

Minnesota Department of Public Welfare

Six Year Plan of Action, 1981-1987

and

Biennial Budget Request, 1982-1983

for Mental Retardation Services

MINNESOTA DEPARTMENT OF PUBLIC WELFARE
SIX YEAR PLAN OF ACTION, 1981 - 1987
and
BIENNIAL BUDGET REQUEST, 1982-1983
for MENTAL RETARDATION SERVICES

prepared by the
Mental Retardation Program Division
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MINNESOTA DEPARTMENT OF PUBLIC WELFARE
SIX YEAR PLAN OF ACTION, 1981-1987 FOR
MENTAL RETARDATION SERVICES

This is the Department of Public Welfare's six year plan for the development and provision of residential and day program services for mentally retarded people in Minnesota.

The plan has as its major goal, and as the goal that structures its specific provisions and target numbers, the deliberate and systematic reduction of the number of mentally retarded people living in the state hospitals to not more than 1,850 by June 30, 1987; and the simultaneous development of sufficient and appropriate community-based residential and day program services, in a manner that is as cost efficient and program effective as possible.

Several objectives are detailed in this plan to implement that goal.

BRIEF HISTORICAL PERSPECTIVE

Most of the substantive elements of this six year plan had their genesis in three sources: a Department examination of the proper role and functions of the state hospitals, the settlement of a class action suit (Welsch vs. Noot) by a consent decree, and interdepartmental state agency negotiations.

Department Examination

An advisory council was appointed in early 1979 by then-Commissioner Dirkswager to examine the total residential service system for mentally ill, mentally retarded, and chemically dependent citizens of Minnesota. Concurrently, the Mental Retardation Program Division met over several months with a task force of state hospital chief executive officers and their mental retardation program directors, considering the mentally retarded population that could best be served in the hospitals.

The products of these two efforts were summarized in the Commissioner's Instructional Bulletin 79-30 in June, 1979 and in the Residential Care Study and proposal presented by Commissioner Noot to Governor Quie in August of that year.

The documents proposed the numbers of mentally retarded people to be served in the state hospitals, the program services to be offered, and the development of community resources in terms that are very close to those of this six year plan.

Consent Decree

A class action suit of some seven year's development, initially Welsch vs. Likin, then Welsch vs. Dirkswager, and finally Welsch vs. Noot, was settled by a negotiated consent decree on September 15» 1980. The suit had been brought against the Commissioner on behalf of a class of mentally retarded

state hospital residents, and the consent decree applied the agreement to the entire state hospital system in its relationship to mentally retarded people.

The consent decree committed the state to a systematic reduction of the number of mentally retarded people to be served in the state hospitals, to a number of program improvements within the hospitals, to certain relationships between service in the hospitals and in the communities, and to the provision of support and technical functions. The decree also stipulated that certain legislative proposals would be made by the Department.

The Department determined that the stipulations of the decree were in very close agreement with the provisions of its own plan, and that the decreed program was within the Department's present organization, laws (with the changes proposed herein), and rule structure. This six year plan now reflects the agreements of the decree and of the legislative proposals.

Interdepartmental Negotiations

An interdepartmental cooperative stance has for many years characterized the relationship between the Department of Public Welfare and the Division of Vocational Rehabilitation in the Department of Economic Security.

Those portions of this plan that relate to work activity and sheltered employment are the result of negotiations with the Division of Vocational Rehabilitation. The plan will be noted to support the legislative requests of the rehabilitation division as an integral part of the system of day programs that serve mentally retarded people, and as a part that is essential to attaining the goal of this plan.

SYSTEM OF SERVICES IN MINNESOTA

Minnesota has a basically sound system of services to mentally retarded people, and one that requires no major change of direction from what has been emplaced over the past two decades. The system, not all of which is yet adequate in amount and development, is diagrammed below. The shaded areas are within the responsibility of the Department of Public Welfare.

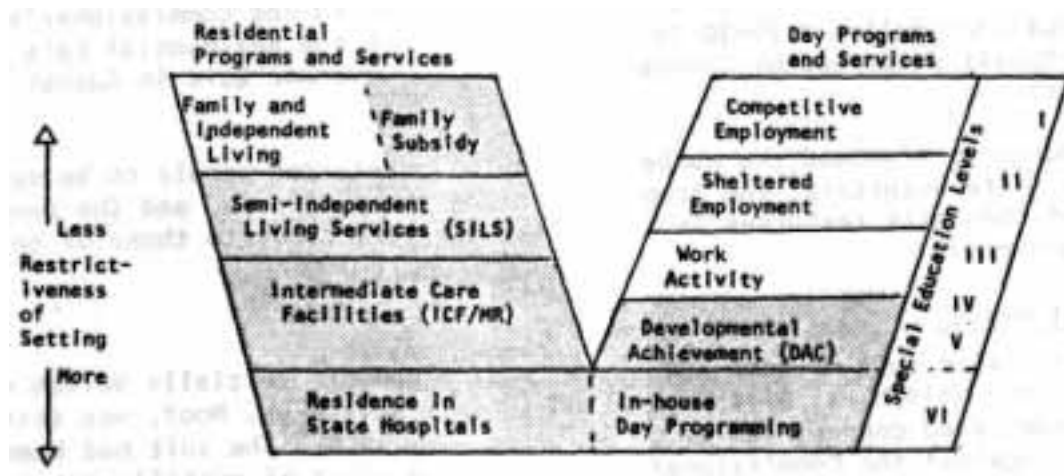


Figure 1

Continuums of residential and day programming used by mentally retarded people in Minnesota.

The diagram on the preceding page shows several important characteristics of the service system. The shaded portion, which is the responsibility of the Department of Public Welfare, is substantial. Equally important is the fact that other essential portions are the responsibility of other state agencies: special education, of the Department of Education; and work activity and sheltered employment, of the Division of Vocational Rehabilitation in the Department of Economic Security. It is crucial that the movement of mentally retarded people upward in the diagram, into less restrictive settings, be enabled by making available enough slots in the intervening steps so that the movement can take place.

As is indicated by the diagram, an in-hospital residential program generally implies an in-house day program. The correspondence at higher levels is not so precise. Similarly, the less restrictive levels of service are generally but not precisely less costly to the state.

