80	80

DESCRIPTION:

1. Public Health Nursing: Public Health Nursing activities provide technical support to local units of government regarding the use of local public health resources. This activity involves consultation with local boards of health organized under the CHS Act of 1976. Technical consultation is provided for local public health programs, especially in the areas of maternal and child health, community care of AIDS patients, health promotion and home health care.

Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Consultations:					
Individual	1,500	1,550	1,550	1,550	1,550
Group: Education and Training	170	175	175	175	175
School Nursing	190	60	60	60	60
High Risk Maternal and Infant Referrals	1,726	1,450	1,500	1,500	1,500

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	-0-	-0-	-0-	-0-	-0-

2. District Representatives: District Representative activities consist of the district administration and monitoring of subsidy grants for legal and programmatic standards, general representation of the department at the local level, coordinating local needs for specialized technical and other support, assisting local units of government in meeting required fiscal and programmatic reporting standards, and managing seven district offices in which Department technical staff are located. District Representatives act as the first line of general communication between the Department of Health and local agencies, and assure that concerns or comments of individual counties or CHS agencies are understood by departmental program and executive staff.

Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
CHS Plans Reviewed	47	47	47	47	47
Local Boards of Health Meetings	168	170	200	200	200
Consultation with CHS Agencies	1,055	1,100	1,500	1,500	1,500
Fiscal Reports Reviewed	138	138	138	138	138
CHS Administrative Meetings	83	85	85	85	85

3. Community Development: Provides support to the Commissioner and to Division Directors to coordinate the development and maintenance of an integrated system of community health services under local administration within a system of state guidelines and standards. The primary functions of this activity are management support to and policy development for community health services activities at the state and local levels. This activity consists of providing administrative and program support for staffing the State CHS Advisory Committee, assisting departmental staff in developing program guidelines, managing uniform activity reporting system, preparing a biennial report to the Legislature, and assuring adequate communication with, and interaction between, local and state programmatic and administrative staff.

Statistics:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Uniform Reports Processed	90	91	91	91	91
Fiscal Reports Processed	90	91	91	91	91
Consultation with Grantees	N/A	146	164	160	160
CHS Advisory Committee and Subcommittee Meetings	28	37	44	42	42

ACTIVITY: COMMUNITY HEALTH SERVICES

1987-89 Biennial Budget

(Continuation)

Program: HEALTH DELIVERY SYSTEMS

Agency: HEALTH, DEPARTMENT OF

4. Community Health Services (CHS) Subsidy: The Subsidy provides funds "to develop and maintain a system of community health services under local administration within a system of state guidelines and standards." M.S. 145.921 provides for grants to counties that provide a dollar-for-dollar local match and meet certain organizational and procedural standards specified in statute and rule. All counties currently participate in this voluntary activity. State funds are provided to communities for services designed to protect and improve the people's health by preventing illness, disease, and disability through effective coordination and use of community resources, and through health services into the community. These services include community nursing, home health, disease prevention and control, family planning, nutrition, dental public health, emergency medical, health education, environmental health, and general local administration. (Separate legislation proposed by the department would consolidate this list of services into 6 general program categories.)

Statistics:	F.Y. 1978	F.Y. 1980	F.Y. 1984	F.Y. 1986	F.Y. 1988
Counties Participating	71	84	86	87	87
Population Served (millions)	3.77	4.06	4.06	4.23	4.29
Local CHS Expenditures:					
Total (millions)	\$ 35.9	\$ 42.1	\$ 65.4	N/A	N/A
Per Capita	\$ 9.34	\$ 10.37	\$ 16.11	N/A	N/A
Per Capita (adjusted for inflation)	\$ 8.85	\$ 8.04	\$ 10.22	N/A	N/A
State Subsidy for CHS:					
Total (millions)	\$ 8.0	\$ 11.5	\$ 11.2	\$ 11.5	\$ 11.8
Per Capita	\$ 2.22	\$ 2.84	\$ 2.76	\$ 2.74	\$ 2.75
Per Capita (adjusted for inflation)	\$ 2.06	\$ 2.20	\$ 1.52	\$ 1.36	N/A
<u>Grants by Fund:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
General	\$10,118.8	\$11,546.6	\$11,633.9	\$11,828.2	\$11,828.2
Federal	\$ 264.6	-0-	-0-	-0-	-0-
TOTAL	\$10,383.4	\$11,546.6	\$11,633.9	\$11,828.2	\$11,828.2

5. Special Grants for Migrant and Native American Health: Current Native American Grants (American Indian Community Health Grants) provide varying levels of community outreach, primary care and referrals to Indian residents of Hennepin, Ramsey, and St. Louis Counties. Approximately 21,600 persons, or 43% of the state's Indian population are served by these funds.

The Migrant Health Special Project Grant provides primary health services to families of migrant agricultural workers. Since 1981, the Migrant Health Service, Inc. (MHSI), has been the sole recipient of this grant in Minnesota. MHSI, a non-profit corporation headquartered in Moorhead, supports a Mobile Health Unit, which operates in southern Minnesota, and maintains stationary service sites. Current service population is about 7,300 persons.

Grants by Fund:	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
General:					
Native American	\$ 176.2	\$ 176.2	\$ 176.2	\$ 176.2	\$ 176.2
Migrant Health	\$ 103.6	\$ 103.6	\$ 103.6	\$ 103.6	\$ 103.6
TOTAL	\$ 279.8	\$ 279.8	\$ 279.8	\$ 279.8	\$ 279.8

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
CHS Subsidy	\$ 469.0	\$ 1,134.7	Activity

This CHANGE level would permit the funding of state contributions to local community health services at the level authorized by the enabling legislation and consistent with growth in local fiscal support. See CHANGE Level Request on page following this activity.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: COMMUNITY HEALTH SRVS

PROGRAM: HEALTH DELIVERY SYST

AGENCY: HEALTH,DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,586.8	1,620.6	1,733.6	1,757.2		1,757.2	1,757.2	1,754.1		1,754.1	1,754.1
LOCAL ASSISTANCE	10,696.1	11,830.3	11,913.7	12,108.0	469.0	12,577.0	12,108.0	12,108.0	1,134.7	13,242.7	12,108.0
AIDS TO INDS.											
TOTAL EXPENDITURES	12,282.9	13,450.9	13,647.3	13,865.2	469.0	14,334.2	13,865.2	13,862.1	1,134.7	14,996.8	13,862.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,202.0	1,259.9	1,359.0	1,381.0		1,381.0	1,381.0	1,377.9		1,377.9	1,377.9
EXPENSES & CONTRAC. SERV	303.0	345.5	352.5	353.7		353.7	353.7	353.7		353.7	353.7
SUPPLIES & MATERIALS	15.2	10.4	18.2	18.6		18.6	18.6	18.6		18.6	18.6
EQUIPMENT	66.6	4.8	3.9	3.9		3.9	3.9	3.9		3.9	3.9
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,586.8	1,620.6	1,733.6	1,757.2		1,757.2	1,757.2	1,754.1		1,754.1	1,754.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	11,290.5	12,789.5	12,918.9	13,100.0	469.0	13,569.0	13,100.0	13,097.4	1,134.7	14,232.1	13,097.4
PUBLIC HEALTH			324.5	352.0		352.0	352.0	351.5		351.5	351.5
TRUNK HIGHWAY	5.6	12.3	12.3	12.3		12.3	12.3	12.3		12.3	12.3
DEDICATED APPROPRIATIONS:											
SPECIAL REVENUE	63.3	100.5	104.6	104.6		104.6	104.6	104.6		104.6	104.6
FEDERAL	923.5	548.6	287.0	296.3		296.3	296.3	296.3		296.3	296.3
TOTAL FINANCING	12,282.9	13,450.9	13,647.3	13,865.2	469.0	14,334.2	13,865.2	13,862.1	1,134.7	14,996.8	13,862.1
POSITIONS BY FUND											
GENERAL	25.5	23.3	21.3	21.3		21.3	21.3	21.3		21.3	21.3
PUBLIC HEALTH			9.0	9.0		9.0	9.0	9.0		9.0	9.0
SPECIAL REVENUE	2.5	3.0	3.0	3.0		3.0	3.0	3.0		3.0	3.0
FEDERAL	17.0	16.8	8.0	8.0		8.0	8.0	8.0		8.0	8.0
TOTAL POSITIONS	45.0	43.1	41.3	41.3		41.3	41.3	41.3		41.3	41.3

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: COMMUNITY HEALTH SERVICES
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

LOCAL/STATE SUPPORT FOR COMMUNITY HEALTH SERVICES, 1978 - 1985:

	F.Y. 1978	F.Y. 1982	F.Y. 1984	F.Y. 1985
Counties Participating	71	86	86	87
Populations Served (millions)	3.77	4.06	4.06	4.19
Local Expenditures:				
Total (millions)*	\$ 35.9	\$ 54.2	\$ 65.4	\$ 72.4
Per Capita	\$ 9.52	\$ 13.35	\$ 16.11	\$ 17.28
Per Capita (adjusted for inflation)**	\$ 8.85	\$ 8.92	\$ 10.24	\$ 10.73
State Subsidy:				
Total (millions)	\$ 8.0	\$ 10.9	\$ 11.2	\$ 11.6
Per Capita	\$ 2.22	\$ 2.68	\$ 2.76	\$ 2.77
Per Capita (adjusted for inflation)**	\$ 2.06	\$ 1.65	\$ 1.52	\$ 1.44

* Includes tax levies, revenue sharing, fees for services, gifts, contracts, and non-governmental contributions. (Expenditure data for 1986 not available until May of 1987.)

** Inflationary adjustments made using the federally published "Implicit GNP Price Deflator for State and Local Purchases."

RATIONALE: A comparison of local and state contributions to community health services shows that, while local expenditures increased in real dollars and held steady when adjusted for inflation, the state subsidy actually decreased in real purchasing value (adjusted for 1977 constant dollars). In absolute dollars, per capita expenditures have increased by more than 81% overall at the local level between 1978 and 1985. State support increased by about 25% in the same period. When these actual dollar values are adjusted for inflation using 1977 constant dollars, per capita local spending has increased 21% and per capita state support has declined by 30%.

In order to maintain and improve on levels of local development implemented between 1977 and today, an increase to account for the decrease in purchasing power due to inflation is necessary. This increase is further justified by the contribution above the required local match that local government makes to this important state and local public health effort.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. While the request has merit, other spending priorities preclude additional funding.

Agency Request	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
General Fund	\$ 469.0	-0-	\$ 1,134.7	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request Title: COMMUNITY HEALTH SERVICES SUBSIDY

Request requires statutory change: Yes No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE: This CHANGE level request would permit the funding of state contributions for local public health activities organized under M.S. 145.911 to 145.921 at the level authorized in the original enabling legislation (Laws of 1976, Ch. 9, Sec. 11).

DESCRIPTION/BACKGROUND: M.S. 145.911 was enacted "to develop and maintain a system of community health services under local administration with a system of state guidelines and standards." M.S. 145.921 provides for grants to counties that meet certain organizational and procedural standards specified in statute and rule. All counties currently participate in this activity. The formula in the original enabling statute allocated funds based on a calculation involving per capita income, taxable value, and local expenditure for public health. Since 1981, when there was a reduction in the subsidy of 10.9% because of insufficient tax revenues, there have been insufficient funds to provide state grants equal to the levels authorized in the statute in effect when all counties joined the subsidy program.

