

Department of Employment and Economic Development

FY16-17 Biennial Budget Change Item

Change Item: Extended Employment

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Workforce Development Fund				
Expenditures	250	250	250	250
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	250	250	250	250
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$500,000 for the SFY16-17 biennium in order for the SFY 2015 one-time Extended Employment provider rate increases to continue as ongoing base funding.

Rationale/Background:

DEED's Extended Employment Program Overview

DEED's Extended Employment program provides long-term job supports to help Minnesotans with significant disabilities keep their jobs and advance in their careers. Those services typically include assistance in training or retraining job tasks, dealing with schedule changes, adjusting to new supervisors, advancement to new job tasks or positions, and managing changes in non-work environments or life activities that affect work performance. Individuals who already have work skills and experience and are highly motivated to achieve success in their job are most likely to benefit from these services.

All of the 22 current Extended Employment Program providers funded by DEED offer supports for competitive employment. These providers, however, have significant non-competitive programs where the provider itself is the employer (usually sub-contracting with businesses to provide paid work for individuals with significant disabilities, typically at sub-minimum wage). In SFY 2014, 48 percent of the 4,943 individuals served by the Extended Employment providers did not work in a competitive job. The average hourly wage for these individuals was \$4.63, compared to an average wage of \$10.12 for individuals in competitive employment.

Employment Disparity

People with disabilities experience a real and significant employment disparity that affects their livelihoods, families, and economic security. In 2012, 12.0% of the Minnesota population age 16 and over had a disability. The employment rate for individuals with disabilities was 26.7%, compared to 72.1% for the general population.

This employment disparity results in a disproportionately high level of poverty among people with disabilities and, in more general terms, poses a threat to future economic growth and to the health and well-being of communities and people across the state. For Minnesota businesses, the employment disparity also signifies a missed opportunity to tap into a large, underutilized, and valuable talent pool – a resource with great potential to bring growth and shared prosperity throughout Minnesota.

The Minnesota Olmstead Vision

The Minnesota Olmstead vision is to ensure that Minnesotans with disabilities have the opportunity, both now and in the future, to live close to their families and friends, to live more independently, to engage in productive employment and to participate in community life. The vision includes:

- The opportunity and freedom for meaningful choice, self-determination, and increased quality of life, through: opportunities for economic self-sufficiency and employment options; choices of living location and situation, and having supports needed to allow for these choices;
- Systemic changes that support self-determination, through revised policies and practices across state government and the ongoing identification and development of opportunities beyond the choices available today;
- Readily available information about rights, options, and risks and benefits of these options, and the ability to revisit choices over time.

Proposal:

The Governor recommends \$500,000 for the SFY16-17 biennium in order for the SFY 2015 one-time Extended Employment provider rate increases to continue as ongoing base funding.

Extended Employment Program providers offering supported employment, community employment, and center-based employment services are paid at a specified rate for each hour worked by an individual with significant disabilities. These hours are based on verified hours and wages; verification comes from an annual program audit of individual worker records. In 2014, the Legislature added 2% to the rates paid to providers under this program.

This rate increase was necessary given the rising staff and benefit costs faced by community rehabilitation programs. If it is not continued, providers will face a 2% rate reduction in SFY 2016 and will struggle to maintain ongoing employment supports to almost 5,000 Extended Employment Program-supported workers across the state.

Approximately 55% of people served by the Extended Employment Program are in Greater Minnesota. Therefore, a cut to the rates paid under the program would disproportionately impact Greater Minnesota. The rate paid to Extended Employment Program providers had not kept up with inflation for many years.

The Minnesota Olmstead Plan Olmstead requires the State ensure that people with disabilities have choices for competitive, meaningful, and sustained employment in the most integrated setting. The rate increase has allowed providers to make greater strides toward a supported employment model of service. A cut would make it harder for them to continue that work as Olmstead Plan due dates get closer and closer.

IT Related Proposals:

N/A

Results:

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Number of individuals served	5,362	4,943	SFY 2010 – SFY 2014
Quantity	Hours worked by Extended Employees	4,112,387	3,939,191	SFY 2010 – SFY 2014
Quantity	Wages earned by Extended Employees	\$25,498,327	\$27,879,396	SFY 2010 – SFY 2014
Quality	Percent of Extended Employees with experience of competitive employment	43.8%	51.9%	SFY 2010 – SFY 2014
Quality	Percent of Extended Employment hours worked in competitive employment	35.9%	43.1%	SFY 2010 – SFY 2014
Quality	Percent of Extended Employment wages earned in competitive employment	56.7%	61.5%	SFY 2010 – SFY 2014
Results	Average hourly wage for all worked hours	\$6.20	\$7.08	SFY 2010 – SFY 2014
Results	Average hourly wage for all competitive employment hours	\$9.79	\$10.12	SFY 2010 – SFY 2014

Statutory Change(s):

N/A

Department of Employment and Economic Development

FY16-17 Biennial Budget Change Item

Change Item: Individual Placement and Supports

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,000	1,000	1,000	1,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,000	1,000	1,000	1,000
FTEs	1	1	1	1

Request:

The Governor recommends \$2,000,000 for the biennium to maintain the expansion of Individual Placement and Supports projects that occurred in the FY2014-15 biennium and support further expansion of Individual Placement and Supports projects.

