Minnesota Association of County Social Service Administrators

2017 Legislative Session Review

The 2017 legislative session, like so many others, had a personality all of its own. At times it was marked by incredible bipartisan cooperation and at other times, especially at the end, great acrimony. Below we reflect on the winding path of the 2017 legislative session.

In the November 2016 elections, Minnesota House Republicans increased their majority to 76 members (and eventually 77 after a February 2017 special election). In a more surprising turn, Republicans also won a narrow one-seat majority in the Minnesota Senate (34-33) and elected Sen. Paul Gazelka (R-Nisswa) to be their new majority leader. This is the first time Republicans have controlled the Minnesota Senate for a full four-year term since 1973. These electoral results set the stage for an intense 2017 legislative session that exemplified divided government.

After much uncertainty in the final months of 2016 about whether or not the Legislature would reconvene for a special session to address issues left undone (transportation, taxes and bonding), a final public meeting was held in mid-December between Governor Dayton and Speaker Daudt which ended abruptly and killed any remaining hopes that any agreement would be found. All eyes turned to the new legislative majorities.

The 2017 legislative session began on January 3 – and leaders wasted no time rolling out priorities for the coming months. That first week, Governor Dayton released his proposals for a $1.5 billion bonding package and $300 million in tax relief. Republican legislative leaders also announced a major tax relief and a $300 million health insurance premium relief program for Minnesotans facing drastic rate increases, which became the near sole focus of legislative activity in January. After a frightening collapse during his State of the State address on January 23, Governor Dayton recovered quickly and rolled out his full budget proposal the next day – which was predictably criticized by Republicans for increasing spending and growing the size of government.

With control of both bodies of the Legislature, Republicans set committee deadlines nearly a month earlier than typical – which provided an early indication that leaders anticipated needing nearly two months to send major appropriation bills to Governor Dayton, potentially have them vetoed, and come to some final agreement before the constitutionally mandated adjournment date of May 22.

During March, legislators spent their time in committees unveiling, debating and passing various omnibus budget bills to the floor. By early April, those bills started to pass off the House and Senate floors and head to conference committees. Prior to the mid-April legislative spring break, Minnesota Management and Budget (MMB) Commissioner Myron Frans criticized the Republican budget proposals for their "alternative math," and recommended the Governor veto them all upon arrival to his desk.

Political posturing continued to increase at the end of April, as Speaker Daudt and Majority Leader Gazelka released new joint legislative budget targets and lambasted Governor Dayton for being disengaged and reckless in budget negotiations, and not meeting his own deadline for a global budget agreement.

The Legislature finally passed all of its budget bills and sent them to Governor by May 15, leaving just one week left in the regular session. The Republican's razor-thin majority in the Senate became readily apparent when Senator Carla Nelson (R-Rochester) left Saint Paul for several days the week prior to be with her dying father, effectively stalling the Senate's ability to pass any budget bills without DFL support.

Transparency (or lack thereof) was a recurring theme of the entire 2017 session. Leaders vowed to make this session more transparent, in light of previous sessions that were marred by last-minute deals often made behind closed doors. And while many of the conference committee meetings avoided work in the "dark of night" this year and were conducted earlier in the day, there was little to no public input and the actual negotiating of policy provisions was not done in public – bringing a predictable wave of criticism from Democratic legislators.

In the final week of the regular session, Governor Dayton and legislative leaders met frequently to ostensibly try to negotiate a budget agreement. On Friday, May 19, Speaker Daudt and Senate Majority Leader Gazelka released new budget targets and announced that conference committees would meet through the final weekend of session to finalize a second round of omnibus bills that could be sent to and signed by Governor Dayton.

By the evening of Monday, May 22, there were still five major budget bills yet to be released, all but assuring the need for a special session. And at approximately 11:15 p.m. that day, legislative leaders and Governor Dayton announced a tentative budget agreement and a special session to begin immediately at 12:01 a.m. on Tuesday, May 23.