The department is recommending the specified CHANGE level to bring the state subsidy up to the level authorized in Laws of 1976, Ch. 9, Sec. 11. The original funding formula, however, was never fully funded and has been at a level of approximately 89% since 1981. As is explained in the "Rationale" and shown in the table on the next page, county government has continued to invest an increasing proportion of local dollars in CHS programs in the expectation that the state would supply its share at a future date.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: HEALTH RESOURCES
 PROGRAM: HEALTH DELIVERY SYSTEMS
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: REDUCTION EMS GRANTS				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation	\$ -0-	-0-	(\$750.0)	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

GOVERNOR'S RECOMMENDATION:

The Governor recommends a reduction of \$750.0 in F.Y. '89 to Emergency Medical Service grants.

DESCRIPTION/BACKGROUND:

In the 1985 legislative session, MDH was appropriated \$1,500.0 to increase grant awards to regional agencies, fund statewide special EMS projects, and provide administrative funds for a rural emergency response training site. Total funding for EMS in Minnesota in the 1986-87 biennium is displayed below:

Federal	\$ 1,574.0
State General Fund	2,347.0
Trunk Highway Fund	623.0
Local	15,389.0
Other	27.0
	<u>\$19,960.0</u>

RATIONALE:

The federal EMS program and funding was based on the premise that regional EMS projects would eventually develop revenue producing activities and become financially self-supporting. By reducing the appropriation by one-half in F.Y. 1989, EMS regions will have the opportunity to seek other sources of funding for their activities. Furthermore, the local contribution to EMS projects is significant and places Minnesota in the top 10 states for total expenditures to EMS.

PROGRAM: HEALTH SUPPORT SERVICES
Agency: HEALTH, DEPARTMENT OF

1987-89 Biennial Budget

PROGRAM PURPOSE: The purpose of this program is to provide policy direction and leadership for the State on public health issues and a centralized management, administrative and information system for the Department.

OPERATION: This program encompasses the following operations:

1. The Executive Office activity provides policy and management direction and leadership of the Department including the development of statewide public health priorities, the development and implementation of departmental programmatic and operational policies and procedures and the overall fiscal management of the Department.
2. The Financial Management, Personnel Services, Administrative Services and Indirect Support activities provide a centralized system of support services consistent with state and federal laws, policies and guidelines.
3. The Office of Health Facility Complaints (OHFC) is an investigative and regulatory office established in the commissioner's office to receive, analyze, investigate and act upon complaints lodged against licensed health facilities, providers and administrative agencies. The office also assists residents of facilities in the enforcement of their rights and provides information about health facilities to the public and facility residents.
4. The Minnesota Center for Health Statistics (MCHS) provides the coordinated application of computer technology to the management of Department information resources and the generation of health statistics for state and national program decision making. The MCHS is responsible for designing, implementing, modifying, and operating health information systems, and coordinating acquisition of all computer equipment and software.
5. The Vital Records activity maintains a permanent file of birth and death certificates and indices of marriage and divorce in order to assist individuals in the establishment of their rights to certain public and private benefits to provide federal, state and local decision makers with basic demographic information on which to make policy decision.

EXPLANATION OF BUDGET REQUEST: The following CHANGE level is requested for this program:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1. Office of Health Facility Complaints (OHFC)	\$ 71.0	\$ 69.3

GOVERNOR'S RECOMMENDATION:

The Governor's recommendations include an increase of \$269.1 in this program for the 1987-89 biennium. Further detail is provided on the following pages.

PROGRAM FISCAL SUMMARY - BIENNIAL BUDGET

PROGRAM: SUPPORT SERVICES

AGENCY: HEALTH, DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY ACTIVITY:											
GENERAL SUPPORT	3,770.7	3,809.4	4,187.8	4,199.9	117.3	4,317.2	4,317.2	4,264.8	151.8	4,416.6	4,416.6
HEALTH INFORMATION	1,523.6	1,640.8	1,657.8	1,723.4		1,723.4	1,723.4	1,720.2		1,720.2	1,720.2
TOTAL	5,294.3	5,450.2	5,845.6	5,923.3	117.3	6,040.6	6,040.6	5,985.0	151.8	6,136.8	6,136.8
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	5,263.3	5,388.2	5,783.6	5,861.3	115.6	5,976.9	5,976.9	5,923.0	151.8	6,074.8	6,074.8
LOCAL ASSISTANCE	31.0	62.0	62.0	62.0	1.7	63.7	63.7	62.0		62.0	62.0
AIDS TO INDS.											
TOTAL EXPENDITURES	5,294.3	5,450.2	5,845.6	5,923.3	117.3	6,040.6	6,040.6	5,985.0	151.8	6,136.8	6,136.8
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	2,771.7	2,807.6	2,805.7	2,971.9	117.3	3,089.2	3,089.2	3,033.9	151.8	3,185.7	3,185.7
PUBLIC HEALTH		70.0									
DEDICATED APPROPRIATIONS:											
GENERAL	42.7	51.5	286.4	198.4		198.4	198.4	198.1		198.1	198.1
SPECIAL REVENUE	62.0	62.4	51.0	2,195.4		2,195.4	2,195.4	2,195.4		2,195.4	2,195.4
TRUNK HIGHWAY		21.2									
GIFTS AND DEPOSITS			.3								
FEDERAL	2,417.9	2,437.5	2,702.2	557.6		557.6	557.6	557.6		557.6	557.6
TOTAL FINANCING	5,294.3	5,450.2	5,845.6	5,923.3	117.3	6,040.6	6,040.6	5,985.0	151.8	6,136.8	6,136.8
POSITIONS BY FUND:											
GENERAL	54.3	54.5	56.5	58.5	3.5	62.0	60.5	58.5	4.5	63.0	60.5
SPECIAL REVENUE	1.0	1.0	1.0	49.0		49.0	49.0	49.0		49.0	49.0
FEDERAL	56.0	67.5	65.0	13.5		13.5	13.5	13.5		13.5	13.5
TOTAL POSITIONS	111.3	123.0	122.5	121.0	3.5	124.5	123.0	121.0	4.5	125.5	123.0

ACTIVITY: GENERAL SUPPORT
 Program: HEALTH, SUPPORT SERVICES
 Agency: HEALTH, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 101.8	\$ 115.4	\$ 123.6	\$ 124.1	\$ 123.9

DESCRIPTION: This activity includes the following components:

1. The Financial Management Activity provides a centralized budgeting, accounting, and financial reporting system for all department activities and federal grant programs.
2. The Personnel Services Activity provides a centralized personnel system which involves recruitment, managing 7 collective bargaining agreements, employee counseling, affirmative action, performance appraisal, classifications, compensation, and job analysis.
3. The Administrative Services and Indirect Support Activity provide centralized duplicating, purchasing, stores, auto pool, mailing, records management, forms control, building and grounds care, telecommunications and space planning for the Department and the 10 health-related licensing boards. The indirect support activity includes costs, such as rent of the building, that cannot be efficiently allocated to particular activities.
4. The Mortuary Science Activity licenses, investigates complaints lodged against and provides technical assistance to individuals and facilities in the field of Mortuary Science.
5. The Executive Office provides policy and management direction and leadership for the Department, including the development of state-wide public health priorities, the development and implementation of departmental programmatic and operational policies and procedures and the overall fiscal management of the Department.
6. The Disability Determination Activity reviews and provides initial and annual determinations of disability for the Teachers Retirement Association, the Public Employees Retirement Association and the State Retirement System.
7. The Office of Health Facility Complaints (OHFC) is an investigative and regulatory office established in the Commissioner's Office to receive, analyze, investigate and act upon complaints lodged against licensed health facilities, providers and administrative agencies.
8. The Marketing Minnesota's Health Care component is responsible for the development and implementation of a plan for marketing Minnesota's healthcare resources. This component is financed with a combination of State and private funds.

PERFORMANCE INDICATORS:

	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
Accounting Transactions	58,799	62,624	63,000	63,000
Mail Processed	850,000	850,000	850,000	850,000
OHFC Complaints Investigation	833	910	995	1,090
OHFC Correction Orders	468	510	555	605
OHFC Avg. Time for Resolution (days)	9	10	10	10
Mortuary Science:				
Examinations	41	40	40	40
License Renewals	1,492	1,489	1,493	1,493
Complaints	120	120	120	120
Establishment Permits	811	808	802	802

CHANGE REQUESTS:

	F.Y. 1988	F.Y. 1989	Type
Office of Health Facility Complaints	\$ 71.0	\$ 69.3	Activity
Additional investigators. See CHANGE level sheet following this activity fiscal page.			
Home Health Agency Licensure	\$ 46.3	\$ 82.5	Department
Staff and expenses for the Home Health Agency Licensure CHANGE request attributable to OHFC. See the CHANGE request following the fiscal page for the Health Resources Activity.			

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: GENERAL SUPPORT

PROGRAM: SUPPORT SERVICES

AGENCY: HEALTH, DEPT OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	3,739.7	3,747.4	4,125.8	4,137.9	115.6	4,253.5	4,253.5	4,202.8	151.8	4,354.6	4,354.6
LOCAL ASSISTANCE	31.0	62.0	62.0	62.0	1.7	63.7	63.7	62.0		62.0	62.0
AIDS TO INDS.											
TOTAL EXPENDITURES	3,770.7	3,809.4	4,187.8	4,199.9	117.3	4,317.2	4,317.2	4,264.8	151.8	4,416.6	4,416.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,847.7	2,033.2	2,108.8	2,159.0	107.8	2,266.8	2,266.8	2,155.7	141.0	2,296.7	2,296.7
EXPENSES & CONTRAC. SERV	1,351.4	1,266.9	1,451.1	1,410.5	7.5	1,418.0	1,418.0	1,478.7	10.5	1,489.2	1,489.2
SUPPLIES & MATERIALS	235.6	219.9	288.7	291.2	.3	291.5	291.5	291.2	.3	291.5	291.5
EQUIPMENT	52.5	36.5	4.2	4.2		4.2	4.2	4.2		4.2	4.2
OTHER EXPENSE ITEMS	252.5	190.9	273.0	273.0		273.0	273.0	273.0		273.0	273.0
TOTAL STATE OPERATIONS	3,739.7	3,747.4	4,125.8	4,137.9	115.6	4,253.5	4,253.5	4,202.8	151.8	4,354.6	4,354.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	1,927.5	1,827.9	1,845.7	1,946.8	117.3	2,064.1	2,064.1	2,011.8	151.8	2,163.6	2,163.6
PUBLIC HEALTH		70.0									
DEDICATED APPROPRIATIONS:											
GENERAL		14.0	239.0	150.2		150.2	150.2	150.1		150.1	150.1
SPECIAL REVENUE	47.2	46.1	47.9	2,040.9		2,040.9	2,040.9	2,040.9		2,040.9	2,040.9
TRUNK HIGHWAY		21.2									
GIFTS AND DEPOSITS			.3								
FEDERAL	1,796.0	1,830.2	2,054.9	62.0		62.0	62.0	62.0		62.0	62.0
TOTAL FINANCING	3,770.7	3,809.4	4,187.8	4,199.9	117.3	4,317.2	4,317.2	4,264.8	151.8	4,416.6	4,416.6
POSITIONS BY FUND											
GENERAL	23.0	24.0	24.0	24.0	3.5	27.5	26.0	24.0	4.5	28.5	26.0
SPECIAL REVENUE	1.0	1.0	1.0	44.0		44.0	44.0	44.0		44.0	44.0
FEDERAL	35.0	43.0	43.0								
TOTAL POSITIONS	59.0	68.0	68.0	68.0	3.5	71.5	70.0	68.0	4.5	72.5	70.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: GENERAL SUPPORT
 PROGRAM: HEALTH SUPPORT SERVICES
 AGENCY: HEALTH, DEPARTMENT OF

Request Title: OFFICE OF HEALTH FACILITY COMPLAINTS: INVESTIGATIONS				
	F.Y. 1988		F.Y. 1989	
Agency Request	Amount	Positions	Amount	Positions
General Fund	\$ 71.0	2.0	\$ 69.3	2.0
Governor's Recommendation				
General Fund	\$ 71.0	2.0	\$ 69.3	2.0
Request requires statutory change:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency requests the above funds to increase the staff of the Office of Health Facility Complaints (OHFC) which investigates complaints relating to conditions and care in licensed health care facilities in Minnesota along with reports of abuse/neglect in these facilities. The objective is to provide closer monitoring of existing health care delivery in response to complaints from consumers.