Rationale/Background:

Individual Placement and Supports Program Overview

National research has shown that work is a critical component of recovery for people with mental illness. Work allows independence; people who work feel better about themselves, have a sense of social connection to their communities and to other people, and earn higher incomes.

DEED's Individual Placement and Supports Program, operated by the agency's Vocational Rehabilitation Services Division, assists people with serious mental illness to achieve steady employment in mainstream competitive jobs by providing counseling and long-term job supports. Those services typically include assistance in training or retraining job tasks, dealing with schedule changes, adjusting to new supervisors, advancement to new job tasks or positions, and managing changes in non-work environments or life activities that affect work performance. In Minnesota, individuals with serious mental illness obtain a 56 percent success rate when engaged in the Individual Placement and Supports Program (resulting in 112 out of 200 individuals served by the program obtaining and maintaining employment).

Employment Disparity

People with serious mental illness experience a real and significant employment disparity that affects their livelihoods, families, and economic security. In Minnesota, 85 percent of individuals served by public mental health systems are unemployed. Those who are deaf/hard of hearing, New Americans, Native Americans, and African American with serious mental illness face an unemployment rate of more than 90 percent.

This employment disparity results in a disproportionately high level of poverty among people with disabilities and, in more general terms, poses a threat to future economic growth and to the health and well-being of communities and people across the state. For Minnesota businesses, the employment disparity also signifies a missed opportunity to tap into a large, underutilized, and valuable talent pool – a resource with great potential to bring growth and shared prosperity throughout Minnesota.

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- Systemic changes that support self-determination, through revised policies and practices across state government and the ongoing identification and development of opportunities beyond the choices available today;

- Readily available information about rights, options, and risks and benefits of these options, and the ability to revisit choices over time.

Proposal:

This recommendation will allow the State to meet the Minnesota Olmstead Plan action item that states: By June 30, 2015 expand Individual Placement and Support (IPS) employment for Minnesotans with serious mental illness in 17 additional counties, providing integrated employment for an additional 200 individuals.

Maintain expansion

In 2013, the Minnesota Legislature appropriated \$1 million in one-time funding to expand the number of Individual Placement and Support (Serious Mental Illness) projects from 6 to 23. The Governor recommends this \$1 million one-time funding become part of the permanent base funding to sustain the growth that occurred in the SFY14-15 biennium. If funding is not continued, there will be a significant reduction in services statewide. The 17 county, 200 person Individual Placement and Support service capacity required by the Olmstead Plan has been successfully established using the \$1 million one-time funding from the 2013 Legislature. Additional funding is needed to maintain that expansion and continue these services. Funding at a lower amount would result in a cut to existing Individual Placement and Support services available to these 17 counties, 200 individuals.

Support further expansion

The Governor recommends an additional \$1 million become part of the permanent base funding to maintain and augment existing Individual Placement and Support projects, and to support expansion of Individual Placement and Support projects.

IT Related Proposals:

N/A

Results:

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Number of individuals served in IPS	167	639	SFY13 to SFY14
Quality	Percentage of Counties with access to an IPS Project	10.3%	47.1%	SFY13 to SFY14
Results	Average hours worked per week	19.0	15.5	SFY13 to SFY14
Results	Average hourly wages earned by individuals served	\$9.80	\$10.37	SFY13 to SFY14

Statutory Change(s):

N/A

Department of Employment and Economic Development

FY16-17 Biennial Budget Change Item

Change Item: Olmstead Implementation Office

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	425	425	394	394
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	425	425	394	394
FTEs	2.0	2.0	2.0	2.0

Recommendation:

The Governor recommends an \$850,000 increase for the FY2016-17 biennium and a \$788,000 increase for the FY2018-19 biennium for the Olmstead Implementation Office (OIO).

Rationale/Background:

A 1999 US Supreme Court decision, *Olmstead v. L.C.*, found that the Americans with Disabilities Act requires states to provide services to people with disabilities in the “most integrated settings” appropriate to their needs.

The court came to this conclusion for two reasons:

- That segregation of individuals with disabilities perpetuates the notion that some individuals are incapable or unworthy of participating in community life, and
- That such segregation severely diminishes a person’s life, family relations, social contacts, work options, economic independence, educational advancement, and cultural enrichment.

In 2011, the Minnesota DHS entered into a settlement agreement that required the development of a Minnesota-specific Olmstead Plan. That Plan was developed over 2 years by a dedicated planning committee that included individuals with disabilities, family members, providers, and advocates; and the Olmstead Subcabinet, a group of 8 state agencies – including Corrections, Education, DEED, Health, Human Rights, Department of Human Services, Department of Transportation, and the Minnesota Housing Finance Agency – established by Gov. Dayton. These goals include, for example, commitments to individuals who are unnecessarily segregated in facilities for individuals with developmental disabilities, psychiatric hospitals, nursing homes and board and care homes.