GUIDING PRINCIPLES

The plan of action given here is guided by endorsement of these seven principles:

1. People who are mentally retarded or otherwise developmentally disabled can learn skills that can reduce their dependency and increase their self-sufficiency (This is the assertion of what is called "the developmental model.")
2. Reduction of dependency and increase in self-sufficiency in these people requires the availability of services that meet individual needs. (This asserts individual programming.)
3. Services to these people should be provided in environments that not only meet individual needs, but that are as little restrictive as is consistent with effectiveness. (This is the principle of least restrictive setting.)
4. The service environment, individual programs, and services to people who are mentally retarded or otherwise developmentally disabled should include patterns and conditions of normal, everyday life to the extent that the person's characteristics and service needs will allow. (This is the principle of normalization.)
5. The participation of the person in need of service, and of the family, are vitally important to the planning and provision of services. This implies an assurance that the services will be provided as close to the person's family and home community as possible.
6. The process of planning and service development is most effective when it reflects the needs and priorities of local units of service planning and administration. This must be set in the context of a systematic analysis of all services necessary and of all roles necessary in a total service system.
7. Case management by the local social service agency for all individuals needing social service, and local planning and coordination of services among the mental health and human service agencies, are vital components of the service system.

CURRENT (1980) STATUS OF MINNESOTA

The numbers and circumstances described in this section are those of 1980, the most current period for which they may be cited.

State Hospitals

There are approximately (2,650) mentally retarded people living in and receiving day program services in Minnesota's eight state hospitals. By June 30, 1981, the number is expected to be 2,600; by June 30, 1987, this number will be reduced to 1,850. Occupancy rates vary with each hospital, and only two (they are Cambridge and Faribault) serve mentally retarded people exclusively. A substantial number of these people have been determined to be capable of being served in community-based intermediate care facilities for the mentally retarded (ICF/MRs) if those services and their accompanying day programs were available.

The costs and cost distribution of state hospital service, and of the other services described in this section of the plan, will be found in Table 1.

Community Residential Facilities (CRFs) for the Mentally Retarded

People who live in CRFs number just under 4,000 of these, approximately 400 have been determined to be ready for and in need of Semi -Independent Living Services but, as will be noted, the services are not available in that amount.

Of the 4,100 CRF residents, about 3,000 are in Intermediate Care Facilities for the Mentally Retarded (ICF/MRs), Medicaid recipients under Title XIX of the Social Security Act. Approximately (60% of the ICF/MR residents, who are adults, attend developmental achievement centers (DACs), with most of the rest being in schools, work activity programs, or sheltered employment or other sheltered workshop services. The CRFs also house about 700 of the 1,250 children who are funded under Cost of care support. The CRF occupancy rate is about 94%, with vacancies being due to down time in turnover or resident movement.

Table 1 shows separate columns for ICF/MR and Cost of Care community residence programs, because the funding differs.

Semi-Independent Living Services (SILS)

The functional equivalent of this service is being currently provided to about 180 mentally retarded people, most of whom live in board and lodging circumstances funded under Minnesota Supplemental Assistance (MSA), Social Security benefits, and sometimes their own earnings. Most of the semi-independent living services themselves are funded through Purchase of Service contracts by the county of responsibility, ultimately paid under Title XX of the Social Security Act, county dollars, and DPW Rule 23 grants.

The average length of stay of a mentally retarded client in semi-independent living service has been 1.4 years, verifying that the service is actually serving a transitional purpose. Movement has been into fully independent living. "Occupancy" rate in SILS is 100%, with a waiting list.

Table 1 shows separate columns for the two components of SILS, the residential and the service components. The reported cost for board and lodging may be an overestimate, because Social Security benefits and client earnings have not been computed.

Table 1

Summary of costs and sources of funding for the major residential and day programs for mentally retarded, people in Minnesota; actual or estimated figures for FISCAL YEAR 1980.

	Self- contained state hosp	Community Residential				Service SILS (service)	DAC Programs		Vocat' Wk Act, Sh Emp
		ICF/MR	Cost of Care	Family Subsidy	SILS (resid)		Adult DAC	Child DAC	
Annual Budget (in thousands)	68,314	39,766	7,900	275	564	565	13,300	6,700	11,550
Number of Retarded People Served	2,692	3,700	Children: 650	105	180	180	3,600	1,400	4,200
Average Daily Cost per Person	\$71.00	\$39.00	\$49.79	\$ 7.33	\$ 8.40	\$11.64	\$22.00	\$32.50	\$ 7.53
Percent Paid by Federal Share	55.64%	55.64%	0.0%	0.0%	0.0%	0.0%	26.3%	26.3%	0.0%
Percent Paid by State Share	44.36%	39.92%	53.7%*	100%	50.0%	***	22.4%	22.4%	43.8%
Percent Paid by County Share	0.0%	4.44%	30.39%*	0.0%	50.0%	***	45.3%	45.3%	3.0%
Percent Paid through Other Sources	0.0%	0.0%	16.0%*	**	**	0.0%	4.4%	**	53.2%

NOTE: all the foregoing are for Fiscal Year 1980.

* = reflects the state, county, and third party payments of GROSS eligible costs for the Cost of Care program; the shares for NET eligible costs were -- state, 63.5%, and county, 36.5%.

** = this is an unknown and unaccounted amount; for example, family or agency in-kind contribution.

*** = each county currently funds "SILS" in a different manner; some using state funds allocated in CSSA or under Rule 23 deinstitutionalization funds, others using only county dollars.

Family Subsidy

In fiscal 1980, 105 families in Minnesota received an average of \$220 per month in grants to provide services that encouraged them to keep at home the mentally retarded children who might otherwise require state hospital or other out-of-home placement. This program is of sufficient national interest that it is now being studied by other states as a possible model. There is an active waiting list, and there has always been a much larger demand for the service than could be provided with available funding.

In this plan, the Family Subsidy program is proposed for change from an experimental designation to status as an established program.

Developmental Achievement Centers (DACs)

Participants in this service currently number over 5,000, of whom 3,800 are adults. About 60% or 2,300 of these adults live in ICF/MRs, and most of the others live in their natural, adoptive, or foster homes. Over 500 DAC participants have been identified as ready for and in need of movement into work activity or into sheltered employment if space were available. The DAC occupancy rate is essentially 100%.

It should be noted, in Table 1, that the DAC cost figures represent the federal, state, and county cost sharing that prevails under the Community Social Services Act (CSSA). which became effective on January 1, 1980.

Work Activity and Sheltered Employment

These services are located in work activity centers and in sheltered workshops (occasionally, on an individual basis, sheltered employment may be stationed in private industry), under the responsibility of the Division of Vocational Rehabilitation in the Department of Economic Security. There are approximately 4,200 people, the majority of whom are mentally retarded, in work activity and in sheltered employment in 28 facilities in Minnesota. Movement from these stations into competitive employment is estimated to be 200 people per year. The centers and shops have 100% occupancy rates.

Work activity and sheltered employment are important to the six year plan of the Department of Public Welfare because they are an essential part of the upward mobility of mentally retarded people, especially of those who are ready to leave DAC service.