It took the Legislature nearly four days to complete the "one-day" special session, during which it passed all of the remaining budgets as well as a tax bill and preemption proposal and adjourned around 3 a.m. on Friday, May 26.

In the days following the end of the special session, Governor Dayton received letters from several members of the DFL party criticizing several provisions in the budget bills, and urging him to veto them. Despite this, the Governor signed all the budget bills, ultimately including the tax bill which he has initially said he would allow to become law without his signature.

Although the Republican-controlled Legislature could consider the Governor's decision to sign the budget bills a success, it came with a price – and the intrigue of this legislative session is still not finished.

In a last-ditch effort to express his displeasure with some provisions – particularly a "reprehensible sneak attack" included in the state government finance bill that would have eliminated funding for the Department of Revenue if the tax bill was not enacted – Governor Dayton line-item vetoed all funding for the Minnesota House and Senate effective July 1, 2017, depriving the Legislature of nearly $65 million. While there are some reserve funds available, it would not be nearly enough money to function until the scheduled 2018 session.

Republican leaders were quick to criticize the Governor's unusual move, calling it unconstitutional and a violation of the separation of powers to try and eliminate funding for an entire branch of government. Meanwhile, Governor Dayton believes he can use this deprivation of the Legislature's funding to force another special session, for which he has already laid out several demands. We expect Republicans to quickly move forward with a legal challenge to the Governor's actions this month.

Beyond the seemingly never-ending budget discussion, a number of other major headline items were discussed and acted upon by the Legislature this session, including:

- **Sunday liquor sales:** Passed and signed into law. After years of debate, the Minnesota Legislature this year voted to eliminate the state's longtime ban on selling alcohol in liquor stores on Sunday. July 2, 2017, will be the first Sunday that liquor stores are legally able to be open.
- **Real ID:** Passed and signed into law. After failing to pass compliance with the federal Real ID standards in 2016 and a looming deadline of January 2018 when Minnesotans would no longer be able to board a plane without a passport, the Legislature passed Real ID compliance in the final week of the 2017 session – making Minnesota the last state in the union to do so. The federal government will now allow Minnesotans an extension until 2020 to get a Real ID, and the Minnesota Department of Public Safety expects to begin issuing compliant driver's licenses in 2018.
- **Preemption:** Passed and vetoed by Governor Dayton. A top priority for Republicans this session, the proposal would prevent local governments from adopting their own minimum wages and benefit ordinances – largely in response to decisions in Minneapolis and Saint Paul to adopt paid sick time ordinances and a pending vote in Minneapolis on a higher minimum wage. Many businesses and organizations supported the measure, while opponents argued that it took away local control. Republicans insisted on discussing the issue during the special session and passed a bill, which Governor Dayton vetoed. A smaller preemption proposal, however, which prohibits local governments from banning any kind of shopping bags, was signed into law by Governor Dayton as part of the tax bill – and halts a Minneapolis ordinance that was set to go into effect on Thursday, June 1.
- **Paid sick time/parental leave for state employees:** Vetoed, but possibly still moving forward. Republicans included the ratification of state employee contracts, including paid sick time/parental leave provisions, in the preemption bill to try and entice Governor Dayton to sign the measure. Despite the Governor's veto, MMB Commissioner Frans argues that the labor agreements will still move forward – because they were pre-negotiated and only needed approval from the Legislature, a requirement he said was met when both bodies passed the bill during the special session. Republicans argue that the bill language prohibited the leave policy from applying to all state employees without the full bill being enacted. If the benefits continued to be provided, a legal challenge could come forward.
- **Female genital mutilation:** Passed by the House, not acted upon in the Senate. In response to a news report about a Detroit-area doctor performing the cultural ritual common in communities across Africa, Asia, and the Middle East on two young Minnesota girls, Rep. Mary Franson (R-Alexandria) and Sen. Karin Housley (R-St. Mary's Point) introduced legislation late in the session that would make parental involvement in the procedure a felony and grounds to lose custody. Lawmakers in states across the country are discussing similar measures. While the House passed the proposal by a vote of 124-4, Senator Housley said she preferred to take up the issue next session because of unresolved issues.
- **Teacher licensure:** Passed and signed into law (after having been vetoed once). The Education omnibus bill signed into law by Governor Dayton will create a new Professional Educator Licensing and Standards Board (PELSB) in place of the Board of Teaching, and implement a tiered teacher licensing structure. This is an attempt to make the teacher licensure process in Minnesota more transparent and accessible after a damning report from the Office of the Legislative Auditor in 2016. Governor Dayton vetoed a standalone proposal that reached his desk earlier in session, but legislators included an amended version in the education bill passed during special session.

