

DEPARTMENT of Public Welfare**Office Memorandum**TO : Vera J. Likins
Commissioner

DATE: February 18, 1977

FROM : Edward Constantine, Director
Community Programs DivisionPHONE: 3139

SUBJECT: 1976-77 Status Report - Daytime Activity Center Grant-in-Aid

The Daytime Activity Center (DAC) program in Minnesota has continued to provide community-based DAC services to an increasingly large number of mentally retarded and/or cerebral palsied individuals. The program has grown from 7 centers serving largely a school-age population in 1961 to 102 centers and 39 satellites serving an anticipated 4,399 participants in 1977 through homebound, preschool and adult programs. This report deals with the status of DACs in Minnesota for Fiscal Year 1977. (July 1, 1976 - June 30, 1977.)

Participants/Counties Served

The expected enrollment of 4,399 participants for Fiscal Year 1977 represents the largest yearly increase in DAC population to date - an increase of 720 participants, or 19.5%, over the previous fiscal year.

The major Increase is in the adult program. 683 of the new participants are adults, bringing the total adult program enrollment to 3,127. 62% of these totals are now coming from community residential settings. This reflects Minnesota's efforts toward de-institutionalization, as, no doubt a large percentage of these individuals were formerly in state institutions.

Since last year's status report (dated February 24, 1976) five new DACs have opened in the state - Norman County DAC, Northern Cass and Pine River DACs in Cass County, Dodge County DAC, and Kimball DAC in Stearns County. This now leaves 9 counties in the state without their own DACs.

Program Funding

On the average, state DAC program grants for Fiscal Year 1977 equal about 46% of DAC net adjusted program budgets, whereas the average for Fiscal Year 1976 was about 53%. Although there has been an increase in total dollars for DAC program grants (15%) from Fiscal Year 1976 to Fiscal Year 1977, the increase in budgets (30%) has been even higher.

If any one factor can be singled out for this increase in budgets, it is the unexpectedly high increase in participants served. (See attached chart for increases in participants over the last five years.) When projections were being made two years ago for the current biennium, the Department was anticipating 800 new participants. The latest figures now show 1,376 new participants to be served under DAC grant-in-aid this biennium.

Again this year, program funds were allocated on a formula grant basis that was developed with the assistance of the DAC Advisory Committee. This formula bases the allocation for each county on the units of service to be provided in that county, with loading factors for homebound, preschool, and adult units of service.

The Fiscal Year 1977 average DAC program unit costs are: \$24.00 for homebound, \$18.21 for preschool, and \$11.01 for adult programs. Individual unit costs continue to vary greatly across the state. Some of the reasons for this variation are: amount of special services provided (speech therapy, physical therapy, etc.), staff ratios, staff salaries, occupancy costs, and degree of handicap of participants served.

As has been the case since 1971, both state and county expenditures for DAC services to eligible individuals have been reimbursed by the Federal Government. This has been at a rate up to 75%, with the actual rate of reimbursement being lower due to the fact that the Federal Government has imposed a limit as to total dollars available. This limit is considerably less than 75% of the state total eligible expenditures.

The total program funds available for the current fiscal year are \$5,220,193. (This includes \$330,860 transfer of 25% Title XX reimbursement from Fiscal Year 1976.) These funds are being used in the following manner:

Total Fiscal Year 1977 program grants allocated before January 1, 1977	\$5,033,875
Set aside for allocation to counties qualifying for equalization aid	78,000
Set aside for state contract for continued development of the DAC Evaluation System	35,000
Set aside for transfer to transportation funds to bring transportation funding up to 100%	30,000
Set aside for counties without DACs and for emergencies	<u>43,318</u>
	\$5,220,193

Transportation Funding

The 1975 appropriation bill provided 2.1 million for DAC transportation costs for Fiscal Year 1976 and 2.1 million for Fiscal Year 1977. It did not take into account increased costs in the second year of the biennium.

For Fiscal Year 1976, the appropriation enabled 100% funding of approved transportation budgets. \$1,725,835 was allocated, leaving \$374,165 which reverted to the general fund. For the current fiscal year, transportation costs were \$22,766 over the 2.1 million appropriation. \$2,099,824 has been allocated to date, resulting in an average of 99% funding of transportation costs.

Since M.S. 252.24 mandates the state to fund DAC transportation costs at 100%, and gives transportation funding precedence over program funding, the Department has requested the Legislative Advisory Committee to approve a transfer of \$30,000 from the program appropriation to transportation, enabling the state to fund transportation at 100%.

Other Issues

The major state standards for DACs are contained in old Rule 3 (now being revised into Rule 38), which indicates licensure requirements; and in Rule 31, which indicates requirements for grant-in-aid, over and above licensure requirements.

