# THE WALZ-FLANAGAN BUDGET TO MOVE MINNESOTA FORWARD

#### FY 2022-23 Supplemental Budget Recommendations



#### Walz-Flanagan 2022 Budget Priorities

- Expanding Economic Opportunity
- Supporting Children and Families
- Protecting Minnesotan's Health and Safety
- Housing and Homelessness

#### **DHS Supplemental Budget Package Summary**

	FY22-23 Biennium	FY24-25 Biennium
General Fund (GF)	\$321.9 million	\$1.489 billion
Health Care Access Fund (HCAF)	\$63.8 million	\$110.1 million
Federal Funds (CCDF)	\$75.3 million	
Temporary Assistance for Needy Families (TANF) Fund	\$26.5 million	\$140 million
Opioid Epidemic Response Account	\$539 thousand	\$3 million
Total	\$484.6 million	\$1.742 billion

#### **Budget overview**





#### **Caring Professions Workforce Program**

Investment FY 2022-23: \$115 million

Personal care aides highest vacancies in state

- Revitalizes the state's behavioral health, direct support, and housing workforces by establishing a workforce incentive fund.
- Employers in these industries would be allowed to apply for grants to deliver incentives to employees who have been employed for six months or longer.



#### **Continuous Improvement and Compliance Expansion**

Investment FY 2022-23: \$1.5 million FY 2024-25: \$3.3 million

Improves business processes 19 FTEs

 Additional resources for financial audits and contracting divisions will be used to hire additional auditors and contract staff to ensure compliance, auditing, and reports are carried out agency wide, leading to increased efficiency and reduced waste.

#### **Service Delivery Transformation Continuation**

Investment FY 2022-23: \$77.5 million

Agencywide transition to a more agile IT

- Funding to support IT systems work to transform human service delivery to create an integrated, person-centered experience.
- This includes IT work on the MNbenefits application for expansion to additional programs, and investments to strengthen the state's existing IT infrastructure and new vendor supported systems.

#### **Direct Care and Treatment Electronic Health Record**

Investment FY 2022-23: \$8.9 million FY 2024-25: \$7.6 million

DCT serves
12,000
patients/
clients per
year

- Continue the development of an electronic health record system for Direct Care and Treatment (DCT).
- This moves DCT towards compliance with a Department of Health mandate to have an electronic health record system.



### Behavioral health

#### **Expanding Children's Inpatient Psychiatric and PRTF Beds**

Investment FY 2022-23: \$10.4 million FY 2024-25: \$15.9 million

Supports children who need acute highlevel care

3 FTEs

 Supports children, youth and families by retaining, creating, or expanding children's inpatient psychiatric and psychiatric residential treatment facility beds.

# Substance use disorder (SUD) Direct Access Implementation

Investment FY 2022-23: \$543,000 FY 2024-25: \$1.3 million

SUD treatment continues to evolve

2 FTEs

 A complete transition of substance use disorder services to direct access ensures compliance with federal guidelines.

#### **Expanding Intensive Treatment in Foster Care**

Investment FY 2022-23: \$372,000 FY 2024-25: \$12.7 million

Supports family preservation

- Expand the Intensive Treatment in Foster Care Medical Assistance service to include services to children at risk of an out of home placement.
- Continue to provide services to families whose children are being returned home from a higher level of care.

# **Expanding First Episode Psychosis and Developing an Emerging Mood Disorders Program**

Investment FY 2022-23: \$2 million FY 2024-25: \$4 million

Early intervention improves outcomes

O FTEs

- Creates an additional First Episode Psychosis provider site and an emerging mood disorder program.
- Provides evidence-informed interventions for youth and young adults who are at risk of developing or who are experiencing first episode psychosis or an emerging mood disorder.

#### Adult Day Treatment Rate Increase

Investment FY 2022-23: \$261,000 FY 2024-25: \$1.35 million

Safety net community mental health service

- Increases payment rates for Adult Day Treatment by 50%
- Relieves mental illness symptoms and provides skills training that helps people stay well and live more independently

# **Expanding Mobile Crisis Grants and Transition to Community Initiative**

Investment FY 2024-25: \$20.4 million

Provides person-centered supports

- Extends mobile crisis grants and Transition to Community Initiative.
- Strengthens the state's mobile crisis infrastructure and improves access to crisis services by supporting counties and tribes to staff 24-hour mobile crisis lines.