How does the possibly unfinished 2017 legislative session set the stage for the 2018 legislative session, which will convene on February 20, 2018? We expect this summer to be squarely focused on two things: fundraising and gubernatorial candidate positioning. Democrats will focus heavily on candidate recruitment, particularly in outstate population centers where they did not fare well in the 2016 elections – Albert Lea, Bemidji, Owatonna, Red Wing, and Saint Cloud. They will need to make the fundraising case to their base that the 2018 midterm elections will be favorable for Democrats, considering the tumultuous national political scene. Republicans will tout their legislative successes (such as tax cuts, transportation funding, bonding and increased education spending) to defend their members and stymie DFL efforts in greater Minnesota.

The backdrop of two contentious mayoral elections in Minneapolis and Saint Paul will also dot the local political landscape. We will be closely watching the tone of those races as they undoubtedly will shape the DFL rhetoric as the two heavily Democratic cities turn out to vote.

Finally, Democratic and Republican candidates vying for Governor (and other statewide offices) will be very visible for the remainder of 2017 and throughout 2018. Several legislators have expressed interest in running, which could have consequences on the Legislature if those candidates' seats are contentious. Fundraising and name recognition will be the focus of candidates in 2017 – which means most Minnesotans can expect a visit at their county fair, street festival, or doorstep.

Health and human services

This legislative summary is a look back at the 2017 legislative session and an overview of the final health and human services finance bill. If you have questions regarding further details, please do not hesitate to contact either Eric Ratzmann, MACSSA Executive Director, at 651-789-4340 or ratzmann@mncounties.org, or Elizabeth Emerson, Goff Public, at 651-717-4174 or elizabeth@goffpublic.com.

Budget framework

At the outset of the legislative session, the governor, House and Senate each set spending targets for the health and human services bill. Below is a quick snapshot of those targets and what ultimately was agreed to and signed into law:

2018-19 fiscal year	Governor	House	Senate	Final
Budget target (net fiscal impact)	$328m	-$582m	-$333m	-$63.554m (18-19) $43.46m (20-21)
Health Care Access Fund Balance (at end of fiscal yr)	$584m (18-19) $225m (20-21)	$927m(18-19) $732m (20-21)	$915m (18-19) $706m (20-21)	$524.69m (18-19) $4.375m (20-21)

These competing philosophies played out throughout the regular and special legislative sessions.

MACSSA priorities

Heading into the legislative session, MACSSA identified two significant legislative priorities: increased funding for the Minnesota Eligibility Technology System (METS) and a task force that would address growing concerns with the sustainability of health and human services funding.

MACSSA worked closely with county partners throughout the legislative session on both issues. HF1462/SF1154 (Albright/Utke) was introduced to establish a Human Services Financing Reform Task Force. In working with our authors and committee chairs, we were able to move the bill through the process in the Senate but could not get traction on the bill in the House. Legislators expressed concerns over the bill, noting that they were reluctant to want to create another task force that would generate a report that would sit unused on their bookshelves. Others felt like the tasks outlined in the bill would be better executed in a legislative committee or open hearing process. Ultimately, the bill did not move forward to become law.