DESCRIPTION/BACKGROUND: Since F.Y. 1982, the number of complaints/Vulnerable Adults Act (VAA) reports received for investigation has increased by 46% with an increase of 112% in the number of violations with correction orders. Although the staff has been increased by internal reallocation to the present 5 investigators, the number of complaints/VAA reports also continually rises. The number of investigations requiring more than 1 investigator or necessitating more than 1 visit to a facility is also increasing due to the seriousness and/or number of separate allegations contained in a complaint/report. A large portion of the increase in violations relate to patient care and require a return visit to the facility to determine correction of the order.

All allegations of abuse/neglect in health care facilities received from patients, families, advocates, etc. are investigated. However, the VAA requires that facilities must also report known or suspected cases of abuse/neglect to one of several agencies. Each report is reviewed, logged, filed, shared with other agencies, and investigated as necessary. Although most of these reports involve minor incidents and/or situations which have been properly dealt with in the facility, there are also those which may warrant further follow-up. During F.Y. 1986, 1,314 such reports were received, (an increase of 56% in 2 years), and 49 investigated. It is our belief that closer monitoring of these reports is appropriate.

The following table displays data regarding OHFC:

	F.Y. 1985	F.Y. 1986	F.Y. 1987	F.Y. 1988	F.Y. 1989
STATISTICS:					
Complaints/VAA Reports Investigated	764	833	910	995	1,090
Avg. No. of Days Between Receipt of Complaint and Investigation	14	17	18	18	18
Avg. No. of Days Between Receipt of VAA Report and Investigation	8	9	10	10	10
No. of Corrections Orders Issued	465	468	510	555	605
Complaints/VAA Reports on Hand at End of Year	37	52	55	55	55

RATIONALE: As indicated in the table, the increase in investigations and violations has resulted in an increasing delay in responding to consumer concerns and identifying conditions which require correction. Despite efforts to screen complaints, and to suggest alternatives for complainants, a backlog of cases exists. There is every indication that the number and complexity of complaints/VAA reports will continue to rise. Even if the workload remains at the present level, it will not be possible to respond as quickly as necessary, nor to conduct investigations in the comprehensive manner required, without additional investigators. Included in the amount requested are costs associated with increased travel, additional furnishings and equipment necessary for 2 additional employees. These funds will be offset by an increase in nursing home license fees.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives. The Minnesota Department of Health will be required to fully recover the additional program costs through fees.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: HEALTH INFORMATION

PROGRAM: SUPPORT SERVICES

AGENCY: HEALTH, DEPT OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	1,523.6	1,640.8	1,657.8	1,723.4		1,723.4	1,723.4	1,720.2		1,720.2	1,720.2
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	1,523.6	1,640.8	1,657.8	1,723.4		1,723.4	1,723.4	1,720.2		1,720.2	1,720.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	1,254.0	1,446.1	1,477.8	1,543.1		1,543.1	1,543.1	1,539.9		1,539.9	1,539.9
EXPENSES & CONTRAC. SERV	189.3	159.6	152.6	153.2		153.2	153.2	153.2		153.2	153.2
SUPPLIES & MATERIALS	35.2	32.7	27.4	27.1		27.1	27.1	27.1		27.1	27.1
EQUIPMENT	45.1	2.4									
OTHER EXPENSE ITEMS											
TOTAL STATE OPERATIONS	1,523.6	1,640.8	1,657.8	1,723.4		1,723.4	1,723.4	1,720.2		1,720.2	1,720.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	844.2	979.7	960.0	1,025.1		1,025.1	1,025.1	1,022.1		1,022.1	1,022.1
DEDICATED APPROPRIATIONS:											
GENERAL	42.7	37.5	47.4	48.2		48.2	48.2	48.0		48.0	48.0
SPECIAL REVENUE	14.8	16.3	3.1	154.5		154.5	154.5	154.5		154.5	154.5
FEDERAL	621.9	607.3	647.3	495.6		495.6	495.6	495.6		495.6	495.6
TOTAL FINANCING	1,523.6	1,640.8	1,657.8	1,723.4		1,723.4	1,723.4	1,720.2		1,720.2	1,720.2
POSITIONS BY FUND											
GENERAL	31.3	30.5	32.5	34.5		34.5	34.5	34.5		34.5	34.5
SPECIAL REVENUE				5.0		5.0	5.0	5.0		5.0	5.0
FEDERAL	21.0	24.5	22.0	13.5		13.5	13.5	13.5		13.5	13.5
TOTAL POSITIONS	52.3	55.0	54.5	53.0		53.0	53.0	53.0		53.0	53.0

ACTIVITY: HEALTH INFORMATION
 Program: HEALTH SUPPORT SERVICES
 Agency: HEALTH, DEPARTMENT OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 283.3	\$ 296.1	\$ 299.8	\$ 314.8	\$ 330.6

DESCRIPTION:

1. The Minnesota Center for Health Statistics (MCHS) provides coordinated application of computer technology to the management of Department information resources and the generation of health statistics for state and national program decision making. The MCHS is responsible for designing, implementing, modifying, and operating health information systems, and coordinating acquisition of all computer equipment and software.
2. The Vital Records Activity maintains a permanent file of birth and death certificates and indices of marriage and divorce in order to assist individuals in the establishment of their rights to certain public and private benefits and to provide federal, state and local decision makers with basic demographic information on which to make policy decisions.
3. The Library Activity provides support to agency decision making by acquiring informational materials such as trade publications, records, reports, microfilms; by locating facts or data in response to specific information requests; by compiling lists of data bases available through computerized information networks; and the use of indexes and abstracting services.

<u>STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<u>Center for Health Statistics:</u>				
Major Statistical Reports	6	5	6	6
No. of Statistical Requests	1,334	1,300	1,300	1,300
County Profiles Published	87	--	87	--
Records Converted	554,000	498,000	432,000	432,000
<u>Vital Records:</u>				
Birth Certificates Coded and Filed	67,201	68,000	69,000	70,000
Death Certificates Coded and Filed	35,510	35,000	35,000	35,000
Marriage Reports Processed	35,060	35,000	35,000	35,000
Divorce Reports Processed	14,851	14,500	14,500	14,500
Certified Copies Issued	51,301	53,866	56,560	59,338
<u>Library:</u>				
Circulation	13,057	13,300	13,600	13,600
Interlibrary Loans	4,338	4,700	4,700	4,700
Information Requests Filled	1,854	2,400	2,500	2,500
Films Booked	3,803	3,900	3,900	3,900

AGENCY: CHIROPRACTIC EXAMINERS, BOARD OF

1987-89 Biennial Budget

AGENCY PURPOSE:

The Minnesota Board of Chiropractic Examiners exists to protect the residents of Minnesota by enforcing the Chiropractic Practice Act M.S. 148.01 to 148.101.

OPERATION AND CLIENTELE:

In order to meet the board's responsibilities for F.Y. 1988 and F.Y. 1989, the board's activities will involve: 1) testing applicants for licensure; 2) licensing applicants who meet all requirements; 3) renewing registration of existing licensees; 4) processing complaints; 5) approving programs which prepare for relicensure; 6) registering professional corporations; and 7) developing and applying rules governing various aspects of chiropractic practice. The board sets fees to ensure recovery of the costs of its operations.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Licensed Chiropractors	1,431	1,540	1,650	1,760
New Licenses Issued	108	120	120	120
License Renewed	1,264	1,420	1,530	1,640
Licenses Corporations	95	100	105	110
Corporation Licenses Renewed	86	90	95	100
Continuing Education Applications	95	100	110	120
Complaints Received	168	180	200	220

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$94.0 in F.Y. 1988 and \$82.0 in F.Y. 1989 to enable it to meet the statutory requirements of the board by addition of new staff, equipment and updating the board's examination procedures. New legislation is proposed to include peer review to regulate the cost of health care.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 99.4	\$ 119.0	\$ 141.6	\$ 212.6	\$ 227.8

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BD OF CHIROPRACTORS

PROGRAM: HEALTH BOARDS

AGENCY: CHIROPRACTIC EXAM BD

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	107.4	85.0	71.9	80.2	94.0	174.2	174.2	80.2	82.0	162.2	162.2
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	107.4	85.0	71.9	80.2	94.0	174.2	174.2	80.2	82.0	162.2	162.2
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	36.0	39.7	43.5	43.7	45.0	88.7	88.7	43.5	45.0	88.5	88.5
EXPENSES & CONTRAC. SERV	67.9	38.4	23.9	28.8	37.0	65.8	65.8	29.0	37.0	66.0	66.0
SUPPLIES & MATERIALS	1.1	5.0	.3	.3	.3	.3	.3	.3	.3	.3	.3
EQUIPMENT	2.4	.1	1.0	1.0	12.0	13.0	13.0	1.0	1.0	1.0	1.0
OTHER EXPENSE ITEMS		1.8	3.2	6.4		6.4	6.4	6.4		6.4	6.4
TOTAL STATE OPERATIONS	107.4	85.0	71.9	80.2	94.0	174.2	174.2	80.2	82.0	162.2	162.2
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	107.4										
SP REV DIRECT APPROP		85.0	71.9	80.2	94.0	174.2	174.2	80.2	82.0	162.2	162.2
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	107.4	85.0	71.9	80.2	94.0	174.2	174.2	80.2	82.0	162.2	162.2
POSITIONS BY FUND											
GENERAL	1.5										
SP REV DIRECT APPROP		1.5	1.5	1.5	1.6	3.1	3.1	1.5	1.6	3.1	3.1
TOTAL POSITIONS	1.5	1.5	1.5	1.5	1.6	3.1	3.1	1.5	1.6	3.1	3.1

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: CHIROPRACTIC EXAMINERS, BOARD OF
 PROGRAM: CHIROPRACTIC EXAMINERS, BOARD OF
 AGENCY: CHIROPRACTIC EXAMINERS, BOARD OF

Reallocation - Executive Director

Salary Increment \$ 6.0
 20% Fringe \$ 1.2
 Total \$ 7.2
 Consultant Services 15.0

Grand Total \$60.0 each year

DESCRIPTION/BACKGROUND:

The CHANGE level request is necessitated due to the increase in regulated clientele and the resulting increased workload. The chiropractic profession is increasing at 8-10% annually. There was no increase in the 1985-1987 Biennial Budget. The statistics clearly show the increase in volume of board activities. The statutory obligations of the board cannot be met under current staffing.

The salary increment for the Executive Director is intended to bring that salary into line with other Health Board Executive Directors.

The Consultant Services are to assure continued valid and reliable testing procedures. The National Board of Chiropractic, which develops national tests, will be utilized as consultants. The need for this is emphasized by the volume of license examinees increasing to an estimated 200 yearly.

These changes were approved by the 1986 session House Appropriations and Senate Finance Committees. However, since a final bill was not agreed upon, the board was not able to implement these changes.