### **Expanding Mobile Transition Units and Person- Centered Discharge**

Investment FY 2022-23: \$540,000 FY 2024-25: \$1.4 million

Ensures successful transitions

- Expands mobile transition units and strengthens person-centered discharge planning activities.
- Creates mobile transition units focused on adults and children in emergency departments and inpatient hospital settings to transition them to a therapeutic level of care.

#### **Expanding Support for PRTFs**

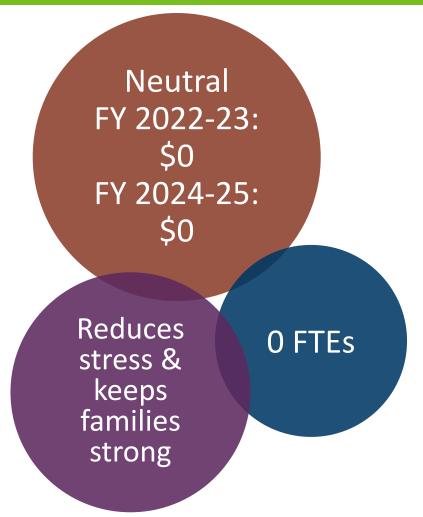
Investment FY 2022-23: \$954,000 FY 2024-25: \$1.9 million

300 beds anticipated by 2023

2 FTE

- Funds startup grants for new Psychiatric Residential Treatment Facilities.
- Expands the allowable uses of start-up grants to include emergency workforce shortage uses.

#### **Children's Mental Health Respite Grant Clarifications**



 Redefine the scope of allowable expenses under the Children's Mental Health Respite Care grant program to include services that are familycentered and culturally affirming.

#### **Children's Mental Health Community of Practice**

Investment FY 2022-23: \$245,000 FY 2024-25: \$513,000

Shared wisdom advances practice

- Creates a Community of Practice focused exclusively on children's mental health issues.
- This collaborative group will identify gaps in children's behavioral health services, enhance collective knowledge, and inform changes to improve outcomes.

#### American Indian culturally responsive rate in EIDBI

Investment FY 2022-23: \$3,000 FY 2024-25: \$30,000

Increases cultural responsivity of services

0 FTEs

 Changes eligibility for an enhanced reimbursement for Early Intensive Developmental Behavioral Intervention (EIDBI) services to promote culturally responsive care being offered to American Indians.



# Homelessness/housing

#### Supporting transitions to stable housing

Investment FY 2022-23: \$11 million FY 2024-25: \$37 million

Expands programs to serve people w/substance use disorders

- Housing transition services through Housing Stabilization Services
- Housing support for adults with serious mental illness program expansion
- PATH Program Expansion
- Community Living Infrastructure Program

#### Supporting transitions to stable housing cont.

Investment FY 2022-23: \$11 million FY 2024-25: \$37 million

Supports 100 AmeriCorps members each year

- Homeless Management Information System
- Americorps Heading Home Corps Initiative
- Housing and Homelessness Community Engagement
- Housing Workforce Study

### Addressing Homelessness for Minnesota Adults, Youth, and Families

Investment FY 2022-23: \$35 million FY 2024-25: \$74.2 million

4 FTEs

 Emergency Services Program (ESP) funding for shelter services

Homeless Youth Act Expansion

Increase transitional housing program

Addresses

intersectional

disparities in

homelessness



### Economic assistance

#### **Addressing Deep Poverty**

Investment FY 2022-23: \$82,000 FY 2024-25: \$46 million

GA serves
about
24,000
people per
month

- Raises the GA benefit from \$203 per month to \$344 per month and ties it to annual inflation measure.
- Disregards emergency periods in the Emergency General Assistance formula to ensure allocations meet local needs.
- Expands time period during which people on GA and Housing Support must apply for social security disability benefits from 30 to 90 days

#### **Stabilizing Working Minnesotans**

Investment FY 2022-23: \$967,000 FY 2024-25: \$34.1 million

Stabilizes benefits for adults seeking assistance

0 FTEs

 A change in how the state calculates benefits for the Minnesota Family Investment Program (MFIP) and General Assistance (GA) can provide more consistent financial support to lower income Minnesotans.

#### **Connecting Minnesotans to Services and Supports**

Investment FY 2022-23: \$5.6 million FY 2024-25: \$5.6 million

Helps 5,000 households

- This funding would create a temporary two-year expansion of existing community support services to serve an additional 5,000 households.
- Services include a multilingual statewide helpline, and services to help people get and keep jobs, improve education outcomes and respond to housing and other crisis needs.