Funding for METS was an issue of concern throughout the legislative session. In the initial House health and human services bill, there was a provision that would eliminate MNsure to move it to the federal health care exchange. That provision also called for the elimination of METS but offered little direction in terms of its replacement. Counties expressed grave concerns with this proposal. During committee testimony, House HHS Chair Matt Dean indicated that "help was on the way," but we did not see that help come to fruition. In the Senate, Chair Michelle Benson looked for technology alternatives to METS but held strong convictions that counties should not be hurt by any technology changes. Counties introduced HF2123/SF1786 (Albright/Benson) to send a strong statement on the need for funding for this system. Ultimately, the House and Senate did not make any changes to METS or its funding, which will remain at current levels through the next biennium. We expect this will continue to be a topic of legislative discussions in the next session.

Omnibus health and human services bill - SF2

The omnibus health and human services (HHS) budget bill was one of the last bills out the door of the 2017 1st special session. The bill complies with the agreed upon budget target of -$463.5 m (FY2018-19) and -$273 m (FY2020-21) in general fund spending. The bill also includes significant spending from the Health Care Access Fund (HCAF) – $176 m (FY2018), $392 m (FY2019), $527 m (FY2020), and $704 m (FY2021), leaving a balance of just over $4 m in the account by FY2021.

Many of the provisions included in the final bill were in play most of the 2017 regular session. One exception is a provision of most concern to counties – a cost shift related to MNCHOICES (outlined below). In the first omnibus HHS bill, there was a state savings associated with the investment with an understanding that legislative intent was to reduce the number of assessments and time associated with each, to find savings and reduce the burden on counties. DHS and counties communicated that because MNCHOICES is a forecasted/reimbursed program with associated federal requirements, it would be very difficult to find the seemingly arbitrary savings that the legislature expected. However, in response to the objections, the legislative solution was to shift a portion of the assessment costs to counties thereby saving the state money.

The bill contains a number of county priorities:

- **Interactive Case Management/ITV** ($51K in FY18-19; $18K in FY20-21). Allows for the use of interactive video services (ITV) for certain case management services provided by counties.
- **Post-Arrest Coordination** ($4K in FY18-19; $2K in FY20-21). Extends **Medical Assistance (MA) coverage for community-based service coordination at pre-booking. This is optional for counties who will pick up the non-federal share if they choose to establish a system.**
- **Mental Health Innovation Grants** ($2m in FY18-19; $2m in FY20-21). Provides ongoing funding for grants to the mental health continuum; taken from county cost shares related to AMRTC and CBHHs. Grant recipients will need a letter of support from the local mental health authority.
- **Dakota County Child Data Tracking Software Grant for Birth to Eight Project** ($200K in FY18). This will award a grant to Dakota County to develop and implement pilots to evaluate the impact of a coordinated system and service delivery approach on key developmental milestones and outcomes that ultimately lead to reading proficiency by age eight within the target population. The pilot program will run from July 1, 2017, to June 30, 2021.
- **Data modernization sharing provisions.** This will allow limited information to be shared to allow community services to provide coordinated, integrated service delivery within the county system.
- **Pathways to prosperity welfare reform.** This pilot program, a priority for Dakota and Olmsted counties, will test an alternative financing model for young families receiving public assistance by removing barriers**.**
- **Resources for Somali children with autism** ($110K in 2017). A Dakota County grant to partner with a community-based organization with expertise in serving Somali children with autism. The grant must address barriers to accessing health care and other resources by providing outreach to Somali families on available support and training to providers on Somali culture. Dakota County must report notable outcomes achieved by January 15, 2019.
- Maintains level funding for the **Local Public Health Grant** (no cut, no increase); the provision delaying payment of grant funds in FY19 was NOT included.
- Redesign of **substance use disorder continuum of care.**

Other positive aspects of the bill:

- No funding cut for Minnesota Eligibility Technology System (METS)
- Reinvestment of Child Care Assistance Program (CCAP) integrity dollars into the CCAP program
- Limited improvements to child protection and foster care permanency
- Investments in child welfare and safe harbor services for sexually exploited youth
- Redesign of intensive mental health services for children
- Funding for MN Security Hospital staffing
- Increased funding for home visiting

As noted above, the final bill is not without significant concerns. Most notably, the bill contains a significant county cost shift related to MNCHOICES. An idea that originated in the Senate, language surrounding MNCHOICES initially intended to streamline assessments. DHS pushed back on the purported savings that the legislature claimed related to this streamlining. Now, SF2 includes minimal language that actually requires program improvement and shifts $19.3m (FY18-19) and $22.3m (FY20-21) to counties. We were successful in the late hours of the special session in removing a provision that would have made this shift worse by disallowing counties to contract to perform these assessments – that language was removed on the Senate floor.

