Minnesota Association of County Social Service Administrators

Position Statement

2020

Opioid Response Fund (ORF) administrative process improvement

Proposal

Issue:

The Child Protection Opioid Epidemic Response Account, a bill passed by 2019 Minnesota Legislature and funded through an opioid manufacturers fee, allocates funds to county and tribal social service agencies to provide services to children and families affected by addiction. In 2020, due to the timing of projections and the release of the grant, the amount projected was 60% higher than the actual amount received by the state. Unfortunately, counties became aware of the reduced amount only after agency plans were submitted to the Department based on the forecasted amount.

Throughout the process, there was a lack of communication, transparency, and clarity on funding amounts. Counties don't have a method to assess fee payments to state to have a sense of risk to current work under contract or in budget. And this will be an ongoing issue. It is not clear if the initial 18-month allocation will be funded completely, or if there will be additional shortfall in the funds received in July 2021 (12-months into the funding cycle).

To maximize the funding provided and address substance use in counties throughout Minnesota – including contracting with providers and hiring staff to deliver programming, counties require a reliable, steady funding stream. To address this, MACSSA recommends modifying the timelines of announcing the funding forecast and adjusting the funding cycle to 18 months, instead of the 12 months time period.

Implementation Strategy:

Recommend technical changes to how the fund is administered and allocated – including timing, projections and release of funds. Counties need a reliable communication mechanism, with consistent, accurate messaging and ample time for appropriate planning at the local level. Counties further recommend that appropriation cycle be aligned with the county fiscal calendar.

Systemic Priority Alignment
(highlight all that apply and explain why)

- **Equity**
- **Integrated Services**
- **Fiscal Framework**

From the GARE Toolkit (See www.racialequityalliance.org): What are the racial equity impacts of this particular decision? Who will benefit from or be burdened by it? Are there strategies to mitigate unintended consequences?

Comments:

Fiscal Framework: The current approach employed by the OREC and Department causes significant burden on counties in the areas of executing contracts with community & tribal partners and building capacity in communities throughout Minnesota. The irregularities and uncertainty experienced in the 2020 funding cycle will likely cause or exacerbate mistrust, conflict, and disappointment with partners and the community, including the children and families most in need of the services. The current misalignment of funding timelines creates a level of uncertainty within counties, causes a delay and could result in addition loss of funding which will have negative impact on the programs and services counties are able to offer.

Relevant Committee
(highlight all that apply and explain why)

- **Adult Services**
- **Behavioral Health**
- **Children's Services**
- **Modernization**
- **Policy**
- **Self-Sufficiency**

Why: The focus on out of home removal due to substance use and building intervention and service capacity to tackle out of home placement is in the child protection and children and family services.

Rationale/Background:

The Opioid Epidemic Response account, which began on July 1, 2020 provided county and tribal agencies ability to provide new or expand current service delivery to families affected by addiction. The total allocation amount will vary from year to year based on the allocation formula, outlined in statute (make reference to statute). The OREC is made available through a provider fee on opioid manufacturers. The funding available to child welfare agencies is calculated based on the number of out of home placements due to primary removal condition of parental drug abuse.

The first bulletin was released in May of 2020 with the initial forecasted numbers. The third bulletin was released in August of 2020 and provided the final number of out of home placement removals due to parental drug use and adjusted funding. Due to the funding shortfall, the department in working with counties made an adjustment to an 18 allocation model. While the 18-month allocation model is preferred by counties, MACSSA requests clarity regarding the data and how the funding amount was calculated. Additionally, there is concern that the last 6-months of the funding will be lower than forecasted given the timing of the funds being received by DHS in July 2021. The irregularities in funding and projections cause extensive disruption for counties who are responsible for executing contracts with community partners.

Additionally, the funding uncertainty and irregularities do not allow counties to plan, implement and engage with communities to maximize impact and respond to local need. MACSSA proposes that current year receipts would fund a subsequent year allocation, thereby providing stability for county budgets, programmatic contracts and the impacted workforce.

MACSSA
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Approved on: