

House/Administration Offer #3 May 18, 2022, 10:45 AM

Thank you for your offer of 5/17. We appreciate that you made some movement to include funding for our critical priorities in child care and loan forgiveness programs to grow our health care workforce, especially in rural and other shortage areas.

We are almost out of time to reach an agreement. To bring the negotiations to a quick conclusion we have tried hard to accommodate your priorities within the funds available.

While \$1 billion is certainly a lot of money, it is not sufficient to meet all of the state's critical needs in areas such as childcare, mental health, supporting homeless families, public health, and the need to train our future caring workforce. To accommodate our shared concern about group homes and nursing homes that may be unable to continue operating because of workforce shortages and financial stress, we have increased rates as far as we can while still providing for critical needs in other areas. To provide for any remaining gap, we provide emergency funding for group homes and nursing homes, as well as child care facilities. We also increased funding for non-emergency medical transportation with over \$10 million over the budget horizon and ongoing.

To accommodate increases in these areas we had to cut back on funding for many other critical areas but we are still investing \$791M in the critical caring workforce. The bill also seeks to address the crisis in the health care workforce, which has been accelerated by the pandemic. In addition to financial assistance to encourage people to go into the health professions, we fund increased training capacity especially in rural and underserved areas.

Our budget target was clearly set at \$1 billion in the general fund—with the addition of mental health funding it is now at \$1.06 billion. There is no target in the Health Care Access Fund, TANF, or SGSR and this proposal draws from those funds in addition to the general fund. Many long standing health problems have been severely exacerbated in the last few years, including mental health challenges, substance abuse, and other impacts on the well-being of our children. Investments to address these critical concerns are necessary.

In addition, we have been given a late-breaking additional target of \$60 million for behavioral health. With minimal time to exchange offers, we have included many items from SF3249 in addition to our behavioral health package that we hope will be acceptable to the Senate. The following items are in the House offer:

Senate Mental Health Bill (SF3249/Rosen) Items

- Adult Mental Health Initiatives Grants (\$10+ million in 2025 and on-going)
- School-linked Mental Health Grants (\$2 million per year)
- Mobile Crisis Grants (\$2 million per year)
- Managed care payment rate floor for MH services
- Eliminate county-share for Yellow-Line Projects
- Shelter-Linked Mental Health Grants (\$2 million per year)
- Mental Health Loan Forgiveness and Supervision Payments
- Locked IRTS start-up funding
- Children's Residential Crisis Stabilization Benefit