Summary of Status

Several capacity constraints, it will have been noted, impede the movement of mentally retarded people into less restrictive and less costly programs in both the residential and day segments.

The objectives and action proposals of this six year plan, and the proposals for the 1982-1983 biennium, are designed to enable service to more mentally retarded people to be given in the less restrictive (and generally less costly) programs, moving them out of the more restrictive (and generally more costly) programs. For that movement to take place, each succeeding level must have enough capacity to accommodate both the long-term clients and those who are moving through; else, mobility is impeded or halted.

The relative costs of the levels of programming may be illustrated. The daily cost for a combination of residential and day program in 1980 was (see Table 1) approximately: state hospital self-contained program, \$71.00; community-based ICF/MR residence plus DAC day program, \$61.00; SILS residence plus SILS service plus DAC day program, \$27.57. These are, of course, averages rather than specific cases.

GOAL OF THE PLAN, RECAPPED

The goal of this six year plan is a single goal because the service system is a single fabric. However, it addresses two main arenas: the state hospital system, and the community service system. The goal, it will be recalled, is

"the deliberate and systematic reduction in the number of mentally retarded people living in the state hospitals to not more than 1,850 by June 30, 1987; and the simultaneous development of sufficient and appropriate community-based residential and day program services, in a manner that is as cost efficient and program effective as possible.

In addition to residential and day programs, the community-based system must naturally include those support services that will enable its effective function.

From this goal, ten objectives for the six years have been derived. The first of them is explicit in the goal statement and the others are implicit. Those ten objectives, and the means for attaining them, follow.

OBJECTIVES

OBJECTIVE ONE: To reduce the net number of mentally retarded state hospital residents on a mandated schedule to 1,850 by June 30, 1987.

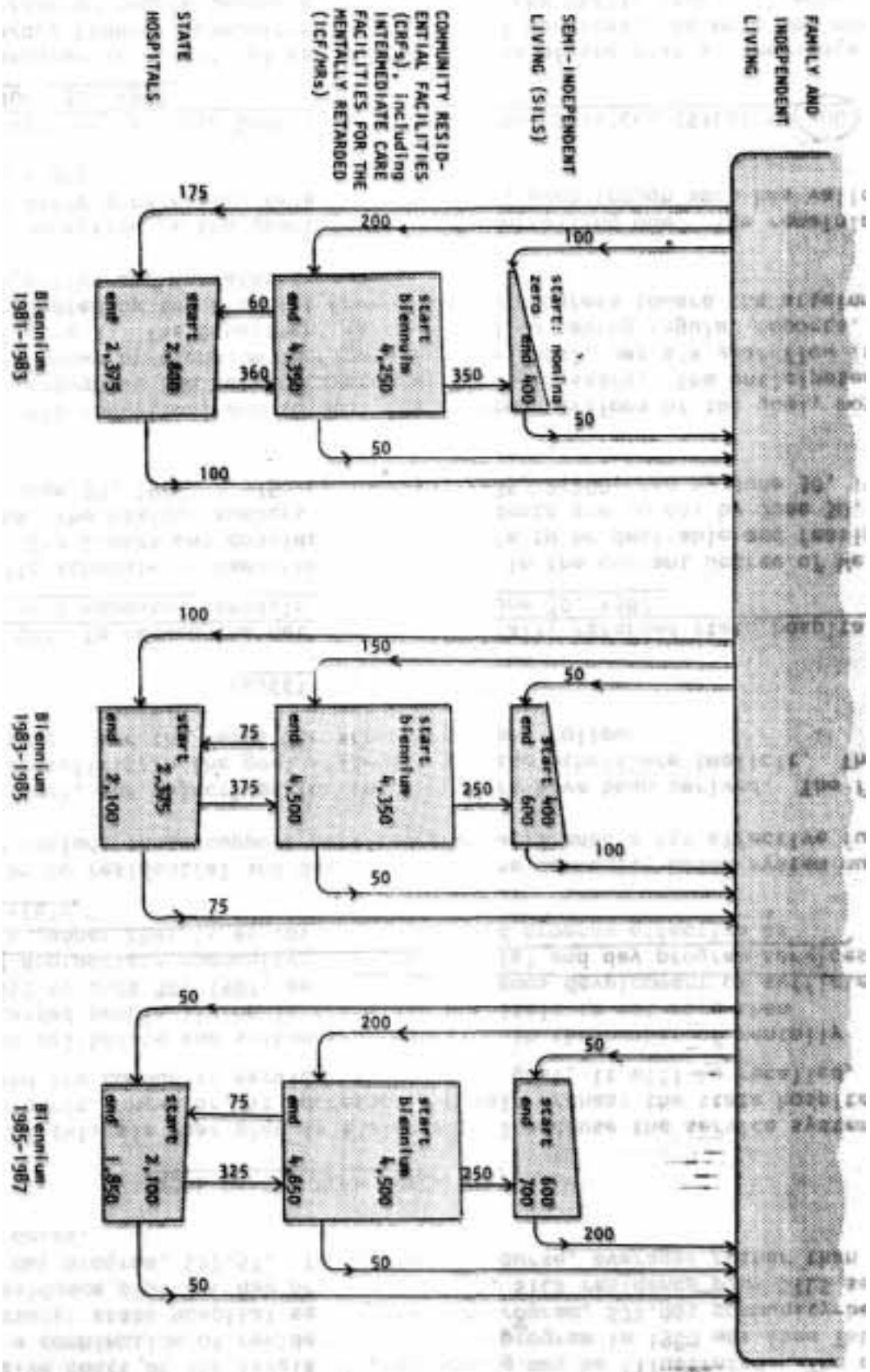
The specific schedule of reduction is mandated in the consent decree of Welsch vs. Noot. The Department considers the schedule to be desirable and feasible. By biennium, the maximum numbers of these residents are to be: by June 30, 1981, 2,600; by June 30, 1983, 2,375; by June 30, 1985, 2,100; and by June 30, 1987, 1,850.

To enable this reduction, and to meet the related portions of the goal, movement of people throughout the service system will be necessary. The anticipated movement is shown by biennium in Figure 2. The total, net six year flow is shown in Figure 3. The Department is committed to making regular reports, to a monitor appointed by the District Court, on its progress toward the attainment of this objective and on related matters.

This first objective is the quantitative and controlling one. The remaining objectives carry a necessary relationship to it, even though each has validity in its own right.

OBJECTIVE TWO: To increase Semi-Independent Living Services (SILS) to 700 slots by June 30, 1987.

The SILS program is a critical key to the success of the plan as the state moves toward a broader community-based system of services. As more and more mentally retarded people become ready to master the skills that will enable them to function in a more independent manner, the settings and services that



*

Figure 2 Anticipated residential movement during the six years of the plan; by biennium.