In order to fund some of the new programming and to increase funding for existing programs, the legislature passed the following sources of savings to the state. (*Note that numbers included in this section are negative, indicating a savings to the state.)*

- Changes to CCAP to maintain system integrity: -$15.3m (FY18-19); -$28.1m (FY20-21)
- Managed Care Organization (MCO) trend reduction of 0.5% (includes county-based purchasing: -$17.5m (FY18-19); -$64.8m (FY-20-21)
- Contingent appropriation for DHS Central Office operating adjustment: -$16.5m (FY18-19) – this was part of the Governor's budget proposal which was not included in the first HHS omnibus bill
- Expansion of Child Care Financial Fraud and Abuse Investigations: -$464K (FY-18-19); -$514K (FY20-21)
- Reforms of Corporate Foster Care: $129K system costs (FY18-19); -$123K (FY20-21)
- MA Enrollment Verification: -$13.1m (FY18-19); -$18.7m (FY20-21)
- Implementation of Periodic Data Match (starting 4/4/18): -$11.5m (FY18-19); -$1.7m (FY-20-21)
- Capitation Payment Delay until May 2019 and May 2021: -$173.3m (FY18-19); -$24.4m (FY20-21). Savings are achieved by delaying payments into the next fiscal year. This includes county-based purchasing.
- Bulk purchase of incontinence supplies: -$2m (FY18-19); -$5.1m (FY-20-21). This interesting savings came as a result of end-of-session budget negotiations as legislators pressed DHS to find additional sources of state savings.
- 36 additional GRH beds: -$36K (FY18-19); -$44K (FY20-21).
- Integrated Health Partnership Pilot Projects: -$9.4m (FY18-19); -$34.1m (FY20-21). These projects are targeted to high-risk, high-user populations.
- MNCHOICES administration reform: -$19.3m (FY18-19); -$22.3m (FY20-21). This is a direct cost shift to counties.
    - DHS to work with counties to modify the assessment tool to:
      (1) reduce assessment times;
      (2) modify the application and assessment policies to create efficiencies while ensuring federal compliance;
      (3) implement policy changes to reduce the frequency and depth of the assessment and reassessments; and
      (4) evaluate alternative payment methods.

<u>DHS appropriations</u>

Children and families

- Child welfare services for sexually-exploited youth: $152K (FY18-19); $142K (FY20-21)
- Safe Harbor for sexually-exploited youth: $1.1m (FY18-19); $1.1m (FY20-21) for services through DHS
- Improvements to child protection and foster care permanency: $1.4m (FY18-19); $1.4m (FY-20-21). These provisions were from the Governor's budget proposal and added in the final negotiations.
- CCAP program modifications: $18.6m (FY18-19); $29.6m (FY20-21). These provisions were from the Governor's budget proposal and added in final budget negotiations.
- Increase to public health nurse home visiting MA rate: $614K (FY18-19); $1.16m (FY20-21). Increases in MA reimbursement rate to a minimum of $140/visit for evidence-based nurse home visiting.
- DHS assumption of duties related to maltreatment investigations in MN Department of Corrections' children's residential facilities: $147K (FY18-19); $136K (FY20-21)
- Increase in at-home infant child care assistance: $2.3m (FY18-19); $2.1m (FY20-21)
- White Earth Nation operation of child welfare services: $1m (FY18-19); $1m (FY20-21)
- Foster care re-entry for 18-21 year olds: $81K (FY18-19); $85K (FY20-21) in Northstar grants. Money allocated for state only – local cost share is 83% of non-federal funds. Cost to counties is estimated to be $200K/year statewide.