RATIONALE:

Without these added resources, the administrative functions of the chiropractic board will be impaired. The chiropractic board will generate fees to cover the costs of these changes.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Request Title: PERSONNEL SERVICES - STAFF - CONSULTANTS				
	F.Y. 1988		F.Y. 1989	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Direct Appropriated Special Revenue Fund-12	\$ 60.0	1.6	\$ 60.0	1.6
Governor's Recommendation				
Direct Appropriated Special Revenue Fund-12	\$ 60.0	1.6	\$ 60.0	1.6
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Chiropractic Board proposes a 1.6 position increase in staff, upgrading the Clerk Typist I to Clerk Typist II, upgrading Executive Director position and obtaining consultant services to ensure the reliability and validity of the board's testing function.

1 New Position - Clerk Typist IV

Salary \$19.1
 20% Fringe \$ 3.9
 Total \$23.0

.6 New Position - Clerk Typist III

Salary \$10.3
 20% Fringe \$ 2.1
 Total \$12.4

Reallocation - Clerk Typist I to Clerk Typist II

Est. Salary Increment \$ 2.0
 Est. 20% Fringe \$.4
 Total \$ 2.4

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: CHIROPRACTIC EXAMINERS, BOARD OF
 PROGRAM: CHIROPRACTIC EXAMINERS, BOARD OF
 AGENCY: CHIROPRACTIC EXAMINERS, BOARD OF

Request Title: EQUIPMENT PURCHASES				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Direct Appropriated Special Revenue-12	\$ 12.0	-0-	\$ -0-	-0-
Governor's Recommendation				
Direct Appropriated Special Revenue-12	\$ 12.0	-0-	\$ -0-	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Chiropractic Board proposes additional equipment purchases to update filing and provide equipment for new personnel.

DESCRIPTION/BACKGROUND:

CHANGE level is necessitated to transfer records and files to computer storage. These changes were approved by the 1986 session House Appropriations and Senate Finance committees. However, since a final bill was not agreed up, the board was not able to implement these changes.

Filing Equipment	\$11,500
Equipment for New Staff	\$ 500
Total	\$12,000

RATIONALE:

The equipment will decrease administrative personnel requirements in the long run.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: CHIROPRACTIC EXAMINERS, BOARD OF
 PROGRAM: CHIROPRACTIC EXAMINERS, BOARD OF
 AGENCY: CHIROPRACTIC EXAMINERS, BOARD OF

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Request Title: 7 MEMBER PEER REVIEW COMMITTEE				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Direct Appropriated Special Revenue Fund-12	\$ 22.0	-0-	\$ 22.0	-0-
Governor's Recommendation				
Direct Appropriated Special Revenue Fund-12	\$ 22.0	-0-	\$ 22.0	-0-
Request requires statutory change: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Chiropractic Board proposes developing a peer review committee consisting of 7 members including a lay person and insurance representative to review chiropractic charges and services for customary and reasonableness.

DESCRIPTION/BACKGROUND:

The board has patterned a bill to be presented to the 1987 Legislature after the Florida law. The board has numerous requests for this service from patients and insurers. The purpose is regulation of the cost of health care and its impact on patients and upon the business of insurance.

7 members @ \$40/hour x 450 hrs = \$18,000
 Administrative expenses = 2,800
 6 physical exams @ \$200 = 1,200
 TOTAL = \$22,000

RATIONALE:

The committee will be hired by the board and act as its agents for peer review. All costs will be covered by fees charged by the board to the requesting party.

AGENCY: DENTISTRY, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 293.1	\$ 341.1	\$ 352.0	\$ 401.9	\$ 425.5

AGENCY PURPOSE:

To protect Minnesota residents by enforcing the Minnesota Dental Practice Act. Authority for this activity is found in M.S. 150A.

OPERATION AND CLIENTELE:

The board examines every candidate for licensure or registration, each year initially licenses or registers 700 dental professionals and corporations, registered 10,500 clientele, acts upon 75 complaints, approves 50 continuing education sponsors, records continuing education activities for 10,000 dental professionals, participates in 14 examinations and participates in 3 school accreditation visits. The board sets fees to ensure recovery of the costs of its operations.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of Initial & Reinstated Licenses/ Registrations:				
Dentists	172	169	165	165
Dental Hygienists	147	161	160	160
Registered Dental Assistants	378	390	375	375
Professional Corporations	18	15	15	15
	<u>715</u>	<u>735</u>	<u>715</u>	<u>715</u>
Number of Licenses/Registrations Renewals:				
Dentists	3,786	3,900	4,010	4,130
Dental Hygienists	2,490	2,600	2,700	2,780
Registered Dental Assistants	3,215	3,400	3,590	3,790
Professional Corporations	694	700	710	720
TOTAL	<u>10,185</u>	<u>10,600</u>	<u>11,010</u>	<u>11,420</u>
Number of Continuing Education Sponsor Approvals	106	50	50	50
Number of School Accreditation Visits	3	3	3	3
Number of Jurisdictional Complaints	45	75	75	75
Number of Formal Disciplinary Actions	18	20	20	20

The board published its first annual information newsletter; adopted rules on advertising, auxiliary functions and termination of licenses; developed continuing education sponsor renewal system, developed complaint follow-up report system.

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$43.3 in F.Y. 1988 and \$43.3 in F.Y. 1989 to enable it to properly serve its clientel and the public by increasing staff, expanding its information management system and by adequate communication.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BD OF DENTISTRY

PROGRAM: HEALTH BOARDS

AGENCY: DENTISTRY, BOARD OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	349.8	255.3	254.5	273.8	43.3	317.1	317.1	274.1	43.3	317.4	317.4
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	349.8	255.3	254.5	273.8	43.3	317.1	317.1	274.1	43.3	317.4	317.4
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	152.6	150.1	164.9	165.4	33.3	198.7	198.7	165.2	33.3	198.5	198.5
EXPENSES & CONTRAC. SERV	194.0	92.4	78.9	90.6	10.0	100.6	100.6	91.1	10.0	101.1	101.1
SUPPLIES & MATERIALS	3.2	6.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
EQUIPMENT		6.7	1.6	1.6		1.6	1.6	1.6		1.6	1.6
OTHER EXPENSE ITEMS		.1	7.1	14.2		14.2	14.2	14.2		14.2	14.2
TOTAL STATE OPERATIONS	349.8	255.3	254.5	273.8	43.3	317.1	317.1	274.1	43.3	317.4	317.4
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	349.8										
SP REV DIRECT APPROP		255.3	254.5	273.8	43.3	317.1	317.1	274.1	43.3	317.4	317.4
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	349.8	255.3	254.5	273.8	43.3	317.1	317.1	274.1	43.3	317.4	317.4
POSITIONS BY FUND											
GENERAL	4.0										
SP REV DIRECT APPROP		4.5	4.5	4.5	1.0	5.5	5.5	4.5	1.0	5.5	5.5
TOTAL POSITIONS	4.0	4.5	4.5	4.5	1.0	5.5	5.5	4.5	1.0	5.5	5.5

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: DENTISTRY, BOARD OF
 PROGRAM: DENTISTRY, BOARD OF
 AGENCY: DENTISTRY, BOARD OF

RATIONALE:

Failure to perform its duties on a current basis will jeopardize the public health and destroy the credibility of the board as an effective regulatory agency. The board will cover all costs through fee adjustments.

GOVERNORS RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Request Title: LICENSING AND DISCIPLINARY ACTIVITIES				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Direct Appropriated Special Revenue Fund-12	\$ 43.3	1.0	\$ 43.3	1.0
Governor's Recommendation				
Direct Appropriated Special Revenue Fund-12	\$ 43.3	1.0	\$ 43.3	1.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The board requests 1 professional position (\$33.3 each year) to handle increasing licensing and disciplinary functions. In addition it requests \$5.0 each year for computer enhancements and \$5.0 each year for its printing and communication needs.

DESCRIPTION/BACKGROUND:

As noted in the statistics, the board's volume of clientele has doubled since 1976. The board has implemented many efficiencies and adopted extensive computerization to avoid adding additional staff. However, it is now faced with no other alternative than to ask for an additional position to avoid a backlog in its disciplinary processing and significant delays in issuance of licenses. A professional position in range 10I (\$33.3/year) is requested.

This increased volume is also reflected in its computer systems. It has outgrown our present system and requires additional computer capacity and more extensive printing and communications capability in order to maintain its data base and its correspondence on a current basis.

<u>STATISTICS:</u>	<u>F.Y.1976</u>	<u>F.Y.1981</u>	<u>F.Y.1986</u>	<u>F.Y.1989</u>
No. of Clientele Regulated	5,386	8,456	10,185	11,420

AGENCY: MEDICAL EXAMINERS, BOARD OF

1987-89 Biennial Budget

AGENCY PURPOSE:

To protect the citizens by ensuring that all practitioners meet state competency standards through enforcement of M.S. 146, 147, 148 and 319.

OPERATION AND CLIENTELE:

To protect the citizens through enforcement of Minnesota statutes by: 1) testing and interviewing each candidate for licensure or registration as a physician, physical therapist, mid-wife, physician assistant or corporation, 2) registering annually every physician, surgeon, osteopathic physician, physical therapist, mid-wife, physician assistant or corporation, 3) receiving and taking action on every complaint or report of malpractice alleging a violation of the statutes, investigating allegations, conducting hearings, and taking disciplinary action as indicated, 4) endorsing applications of Minnesota residents to other states for licensure; certify status of licenses and registration to the public, drug enforcement agencies, state licensing boards, hospitals and clinics, specialties boards, medical societies, etc., and 5) enforcing continuing medical education requirements.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Examinations Administered	60	46	60	60	60
Licenses Issued:					
New	805	872	900	900	900
Renewals	13,113	13,503	13,100	13,100	13,100
Complaints:					
Received	304	735	845	1,047	1,268
Resolved	208	650	608	707	820

RECENT DEVELOPMENTS:

In 1985, the Medical Practices Act (Chapter 147) was amended to substantially increase the board's statutorily mandated activities in licensing of physicians. The largest increase in cost resulting from these changes is in the area of enforcement actions involving physicians who violate the Medical Practices Act. In addition to increased numbers of consumer complaints against physicians, reports required to be submitted by medical organizations, insurers and individual licensed health professionals have resulted in substantially increased legal and enforcement activities. The investigation and discipline of problem physicians, and physicians with problems, has a direct cost impact on board staffing, space requirements, specialist consultation, administrative hearings and data processing requirements. The attached CHANGE request shows the budgetary impact of this change in Minnesota law.

A major gap in complaint data available to the board has been in the area of Peer Review Organizations (PROs). Federal regulations currently prohibit PROs from

<u>ACTIVITY GENERATES</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ESTIMATE</u>	<u>ESTIMATE</u>	<u>ESTIMATE</u>
<u>NON-DEDICATED REVENUE</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 437.2	\$ 739.1	\$ 967.5	\$1,893.1	\$2,060.7

sharing information concerning incompetent physicians. These regulations have been changed, however, and the board will begin receiving competency investigation and discipline records from the Minnesota PRO during F.Y. 1987. The attached CHANGE request describes the impact of receiving this important new information concerning problem physicians.

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$708.5 in F.Y. 1988 and \$738.9 in F.Y. 1989.

Increased costs are directly related to increased board activity in identifying and disciplining problem physicians.