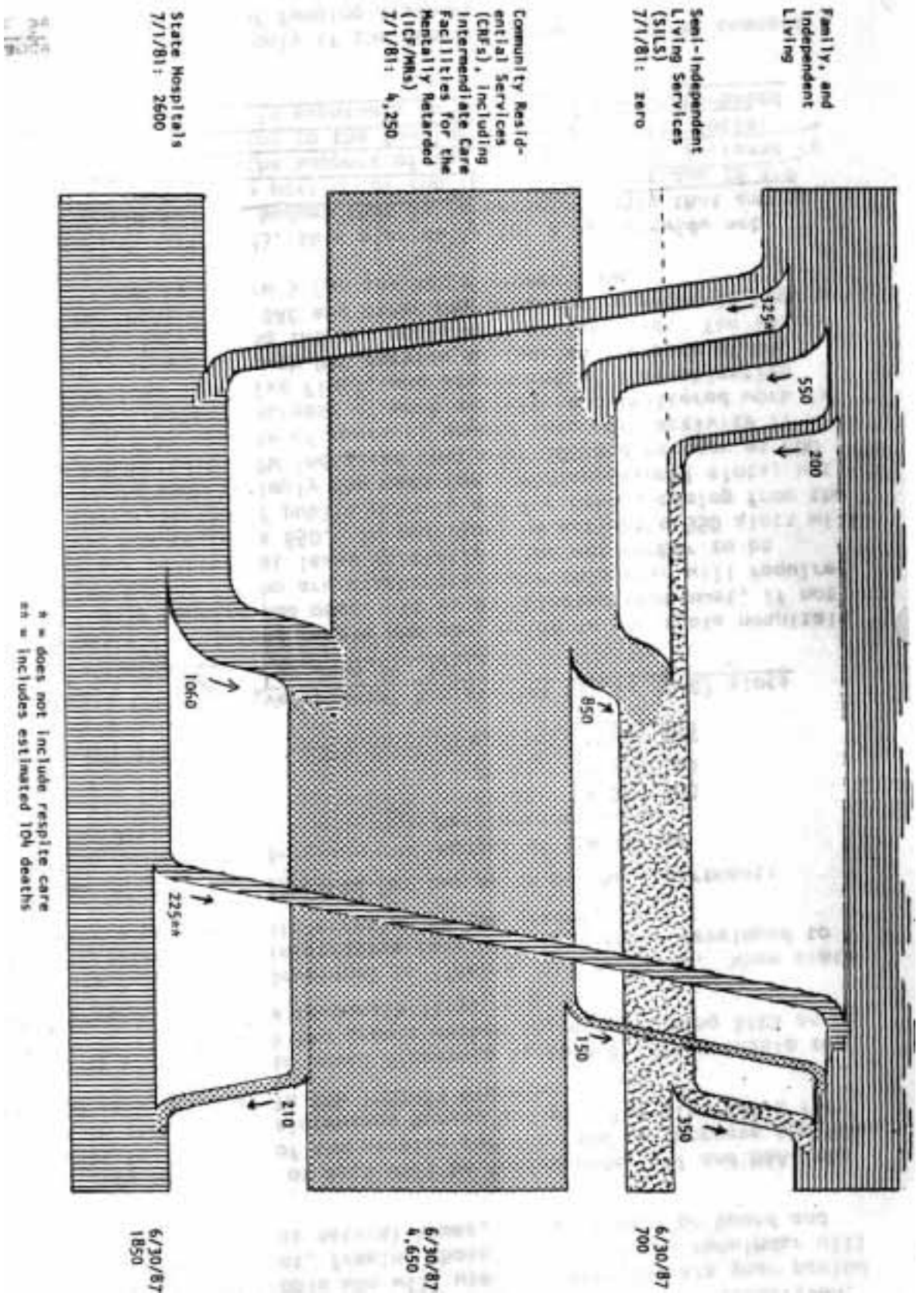


Figure 3
Anticipated residential movement of mentally retarded people during the six years covered by the plan.

will equip them with those skills must be made available. On its present informal record, the SILS program does enable them to make this transition. Most of the estimated 1050 people who will use SILS over the six year period will come from ICF/MR placement, freeing those slots, and the remainder will come from other sources such as natural homes, foster homes, or board and lodging facilities.

The board and lodging portion of SILS will be funded under SSI and MSA; the proposal here is for funding of the service portion, and to increase the MSA appropriation in the Income Maintenance Bureau budget. The plan calls for developing 400 service slots in the 1982-83 biennium.

Statutory change proposed is to amend Minnesota Statute § 252 to enable the administration of SILS through the grants mechanism, establishing SILS as an experimental program under DPW responsibility.

Rule change; DPW Rule 18 was developed to license SILS programs. When state funding is authorized, an administrative rule will have to be developed to cover the disbursement and administration of the grants.

Biennial budget for SILS is requested for two units of the Department:

budget of the Mental Retard- ation Program Division		budget of the Income Maintenance Bureau	
FY 82	\$ 425,000	FY 82	\$ 249,900
FY 83	\$ 1,275,000	FY 83	\$ 749,100
Total	\$ 1,700,000	Total	\$ 999,000

OBJECTIVE THREE: To increase Developmental Achievement Center (DAC) slots from the present 5,000 to 5,800 by June 30, 1987.

In general, the mentally retarded people who now reside in the state hospitals are the more seriously handicapped ones. It is anticipated that most, if not all, state hospital residents who are discharged under this plan will require DAC placement for day service, at least initially. The net number to be discharged in these six years is 850. In addition, an estimated 550 slots will be required for the graduates of public schools and for others coming from the community. This would seem to imply the need for 1,400 additional slots; but a 1978 DAC study conducted by DPW indicated that over 500 and as many as 600 DAC participants would be capable of movement upward into work activity if such service were available. Increase of work activity and sheltered work is a part of this plan (see Objective Five), and attainment of that objective will enable enough movement through DAC service so that an increase of DAC capacity by only 800 slots during the six years will be required. The inter-relationships of movement among DAC and other day programs is shown in Figure 4 on a biennial basis and in Figure 5 for the net six-year flow.

For the first biennium, 1981 - 1983, this plan calls for a system-wide net increase of 200 DAC slots. The budget that is requested is only that amount that is needed to accommodate the portion of the increase that is due to the releases from state hospitals; the support of the rest of the DAC increase is separately proposed as an addition to the funding of the Community Social Services Act appropriation that is eventuate in support of community-based demands._

Statutory change will be needed only if the funding formula is to be changed. See Objective Seven on removal of funding disincentives.

Rule change is not required. However, if the funding formula is changed, DPW Rules 52 and 31 will need to reflect this.