- Community action grants for child and economic support: $1.5m (FY18-19); $1.5m (FY20-21)
- Incomes disregard for spouse in newly-married couples (MFIP eligibility): $651K (FY18-19); $1.5m (FY20-21)
- Monthly MFIP cash assistance ($13/month): -$62K (FY18-19); $2.8m (FY20-21). Paid for by eliminating MFIP innovation projects, which includes family planning.
- Tax Equity and Fiscal Responsibility Act (TEFRA) parental fee reduction: $1m (FY18-19); $1m (FY20-21)
- Family Assets for Independence (FAIM): $500K (FY18-19)
- American Indian Child Welfare Expansion and Early Intervention: $866K (FY18-19) in one-time funding

Chemical dependency

- Substance use disorder reform: -$569K (FY18-19); $6.3m (FY20-21)
- Chemical dependency service provider rate increase (3%): $2.4m (FY18-19); $3m (FY20-21)
- Minnesota Organization on Fetal Alcohol Syndrome; $500K (FY18-19) for regional collaborative projects to provide intensive services to chemically dependent women to increase positive birth outcomes. The partnerships must include local government and, where available, one family home visiting program.

Mental health

- Redesign of intensive mental health services for children: $4.8m (FY18-19). State only MA funding for children's residential mental health in institutions of mental disease (IMDs).
- Child & Adolescent Behavioral Health Services (CABHS) facility in Willmar: $896K (FY18-19)
- Mental health innovation grants: $2.5m (FY18-19). Provides ongoing funding for grants to the mental health continuum; taken from county cost shares related to AMRTC and CBHHs. Grant recipients will need a letter of support from the local mental health authority.
- Housing supports for adults with mental illness: $2.5m (FY18-19)
- Mental health grants: $2.5m (FY18-19) for housing supports, assertive community supports, adult and children respite services, and crisis services
- First psychotic episode treatment: $1m (FY18-19)

Adult services

- Eligibility verification (federal compliance): $645K (FY18-19); -$53K (FY20-21). DHS to implement a process to terminate coverage for MA enrollees who fail to submit requested verifications within 95 days of coverage approval. DHS shall implement a manual process with counties by July 1, 2017, and provide them with instructions and necessary reports. Commissioner shall ensure METS has the required functionality to implement an automated process to verify eligibility by April 1, 2018.
- Expansion of Return to Community program: $1.1m (FY18-19); -$541K (FY20-21)
- Minnesota Security Hospital staffing**:** $22.9m (FY18-19); $35.4m (FY20-21). This funding was not included in previous versions of the HHS bill; this proposal for improved staffing and safety was part of Governor Dayton's budget.
- State-Operated and Community-Based Services: $10.3m (FY18-19); $3.6m (FY20-21). This proposal was part of the Governor's proposed budget that was added in final negotiations.
- Elderly waiver modifications: $2.6m (FY18-19); $11.5m (FY20-21).
- Disability Waiver Rate Setting (DWRS) methodology modifications: -$4.5m (FY18-19); -$14.7m (FY20-21). Modifications include combining various waiver categories. While savings are projected in the short-term, these provisions have significant fiscal implications in FY22-23 and beyond.
- Sustaining Deaf and Hard of Hearing Services: $2.1m (FY18-19); $2.1m (FY20-21). Funding intended to ensure culturally-affirmative services. DHS would have to ensure the availability of communication supports and work with counties and others regarding the availability of services.