To implement these changes in the agreed-upon timeline, the state has established an Olmstead Implementation Office, a cross-agency body that will oversee the implementation of Minnesota’s Olmstead Plan. While DEED is the fiscal agent for the OIO, this Office is involved with all agencies in state government and its work is overseen by the Olmstead Subcabinet.

Federal court monitors are closely watching the progress of Minnesota’s Olmstead Plan implementation and ensuring that we comply with the Jensen settlement agreement. Some of the reforms we need to make cannot be accomplished overnight, but we will be working hard to achieve these important goals.

The Olmstead Implementation Office is focused on providing accountability, coordination among the agencies, engagement with the community, and conducting the Quality of Life survey.

Proposal:

The Governor recommends an \$850,000 FY16-17 increase for the Olmstead Implementation Office (OIO) to carryout duties as listed below.

The Olmstead plan establishes actions for reforming the delivery of programs and services to people with disabilities so they have a greater range of choices for living, working and going to school in more integrated settings. Because these programs are managed by eight separate state agencies, significant coordination is necessary to achieve these changes and to provide required reports to the

court monitor. The increased funding will allow the Olmstead Implementation Office to assume full responsibility for monitoring compliance with the plan (work currently being performed by DHS) and implement the Quality of Life assessment that will measure the changes to the lives of disabled people as a result of actions taken in other parts of the plan.

The OIO works within an extraordinarily dynamic and complex network of relationships – the Plan, governmental, interagency and multidisciplinary – all in an environment of the differing perspectives of diverse constituencies and stakeholders. The proposal increases the size of the OIO in order to reliably accomplish the follow functions envisioned by the Court and Subcabinet.

Plan Implementation: The OIO provides the interface on matters of Plan implementation to mutually inform the Court and the Sub-Cabinet on whether the requirements of the Olmstead Plan under the Jensen settlement agreement are being met. This means establishing and maintaining a working relationship with the Court through the Court Monitor that provides the conduit for communication about questions, concerns or issues in Plan implementation. The relationship to the Court Monitor is carried out through face-to-face meetings, video conferences, conference calls, and the exchange of information through reports, memos and email communication. Attorneys representing the state and legal counsel for the plaintiffs are typically included in formal communication about Plan monitoring, reporting and modification. The OIO is expected to raise issues of Plan performance to both the Sub-Cabinet and to the Court. The OIO provides the Sub-Cabinet with bi-monthly status reports on Plan implementation that are also provided to the Court, the Court Monitor, and the parties to the Jensen settlement agreement. Monitoring and reporting on implementation of the plan will take involvement of virtually all of the staff proposed for the OIO.

Sub-Cabinet: The OIO reports to the Olmstead Sub-Cabinet comprised of the Commissioner or designees from eight state agencies: Department of Corrections, Department of Education, Department of Employment and Economic Development, Department of Health, Department of Human Rights, Department of Human Services, Department of Transportation and Minnesota Housing Finance Agency. The Sub-Cabinet is chaired by the Lieutenant Governor. The OIO establishes and facilitates bi-monthly meetings of the Sub-Cabinet to update on the status of the Plan. The status reports in these bi-monthly meetings provide the content for the Sub-Cabinet's communication with the Court Monitor and the Court. The OIO also has responsibilities to work with representatives from the Governor's Council on Developmental Disabilities and from the Office of the Ombudsman for Mental Health and Developmental Disabilities who are ex-officio members of the Sub-Cabinet. The executive director will have direct reporting responsibility with the Sub Cabinet.

Interagency Coordination: The Olmstead Plan defines Strategic Actions with tasks and timelines across the public service domains of Olmstead Sub-Cabinet agencies. Strategic Actions with tasks and timelines are set forth for Employment, Housing, Transportation, Supports and Services, Lifelong Learning and Education, Healthcare and Healthy Living, and Community Engagement. Goals often involve complex and demanding interagency collaboration requiring new levels of multi-agency communication and coordination. To provide the monitoring, support and technical assistance to the Olmstead agency efforts, the OIO works with Olmstead Agency Leads responsible for coordinating and reporting on the Plan progress and problems within each agency. For the OIO, this requires establishing working relationships with agency leads and a working understanding of the key issues addressed across the public service domains of the Olmstead Sub-Cabinet agencies. When the Olmstead Plan is modified, Olmstead Agency Leads have primary responsibility for communicating with the OIO and the Olmstead Drafting Team. Consequently OIO staff understands and communicate about proposed modifications to the Plan in order to determine whether "good cause" for Plan modification has been shown. The work of facilitating interagency collaboration will be staffed by a team made up of the OIO legal/policy staff, data analyst, Executive and Assistant Directors.

