

Colleen Wieck

From: Jennifer Negus [jnegus@hsri.org]
Sent: Monday, February 10, 2003 1:50
To: Colleen.Wieck@state.mn.us
Subject: FW: Minnesota

-----Original Message-----

From: Gary Smith [mailto:chromedome6@earthlink.net]
Sent: Monday, February 10, 2003 4:37 AM
To: Amber Cooper; Amy LeTourneau; Elizabeth Pell; Gary Smith; Guisi Chiri; Jaime; Janae Zolna; Jennifer Negus; John Agosta; Julie Silver; June Rowe; Kerri Melda; Marianne Taylor; Mike Nikolenko; Reena Wagle; Sarah Knipper; Sarah Taub; Val Bradley
Subject: Minnesota

Posted on Mon, Feb. 10, 2003



**DAKOTA COUNTY: Budget crisis for disabled
Area social services agencies will feel the state's fiscal pain.
BY AMY SHERMAN
Pioneer Press**

In flush financial times in 1999, state legislators told officials to direct unspent medical-assistance dollars to children and adults with disabilities. When the pot hit \$12 million in 2001, the state invited counties to sign up more clients for services.

The Human Services Department had expected an addition of about 500 clients during three months. Try 5,500.

Now faced with a budget crisis and the need to serve about 15,000 clients, the state Human Services Department is trying to put the brakes on the rising costs of a \$788 million program. Counties, as a result, are getting far less money than they expected.

The change will have a profound effect on many of the nearly 900 families who receive these funds in Dakota County, one of the first governments to tell families how much less money they are each getting this year.

The struggle over funding shows the risk of expanding medical programs when times are good, a concern some county officials raised at the time.

It also speaks to the rhetoric of budget balancing: The state observes, correctly, that total funding to counties is increasing; Dakota County officials say, also correctly, that many families will receive less money this year than last.

Susan Larson is one of those recipients. She will get about \$6,000 less than she anticipated this year for her 8-year-old son Drew, who is autistic.

"It's frightening to me," said the Rosemount woman. "Am I still going to be able to provide music therapy for him, which he adores? It's all kind of a guessing game right now. ... These kids need

02/12/2003

every ounce of support they got last year and then some."

Offering services to more people was the right decision, said Shirley Patterson, a director with the state Department of Human Services. And it wasn't the only culprit for rising costs — the state has seen growth well beyond inflation for recipients who had been on the waiver for years, Patterson said.

"In a time of surplus, it was certainly good to try to serve more people, that was the intent. Some families who were really struggling had young children. Some were elderly parents that had an adult child at home who really needed services. Some people who got served were in institutions and wanted out of institutions," she said.

GOAL: AVOID INSTITUTIONALIZATION

The money from the program, called a mentally retarded and related conditions waiver, helps people stay in their own homes or in group homes.

The program, funded by the state and federal government and administered by the counties, pays for modifications to houses and salaries for therapists. Professionals teach clients how to make lunch or ride the bus.

The goal is to avoid costly institutionalization. On average, the annual cost for a waiver client who lives at home or in a small group home is \$53,000, while institutionalization costs \$77,000.

In the past, not every client used all the dollars allocated. To contain growth, the state reset county budgets by adding 7 percent to what they actually spent in fiscal year 2002, with extra money to be provided for recipients who start this year.

That has counties wrestling with who will get less this year.

Although some counties say they will evaluate clients' budgets on a case-by-case basis and may not make blanket reductions, the bottom line is that some clients will likely have services reduced.

"We're doing everything we can to not have it affect (clients) in a negative way," said Jerry Pederson, a manager in Anoka County. "It's definitely a reduction in the amount we can extend for services."

State officials see things differently.

"We disagree that it's a budget cut," said Patterson. "It's not a cut in the base, we are still increasing the budget. It's just not going to increase as fast as the counties anticipated it would."

Dakota County will get \$45million this year, an increase of about \$3.5 million compared with last year. The county -estimates that it needs about \$51 million. Counties that invited a large number of people to sign up say they are especially pinched — like Dakota County, which more than doubled its client base.

Patterson counters that the state accounted for the recently added clients.

The funding changes are not part of the state Legislature's effort to erase the \$4.56 billion deficit, although it did prompt the human services department to review spending trends. By re-setting the dollar amounts for counties, the state estimates it will slow the increase by about \$63 million for the

next biennium, fiscal year 2004-05.

IMPACT OF FUNDING CHANGES

Dakota County reduced allocations by 15 percent to 20 percent, but the actual cuts felt by many families will be less since most don't spend their full allocation. (Technically, the reduction is only for the first six months, although the county anticipates that it could continue.)

Dakota County also eliminated county dollars that it provided separately, \$600 or \$1,200 for each client, in anticipation of state cuts to a different program for the disabled. That's a double-whammy for families who received money from both programs.

The combination of the two reductions for Larson, the Rosemount mother, meant that she expected about \$27,000 and now will get about \$21,000.

Larson uses the money on everything from speech therapy to recreational activities so her son can learn to function in public. Larson, a single mother who was laid off in July, worries that when she finds a job she won't have enough money to ensure quality care for her son.

Parents emphasize that the county watches their spending closely: They must design a spending plan with the county, stay in touch with social workers and account for expenditures.

For families with developmentally disabled children, the pressures are tremendous, said Milt Conrath, deputy director of Dakota County social services.

"These children are perpetually vulnerable. They need to be cared for, watched, taken care of and helped in ways that would stagger the mind," Conrath said. "Some people think, 'Well, hey, I raised my kids, why is this different?' It is totally different."

For Linda Shumaker of Eagan, the program means her 28-year-old daughter, Jennifer Mitchell, is always supervised. Jennifer, who has Down syndrome, is a talkative woman eager to tell stories about family vacations or her love for country music.

But nothing comes easy for Jennifer, her mother says. She can't count to 10.

The loss of funds for the developmentally disabled is "going to be devastating," -Shumaker said.

IF YOU GO

What: The Community Services Committee of the Dakota County Board of Commissioners will hear from staff about funding changes for people with developmental disabilities.

When: Meeting starts at 9 a.m. on Tuesday, Feb. 11

Where: Dakota County Western Service Center, County Road 42 and Galaxie Avenue, Apple Valley. First floor.