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May 1, 2025

Rep. Paul Torkelson  
Co-Chair, House Ways & Means Committee  
2nd Floor Centennial Office Building  
St. Paul, MN 55155

Rep. Zack Stephenson  
Co-Chair, House Ways & Means Committee  
5th Floor Centennial Office Building  
St. Paul, MN 55155

Dear Chairs Stephenson and Torkelson:

On behalf of thousands of Minnesotans with mental illness who desire to work, the Individual Placement Supports (IPS) Provider Coalition urges you to adequately fund the Employment Support for Persons (ESP) with Mental Illness Program at DEED in HF2440. While the provider coalition appreciates the efforts of Chair Baker and Chair Pinto to preserve the base funding for the ESP Program, this will still result in the loss of critical workforce support to hundreds of people or nearly 60% of the ESP Program.

The IPS Provider Coalition believes there is a better way to serve Minnesotans in a more cost-effective way without cost increases:

- Require remaining FY24-25 IPS one-time funding (\$1.2 million) to only be spent in FY26. That will keep all but 30+ Minnesotans from losing ESP services. Shift \$150,000 proposed for DEED's "VRS Funding Increase" in FY26 to the \$1.2 million remaining ESP amount to keep 30+ people from losing IPS services.
- In FY27, shift \$1.5 million from DEED's "VRS Funding Increase" to keep any IPS clients from losing service.

IPS providers have also proven to offer these ESP services to more individuals at a lower cost point than DEED. Therefore, the IPS providers recommend that DEED must be required to increase Community Rehab Provider (CRP) case referrals by 5% (for FY26) above current levels.

Finally, based on growing financial challenges at DEED, the IPS providers would like DEED to return to a more transparent and accountable partnership. We recommend that the DEED Community Rehab Advisory Committee for all VRS programs be reinstated. Furthermore, we recommend that an annual report of percentage use of service dollars per provider and share percentage of cases referred out to CRPs over last five years. This report must be shared publicly and specifically with providers and legislators.

Do know that this current ESP Program only serves 1100 Minnesotans. While the IPS providers would prefer that the state meets the desire of over **100 thousand people** who desire these ESP services, we believe that the recommendations listed above – if included in HF2440 - will at least maintain the current and bare-minimum level of service.

Thank you for your time and consideration.

A handwritten signature in black ink, appearing to read 'Robert RA Reedy'.

Robert RA Reedy  
Sr. Director of Vocational Services