

HF803 - 0 - "Senior Care Wrkforce Innovation Grant Prog"

Chief Author: **Dave Baker**
 Committee: **Health and Human Services Finance**
 Date Completed: **02/15/2017**
 Agency: **Health 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)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	1,051	1,051	1,051	1,051	1,051
Total	-	1,051	1,051	1,051	1,051	1,051
Biennial Total			2,102			2,102

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

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: Paul Moore Date: 2/15/2017 10:40:04 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	-	1,051	1,051	1,051	1,051	1,051
Total	-	1,051	1,051	1,051	1,051	1,051
Biennial Total			2,102			2,102
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	1,051	1,051	1,051	1,051	1,051
Total	-	1,051	1,051	1,051	1,051	1,051
Biennial Total			2,102			2,102
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill establishes a senior care workforce innovation grant program to assist eligible applicants to fund pilot programs or expand existing programs that increase the pool of caregivers working in the field of senior care services, appropriates money and proposes changes to Minnesota Statutes, chapter 144 to add section 144.1504.

Section 1 establishes competitive grants to assist eligible applicants to fund pilot programs or expand existing programs that increase the pool of caregivers working in the field of senior care services. Eligible applicants must recruit and train individuals to work with individuals who are primarily 65 years of age or older and receiving services through: (1) a home and community-based setting, including housing with services establishments as defined in section 144D.01, subdivision 4; (2) adult day care as defined in section 245A.02, subdivision 2a; (3) home care services as defined in section 144A.43, subdivision 3; or (4) a nursing home as defined in section 144A.01, subdivision 5.

Applicants must propose a project or initiative to expand the number of workers in the field of senior care services and describe how they will expand the senior care workforce; whether the applicant is proposing to target the proposed project or initiative to any of the targeted groups; current senior care workforce projects or initiative; amount of funding sought, and any other sources of funding the applicant has for the project or initiative; a proposed budget detailing how the grant funds will be spent; and outcomes established by the applicant to measure the success of the project or initiative.

It instructs the commissioner to publish a request of proposals by September 1, 2017, and annually thereafter, and to prioritize proposals that target employment of individuals who have multiple barriers to employment, individuals who have been unemployed long-term, and veterans; and instructs the commissioner to determine maximum awards. It requires a report to the chairs and ranking minority members of house and senate committees with jurisdiction over health by January 15, 3.3 2019, and annually thereafter, containing a summary of all grant projects and initiatives, evaluation outcomes, and accounting of how grant funds were spent.

Section 2 appropriates \$...... in fiscal year 2018 and \$...... in fiscal year 2019 from the general fund to the commissioner of health for the purposes of the senior care workforce innovation grant program under M.S. section 144.1504.

Assumptions

It is assumed that this grant program would be administered by the MDH Office of Rural Health and Primary Care, which administers similar programs.

MDH assumes 0.5 FTE to administer this new grant program. Grant administration activities will include: research, draft, and publish a Request for Proposal (RFP); review applications for completeness; organize and facilitate multiple review

committees of external stakeholders; encumber funds and contract with grantees; process invoices and progress reports; perform site visits; collect and analyze data and information on the program; develop and disseminate an annual report to the legislature defined in Section 7 of the bill; provide significant technical assistance to applicants and grantees many of whom have little or no experience with state grants.

The legislation does not contain an amount for the appropriation so MDH is not able to make assumptions for the grant program, number of grants, or size of grants. However, this bill appears to be similar to the MDH Home and Community Based Services (HCBS) Scholarship program and a recent foundation-funded grant project administered by LeadingAge, for which MDH staff helped review applications. These programs are described below for informational purposes only.

1) The HCBS Scholarship grant funds employer-based scholarship programs for employees seeking to enhance their skills and/or obtain higher professional certification or licensure. \$950,000 is available annually to licensed Adult Day centers, Home Care agencies, and Housing with Services establishments. Nursing Homes are excluded from the HCBS Scholarship grant. Grants are capped at \$50,000. In the first two years of administration, the HCBS program has received over 80 applications and funded 31 awards each year. The HCBS Scholarship grant program receives an appropriation of \$50,000 per year for administration, or roughly 0.5 FTE.

2) The recent foundation-funded grant project administered by LeadingAge called the Workforce Solutions Grant program is very similar to the grant program proposed in the legislation. Eligible providers are the same, and the proposed scope of grant projects is similar. A one-time amount of \$1 million is available for awards, which are capped at \$25,000 each. Demand for the one-time program has far exceeded available funding.

If this program and appropriation were intended to be similar to the above models, MDH would assume that a total grant appropriation of \$1 million would result in a maximum award of \$25,000 per grant, or 40-60 grants per year. The 0.5 FTE and additional cost assumptions in this fiscal note are in addition to an assumed amount of \$1 million for grants. The estimated costs of administering the grant would be scalable to the amount of grant funding to manage.

Expenditure and/or Revenue Formula

FUND BACT	EXPENDITURES (dollars in thousands)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
GF 1000 BACT 1	Salary and Fringe Benefits	-	44	44	44	44
	Other Operating Costs	-	2	2	2	2
	Grants	-	1,000	1,000	1,000	1,000
	Administrative Services	-	5	5	5	5
	OR Indirect Cost	-	-	-	-	-
	TOTAL EXPENSES	-	1,051	1,051	1,051	1,051
	TOTAL REVENUES	-	-	-	-	-
	NET COST <SAVINGS>	-	1,051	1,051	1,051	1,051

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

DH Home and Community-Based Services (HCBS) Scholarship Grant Program: <http://www.health.state.mn.us/divs/orhpc/funding/#hcbs>

LeadingAge Workforce Solutions Grant program: <https://www.leadingagemn.org/about/foundation/workforcegrants/>

Agency Contact:

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