Community Engagement: The OIO must relate to an exceptionally diverse group of stakeholders and constituencies. The focus of Olmstead is on Minnesotans with disabilities whose rights are protected by the Americans with Disabilities Act (ADA). This means people with disabilities, regardless of age or disability, are at the center of efforts under Olmstead. Thus, Minnesota's disability community, including parents and representatives of persons with disabilities and disability advocacy groups are preeminent among Olmstead stakeholders and constituencies. Olmstead agency service-providing staff and external service-providing entities are critically important constituencies. The OIO Executive and Assistant Director will conduct the bulk of community engagement work with the help of OIO communications staff person.

Quality of Life: The Quality of Life Assessment will be the critical piece that defines the purpose of the Olmstead Plan. The state of Minnesota will conduct annual surveys and interviews of people with disabilities to determine quality of life, including: How well people with disabilities are integrated into and engaged with their community? How much autonomy people with disabilities have in day to day decision making? Where people with disabilities are working and living in the most integrated setting that they choose. The aim of this tool that is tested, reliable, validated, low cost, systematic, and repeatable, and it will apply to all people with disabilities. The OIO will contract for the collection of Quality of Life Assessment data. A three person team will conduct the evaluative analysis of the data and draft reports on progress toward meeting goals in the Olmstead Plan.

Quality Assurance: The purpose of the Quality Assurance and Accountability is to establish a statewide quality structure that measures performance, provide transparency, and assures accountability. The four main strategic actions to ensure quality and accountability are: Quality of Life measurement; dispute resolution process for individuals with disabilities; oversight and monitoring implementation of plan; and quality improvement. The Assistant Director will have operational responsibility for quality assurance and accountability activities with the support of the dispute resolution, legal/policy and data analyst positions.

The Olmstead Plan also identifies several specific responsibilities for the OIO, which operates under the authority of the Subcabinet. Although the Subcabinet will necessarily rely on subject matter experts from the agencies, the OIO will need staff and other resources to carry-out the inter-agency coordination required of the Subcabinet and to support the overall implementation of the Plan.

Many of the actions described in the Plan will take time and resources to implement, but there are important changes that will need to happen in the first year of the plan with substantial resources. These changes will make a real difference in the lives of individuals with disabilities.

- Concrete changes to reduce the number of people in segregated service settings
- Expansion of transition services for high schools students
- Expansion of self-advocacy and peer support options
- Increased control over housing
- Increased control over personal care.
- Increased integrated employment opportunities.
- Movement towards Positive Practices and away from seclusion, restraints and other restrictive practices.
- New practices to improve health outcomes.

The impact on the state agencies and Olmstead Office is significant. It is transformational in sense development of product, delivery and service. Transition will be necessary to prepare change in how we successfully collaborate, provide service and advocate for transformation. Effective implementation will require substantial resources in the early phase and complete support from the leadership and providers.

IT Related Proposals:

N/A

Results:

The Olmstead Office has adopted the Quality Improvement Plan and the Quality of Life assessment as the overarching monitoring and compliance practice for all Olmstead related activities. The quality assurance and outcome measures will be scrutinized and documented in bi-monthly reports for the Courts for each assigned action item. The subcabinet oversees the Olmstead Office. The Olmstead Office works closely with the administrative staff from various state agencies to ensure outcomes of action items are appropriately progressing.

Statutory Change(s):

N/A

Education

FY16-17 Biennial Budget Change Item

Change Item: Positive Behavioral Interventions and Supports (PBIS)

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	2,300	2,300	2,300	2,300
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,300	2,300	2,300	2,300
FTEs	2	2	2	2

Recommendation:

The Governor recommends providing additional support to accelerate the implementation of school-wide Positive Behavioral Interventions and Supports (PBIS) in schools and districts throughout Minnesota. This funding will increase the training, coaching, and evaluation supports available for schools and districts who are implementing PBIS.

Rationale/Background:

This proposal supports Minnesota schools to effectively implement school-wide PBIS. PBIS allows school personnel to organize evidence-based behavioral interventions into an integrated continuum that enhances academic and social behavior outcomes for all students. PBIS is not a packaged curriculum, scripted intervention, or manual strategy. PBIS is a prevention-oriented way for school personnel to (a) organize evidence-based practices, (b) improve their implementation of those practices, and (c) maximize academic and social behavior outcomes for students. PBIS supports the success of all students.

This funding helps schools and districts to put an effective, evidence-based framework for behavior into place in their schools. It also builds on legislative priorities around the reduction in the use of restrictive procedures and the Olmstead plan. Minnesota has seen rapid growth in PBIS over the past ten years, and concurrent reductions in statewide disciplinary data as reported in the Disciplinary Incident Reporting system. After years of increases in the number of disciplinary incidents, the trend data has started to rapidly decrease, showing a 20% decrease for all students from 2010-11 to 2013-14. This decrease has resulted in increased time for principals and teachers to focus on instruction, and for students in class receiving instruction. Despite the improvements, Minnesota still has a long way to go to get to full implementation of these practices across the state.