Community Programs Division has assisted the Licensing Division in the development of Rule 38. In addition, Community Programs Division has initiated a major effort to revise Rule 31. A major reason for this revision is the need for a clearer definition of DAC programs and a more clearly defined admissions and terminations policy. After considerable work, an initial draft of a revised DAC admissions and terminations policy was developed with the DAC Advisory Committee (now called the DAC Advisory Task Force) and mailed to DACs, county welfare departments, area boards, etc., for comment.

Community Programs Division is now reviewing the many comments that have been received on the proposed admissions and terminations policy. These will be incorporated into a draft of a revised Rule 31. After additional work with the DAC Advisory Task Force, revised Rule 31 will be brought to public hearing. This effort will be closely coordinated with the MR Program office and with the Licensing Division.

Community Programs Division has continued to work towards the development of an effective DAC evaluation system. July, 1976, saw the end of a 2 and 1/2 year period of Developmental Disabilities (DD) funding for the DAC Evaluation Project, which Community Programs Division was closely involved with. That included the development of a DAC Evaluation System and field testing of that system at 17 DACs; however, the Project was unable to incorporate the considerable data from the field tests into a revision of the system by the time DD funding ran out. Since that time, Community Programs Division has explored various alternatives for the completion of the revision of the DAC Evaluation System and for use of the System on a trial basis. The major alternative explored has been the possibility of a contract with DAC Evaluation Services, Inc., a nonprofit corporation composed of representatives of the various agencies concerned with DACs. In the process of

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exploring these alternatives, Community Programs Division has worked with the rest of the Department in developing a clearer definition of the purpose and role of DAC evaluations. However, at this writing, a final decision has not been reached as to how the continued development and implementation of the DAC Evaluation System will occur.

Community Programs Division works closely with the Division of Vocational Rehabilitation (DVR) regarding cooperative sheltered workshop - DAC work activity programs. About 65 DACs now have work activity components, with the work provided through agreement with the sheltered workshops. These work activity components are functioning with varying degrees of success, depending on the availability of work in a particular area, willingness of particular sheltered workshops and DACs to cooperate with each other, etc. Community Programs Division is currently participating on a DVR Task Force to identify the problems and develop ways of resolving them.

During the current year, Community Programs Division has provided information regarding DACs and DAC grant-in-aid to DACs, county welfare boards and departments, human service boards, area MH-MR boards and centers, other state departments, and the general public.

In the fall of 1976, prior to the development of its biennial appropriation request, the Community Services Bureau undertook a broad review of the DAC program in Minnesota. As part of that review, "A Study of Daytime Activity Centers in Minnesota" (October, 1976) was developed and is available from the Bureau as additional information on the current status of DACs in Minnesota.

GW/blv

SUMMARY OF DAC STATISTICS, FY 1973 - FY 1977

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ENROLLMENT

<u>Participants:</u>	<u>1972-73**</u>		<u>1973-74**</u>		<u>1974-75**</u>		<u>1975-76**</u>		<u>1976-77***</u>	
Homebound	*		*		113	4%	313	9%	348	8%
Preschool	754	31%	796	28%	612	19%	678	18%	778	18%
Adult	1,366	56%	1,748	63%	2,152	68%	2,444	66%	3,127	71%
School Contracts	303	13%	248	9%	301	9%	244	7%	146	3%
	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

* Was included with preschool for these years.

** Based on Department of Public Welfare Research and Statistics reports for actual enrollment on March 31 of these years.

*** Based on estimates contained in 1976-77 grant-in-aid applications, including revisions up to December 29, 1976

SUMMARY OF DAC STATISTICS, FY 1973 - FY 1977

Page Two

	<u>FUNDING</u>						
	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>		<u>1976-77**</u>	
				<u>Program</u>	<u>Transport**</u>	<u>Program</u>	<u>Transport**</u>
Net Budgets	\$4,388,609	\$5,426,907	\$7,536,681	\$8,929,339	\$1,762,554	\$11,277,664	\$2,150,596
School Contracts	628,432	604,670	745,710	481,104	34,782	410,154	27,830
Net Adjusted Budgets	3,760,177	4,795,237	6,790,971	8,448,235	1,727,772	10,867,510	2,122,766
State Grant-in-Aid	1,851,052	1,999,971	2,817,191	4,482,930	1,727,772	5,033,875	2,099,824
Local Funding	1,909,125	2,795,266	3,973,780	3,965,305	-	5,833,635	-
Average % State Funding	50%	42%	41%	53%	100%	46%	***
Average Unit Cost	\$9.26	\$9.73	\$11.42	\$11.96	\$2.42	\$12.84	\$2.51

* Including revisions as of December 20, 1976.

** In previous fiscal years, about 54% of DAC transportation cost was included in DAC budgets; the rest was separately funded by the Department of Education.

*** Transportation was funded at 100% except for increased revisions received by December 20, 1976. These increases were funded at 66%.