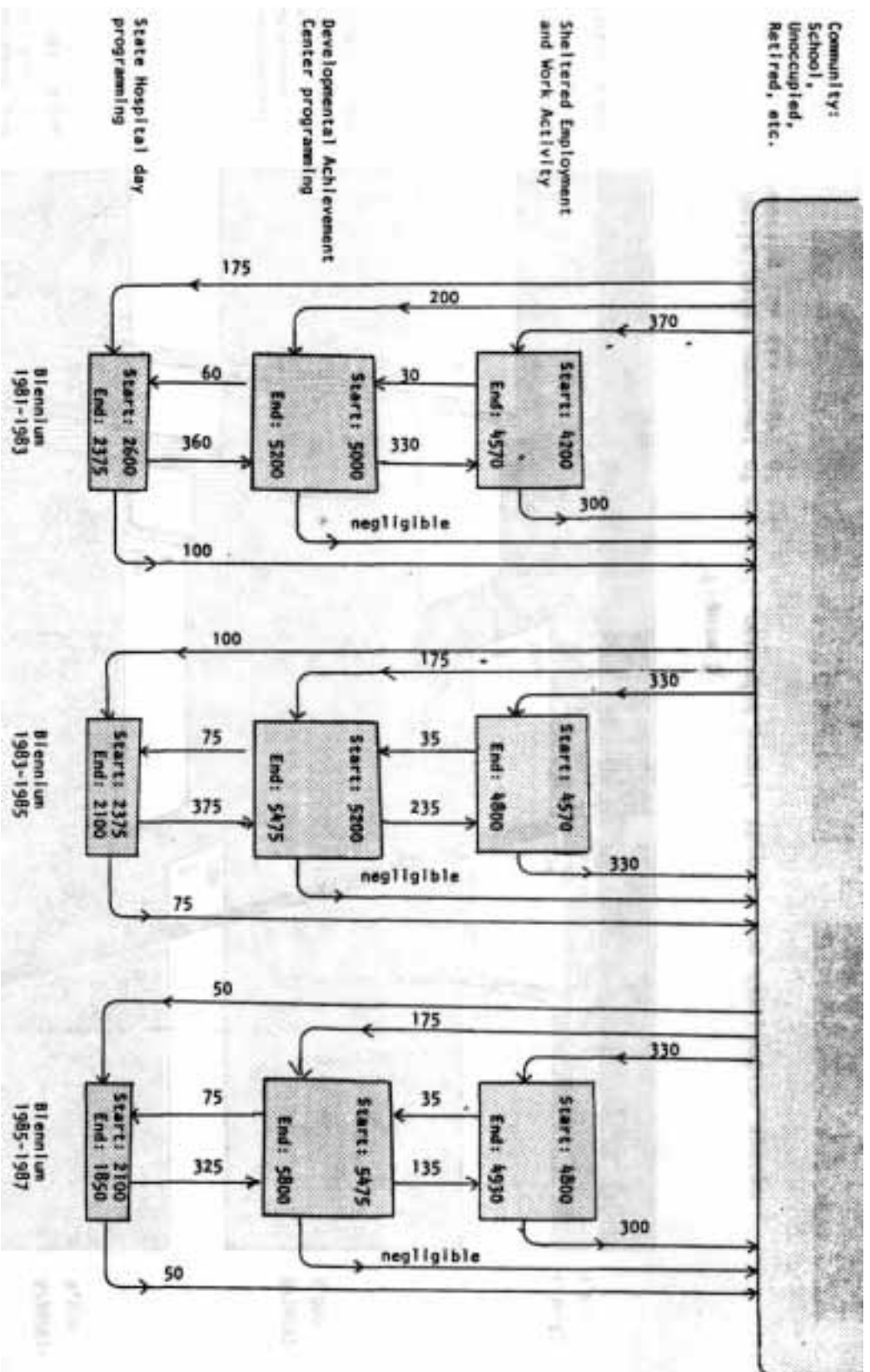


Figure 4
Anticipated movement of mentally retarded people in day programs during the six years of the plan; by biennium.