All appropriations and costs related to board activities are recovered through fees.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BD OF MEDICAL EXAM

PROGRAM: HEALTH BOARDS

AGENCY: MEDICAL EXAMNRS,BD OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	520.6	619.8	604.8	614.6	708.5	1,323.1	1,323.1	614.1	738.9	1,353.0	1,353.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	520.6	619.8	604.8	614.6	708.5	1,323.1	1,323.1	614.1	738.9	1,353.0	1,353.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	269.5	376.1	369.4	390.7	136.6	527.3	527.3	390.2	136.6	526.8	526.8
EXPENSES & CONTRAC. SERV	243.4	200.3	214.3	194.3	556.7	751.0	751.0	194.3	593.1	787.4	787.4
SUPPLIES & MATERIALS	5.1	19.4	7.6	7.6	7.6	15.2	15.2	7.6	4.6	12.2	12.2
EQUIPMENT	2.6	17.6	5.0	5.0	7.6	12.6	12.6	5.0	4.6	9.6	9.6
OTHER EXPENSE ITEMS		6.4	8.5	17.0		17.0	17.0	17.0		17.0	17.0
TOTAL STATE OPERATIONS	520.6	619.8	604.8	614.6	708.5	1,323.1	1,323.1	614.1	738.9	1,353.0	1,353.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	520.6										
SP REV DIRECT APPROP		619.8	604.8	614.6	708.5	1,323.1	1,323.1	614.1	738.9	1,353.0	1,353.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	520.6	619.8	604.8	614.6	708.5	1,323.1	1,323.1	614.1	738.9	1,353.0	1,353.0
POSITIONS BY FUND											
GENERAL	10.0										
SP REV DIRECT APPROP		13.0	13.0	13.0	4.0	17.0	17.0	13.0	4.0	17.0	17.0
TOTAL POSITIONS	10.0	13.0	13.0	13.0	4.0	17.0	17.0	13.0	4.0	17.0	17.0

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: MEDICAL EXAMINERS, BOARD OF
 PROGRAM: MEDICAL EXAMINERS, BOARD OF
 AGENCY: MEDICAL EXAMINERS, BOARD OF

Request Title: Increased Discipline and Licensing Responsibilities				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Direct Appropriated Special Revenue Fund-12	\$ 708.5	4.0	\$ 738.9	4.0
Governor's Recommendation				
Direct Appropriated Special Revenue Fund-12	\$ 708.5	4.0	\$ 738.9	4.0
Request requires statutory change:	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No	
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Medical Examiners Board requests the above funds to meet the increased disciplinary caseload projected for the 1988-89 biennium and to ensure proper monitoring of the licensure activity.

DESCRIPTION/BACKGROUND:

The board needs an additional professional position in its licensure unit to prevent fraudulent licensure activities. The board is also facing a substantial increase in disciplinary cases in the coming biennium due to two causes:

1. Recent changes in Minnesota law.
2. Recent changes (1-1-87) in federal regulations.

The following table indicates the significant impact these 2 changes will have on the board's workload.

<u>STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Complaints received	304	735	845	1,268	1,268
Resolved	208	650	608	820	820
Referred for AGO Investigation	96	175	237	448	448

1. Discipline Activity Increase - Minnesota Law:

Two changes in the Minnesota Medical Practices Act enacted in 1986 account for a dramatic increase in complaint activity between F.Y. 1985 and F.Y. 1986 (304 to 735). These are M.S. 147.111 and 147.02, Subd. 6.

M.S. 147.111 requires all medical institutions and societies and all licensed Health Care Professionals to report to the board any knowledge of any breach of the grounds for disciplinary action specified in M.S. 147.021, Subd. 1. It further requires institutions and societies to report any internal discipline, sanction or reductions in privileges which they impose on a physician. Reports of this type now account for approximately 12% of the board's discipline caseload. The number of such reports is expected to increase as this portion of the law becomes better known in the health care industry.

M.S. 147.02, subd. 6, will account for by far the largest portion of the increased activity. This section requires the board to publish all disciplinary actions. This has dramatically increased the visibility of the board to the general public. As a result, the numbers of consumer complaints has risen.

Because of the publication and reporting requirements of the new statutes, it is estimated that the board will see an annual increase in complaint activity from public complaints and professional reports of approximately 15%. This 15% annual increase forms the basis for the projected figures for F.Y. 1987-89.

For F.Y. 1985 and F.Y. 1986 the board has referred an average of 28% of its complaints to the Attorney General for investigation. This 28% forms the basis for the projections on referrals for F.Y. 1987-89.

Because of recent changes in federal regulations discussed in another section, the board expects to receive an additional 150 complaint reports in F.Y. 1988, and expects to refer 135 of these to the Attorney General's Office. For F.Y. 1989 the added complaints are expected to be 150, 135 of which will be referred. These numbers have been added to the projected 15% increases for F.Y. 1988 and F.Y. 1989.

Because of the sharp increase in complaint load, the amount of staff work for pre-disciplinary case preparation has also risen sharply. Historically, it was more or less assumed that, once a disciplinary order was issued, it was self enforcing. Experience, however, has shown that this is far from true, and that extensive post order followup and monitoring are necessary. The present staffing level of 2 professional and 1 clerical position is inadequate to handle the workload.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

(Continuation)

ACTIVITY: MEDICAL EXAMINERS, BOARD OF
 PROGRAM: MEDICAL EXAMINERS, BOARD OF
 AGENCY: MEDICAL EXAMINERS, BOARD OF

The board is therefore requesting the following increases to meet these Minnesota law changes.

- 1 professional position for discipline at the 8I level @ \$26,392 annually + \$4,751 fringes = \$31,143 for both fiscal years.
- 1 clerical position at the CT 3 level at \$19,418 annually + \$3,495 fringes = \$22,913 for both fiscal years.

The normal caseload (excluding that resulting from federal changes) which the board encounters requires an outside Medical Specialist on approximately 20% of the cases. Current consultant fees average \$1,200 per case. The board thus anticipates consultant costs for normal caseload of:

<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
195 cases x \$1,200 = \$234,000	224 cases x \$1,200 = \$268,800

The normal caseload for F.Y. 1985 resulted in 1 contested case hearing. F.Y. 1986 resulted in 2. We estimate 3 contested case hearings for both F.Y. 1988 and F.Y. 1989.

The Chief Administrative Law Judge (ALJ) provided us estimates of \$11,970 and \$12,484 per case for F.Y.s 1988 and 1989 respectively.

The CHANGE level request for Minnesota law changes, therefore, is:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1 professional position	\$ 31.1	\$ 31.1
1 clerical position	22.9	22.9
Equipment, supplies and office space for new positions	7.6	4.6
Consulting fees for case reviews	234.0	268.8
3 contested case hearings	<u>35.9</u>	<u>37.5</u>
TOTAL	\$ 331.5	\$ 364.9

2. Discipline Activity Increase - Federal Regulations:

Release of Peer Review Organizations competency reports. Because of imminent changes in the federal regulations governing the Peer Review Organization program, operated by the Health Care Finance Administration (CFR Title 42, Sect. 466 ff), state Boards of Medical Examiners can expect to be the recipient of investigation and review data regarding physician competence and quality of care as it is developed by designated Peer Review Organizations. Under current federal regulations, this information is inaccessible to boards. However, effective 1/1/87, state boards, including Minnesota's, will not only be mandated to receive this information, but are directed to act on it.

In Minnesota, the designated Peer Review Organization is presently the Foundation for Health Care Evaluation. Initial estimates of the number of competency cases which the board would review under the federal change is approximately 150 annually.

Competency cases require the following activities:

- Board staff review
- Board committee review
- Consultant's review
- Attorney General's Office review
- Contested case hearings

Estimates for the number of cases at each step for F.Y. 1988-89 are as follows:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
- Board staff review	150	150
- Board committee review	150	150
- Consultant's review	135	135
- Attorney General's Office review	135	135
- Contested case hearings	10	10

To accomplish the board staff review, the board will have to add one full professional staff position at approximately the 10I level @ \$28,251 annually + \$5,099 fringes = \$33,350.

Board Committee Review would be at a per diem rate of \$35 x 3 reviewers x 1 day for an estimated cost of \$105 per day for 150 days = \$15,800 for 1988 and 1989.

Currently, consultants' review costs are approximately \$1,200 per case.

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

(Continuation)

ACTIVITY: MEDICAL EXAMINERS, BOARD OF
 PROGRAM: MEDICAL EXAMINERS, BOARD OF
 AGENCY: MEDICAL EXAMINERS, BOARD OF

Information supplied by Chief Administrative Law Judge indicates that cases from our Board of this type should average \$11,970 for F.Y. 1988 and \$12,484 for F.Y. 1989.

The CHANGE level request for federal regulations changes, therefore, is:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1 professional position 10I	\$ 33.4	\$ 33.4
Equipment, supplies and office space for new position	3.8	2.3
Board Committee review	15.8	15.8
Consultants review	162.0	162.0
Contested case hearings - ALJ	<u>124.8</u>	<u>124.8</u>
TOTAL	\$ 339.8	\$ 338.3

3. Fraud Prevention and Malpractice Monitoring in Licensure

Existing licensure staff lacks a professional component. As the board has gained experience in the areas of detecting fraudulent licensure applications, evaluating malpractice histories of applicants and verifying the credentials of foreign medical graduates, it has become obvious that the board staff must be augmented. It currently lacks the analytical reporting, writing and supervisory skills of a professional position in licensure. As a result, the board is requesting a professional position at the 10I level to serve this function in the licensure unit.

The CHANGE level request for the licensure activity, therefore, is:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1 professional position 10I	\$ 33.4	\$ 33.4
Equipment, supplies & rent	<u>3.8</u>	<u>2.3</u>
TOTAL	\$ 37.2	\$ 35.7

RATIONALE:

It is essential that the board meet its statutory responsibilities in the area of licensure and enforcement of professional standards and discipline. If the board is unable to meet these responsibilities, the public health is impaired and the board is vulnerable to tort claims by aggrieved patients.

All costs will be recovered through fee adjustments.

SUMMARY:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
CHANGE level - Licensure	\$ 37.2	\$ 35.7
CHANGE level - State Law	331.5	364.9
CHANGE level - Federal Regulations	<u>339.8</u>	<u>338.3</u>
GRAND TOTAL	\$ 708.5	\$ 738.9
Biennial request		\$1,447.4

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

AGENCY: NURSING, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 562.5	\$ 843.6	\$ 921.1	\$ 960.0	\$ 960.0

AGENCY PURPOSE:

The Minnesota Board of Nursing exists to provide a reasonable assurance to the public that registered nurses and licensed practical nurses are safe and competent practitioners by enforcement of the Nurse Practice Act, M.S. 148.171-148.299 and various other statutes.

OPERATION AND CLIENTELE:

In order to meet the objective for F.Y. 1988 and F.Y. 1989, the board's enforcement of the Nurse Practice Act and various other statutes will involve: 1) testing applicants for licensure, 2) licensing applicants who meet all requirements, 3) renewing registration of existing licensees, 4) processing complaints, 5) approving nursing programs which prepare for licensure, 6) registering nursing businesses, and 7) developing and applying rules governing various aspects of nursing practice. The board sets fees to ensure recovery of the cost of its operations.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of Applicants Examined:					
Registered Nurse	2,000	2,128	2,007	2,000	2,000
Licensed Practical Nurse	1,086	811	800	800	800
Number of Licenses Granted by Examination:					
Registered Nurse	1,879	1,793	1,775	1,775	1,775
Licensed Practical Nurse	1,019	722	700	700	700
Number of Licenses Granted by Interstate Endorsement:					
Registered Nurse	760	793	790	790	790
Licensed Practical Nurse	164	164	165	165	165
Number of Re-registrations:					
Registered Nurse	39,782	41,619	42,000	42,000	42,000
Licensed Practical Nurse	19,475	19,718	19,800	19,800	19,800
Number of Jurisdictional Complaints:	230	294	300	325	350
Number of Disciplinary Actions:	90	74	80	85	90

EXPLANATION OF BUDGET REQUEST:

The board is requesting SAME level funding. However, the board is requesting authority to expend the \$3,000 per year receipts it expects to collect for the provision of administrative services to the Podiatry Board. To accomplish that, the board is proposing that the following rider language be included in the appropriation bill.

