

HF3251 - 0 - "Home Community-Based Svcs Innovation Pool"

Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/18/2018**
 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	-	-	45	1,091	1,091
Total	-	-	45	1,091	1,091
Biennial Total			45		2,182

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	.5	1	1
Total	-	-	.5	1	1

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: 3/18/2018 2:49:34 PM
 Phone: 651 201-8038 Email: travis.bunch@state.mn.us

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	-	-	45	1,091	1,091	
Total	-	-	45	1,091	1,091	
			Biennial Total			2,182
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	45	1,091	1,091	
Total	-	-	45	1,091	1,091	
			Biennial Total			2,182
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Total	-	-	-	-	-	
			Biennial Total			-

Bill Description

Changes “Incentive” to “Innovation” in the header. Adds an additional \$1 million each year to the base appropriation starting in SFY 2020.

Assumptions

The grant appropriation will be in addition to the funding authorized in the 2015 legislative session:

SFY 2017 \$1,344,000

SFY 2018 \$1,500,000

SFY 2019 \$1,925,000 which is the current ongoing base.

During the 2017 legislative session, an additional \$1,000,000 was appropriated in FY 18 and \$1,000,000 was appropriated in FY 19. This funding was one time.

Grant appropriation amounts are listed in the bill to be included in the ongoing base. The additional appropriation would increase the existing incentive pool by 50%.

One FTE was appropriated in the initial authorization for the innovation pool in 2015 to manage the grants. There are 36 contracts currently in place or in progress. Given the permanent increase in grant funding and experience with this grant, an FTE is needed for evaluation of grant projects, grant processes, dissemination of learnings, and planning for future use of the grant funds. This FTE is needed to properly manage the proposed expansion of the grant program and to maximize the innovative impact. The grants are targeted differently with each round of RFPs, with different requirements and outreach designed to maximize the impact of the funding. The administrative costs also include some overhead costs for efficiently administering outcome based grants.

Expenditure and/or Revenue Formula

These are the different cost components included in the bill:

Grant appropriation amounts listed in the bill:

- SFY 2020 \$1,000,000

- SFY 2021 \$1,000,000

- Assumed ongoing into the 2022-23 base.

Administrative costs:

- One FTE is needed to evaluate grant projects, disseminate learnings, and coordinate planning for future use of the grant funds. January 2019 is the estimated start date for the FTE in preparation of the next round of RFP's in fiscal year 2020. The administrative costs also include some overhead costs for administering outcome based grants.

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	52	Other Long Term Care Grants			1,000	1,000
GF	15	Community Support Admin (FTE) and admin expenses		70	140	140
GF	REV1	FFP for admin @ 35%		(25)	(49)	(49)
		Total Net Fiscal Impact		45	1,091	1,091
		Full Time Equivalents		0.5	1.0	1.0

Long-Term Fiscal Considerations

The costs of the grant and FTE are ongoing beyond fiscal year 2021.

Local Fiscal Impact

None.

References/Sources

Disability Services Division staff experience with current grant.

Agency Contact: Kari Irber

Agency Fiscal Note Coordinator Signature: Don Allen

Phone: 651 431-2932

Date: 3/16/2018 4:41:25 PM

Email: Don.Allen@state.mn.us