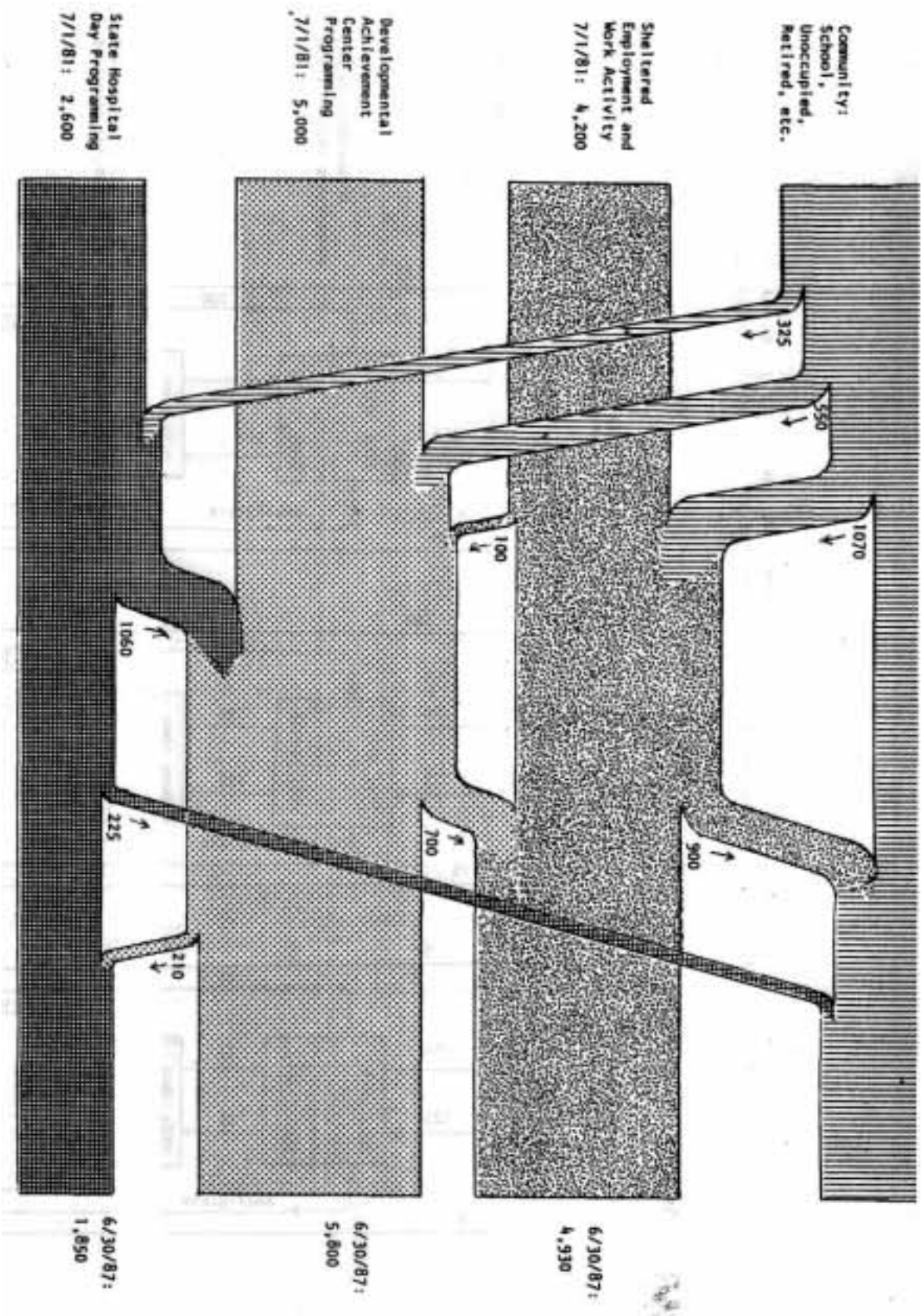


Figure 5
Anticipated movement of mentally retarded people through the day program system during the six years of the plan.

Biennial budget for DACs is, in the amount given here, requested to cover an additional 50 lots in each year of the biennium to accommodate state hospital releases. An additional increase to be found in the CSSA budget request is expected to accommodate a projected additional 100 clients from the community. The request here is for

FY 82	\$ 82,250
FY 83	\$ 268,700
Total	<u>\$ 350,950</u>

OBJECTIVE FOUR: To develop 400 additional ICF/MR beds in the community by June 30, 1987.

A net reduction of approximately 800 in the number of mentally retarded people in state hospitals will require that new community-based residential placements be made available. The people who will be released are typically more seriously handicapped than are those who are already in the community and they will, in nearly all instances, need ICF/MR placement. Many of them are expected to replace people who will move into Semi-Independent Living Services; see Objective Two, and Figures 2 and 3. Consequently, the necessary expansion of ICF/MR capacity will be 400 rather than 800. Many of the current ICF/MR programs will need modification in order to properly serve the more seriously handicapped state hospital releases, and some additional types of ICF/MR must be developed.

This plan calls for an additional 100 ICF/MR beds this biennium. Fifty will be for children funded under Cost of Care. and 50 will be adults.

Statutory change is not needed.

Rule change is not proposed. The need determination procedures and criteria have been included in DPW Rule 185, revised in 1980.

Biennial budget requested here does not include coverage of the 50 adult beds, since that is already included in the Medical Assistance forecast. The Cost of Care increase for the 50 children is.

FY 82	\$ 66,950
FY 83	<u>\$ 200,800</u>
Total	\$ 2677750

OBJECTIVE FIVE: To develop an additional 600 work activity and sheltered employment stations by June 30, 1987.

These stations are provided under funding and regulation of the Division of Vocational Rehabilitation in the Department of Economic Security. They represent levels of occupation, at some wage, above that of DACs (see Objective Three), and they are a critical statewide need to provide higher levels of development for those DAC participants who are ready for this upward movement.

It is estimated that movement of DAC participants into work activity and sheltered employment, together with movement of others into competitive employment, will enable the 600 work activity and sheltered employment stations to serve 950 individuals over the six years of the plan. The Department agrees with the Division of Vocational Rehabilitation that 300 stations will need to be added to this critical link in the day program chain during this first biennium.

Statutory change. is not needed

Rule change regarding work activity and sheltered employment, if any, would be under the responsibility of the Division of Vocational Rehabilitation.

Biennial budget for this would be in that of the Division of Vocational Rehabilitation. The Department strongly supports that agency's request of

FY 82	\$	505,500
FY 83	\$	743,100
Total	\$	<u>1,248,600</u>

OBJECTIVE SIX: To increase the Family Subsidy program to serve a total of 200 families by June 30, 1983.

This program has grown from 50 families in 1978 to 105 in 1980. A study of applications indicates a need to serve at least 200 families. This program has assisted families to keep their mentally retarded children at home and it thereby reduces or postpones placement in ICF/MRs and state hospitals. It is an early intervention service that enables living in the least restrictive and most normal setting, at minimal cost to the state. The Department recommends this program as a mechanism under the Welsch vs. Noot consent decree, and as an alternative to out-of-home placement.

The request here is for funding to add 45 new families in FY 82 and 50 more families in FY 83

Statutory change recommended is to amend Minnesota Statute § 252.27 to make this an established rather than an experimental program.

Rule change needed is that which would bring language into conformity to the statutory amendment.

Biennial budget requested here is

FY 82	\$	123,200
FY 83	\$	250,800
Total	\$	<u>374,000</u>

OBJECTIVE SEVEN: To increase construction grants-in-aid for establishment of community residential programs.

Amendment to Minnesota Statute § 252.30 was authorized by the 1980 Legislature to allow grants to new residential facilities to pay reimbursable start-up costs until payment for services can begin. This program has played a significant part in the development of community facilities. The planned expansion provides an increase to meet the need expected to arise from both numbers and kinds of state hospital discharges.

Until now, very little of this program has been used for remodeling community facilities. With the movement into the community of more seriously handicapped residents, and with the movement into Semi-Independent Living of the less seriously handicapped, some vacancies in existing facilities will require remodeling to accommodate physical, sensory, and behavioral disabilities. Like the creation of a new service, remodeling is reimbursable under ICF/MR rates, but up-front money is needed to prevent delay in admitting referrals from the state hospitals.

The Minnesota Housing Finance Agency is expected to increase loans for new facilities, including facilities for the physically handicapped. This will cause DPW to face increased demand for start-up and remodeling grants. Because of anticipated change in need and pay-back provision, this plan may call for amendment to statute to allow a revolving account for both profit and non-profit organizations. A feasibility study is to be done by September, 1981. The biennial budget below is requested to start up seven to eight new facilities.

Statutory change to Minnesota Statute § 252.30 may be recommended so as to authorize grants to profit and non-profit service providers for: construction grants-in-aid; grants for reimbursable start-up costs, to be repaid; and remodeling of existing facilities to accommodate more handicapped residents.

Rule change will be needed in DPW Rule 37 if the statute is amended.

Biennial budget requested here is for the increase only:

FY 82	\$ 122,600
FY 83	\$ 122,600
Total	<u>\$ 254,200</u>

OBJECTIVE EIGHT: To remove fiscal disincentives for counties to place mentally retarded people in community-based facilities and programs rather than in state hospitals.