"The Board of Nursing is authorized to provide administrative services to the Board of Podiatry. Notwithstanding any other law to the contrary, the Board of Nursing is authorized to receive and expend the receipts it collects from the Board of Podiatry for the provision of these administrative services."

The board is also requesting that its complement be increased by 2 positions. No funding is requested for these 2 positions.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BD OF NURSING

PROGRAM: HEALTH BOARDS

AGENCY: NURSING, BOARD OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	648.1	801.2	846.9	867.1		867.1	867.1	867.7		867.7	867.7
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	648.1	801.2	846.9	867.1		867.1	867.1	867.7		867.7	867.7
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	390.8	446.0	562.5	564.6		564.6	564.6	563.7		563.7	563.7
EXPENSES & CONTRAC. SERV	243.0	327.4	268.7	275.7		275.7	275.7	277.2		277.2	277.2
SUPPLIES & MATERIALS	6.8	16.2	5.4	5.4		5.4	5.4	5.4		5.4	5.4
EQUIPMENT	7.5	.5	4.1	4.1		4.1	4.1	4.1		4.1	4.1
OTHER EXPENSE ITEMS		11.1	6.2	17.3		17.3	17.3	17.3		17.3	17.3
TOTAL STATE OPERATIONS	648.1	801.2	846.9	867.1		867.1	867.1	867.7		867.7	867.7
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	648.1										
SP REV DIRECT APPROP		801.2	846.9	867.1		867.1	867.1	867.7		867.7	867.7
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	648.1	801.2	846.9	867.1		867.1	867.1	867.7		867.7	867.7
POSITIONS BY FUND											
GENERAL	17.5	17.5									
SP REV DIRECT APPROP			17.5	17.5	2.0	19.5	19.5	17.5	2.0	19.5	19.5
TOTAL POSITIONS	17.5	17.5	17.5	17.5	2.0	19.5	19.5	17.5	2.0	19.5	19.5

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: NURSING, BOARD OF
 PROGRAM: NURSING, BOARD OF
 AGENCY: NURSING, BOARD OF

Request Title: ADDITIONAL STAFF	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Direct Appropriated	\$ -0-	2.0	\$ -0-	2.0
Special Revenue Fund-12				
Governor's Recommendation				
Direct Appropriated	\$ -0-	2.0	\$ -0-	2.0
Special Revenue Fund-12				
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The board requests the above positions to process the re-registration of nurses and assist in investigation of disciplinary cases.

DESCRIPTION/BACKGROUND:

1. During F.Y. 1986, the agency, through consultation from the Department of Administration, developed a coordinated, computerized license data management system. Initial license data, license renewal data and discipline data are now readily accessible. License renewal, which formerly occurred in four different two year cycles, now takes place monthly. During F.Y. 1986 and F.Y. 1987, the board paid the Department of Health approximately \$20.0 and \$30.0 respectively for services associated with license renewal. The time spent on license renewal will now shift from the Department of Health to the board.

2. A committee of the Attorney General's office studied ways of reducing the backlog of work in the Health Law Division. The committee made recommendations which suggest the board staff obtain preliminary information prior to forwarding the complaint to the Health Law Division and handle minor complaints without attorney assistance.

Between the assumption of the license renewal activity and the greater involvement in the complaint process, the board does need two addition positions authorized. It does not need funding for these positions because it will use the funds formerly paid the Department of Health for handling the licensing activity.

RATIONALE:

By the addition of two additional positions (but no additional funding), the board will be able to:

- a) relieve the Health Department of the licensing activity;
- b) relieve the Attorney General's office, Health Law Division, of complaint processing detail and help to reduce some of their backlog;
- c) achieve a more efficient handling of both the licensing and complaint activity.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

AGENCY: NURSING HOME ADMINISTRATORS, BOARD OF

1987-89 Biennial Budget

AGENCY PURPOSE:

To protect Minnesota residents, particularly those cared for in long-term care facilities, by ensuring that all nursing home administrators meet competency standards as established by M.S. 144.19.

OPERATION AND CLIENTELE:

In order to carry out its objectives, the board will process between 150 and 175 applications for original licensure. It will administer between 250 and 275 examinations. It will issue renewal licenses for 975 to 1,000 licensees. It will review between 450 to 475 educational offerings and process approximately 24 written complaints annually. The board sets fees to ensure recovery of the costs of its operations.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Applications Processed	127	133	145	155	170
Examinations Administered	224	227	240	250	275
Licenses Issued	901	942	960	975	1,000
Education Offerings Reviewed	398	415	430	450	475
Written Complaints Received	17	20	22	24	28

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$1.5 in F.Y. 1988 and \$1.5 in F.Y. 1989 to enable it to pay the increased cost of the required examinations.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

<u>ACTIVITY GENERATES NON-DEDICATED REVENUE</u>	<u>ACTUAL F.Y. 1985</u>	<u>ACTUAL F.Y. 1986</u>	<u>ESTIMATE F.Y. 1987</u>	<u>ESTIMATE F.Y. 1988</u>	<u>ESTIMATE F.Y. 1989</u>
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 115.4	\$ 124.4	\$ 143.5	\$ 145.8	\$ 145.8

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BD OF NURS HOME ADMIN

PROGRAM: HEALTH BOARDS

AGENCY: NURSING HM ADM,EX BD

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	115.6	113.5	124.3	130.4	1.5	131.9	131.9	130.5	1.5	132.0	132.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	115.6	113.5	124.3	130.4	1.5	131.9	131.9	130.5	1.5	132.0	132.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	80.7	82.0	91.4	91.7		91.7	91.7	91.6		91.6	91.6
EXPENSES & CONTRAC. SERV	28.5	28.3	29.4	32.5		32.5	32.5	32.7		32.7	32.7
SUPPLIES & MATERIALS	.9	1.0	.8	.8	1.5	2.3	2.3	.8	1.5	2.3	2.3
EQUIPMENT	5.5	.4									
OTHER EXPENSE ITEMS		1.8	2.7	5.4		5.4	5.4	5.4		5.4	5.4
TOTAL STATE OPERATIONS	115.6	113.5	124.3	130.4	1.5	131.9	131.9	130.5	1.5	132.0	132.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	115.6										
SP REV DIRECT APPROP		113.5	124.3	130.4	1.5	131.9	131.9	130.5	1.5	132.0	132.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	115.6	113.5	124.3	130.4	1.5	131.9	131.9	130.5	1.5	132.0	132.0
POSITIONS BY FUND											
GENERAL	2.0										
SP REV DIRECT APPROP		2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0
TOTAL POSITIONS	2.0	2.0	2.0	2.0		2.0	2.0	2.0		2.0	2.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: NURSING HOME ADMINISTRATORS, BOARD OF
 PROGRAM: NURSING HOME ADMINISTRATORS, BOARD OF
 AGENCY: NURSING HOME ADMINISTRATORS, BOARD OF

Request Title: Increase Cost of Examinations				
	<u>F.Y. 1988</u>		<u>F.Y. 1989</u>	
Agency Request	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Direct Appropriated Special Revenue Fund-12	\$ 1.5	-0-	\$ 1.5	-0-
Governor's Recommendation				
Direct Appropriated Special Revenue	\$ 1.5	-0-	\$ 1.5	-0-
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The board is requesting an increase of \$1.5 in F.Y. 1988 and \$1.5 in F.Y. 1989 to enable us to pay the increased cost of the required examinations.

DESCRIPTION/BACKGROUND:

In order to license qualified applicants, we must administer between 250 to 275 examinations annually. We have been advised by the exam supplier that costs for the exams we need will be increased by \$1.5 per year for the 1988-89 biennium.

RATIONALE:

Without the \$1.5 per year increase we will not be able to test all applicants. If we are unable to give exams to all applicants we will not be discharging our statutory responsibilities.

We will recover the increased costs through adjustments to our fee structure.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

AGENCY: OPTOMETRY, BOARD OF

1987-89 Biennial Budget

AGENCY PURPOSE:

The Board of Optometry serves to protect Minnesota residents by assuring that all practitioners meet state services and competency standards as set forth in the Minnesota Optometric Practice Act (M.S. 148.52).

OPERATION AND CLIENTELE:

In order for this board to meet its objectives in F.Y. 1988 and F.Y. 1989, the board will process 75 applicants for licensure, administer examinations to 50 applicants, issue over 700 license renewals, review 60 continuing education programs and investigate 5 complaints. In addition, the board will hold 2 rules hearings.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of Examinations Administered	49	50	50	50
Number of Licenses Issued	647	685	700	720
Number of Complaints Investigated	4	5	5	5

EXPLANATION OF BUDGET REQUEST:

The board is requesting SAME level funding.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

<u>ACTIVITY GENERATES NON-DEDICATED REVENUE</u>	<u>ACTUAL F.Y. 1985</u>	<u>ACTUAL F.Y. 1986</u>	<u>ESTIMATE F.Y. 1987</u>	<u>ESTIMATE F.Y. 1988</u>	<u>ESTIMATE F.Y. 1989</u>
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 38.5	\$ 49.6	\$ 51.0	\$ 51.8	\$ 52.0

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BD OF OPTOMETRY

PROGRAM: HEALTH BOARDS

AGENCY: OPTOMETRY, BOARD OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	43.8	43.4	46.6	46.9		46.9	46.9	47.0		47.0	47.0
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	43.8	43.4	46.6	46.9		46.9	46.9	47.0		47.0	47.0
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	20.6	23.8	26.9	24.9		24.9	24.9	24.8		24.8	24.8
EXPENSES & CONTRAC. SERV	22.9	14.3	16.5	16.5		16.5	16.5	16.7		16.7	16.7
SUPPLIES & MATERIALS	.3	2.5	.9	.9		.9	.9	.9		.9	.9
EQUIPMENT		.5									
OTHER EXPENSE ITEMS		2.3	2.3	4.6		4.6	4.6	4.6		4.6	4.6
TOTAL STATE OPERATIONS	43.8	43.4	46.6	46.9		46.9	46.9	47.0		47.0	47.0
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	43.8										
SP REV DIRECT APPROP		43.4	46.6	46.9		46.9	46.9	47.0		47.0	47.0
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	43.8	43.4	46.6	46.9		46.9	46.9	47.0		47.0	47.0
POSITIONS BY FUND											
GENERAL	.5										
SP REV DIRECT APPROP		.5	.5	.5		.5	.5	.5		.5	.5
TOTAL POSITIONS	.5	.5	.5	.5		.5	.5	.5		.5	.5

AGENCY: PHARMACY, BOARD OF

1987-89 Biennial Budget

AGENCY PURPOSE:

The Minnesota Board of Pharmacy exists to protect the public from adulterated, mis-branded and illicit drugs and from unethical or unprofessional conduct on the part of pharmacists or other licensees, and to provide a reasonable assurance of professional competency in the practice of pharmacy by enforcing the Pharmacy Practice Act M.S. 151, State Controlled Substances Act M.S. 152 and various other statutes.

OPERATION AND CLIENTELE:

In order to meet its objectives for F.Y. 1988 and F.Y. 1989, the board's enforcement of the Pharmacy Practice Act, the State Controlled Substances Act and other miscellaneous acts will involve: 1) testing applicants for licensure, 2) licensing successful candidates, 3) renew licenses of existing licensees, 4) responding to complaints, 5) inspecting pharmacies, drug wholesalers and drug manufacturers, 6) investigating complaints, 7) providing technical assistance, consultation and training of pharmacists and other health professionals, and 8) developing and applying rules governing the various aspects of pharmacy practice. The board sets fees to ensure recovery of the costs of its operations.