Proposal:

This request provides additional support to schools to enhance and accelerate existing programs. Support includes grants to provide training, coaching, and evaluation for school teams in training. The training is free for schools, with regional grants supporting the costs of facilities, trainers and incidentals. Funding will also flow through to districts for collection and reporting of implementation and evaluation data, supporting sustained implementation. The funding can support schools individual needs, which could relate to data collection and reporting, ongoing professional development, cost of materials, etc.

To date there have been 167 districts (which includes 14 charter schools) that have participated in training, which means at least one school from the district has participated. The plan is to get to all districts in the state, by continuing to offer training cohorts for schools to get trained within their region of the state. The increased funding helps accelerate this process.

Results:

Results will consider effort, fidelity and outcome data. Effort relates to data such as the number of people, schools or districts trained. Fidelity data will address how well schools are implementing the evidence-based practices of PBIS, as a result of the training and coaching they receive. Outcomes will focus on the types of indicators that will be impacted with broad scale, effective implementation, such as decreases in suspensions, decreases in office disciplinary referrals, increases in school climate and student engagement, and increases in student achievement.

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	% of schools trained in PBIS	NA	24%	2014
Results	Decrease in Disciplinary Incidents	NA	20%	2010-11 to 2013-14

Statutory Change(s):

n/a

Housing Finance

FY16-17 Biennial Budget Change Item

Change Item: Bridges

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Appropriation	1,250	1,250	1,250	1,250
Transfer Out	1,250	1,250	1,250	1,250
Housing Fund				
Expenditures	1,250	1,250	1,250	1,250
Transfers in	1,250	1,250	1,250	1,250
Net Fiscal Impact = (Expenditures – Revenues)	1,250	1,250	1,250	1,250
FTEs	0	0	0	0

Recommendation:

The Governor recommends a \$2.5 million biennial increase in the base budget for the Bridges program. This represents a 44% increase to the program's base funding and a 2.5% increase to MHFA's base budget as a whole.

Rationale/Background:

Through the Bridges program, Minnesota Housing provides rental assistance for households in which at least one adult member has a serious mental illness. Households with incomes below 50 percent of the area median income are eligible for this program. Currently, 50% of area median income is \$41,450 for a 4 person household in the metropolitan area and \$36,200 for a 4 person households in much of the remainder of the state.

Under this program, households are stabilized in the community until a Section 8 certificate or voucher becomes available. This program will play an important role in the state's Olmstead Implementation Plan. The goal of the Olmstead Implementation Plan is for people with disabilities to live, work and learn in the most integrated setting. The Bridges program will help meet the goal of allowing people with disabilities to choose where they live, with whom and in what type of housing.

Minnesota Housing partners with the Department of Human Services (DHS) to deliver this program. Households served under the program receive both rental assistance and access to community mental health services. DHS provides referrals to Bridges through the Projects for Assistance in Transition from Homelessness (PATH) program, as well as other referral sources. PATH is a federal grant program to help people who are homeless and have serious mental illness. The program funds community-based outreach, mental health, substance abuse, case management and other support services, as well as a limited set of housing services. In 2013, more than 1,900 households were enrolled in the PATH program. In 2013, we served 707 households with Bridges. The current waiting list for Bridges is 1,300 households.

Prior to receiving a rental assistance voucher through Bridges, households frequently live with family or friends, live in housing that is more expensive than they can afford, live in emergency shelter, or have been in an institution.

Proposal:

This proposal represents an increase to an existing program. This increase will allow MHFA to serve an estimated 200 additional households for the biennium. This additional assistance will help reduce the current waiting list and will help us meet goals outlined in the state's Olmstead Implementation Plan. Persons with mental illness are often among the most difficult to house.

Minnesota Housing works with local government agencies to deliver the Bridges program. Administrators are selected or re-certified each biennium following the legislative session. Minnesota Housing will also continue to work directly with DHS to administer the Bridges program.

This initiative does not increase operating expenses because it is incorporated into an existing program and funding process.

Results:

MHFA measures success in this program by examining the housing stability of households served. The performance measures below are for all of Minnesota Housing's supportive housing programs, which include Bridges, the Housing Trust Fund, and the federal Housing Opportunities for Persons with AIDS (HOPWA) program.

Type of Measure	Name of Measure	Previous	Current	Dates
Quality	Percentage of people who remained in housing for at least a year or had a positive exit (moved to permanent affordable housing)	87%	98%	FFY 2012, FFY2013
Results	Percentage of people served who did not return to institutions.	89%	88%	FFY2012, FFY2013

Under the Bridges program in state fiscal year 2014, of 695 participants, only 3 exited to an institution during the year, which is less than 1% of participants. Of those participants, 95% stayed for at least one year or had a positive exit.