A major potential barrier to reaching the goal of this plan is the fact that it costs the counties substantially more money to serve mentally retarded people in the community than in state hospitals. At present, counties are not required to pay for the care of their citizens who are state hospital patients covered by medical assistance, and they are required to pay only \$10 per month for the care of those who are not eligible for medical assistance. It costs the counties a significant amount to care for such people in community-based services.

The general direction of DPW legislative proposals is to re-channel state funds in such a way as to encourage the development and use of community-based services. In addition to the negligible cost to counties of state hospital care, a major disincentive has been inadequate state funding to other portions of the continuum of care. To alleviate these fiscal disincentives to sound case service, the Department is proposing legislation that will, on the one hand, require counties to pay more toward the cost of care in state institutions, and on the other will increase financial assistance to counties for the care of mentally retarded people in the community. All of the requests detailed in this plan can be viewed as the Department's overall effort to meet this objective.

Statutory change has been recommended to amend Minnesota Statute § 245.0313, obligating county payment for state hospital care in equal proportion as is provided in Minnesota Statute § 256E.19 for community residential care.

Rule change may be required in several DPW rules, depending upon legislative action upon proposed bills that are before this session.

Biennial budget increases relating to this objective are summarized in Table 2 by amounts, sources, and location in the state budget.

OBJECTIVE NINE: To provide technical assistance to counties and to providers and developers of community-based services.

This objective is designed to enable DPW central office capability to implement this six year plan as its objectives affect counties, providers of service, and developers of new services. Three new technical assistance specialist (TAS) positions will provide technical assistance: in county planning, placement, and case management; to development and utilization of community-based services and facilities; to coordination of efforts among state hospitals, community residential facilities and support services, DACs, sheltered workshops and work activity centers; and to the resolution of service and coordination problems at the local level as needed by the agencies involved.

This objective is additional to the present and ongoing work of the Department, in that it requires three set-aside positions, although it is within the existing scope of the Department's mission and functions.

Statutory change is not required.

Rule change is not required.

Biennial budget is to be absorbed within the existing DPW budget; no increase requested here.

OBJECTIVE TEN: To fully implement a statewide caseload management information system to monitor the status and progress of all mentally retarded clients who are the responsibility of DPW.

The Minnesota Developmental Programming System - Case Management Battery (MDPS-CMB) is DPW's individual case management document. It satisfies county case reporting requirements and generates information for the CSSA purposes of planning, evaluation, and tracking. It is also the primary behavioral assessment instrument used by community-based programs and by county case managers, and is used for all state hospital residents. It is by means of this instrument that DPW will monitor client flow throughout the six year plan to deinstitutionalize 800 mentally retarded people. Some aspect of compliance with the Welsch vs. Noot consent decree will also be monitored with the aid of this system.

The MDPS-CMB document is generated in reference to each of the 14,000 clients who are the responsibility of the Mental Retardation Program Division of DPW because they are in services that are regulated by the Department. Individual profiles are thereby provided to the service providers who were involved in generating the document, and to the counties having case management responsibility. The status and characteristics are summarized for planning purposes at county and other levels as an integral part of the management information system.

Statutory change is not required.

Rule change is not required

Biennial budget requested for the operation of the system is

FY 82	\$ 90,000
FY 83	\$ 90,000
Total	<u>\$ 180.000</u>

SUMMARY OF BIENNIAL BUDGET REQUESTS

Table 2 summarizes the FY 1982-83 budget requests by objective, amount, source, and location in the Department and other agency budgets.

BUDGET COMPUTATION METHODOLOGIES

The methodologies and assumptions described in this section were used in computing the biennial budget requests of the plan. They are described here by objective.

OBJECTIVE TWO: Semi -Independent Living Services (SILS), service portion.

Welsch vs Noot demand for the biennium equals 300 slots. Projected community-generated demand equals 100 slots.

Note 1: Costs for services are projected at \$11.64 per day on the average, based upon the 1980 survey of existing SILS equivalent.

FY 82 200 projected new slots x \$11.64 x 365 days = \$ 424,860
2 (for 50% average occupancy)

rounded: \$ 425,000 FY 82

FY 83 - 200 filled slots x \$11.64 x 365 days = \$ 849,720

200 new slots x \$11.64 x 365 days x 50% occ = \$ 424,860

sum: \$1,274,580

rounded: \$ 1,275,000 FY 83

SILS biennial request: \$ 1,700,000

Note 2: Subsequent to the development of budget request for inclusion in the Welsch vs. Noot consent decree, a bill was drafted authorizing the Commissioner of DPW to reimburse counties up to 90% of SILS cost. The cited cost of \$11.64/day was 1980 cost. If inflation rates of 9.1% for 1982 and 8.6% for 1983 are applied, the effect of the 90% provision is almost exactly canceled, leaving \$1,700,000 as the amount still estimated to be needed.

Table 2
Budget summary, Department of Public Welfare plan, for the biennium
1981-83; by objective.

OBJECTIVE	ADDED SLOTS		PROPOSED BUDGET BY YEAR OF BIENNIUM				PROPOSED BUDGET BY SOURCE		LOCATION OF BUDGET REQUEST
	FY82	FY83	FY82	FY83	TOTAL		STATE	COUNTY	
Objective Two: Semi-Independent Living Services	200	200	\$ 425,000	\$ 1,275,000	\$ 1,700,000		\$ 1,700,000	170,000	Mental Health Bureau Mental Retardation Progr Div
Minnesota Supple- mentary Assistance	150	150	\$ 294,000	\$ 882,000	\$ 1,176,000		\$ 999,000	\$ 177,000	Income Maintenance Bureau
Objective Three: Developmental Achievement Ctrs	50	50	\$ 164,500	\$ 537,400	\$ 701,900		\$ 350,950	\$ 350,950	CSSA budget Social Services Bureau
Objective Four: ICF/MR	25	25	---	---	---		---	---	Incorporated in projections for Medical Assistance
Cost of Care	25	25	\$ 133,900	\$ 401,600	\$ 535,500		\$ 267,750	\$ 267,750	CSSA budget Social Services Bureau
Objective Five: Work activity & Shelter Employment	150	150	\$ 505,500*	\$ 743,100*	\$ 1,248,600*		\$ 1,248,600*		Division of Vocational Rehab Department Economic Security
Objective Six: Family Subsidy	45	50	\$ 123,200	\$ 250,800	\$ 374,000		\$ 374,00		Mental Health Bureau Mental Retardation Progr Div
Objective Seven: Construction Grants-in-Aid	--	--	\$ 122,600	\$ 122,600	\$ 245,200		\$ 245,200		Mental Health Bureau Mental Retardation Progr Div
Objective Ten: Case Management Information System	--	--	\$ 90,000	\$ 90,000	\$ 180,000		\$ 180,000		Mental Health Bureau Mental Retardation Progr Div
TOTAL PROGRAM			\$1,858,700	\$4,301,500	\$6,161,200		\$5,365,500	\$965,700	

* The cost figures for Objective Five were provided by the Division of Vocational Rehabilitation in the Department of Economic Security, and represent only the state support to this service; production, private contributions, etc. are not calculated.

