

HF3402 - 1A - "Increase Housing Support Supl Svc Rate"

Chief Author: **Rod Hamilton**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/09/2018**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	3,292	4,094	4,282
Total	-	-	3,292	4,094	4,282
Biennial Total			3,292		8,376

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Travis Bunch Date: 4/9/2018 11:21:54 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	3,292	4,094	4,282	
Total		-	-	3,292	4,094	4,282
Biennial Total				3,292		8,376
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	3,292	4,094	4,282	
Total		-	-	3,292	4,094	4,282
Biennial Total				3,292		8,376
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill increases the possible Housing Support base (room and board) rate for the approximately 3,000 individuals who have experienced long-term homelessness and reside in certain settings. The agency may increase the room and board rate for recipients impacted by this section by \$50 per month.

This bill also appropriates \$2,000,000 from the general fund for adult mental health grants under Minnesota Statutes, section 245.4661, subdivision 9, paragraph (a), clause (2), to support increased availability of housing with supports for adults with serious mental illness.

Assumptions

The effective date of the bill is November 1, 2018.

The primary fiscal impact of this bill is increased Housing Support (HS) payments. DHS data for SFY17 show that there are 2,691 average monthly HS recipients who meet the criteria - individuals who have experienced long-term homelessness and are in supportive housing settings - and HS payment is estimated to increase by \$50 per person per month under the new bill.

Projected annual growth in the number of recipients is based on an actual average annual growth of 9% over the period of 2015-2017.

This legislation would require a change to existing IT processes. The programming changes required to identify this specific group of Housing Support recipients necessitates an effective date of November 1, 2018.

Expenditure and/or Revenue Formula

Housing Support Costs

	FY2018	FY2019	FY2020	FY2021
Average monthly HS recipients	2,933	3,197	3,485	3,799
Average monthly payments increase	\$50	\$50	\$50	\$50
Months		8	12	12
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HS Cost	\$0	\$1,278,990	\$2,091,000	\$2,279,400

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Initial MAXIS Programming Cost (SFY 19)

	<u>BA</u>	<u>Technical</u>	<u>QA/RM</u>	<u>PM</u>	<u>Total</u>
Total Hours	100	110	74	57	341
Hourly Rate	\$ 61	\$ 84	\$ 66	\$ 62	
Total Personnel Cost	\$ 6,119	\$ 9,213	\$ 4,894	\$ 3,525	\$ 23,751

*State share of cost (SFY19) at 55% = \$13,063

**State Share of on-going maintenance cost (begins in SFY20) of \$4,750 @ 55% = \$2,613

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	25	Housing Supports		1,279	2,091	2,279
GF	57	Adult Mental Health Grants		2,000	2,000	2,000
GF	11	MNIT Cost (MAXIS @ 55%)		13	3	3
		Total Net Fiscal Impact		3,292	4,094	4,282
		Full Time Equivalents		0	0	0

Long-Term Fiscal Considerations

This increase will impact the Housing Support forecast.

Local Fiscal Impact

None.

References/Sources

Jill Roberts, Community Supports Administration

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