ACTIVITY STATISTICS:

	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of People Examined	131	150	150	150
Number of Reciprocity Candidates Examined	74	85	85	85
Number of New People Licensed	157	185	185	185
Number of Pharmacist Licenses Renewed	4,224	4,240	4,250	4,300
Number of Facility Inspections Completed	1,850	1,800	1,800	1,800
Number of Facility Licenses Renewed	1,403	1,460	1,460	1,460
Number of Professional Education Offerings Reviewed	546	600	625	625
Number of Complaints Processed	65	65	75	75
Number of Disciplinary Actions	13	15	15	15

"Complaints processed" includes telephone complaints not followed up in writing by the complaining party, complaints referred to other boards and complaints remedied in a less than formal manner.

<u>ACTIVITY GENERATES NON-DEDICATED REVENUE</u>	<u>ACTUAL F.Y. 1985</u>	<u>ACTUAL F.Y. 1986</u>	<u>ESTIMATE F.Y. 1987</u>	<u>ESTIMATE F.Y. 1988</u>	<u>ESTIMATE F.Y. 1989</u>
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 380.4	\$ 401.2	\$ 408.4	\$ 482.8	\$ 669.6

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$140.8 in F.Y. 1988 and \$124.3 in F.Y. 1989 to enable it to implement proposed statutory changes that will identify all "drug outlets" in the state and establish a state controlled substance registration system.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BD OF PHARMACY

PROGRAM: HEALTH BOARDS

AGENCY: PHARMACY, BOARD OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	341.6	377.6	385.1	405.3	140.8	546.1	546.1	405.5	124.3	529.8	529.8
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	341.6	377.6	385.1	405.3	140.8	546.1	546.1	405.5	124.3	529.8	529.8
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	248.8	274.0	281.6	282.6	74.0	356.6	356.6	282.2	74.0	356.2	356.2
EXPENSES & CONTRAC. SERV	88.8	86.3	93.2	106.8	52.3	159.1	159.1	107.4	50.3	157.7	157.7
SUPPLIES & MATERIALS	2.8	9.5	4.7	4.7		4.7	4.7	4.7		4.7	4.7
EQUIPMENT	1.2	3.3			14.5	14.5	14.5				
OTHER EXPENSE ITEMS		4.5	5.6	11.2		11.2	11.2	11.2		11.2	11.2
TOTAL STATE OPERATIONS	341.6	377.6	385.1	405.3	140.8	546.1	546.1	405.5	124.3	529.8	529.8
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	341.6										
SP REV DIRECT APPROP		377.6	385.1	405.3	140.8	546.1	546.1	405.5	124.3	529.8	529.8
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	341.6	377.6	385.1	405.3	140.8	546.1	546.1	405.5	124.3	529.8	529.8
POSITIONS BY FUND											
GENERAL	7.0										
SP REV DIRECT APPROP		7.0	7.0	7.0	3.0	10.0	10.0	7.0	3.0	10.0	10.0
TOTAL POSITIONS	7.0	7.0	7.0	7.0	3.0	10.0	10.0	7.0	3.0	10.0	10.0

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: PHARMACY, BOARD OF
 PROGRAM: PHARMACY, BOARD OF
 AGENCY: PHARMACY, BOARD OF

STATISTICS:

Assuming 15,000 "Outlets" are registered at \$10 and 10,000 Controlled Substance registrations are issued at \$20, there is potential income from fees of \$350.0 annually, which would more than recover the additional costs.

RATIONALE:

The board's responsibility includes the regulation of the distribution of drugs in this state. Up until now the board's focus has been on manufacturers, wholesalers and pharmacies. Two major legislative changes are being proposed by the board, however. The first is the establishment of a registration requirement for all outlets selling drugs to the public. The second is the establishment of a registration requirement for all handlers and prescribers of controlled substance drugs.

The recent surge of drug tampering incidents points out the need for a system that will provide for identifying all individuals and businesses that supply drug items to the public. At the present time no one knows who is distributing drugs in this state. A simple name and address registration would allow the board to contact these individuals in the event that a drug recall becomes necessary.

A number of states have required everyone who stores, distributes, dispenses or prescribes controlled substance drugs to obtain a state controlled substances permit or registration in addition to the required federal registration. This registration gives the state administrative jurisdiction over those who affect the use and distribution of controlled substance pharmaceuticals in the state. Up to this point, Minnesota has not required such registration. It is being proposed that we do so.

These two new registration requirements will result in additional expenditures and will require additional staff but will, at the same time, generate, through registration fees, income that will be at least equal to the increased costs.

Without this increased appropriation, implementation of these valuable public protections will not be possible.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Request Title:	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
DRUG OUTLET AND CONTROLLED SUBSTANCE REGISTRATIONS				
Agency Request				
Direct Appropriated	\$ 140.8	3.0	\$ 124.3	3.0
Special Revenue Fund-12				
Governor's Recommendation				
Direct Appropriated	\$ 140.8	3.0	\$ 124.3	3.0
Special Revenue Fund-12				
Request requires statutory change:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Statutes Affected:	M.S. 151 and 152			

STATEMENT OF REQUEST/OBJECTIVE:

The board is seeking an additional appropriation of \$140.8 and 3 additional authorized positions in order to implement statutory changes being sought by the board. Continuing costs are \$124.3 for F.Y. 1989 and beyond.

DESCRIPTION/BACKGROUND:

The changes being proposed by the board will result in the registration of approximately 15-20,000 "Drug Outlets" and 10-15,000 controlled substance distributors, dispensers and prescribers. This will require the addition of 2 clerks and 1 inspector to our present staff. In addition, travel expenses for the inspector, an IBM PC-XT computer plus office equipment (desks, chairs, etc.), mailing costs, costs of statewide licensing transactions and rule development costs will be required.

The CHANGE level request for this new legislation, therefore, is as follows:

	F.Y. 1988	F.Y. 1989
1 professional position (Inspector)	\$ 38.0	\$ 38.0
2 Clerk Typist positions @ \$18.0	36.0	36.0
Travel for Inspector	11.0	11.0
Office furniture - 3 positions	4.5	-0-
IBM XT Computer and accessories	10.0	-0-
Rule development costs	2.0	-0-
Registration system costs	19.5	19.5
Mailing costs	19.8	19.8
TOTAL	\$ 140.8	\$ 124.3

AGENCY: PODIATRY, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 7.7	\$ 9.1	\$ 11.6	\$ 13.2	\$ 13.2

AGENCY PURPOSE:

The Board of Podiatry exists to ensure the public of professional competency in the practice of podiatry. Authority for this activity is found in M.S. 153.

OPERATION AND CLIENTELE:

In order to meet the objectives for F.Y. 1988 and F.Y. 1989, activities will involve: 1) testing applicants for licensure; 2) licensing applicants who meet all requirements; 3) renewing registration of existing licensees; 4) processing complaints; 5) registering professional corporations; and 6) developing and applying rules governing various aspects of podiatry practice. The board sets fees to ensure recovery of the cost of its operations.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
No. of New Licenses Issued	12	13	14	14	14
No. of Podiatrists Re-licensed	117	118	120	130	130
No. of Continuing Education Programs Reviewed	50	60	70	80	90
No. of Jurisdictional Complaints	1	3	4	5	6
No. of Disciplinary Actions	0	1	0	1	1

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$3.0 in F.Y. 1988 and \$3.0 in F.Y. 1989 to enable it to reimburse the Board of Nursing for administrative services.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BD OF PODIATRY

PROGRAM: HEALTH BOARDS

AGENCY: PODIATRY, BOARD OF

* * * DOLLARS IN THOUSANDS (137,522 = 137.5) * * *

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	8.6	3.6	5.9	6.6	3.0	9.6	9.6	6.6	3.0	9.6	9.6
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	8.6	3.6	5.9	6.6	3.0	9.6	9.6	6.6	3.0	9.6	9.6
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	.8	.7	1.3	1.3		1.3	1.3	1.3		1.3	1.3
EXPENSES & CONTRAC. SERV	6.9	2.8	3.8	3.8	3.0	6.8	6.8	3.8	3.0	6.8	6.8
SUPPLIES & MATERIALS		.1	.1	.1		.1	.1	.1		.1	.1
EQUIPMENT	.9										
OTHER EXPENSE ITEMS			.7	1.4		1.4	1.4	1.4		1.4	1.4
TOTAL STATE OPERATIONS	8.6	3.6	5.9	6.6	3.0	9.6	9.6	6.6	3.0	9.6	9.6
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	8.6										
SP REV DIRECT APPROP		3.6	5.9	6.6	3.0	9.6	9.6	6.6	3.0	9.6	9.6
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	8.6	3.6	5.9	6.6	3.0	9.6	9.6	6.6	3.0	9.6	9.6
POSITIONS BY FUND											
TOTAL POSITIONS											

CHANGE REQUEST

Agency Program Activity

1987-89 Biennial Budget

ACTIVITY: PODIATRY, BOARD OF
 PROGRAM: PODIATRY, BOARD OF
 AGENCY: PODIATRY, BOARD OF

RATIONALE:

In 1982, the State Auditor recommended that the board and Department of Health "should consider all actual costs, including salary for the Executive Secretary and clerical employees, when establishing the fee structure". Since a new fee structure was not established, this recommendation was not implemented. Because the Board of Podiatry renews the licenses of only 120 podiatrists per year, it would be prohibitive to cover actual staff costs with license and renewal fees. Therefore, a contract between the boards will be established which covers all services rendered. The rate of \$3.0 was established on the estimate of professional services at \$20 per hour for 100 hours and clerical services at \$10 per hour for 100 hours.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

Request Title: Administrative Costs	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Direct Appropriated	\$ 3.0	-0-	\$ 3.0	-0-
Special Revenue Fund-12				
Governor's Recommendation				
Direct Appropriated	\$ 3.0	-0-	\$ 3.0	-0-
Special Revenue Fund-12				
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to reimburse the Board of Nursing for administrative services provided each year.

DESCRIPTION/BACKGROUND:

Chapter 214.04, subdivision 1, provides that the Commissioner of Health shall provide suitable offices and other administrative services to each health-related licensing board. Offices and services were provided by the Department of Health until 1-7-86, when the Board of Podiatry offices moved along with the 9 other health-related boards to a new location. The Board of Podiatry shares space with the Board of Nursing and, with the approval of the Commissioner of Health, receives administrative services from that board. The Executive Director of the Board of Nursing serves as the Executive Director of the Board of Podiatry and 1 clerical employee of the Nursing Board also serves the Podiatry Board.