Statutory Change(s):

None

Human Services

FY16-17 Biennial Budget Change Item

Change Item: Improvement and Expansion of Mental Health Crisis Services

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,296	1,284	2,987	3,697
Revenues				
Other Funds – Health Care Access				
Expenditures	1,035	1,040	0	0
Revenues	0	0	0	0
*Net Fiscal Impact = (Expenditures – Revenues)	2,331	2,324	2,987	3,697
FTEs	2.0	2.0	2.0	2.0

Recommendation:

The Governor recommends the improvement and expansion of mental health crisis services, including establishing a single statewide phone number, enhancing oversight and training of the state's mobile crisis services, and providing 24/7 coverage statewide by July 2018. This proposal will also fund specialty telephone consultation 24 hours a day to mobile crisis teams serving people with traumatic brain injury or intellectual disability who are experiencing a mental health crisis. The net state cost of this proposal is \$4.6 million in the FY2016-17 biennium and \$6.7 million in the following biennium.

Rationale/Background:

Since 2006, Minnesota has been gradually building an infrastructure of mental health crisis response services throughout the state. While Minnesota has made progress in expanding access to mental health crisis response services, the quality and availability of crisis services still varies greatly. The current services vary from region to region and county to county in a number of ways. There is very little comparability in the hours of services and the criteria for when mobile crisis response services are dispatched. Metro county residents and some rural residents have mental health crisis response services available to them 24 hours a day, every day of the year while other regions do not offer services around the clock.

Recipients of emergency phone services have indicated that there is discrepancy in the way that the phone staff determines when to dispatch a mobile team. Some rarely dispatch mobile teams, while others dispatch teams upon request. This unevenness of services may be due to the requirement that each county fund an emergency toll-free phone line. In addition, there is no single statewide telephone number for accessing mental health crisis response services, which creates confusion for individuals attempting to utilize these services.

Mental health crisis response providers also serve individuals with brain injury or intellectual disability who are experiencing a mental health crisis. These providers do not always have the resources and expertise to serve these individuals. Providers need access to consultation and support in order to serve these individuals effectively.

Proposal:

The expansion of state grant funding proposed here will increase access to mental health crisis response services around the state and would make significant enhancements to the state's mental health crisis infrastructure. The proposal will support continued expansion of adult and children's mobile crisis services in order to provide statewide, 24/7 coverage by July 2018 and establish a statewide phone number that would immediately connect with the person's closest crisis response provider.

The proposal also seeks to improve the quality and consistency of mobile crisis services by providing enhanced oversight and training of the state's mobile crisis services, including certifying emergency phone lines to standardize and assure staff meet training requirements, establishing more appropriate standards for crisis services to distinguish them from rehabilitation services, and developing and implementing statewide protocols for triage and handoffs to other services. This proposal is an attempt to create a common expectation via standards about what crisis response providers must offer and what recipients of service may expect. The development of certification for emergency phone lines and protocols for "hand-off" between phone or text emergency lines and mobile crisis teams is also an effort to assure comparable services throughout the state.

This proposal will also provide funding to the Metro Crisis Coordination Program (MCCP) to allow them to begin providing specialty telephone consultation 24 hours a day to mobile crisis teams who are serving people with traumatic brain injury or intellectual disability who are experiencing a mental health crisis.

The proposal includes 2.0 FTEs and additional contract support to manage the expansion of services, the certification of emergency phone lines, and to provide training and technical assistance to the mobile crisis providers.

Results:

- Hospitalization rates following crisis services are collected. The number of episodes of service and the unduplicated number of individuals is tracked along with demographic information about the people served. The presenting problems are also tracked.
- The percentage of both adults and children who require hospitalization following crisis services has remained steady since the majority of the programs began in 2009. The number of episodes of service rose rapidly for the first several years of the service but seems to have peaked and remain stable.

Type of Measure	Name of Measure	Previous FY 2012	Current FY 2013	Dates
Quantity	Adult Crisis Response Episodes	11,094	10,918	FY2012 and 2013
Quantity	Children's Crisis Response Episodes	3618	3075	FY2012 and 2013
Quality	Adult Hospitalizations following crisis services	1553 (14%)	1637 (15%)	FY2012 and 2013
Quality	Children's Hospitalizations following crisis services	36 (10%)	31 (10.6%)	FY2012 and 2013
Results	Adults experiencing crisis did not need hospitalization	9541 (86%)	9280 (85%)	FY2012 and 2013
Results	Children experiencing crisis did not need hospitalization	3256 (90%)	2737 (89%)	FY2012 and 2013

Statutory Change(s):
Minnesota Statutes 256B.0624

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				1,296	1,284	2,580	2,987	3,697	6,684
HCAF				1,035	1,040	2,075	0	0	0
Federal TANF									
Total All Funds			\$0	2,331	2,324	4,655	2,987	3,697	6,684
Fund	BACT#	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	Medical Assistance		0	0	0	37	147	184
HCAF	57	Adult MH Grants		1,035	1,040	2,075	0	0	0
GF	57	Adult MH Grants		0	0	0	1,353	1,653	3,006
GF	58	Children's Mental Health Grants		1,035	1,040	2,075	1,353	1,653	3,006
GF	15	Adult & Children's MH Division		402	376	778	376	376	692
GF	Rev1	FFP @ 35%		(141)	(132)	(273)	(132)	(132)	(264)
Requested FTE's									
GF	15	Adult & Children's MH Division		2.0	2.0		2.0	2.0	