#### **Building Assets for Minnesota Families**

Investment FY 2022-23: \$5 million FY 2024-25: \$10 million

Increases economic security for families

O FTEs

- Expands the Family Assets for Independence in Minnesota program.
- This program gives Minnesotans with low income matched savings accounts and an expansion will increase the lifetime financial match limit from \$6,000 to \$9,000.

#### **Coordination & Local Community Resource Hubs**

Investment FY 2022-23: \$3.9 million FY 2024-25: \$37.9 million

Up to 102 hubs statewide

- Series of investments into Community Action
   Agencies and Tribal Nations to create community
   resource hubs to better connect individuals to
   services and supports.
- Funds physical locations that will support relationship-based, culturally appropriate program and service navigation.
- When fully implemented it is anticipated there will over 100 community resource sites.



#### **Tribal Food Sovereignty**

Investment FY 2022-23: \$7 million FY 2024-25: \$5 million

Recognizes and promotes sustainabili ty

- Improves access to food security programs within tribal and American Indian communities.
- Builds capacity for these governments and organizations to provide access to culturally relevant food supports.

#### **Capital for Food Distribution Facilities**

Investment FY 2022-23: \$15 million Supports 1 FTEs underinvested food shelves

 Provides grant funds to improve and expand food shelf facilities throughout the state through capital improvements.

#### **Food Support Grants**

Investment FY 2022-23: \$5 million FY 2024-25: \$3 million

Application assistance referrals are up 40%

- Provides additional funding to food shelves, food banks, and meal programs to purchase, store, transport, and process the distribution of food to individuals and families.
- Funds may also be used to provide outreach and application assistance to ensure eligible
   Minnesotans who are not enrolled in SNAP can receive SNAP benefits.



### Investments in Child Welfare Prevention and Systemic Needs

Investment FY 2022-23: \$4.2 million FY 2024-25: \$93.2 million

Promotes family and child well-being

- Reduces the number of children entering the child welfare system.
- Expands several programs with the goal of expanding the reach of these programs and making child welfare prevention a greater focus.

#### **Preserving American Indian Families**

Investment FY 2022-23: \$846,000 FY 2024-25: \$1.9 million

Increases
county
compliance
with child
welfare
requirements

12 FTEs

 Additional staff in the agency's Indian Child Welfare Act (ICWA) compliance unit are needed to expand and strengthen existing work of addressing the rate of American Indian children entering the state's child welfare system.

# American Indian Child Welfare Initiative Planning – Mille Lacs Band of Ojibwe

Investment FY 2022-23: \$1.3 million FY 2024-25: \$2.8 million

Supports tribal sovereignty over child welfare matters

1 FTE

- Supports the Mille Lacs Band of Ojibwe's implementation of Minnesota's American Indian Child Welfare Initiative.
- Funds will provide resources for the Mille Lacs Band of Ojibwe Family Services to hire staff to manage the growth in administrative and direct care programs.

#### **Families First Implementation Phase 3**

Investment FY 2022-23: \$516,000 FY 2024-25: \$784,000

Supports children and families and prevents foster care placements

3 FTEs

• This recommendation provides additional state staff to implement new or expanded Title IV-E eligible prevention services, provides funding to operationalize the IT requirements of FFPSA, and creates a new grant program to pay for individuals to retain their Child and Adolescent Needs and Strengths (CANS) tool certification.



#### **Critical Resources for Licensing**

Investment FY 2022-23: \$2.9 million FY 2024-25: \$6.2 million

Ensures
health and
safety of
vulnerable
adults and
children

- Additional licensing staff are needed in order to respond to the growth in the number of foster care and home and community based licensed services (HCBS).
- Providing additional staff will decrease the time it takes to conduct HCBS licensing visits, increase the timeliness of foster care reviews, and support the agency meeting statutory timelines for maltreatment complaints.

#### **Emergency Background Study Credit**

Investment FY 2022-23: \$3.6 million

Addresses 165,000 emergency studies

0 FTEs

 One-time funding to credit providers for costs incurred from emergency background studies conducted during the peacetime emergency following resubmission of studies for federal and state compliance.

#### Other proposals

- Legalizing Adult Use Cannabis
- TANF Maximization



### Thank You!