AGENCY: PSYCHOLOGY, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 139.3	\$ 178.3	\$ 195.9	\$ 207.8	\$ 223.9

AGENCY PURPOSE:

To protect Minnesota residents from unprofessional, unethical, and incompetent psychological practice by enforcement of the Psychology Practice Act. M.S. 148.89 - .98

OPERATION AND CLIENTELE:

In order to carry out its objective, the board anticipates processing 280 examination applications and examining 250 persons each year, issuing 250 new licenses each year, and processing a total of 1,993 2-year renewals, as well as initiating the complaint process on an estimated 240 complaints. The board sets fees to ensure recovery of the costs of its operations.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number Persons Applying for Examination	367	274	280	280
Number Persons Examined	345	270	250	250
Number Persons Applying for Licensure	217	213	250	250
Number Persons Granted Initial Licensure	182	200	240	220
Number Persons Renewing License (2-year renewal)	820	900	943	1,050
Professional Corporations Registered	4	2	2	2
Professional Corporations Re-registered	28	32	34	36
Formal Complaints Received - Total	90	100	110	130
Formal Complaints Received - Jurisdictional	70	75	85	90
Number Psychologists Disciplined	9	10	12	15
Number Complaints Dismissed (Jurisdictional)	9	20	25	25

EXPLANATION OF BUDGET REQUEST:

The board is requesting a CHANGE level of \$23.4 in F.Y. 1988 and \$22.9 in F.Y. 1989 to enable the board to employ one full-time clerk typist to assist with processing complaints because of increasing complaint load.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BD OF PSYCHOLOGY

PROGRAM: HEALTH BOARDS

AGENCY: PSYCHOLOGY, BOARD OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	163.6	131.5	127.7	136.9	23.4	160.3	160.3	137.2	22.9	160.1	160.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	163.6	131.5	127.7	136.9	23.4	160.3	160.3	137.2	22.9	160.1	160.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	64.3	64.1	74.7	74.9	22.9	97.8	97.8	74.9	22.9	97.8	97.8
EXPENSES & CONTRAC. SERV	98.9	60.1	50.0	56.4		56.4	56.4	56.7		56.7	56.7
SUPPLIES & MATERIALS	.4	3.4	.7	.7		.7	.7	.7		.7	.7
EQUIPMENT		1.3			.5	.5	.5				
OTHER EXPENSE ITEMS		2.6	2.3	4.9		4.9	4.9	4.9		4.9	4.9
TOTAL STATE OPERATIONS	163.6	131.5	127.7	136.9	23.4	160.3	160.3	137.2	22.9	160.1	160.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	163.6										
SP REV DIRECT APPROP		131.5	127.7	136.9	23.4	160.3	160.3	137.2	22.9	160.1	160.1
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	163.6	131.5	127.7	136.9	23.4	160.3	160.3	137.2	22.9	160.1	160.1
POSITIONS BY FUND											
GENERAL	1.8										
SP REV DIRECT APPROP		2.3	2.3	2.3	1.0	3.3	3.3	2.3	1.0	3.3	3.3
TOTAL POSITIONS	1.8	2.3	2.3	2.3	1.0	3.3	3.3	2.3	1.0	3.3	3.3

CHANGE REQUEST

1987-89 Biennial Budget

Agency Program Activity

ACTIVITY: PSYCHOLOGY, BOARD OF
 PROGRAM: PSYCHOLOGY, BOARD OF
 AGENCY: PSYCHOLOGY, BOARD OF

Request Title: NEW CLERICAL POSITION	F.Y. 1988		F.Y. 1989	
	Amount	Positions	Amount	Positions
Agency Request				
Direct Appropriated Special Revenue Fund-12	\$ 23.4	1.0	\$ 22.9	1.0
Governor's Recommendation				
Direct Appropriated Special Revenue Fund-12	\$ 23.4	1.0	\$ 22.9	1.0
Request requires statutory change:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The Board requests the above dollar amounts and one new clerical position to provide adequate services for processing of complaints and currency in issuance of licenses.

DESCRIPTION/BACKGROUND:

As can be seen from the statistics in our AGENCY NARRATIVE our complaints are anticipated to increase by 30% from 100 in the 1986/1987 biennium to 130 in the 1988/1989 biennium.

In order to meet this increasing complaint workload, we have agreed with the Attorney General's staff to process the less severe allegations "in house" without direct input from the Attorney General's office. This is not possible to do without an additional staff person in the Board Office. Our current staff of 2.3 is stretched to the limit of current workload levels.

In addition we are expecting an increase in workload in our licensing tasks. While there is an anticipated decrease in numbers of persons applying to sit for the examination (due to a raise in the passing score and probable reduction in numbers of persons entering the profession due to saturation), this decrease is offset by an anticipated increase in numbers of applicants seeking licensure from the backlog of applicants who have already passed the examination. In addition, the number of licensees renewing their licenses increases each year.

These tasks add to our workload and the net result is that we need an added position. We feel a Clerk Typist 3 is sufficient to handle the added tasks. The costs for this position would be \$19,418 salary and \$3,495 fringes for a total of \$22,913. \$500 the first year is also requested for furniture and supplies attributable to this position.

RATIONALE:

Over the past few years we have made a very serious effort to advise and educate the public about their rights if they feel they have been aggrieved by a practitioner. This has been successful and as a result our complaint level has increased substantially. We have worked with the attorney general's office in developing procedures to handle these complaints as expeditiously and efficiently as possible. We have, however, now reached the point where we need an additional staff person to handle the added volume.

An additional staff person is absolutely essential if the board is to continue fulfilling its mandate to protect the public from unprofessional and unethical conduct.

It is anticipated that no increase in fees will be required, since there is likely to be a corresponding decrease in the amount needed to cover attorneys' fees if services will be reduced as anticipated.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

AGENCY: VETERINARY MEDICINE, BOARD OF

1987-89 Biennial Budget

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 65.6	\$ 71.0	\$ 100.4	\$ 102.4	\$ 104.5

AGENCY PURPOSE:

To protect Minnesota citizens by ensuring that all practitioners meet state competency standards as established in M.S. 156.

OPERATION AND CLIENTELE:

To protect Minnesota residents through enforcement of the Veterinary Practice Act by: 1) reviewing applications for licensure; 2) administering Minnesota State Board Examinations and National Boards; 3) annually renewing current licenses; 4) certifying new corporations; 5) annually renewing current corporations; 6) collecting all fees and depositing same to the State Treasurer; 7) processing all consumer complaints and investigating same; 8) holding disciplinary conferences and formal hearings when indicated; 9) suspending licenses when indicated and reinstating when certain stipulations have been met; and 10) when indicated, inspecting premises for sanitation and directing action to ensure adequate sanitation. The board sets fees to ensure recovery of the costs of its operations.

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
Number of New Licenses Issued	98	110	120	130	130
Number of Veterinarians Licensed	2,331	2,337	2,400	2,450	2,500
Number of Corporations Certified	3	0	3	3	4
Number of Corporations Renewed	84	84	87	90	92
Number of Consumer Complaints Received	13	9	10	12	14

EXPLANATION OF BUDGET REQUEST:

The Board is requesting SAME level funding.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

BUDGET ACTIVITY FISCAL SUMMARY - BIENNIAL BUDGET

BUDGET ACTIVITY: BD OF VETERINARY MEDICINE

PROGRAM: HEALTH BOARDS

AGENCY: VETERINARY MED, BD OF

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY CATEGORY:											
STATE OPERATIONS	69.6	65.4	73.7	80.1		80.1	80.1	80.1		80.1	80.1
LOCAL ASSISTANCE											
AIDS TO INDS.											
TOTAL EXPENDITURES	69.6	65.4	73.7	80.1		80.1	80.1	80.1		80.1	80.1
STATE OPERATIONS - DETAIL:											
PERSONAL SERVICES	31.6	34.2	36.0	36.1		36.1	36.1	36.0		36.0	36.0
EXPENSES & CONTRAC. SERV	32.8	25.4	35.0	39.2		39.2	39.2	39.3		39.3	39.3
SUPPLIES & MATERIALS	.1	3.3	.6	.6		.6	.6	.6		.6	.6
EQUIPMENT	5.1	.8									
OTHER EXPENSE ITEMS		1.7	2.1	4.2		4.2	4.2	4.2		4.2	4.2
TOTAL STATE OPERATIONS	69.6	65.4	73.7	80.1		80.1	80.1	80.1		80.1	80.1
SOURCES OF FINANCING											
DIRECT APPROPRIATIONS:											
GENERAL	69.6										
SP REV DIRECT APPROP		65.4	73.7	80.1		80.1	80.1	80.1		80.1	80.1
DEDICATED APPROPRIATIONS:											
TOTAL FINANCING	69.6	65.4	73.7	80.1		80.1	80.1	80.1		80.1	80.1
POSITIONS BY FUND											
GENERAL	1.0										
SP REV DIRECT APPROP		1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0
TOTAL POSITIONS	1.0	1.0	1.0	1.0		1.0	1.0	1.0		1.0	1.0

AGENCY: HAZARDOUS SUBSTANCE INJURY COMPENSATION BOARD

1987-89 Biennial Budget

AGENCY PURPOSE:

The Board exists to investigate claims of personal injury and/or property damage caused by nonoccupational exposure to hazardous substances and to compensate the victims for verified losses due to such exposure.

OPERATION AND CLIENTELE:

The 5 member citizen board is serviced by a staff of 2, the director and secretary. Staff works to respond to inquiries and assist potential claimants with application for compensation. Potential claimants include a broad spectrum of people who have been exposed to hazardous substances usually via drinking water contamination by improperly disposed hazardous waste. Upon acceptance of a claim as eligible, the chairman assigns a board member to investigate the claim with staff assistance. The board member issues a preliminary determination regarding compensation. The whole board then accepts the decision or further investigates the claim as necessary to determine compensation.

ACTIVITY STATISTICS:

Established by the 1985 legislature, the board first met November 26, 1985. An executive director was hired in July, 1986. The major emphasis in F.Y. 1987 is to establish board procedures and rules for operation and compensation, and to publicize the existence of the board and availability of compensation. It is likely that most compensation will not be awarded until F.Y. 1988, after completion of rulemaking. Yearly number of claimants is presently unknown, but should be better defined after publicity increases public awareness.

EXPLANATION OF BUDGET REQUEST:

Board activity in F.Y. 1986 was minimal, limited to appointment of members and search for staff. In F.Y. 1987 numerous rulemaking, publicity and administrative needs relative to the establishment of the board are projected to generate significant one-time costs. Because the board's appropriation under Laws 1985, Special Session, Chapter 8, is available until expended, the board is requesting no new appropriation for this biennium.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request to achieve the 1987-89 objectives.

ACTIVITY GENERATES NON-DEDICATED REVENUE	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATE F.Y. 1987	ESTIMATE F.Y. 1988	ESTIMATE F.Y. 1989
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

AGENCY FISCAL SUMMARY - BIENNIAL BUDGET

AGENCY: HAZARD SUBST INJ BD

*** DOLLARS IN THOUSANDS (137,522 = 137.5) ***

SUMMARY OF EXPENDITURES AND REQUEST	ACTUAL F.Y. 1985	ACTUAL F.Y. 1986	ESTIMATED F.Y. 1987	F.Y. 1988 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1988	F.Y. 1989 REQUEST LEVELS			GOV. RECOMMEND F.Y. 1989
				SAME	CHANGE	TOTAL		SAME	CHANGE	TOTAL	
EXPENDITURES BY PROGRAM: HAZARDOUS SUBSTANCE		3.1	330.3	1,103.1		1,103.1		837.8		837.8	
TOTAL		3.1	330.3	1,103.1		1,103.1		837.8		837.8	
EXPENDITURES BY CATEGORY: STATE OPERATIONS LOCAL ASSISTANCE AIDS TO INDS.		3.1	330.3	1,103.1		1,103.1		837.8		837.8	
TOTAL EXPENDITURES		3.1	330.3	1,103.1		1,103.1		837.8		837.8	
SOURCES OF FINANCING: DIRECT APPROPRIATIONS: DEDICATED APPROPRIATIONS: GENERAL		3.1	330.3	1,103.1		1,103.1		837.8		837.8	
TOTAL FINANCING		3.1	330.3	1,103.1		1,103.1		837.8		837.8	
POSITIONS BY FUND: GENERAL			2.0	2.0		2.0		2.0		2.0	
TOTAL POSITIONS			2.0	2.0		2.0		2.0		2.0	