Human Services

FY16-17 Biennial Budget Change Item

Change Item: Increased Capacity for Individuals with Complex Conditions

Fiscal Impact (\$000s)	FY2015	FY 2016	FY 2017	FY 2018	FY 2019
General Fund					
Expenditures	1,000	5,107	5,793	11,026	16,258
Revenues	0	1,122	1,122	1,122	1,122
Transfer In	1,000	0	0	0	0
Other Funds					
Expenditures	3,200	0	0	0	0
Revenues	0	740	1,480	1,480	1,480
Transfer In	3,200				
Transfer Out	4,200	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	3,245	3,191	8,424	13,656
FTEs	0	50.77	50.77	92.32	133.87

Recommendation:

Effective July 1, 2015, the Governor recommends increasing the general fund base for Direct Care & Treatment (DCT) State Operated Mental Health Services to provide funding for the creation of three new state-operated service locations – one Intensive Residential Treatment Services (IRTS) facility and two Community Behavioral Health Hospitals (CBHHs). The proposal also requests additional funding to support a staffing model at the existing CBHHs to allow these facilities to more fully utilize their licensed bed capacity.

The state cost of this proposal is \$8.7 million in the FY16-17 biennium and \$25 million in the FY18-19 biennium. The cost of this recommendation is partially offset by the county share of the cost of care and other dedicated revenue.

Effective the day following final enactment, the Governor also recommends making some one-time reallocations of a portion of the receipts earned by state-operated Intensive Residential Treatment Services and foster care services that are not currently dedicated to another purpose: \$3.2 million is to be transferred to the Minnesota State Operated Community Services (MSOCS) enterprise account to prevent that account from ending fiscal year 2015 with a negative cash balance; and \$1.0 million is to be transferred to the State Operated Services Mental Health budget activity, to help alleviate the significant fiscal year 2015 budget pressures from increased costs in that part of the department's direct care and treatment budget.

Rationale/Background:

The state needs increased capacity to serve individuals with the most complex conditions as current capacity is not adequately meeting the need. Anoka Metro Regional Treatment Center (AMRTC) is licensed as a psychiatric hospital with an operating bed capacity of 110. Due in part to a lack of system-wide capacity to serve individuals with the most complex mental health conditions, AMRTC has a lengthy waiting list — over 75 people as of January 2015.

In addition, on any given day 40% of the individuals at AMRTC do not require a hospital level of care but cannot be discharged due to placement barriers. A group of these individuals require on-going mental health rehabilitation services, but their needs do not fit into the current model of residential services being provided. This leaves these individuals “stuck” in a higher, more costly level of care than they need, and restricts the ability of AMRTC to admit individuals who need hospital level of care.

Furthermore, the state is not able to fully utilize its existing licensed capacity to serve individuals with the highest needs. DCT operates seven CBHHs around the state. CBHHs are 16-bed licensed psychiatric hospitals that treat individuals who are committed to the commissioner. Much like AMRTC, there is a waiting list for these facilities. Almost all of these sites are currently operating below their licensed bed capacity due to current funding levels that do not support the staffing required to care for individuals with complex needs. Under the current funding level DHS is only able to appropriately staff 86 out of the 112 licensed CBHH beds.

Lastly, some areas of the state do not have sufficient access to any inpatient mental health services for adults with complex needs and this requires individuals to travel long distances to receive the services they need. This further exacerbates the pressure on the rest of the system.

Proposal:

This proposal seeks to increase the capacity of the state to serve individuals with the most complex conditions by creating three new state-operated service locations — one Intensive Residential Treatment Services (IRTS) facility and two Community Behavioral Health Hospitals (CBHHs).

This proposal will add a new state-operated IRTS facility, which will serve as an alternative level of care for individuals currently being served at AMRTC who do not require hospital level of care but still need a higher level of care than can be found in most residential treatment facilities. This new level of care would reduce discharge barriers for people at AMRTC and reduce the number of days spent in an inappropriate and more restrictive level of care. This facility will be operational in FY16 and serve an average daily census of 12-14 once it is fully operational.

The proposal will establish two additional CBHHs in order to expand service availability in currently underserved geographic areas of the state. Each new CBHH (1 in FY18 and 1 in FY19) will serve an average daily census of 12-14 once they are fully operational.

All three of the new programs will need additional direct care staff including registered nurses, human services technicians, mental health professionals and other direct care staff.

The proposal also requests additional funding to support a staffing model at the existing CBHHs to allow these facilities to more fully utilize their licensed bed capacity. This proposal will allow the state to utilize an additional 11 licensed CBHH beds in existing facilities that are not currently being used by providing funding to support the appropriate staffing levels.