The Department of Public Welfare is recommending an increase of over \$25,000,000 for county funding through the Community Social Services Act (CSSA). This increase is important if the Welsh vs Noot consent decree is to be met because it contains the state funds for: increased case management and planning effort at the local level; and accommodation of existing and expected increase of community-origination- demand for developmental achievement services and for cost of care programs for children.

OBJECTIVE TWO: SILS, Minnesota Supplemental Assistance portion.

Note 1: Projected cost from Income Maintenance Bureau of DPW is \$327 per client per month, or \$3,924 per client per year.

$$\begin{array}{lcl} \text{FY 82} & \text{--} & \frac{150 \text{ projected new clients} \times \$3,924 \text{ per year}}{2 \text{ (for 50\% average occupancy)}} = \$ 294,000 \text{ FY 82} \\ \text{FY 83} & \text{--} & 150 \text{ filled slots} \times \$3,924 \text{ annual cost} = \$ 588,000 \\ & & \frac{150 \text{ projected new slots} \times \$3,924 \text{ per year}}{2 \text{ (for 50\% average occupancy)}} = \$ 294,000 \\ & & \text{sum: } \$ 882,000 \text{ FY 83} \end{array}$$

MSA biennial request: \$ 1,176,000

Financial participation in MSA portion of SILS by source (\$thousands):

	State	Counties	Total
FY 82	249.9	44.1	294
FY 83	749.7	132.3	882
Biennium	<u>999.6</u> (85%)	<u>176.4</u> (15%)	<u>1,176</u>

OBJECTIVE THREE: Developmental Achievement Center (DAC) programs. +

Welsch vs Noot demand for the biennium equals 100 slots.

Note 1: Per diem cost estimates are based on a survey of DACs serving more seriously handicapped adults.

FY 81 \$ 28.20 per day
FY 82 \$ 30.75 per day*
FY 83 \$ 33.48 per day*

* based upon Department of Finance projection of 9.1% inflation for FY 82 and 8.6% for FY 83.

Budget calculations:

$$\begin{array}{lcl} \text{FY 82} & \text{--} & \frac{50 \text{ est. new clients} \times \$30.75 \times 214 \text{ days}}{2 \text{ (50\% average occupancy)}} = \$ 164,500 \text{ FY 82} \\ \text{FY 83} & \text{--} & 50 \text{ existing clients} \times \$33.48 \times 214 \text{ days} = \$ 358,240 \\ & & \frac{50 \text{ new clients} \times \$33.48 \times 214 \text{ days}}{2 \text{ (50\% ave occupancy)}} = \$ 179,120 \\ & & \$ 537,360 \\ & & \text{rounded: } \$ 537,400 \text{ FY 83} \\ & & \text{Biennium: } \$ 701,900 \end{array}$$

Financial participation in DACs by source (\$thousands):

	State	Counties	Total
FY 82	82.25	82.25	164.5
FY 83	268.7	268.7	537.4
Biennium	<u>350.95</u> (50%)	<u>350.95</u> (50%)	<u>701.9</u>

OBJECTIVE FOUR: Cost of Care portion, Community Residential Facilities.

* Weisch vs Noot demand is estimated to be 50 additional placement slots for the biennium.

Note 1: Average annual cost to the state and county is estimated to be \$10,712 per child. This is net cost, after payment of fees by third parties such as social security, parents, etc:

FY 82 ==	<u>25 additional children x \$10,712 annual</u>	= \$ 133,900	FY 82
	2 (for 50% average occupancy)		
FY 83 ==	25 existing children x \$10,712	= \$ 267,800	
	<u>25 additional children x \$10,712 annual</u>	= \$ 133,900	
	2 (for 50% average occupancy)		
		<u>\$ 401,700</u>	FY 83
		Biennium:	\$ 535,600

Financial participation in Cost of Care by source (\$thousands):

	State	Counties	Total
FY 82	66.95	66.95	133.9
FY 83	<u>200.85</u>	<u>200.85</u>	<u>401.7</u>
Total	267.8 (50%)	267.8 (50%)	535.6

OBJECTIVE FIVE: Work Activity and Sheltered Employment

Computations are in the budget of the Division of Vocational Rehabilitation, Department of Economic Security.

OBJECTIVE SIX: Family Subsidy program.

+ Welsch vs Noot demand is served by 45 additional families in FY 82, and 50 additional families in FY 83.

+ Average monthly grant per family has been \$220,

FY 82 -- 45 additional families x \$220 x 12 months = \$ 118,800 FY 82

FY 83 -- 95 families (beyond 1981) x \$220 x 12 = \$ 250,800 FY 83

Biennium: \$ 369,600 *

Financial participation by source (\$thousands):

	State	Counties	Total
FY 82	118.8	--	118.8
FY 83	250.8	--	250.8
Biennium	<u>369.6</u>	<u>--</u>	<u>369.6*</u>

* Negotiations on the consent decree led to stipulation to request a biennial increase of \$374,000, a difference of \$4,100 from the calculation given here.

OBJECTIVE SEVEN: Construction Grants-in-Aid.

+ The requested \$122,600 increase per year will bring the appropriation up to \$600,000 for the biennium. The basis for this figure is that it was negotiated by the Welsch vs Noot plaintiffs, the Department, and legislative staff.

FY 82 -- negotiated request FY 83 -- ' negotiated request

= \$ 122,600 FY 82

= \$ 122,600 FY 83

Biennium: \$ 245,200

Financial participation by source (\$thousands):

	State	Counties	Total
F Y	8 2	1 2 2 . 6	122.6
F Y	8 3	<u>1 2 2 . 6</u>	<u>122.6</u>
Biennium		245.2	<u>245.2</u>

OBJECTIVE TEN: Case Management Battery.

Note 1: The \$90,000 per year estimate is based upon actual operating costs for the past three years, with adjustment for inflation and for increased utilization and system application.

FY 82	FY 83	= \$ 90,000	FY 82
		= \$ 90,000	FY 83
	Biennium:	<u>\$ 180,000</u>	

Financial participation by source (\$thousands):

	State	Counties	Total
F Y	8 2	9 0 . 0	90.0
F Y	8 3	<u>9 0 . 0</u>	90.
Biennium		180.0	0
			180.0