Effective the day following final enactment, the proposal also makes two one-time reallocations of a portion of the receipts earned by state-operated Intensive Residential Treatment Services and foster care services that are not currently dedicated to another purpose: using \$3.2 million for the Minnesota State Operated Community Services (MSOCS) enterprise account, to prevent that account from ending fiscal year 2015 with a negative cash balance; and using \$1.0 million to increase funding for the State Operated Services Mental Health budget activity, to help alleviate the significant fiscal year 2015 budget pressures from increased costs in that part of the department’s direct care and treatment budget.

Results:

The opening of the new state-operated IRTS facility is expected to reduce the number of unnecessary hospitalization days at AMRTC by providing an additional step-down treatment location. We will monitor changes in our count of Do Not Meet Criteria (DNMC) days to evaluate the effectiveness of this proposal in positively impacting this measure.

AMRTC Do Not Meet Criteria (DNMC)	CY2010	CY2011	CY2012	CY2013	CY2014 (YTD)
Number of days	11,758	10,837	13,995	14,064	9,423

Statutory Change(s):

Rider in Appropriations article, section 2, subdivision 7

Human Services

FY16-17 Biennial Budget Change Item

Change Item: Transition Initiatives Flexibility

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	382	1,259	2,210	3,333
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	382	1,259	2,210	3,333
FTEs	0	0	0	0

Recommendation:

The Governor recommends expanding eligibility for the Transition to Community Initiative to help more people being served in state-operated facilities transition back to the community, regardless of age. This recommendation expands eligibility for the 2013 Transition to Community Initiative to people age 65 and older who are receiving services at Anoka Metro Regional Treatment Center, the Minnesota Security Hospital, or the Forensic Nursing Home in St. Peter and who no longer require hospital level of care. With this recommendation the Governor also expands eligibility to adults over age 65 being served at Community Behavioral Health Hospitals (CBHHs). This proposal invests \$382 thousand in FY16 and \$1.26 million in FY17.

Rationale/Background:

The 2013 Legislature created the Transition to Community Initiative to help people being served at Anoka Metro Regional Treatment Center (AMRTC) and the Minnesota Security Hospital (MSH), who no longer require the level of care provided at these facilities, to transition to the community. That initiative provides access to a range of services, including home and community based services waivers, to help people leave these facilities and live successfully in the community. DHS central office staff also work with staff at AMRTC and MSH, counties, tribes, and other stakeholders as part of this initiative to identify and address barriers for people who are ready to return to the community but who have not been able to do so. These efforts have resulted in a successful return to the community for a number of people.

The Transition to Community Initiative is on-going and will continue supporting people transitioning from AMRTC and MSH. We have learned that individuals over the age of 65 could also benefit from this type of transition support. People over age 65 also face an additional set of unique challenges. Under the current federally-approved Medicaid waiver plans and current state law, individuals age 65 and over who were not being served on a Brain Injury (BI) waiver or Community Alternatives for Disabled Individuals (CADI) waiver prior to entering AMRTC and MSH are not eligible for these waivers. In addition, for many individuals age 65 and older who are discharging from AMRTC and MSH, the level of funding available through the Elderly Waiver (EW) is not sufficient to meet their complex needs. This creates a barrier to an appropriate and timely discharge.

Proposal:

This proposal will support the transition of people, regardless of age, who have complex needs, and are trying to return to the community after receiving treatment at state-operated facilities. The goal of this proposal is to transition these individuals into and to see them remain in the community setting of their choice.

The proposal will expand eligibility for the Transition to Community Initiative to people age 65 and older who are receiving services at Anoka Metro Regional Treatment Center (AMRTC), the Minnesota Security Hospital (MSH), or the Forensic Nursing Home in St. Peter and who no longer require hospital level of care. It would also include people over age 65 who are being served at Community Behavioral Health Hospitals (CBHHs).

Transition grant funds already available under the Transition to Community Initiative will also be used to assist eligible individuals, across populations, and their providers in preparing for the move to the community and will meet any needs that cannot currently be met with MA-funded services.

This proposal will also provide an enhanced budget through the Elderly Waiver (EW) program for people over age 65 who are exiting these state operated institutional settings. This will address the issue that resources available under the EW program may not be sufficient to help people with complex needs transition to more integrated settings.

DHS anticipates serving 41 additional individuals, across eligible populations and settings, by FY 2019 under this proposal.

Results:

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Percent of people with disabilities who receive home and community-based services	93.7%	94.2%	2012-2013
Quantity	Percent of seniors served who receive home and community-based waiver services	67.1%	68.5%	2012-2013

To assess the effectiveness of this proposal we will measure the number of individuals, regardless of age, that transition from AMRTC or MSH under this proposal.

Statutory Change(s): M.S. §256.478; §256B.0915; §256B.092; §256B.49

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (000's)			FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund			382	1,259	1,641	2,210	3,333	5,543
HCAF Fund								
Federal TANF								
Other Fund								
Total All Funds			382	1,259	1,641	2,210	3,333	5,543
Fund	BACT #	Description	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	MA Grants – LW	374	1,236	1,610	2,177	3,298	5,475
GF	33	MA Grants – ED	8	23	31	33	35	68
Requested FTE's								