- Increase in MA spend-down for disabled individuals (increase from 80% to 81%): $45K (FY18-19); $1.5m (FY20-21)
- Group Residential Housing (GRH) presumptive eligibility: $370K (FY18-19); $502K (FY20-21). Changes the GRH formula for residents who have received residential crisis stabilization services.
- Non-Emergency Medical Transportation (NEMT): $64K (FY-18-19); $78K (FY20-21). Elimination of the pro-rationing of payment rates.
- Home and Community-Based Services (HCBS) incentive pool: $2m (FY18-19)

Other

- Increase in DHS Central Office operations: $31.3m (FY18-19); $31.5m (FY20-21). This was not part of previous legislative proposals and was insisted upon by Governor Dayton in final negotiations.
- Integrated service delivery system and MMIS modernization: $17.3m (FY18-19); $12m (FY-20-21). This was added to the bill in final budget negotiations and was insisted upon by the administration.
- Office of Legislative Auditor:
- Audit of DHS: $306K (FY18-19); $306K (FY20-21)
- Audit of MCOs: $1.2m (FY18-19); $1.2m (FY20-21)

County Specific Projects

- St. Louis County GRH Supplemental Service Rate: $117K (FY18-19); $169K (FY20-21)
- Anoka County Family Foster Care Grant: $75K (FY18)
- Anoka County GRH Supplemental Service Rate: $486K (FY18-19); $486K (FY20-21)
- Olmsted County GRH Supplemental Service Rate: $1.5m (FY18-19); $2.4m (FY20-21)
- Wadena County Peer Run Respite Grant: $100K (FY18-19)
- Dakota County Child Data Tracking Software for Birth to 8 Project: $200K (FY18-19)
- Benton, Sherburne, and Stearns counties: For a child care provider located within the boundaries of a city located in two or more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child care assistance shall be equal to the maximum rate paid in the county with the highest maximum reimbursement rates or the provider's charge, whichever is less: $142K (FY18-19); $149K (FY20-21)
- Murray County ICF-DD Rate Increase: $834K (FYl8-19); $870K (FY-20-21)
- Co-Parenting Education (NorthPoint/Hennepin): $300K (FY18-19)

MDH expenditures

Children and families

- Safe Harbor for sexually-exploited youth: $1m (FY18-19); $1m (FY20-21)
- Statewide sex trafficking victims strategic plan: $73K (FY18)
- Home visiting for pregnant teens: $12m (FY18-19); $33m (FY20-21). Grants to community health boards, non-profits, and tribal nations.

Chemical dependency

- Opioid abuse prevention pilot projects: $1m (FY18). Includes at least two grants from SHIP funds to address opioid abuse. MDH and DHS to coordinate grant-planning activities.

Adult services

- Protection for vulnerable adults in health care settings: $3.2m (FY18-19); $5.8m (FY20-21)
- Advanced care planning grants: $500K (FY18-19)

Other

- Public health emergency fund: $5m (FY18). Creates special revenue account to respond to immediate public health activities required to protect the health and safety of the public. Includes reimbursement to community health board or other local units of government. This was not included in past versions of the HHS bill – it was added as part of late negotiations with the Governor.
- MDH operating adjustment: $7.6m (FY18-19); $9m (FY20-21)
- Delay of Radon Act implementation: $367K (FY18-19); $10K (FY20-21)

HHS policy contained in Senate File 2:

Article 1 – Community supports

- Adds "individual community living support" to definition of basic support services and "employment exploration, development and support services" to basic support services definition for home and community-based services, upon federal approval. The bill then specifically excludes these services from day training and rehabilitation (center-based) services.
- Policy implementation language for a self-advocacy network for grants to organizations governed by people with intellectual and developmental disabilities that administrates a statewide network of disability groups to maintain and promote self-advocacy services.
- Defines face-to-face encounters that must be completed by a qualifying provider for home health services, and allow for these encounters to be completed through telemedicine.
- Defines "person-centered planning" for purposes of conforming with the Olmstead Plan.
- Adds responsibilities to certified MNCHOICES assessors:
  - Ensuring objective, unbiased access to resources;
  - Ensuring persons have needed information to support informed choice;
  - Determining level of care and eligibility for long-term services and supports;
  - Using information gathered from interview to develop a person-centered community support plan; and
  - Providing the person with a community support plan that summarizes the assessment findings, support options, and next steps.
- Adds policy language from MNCHOICES assessors to long-term care reassessments. Provides that reassessments must be tailored based on assessor's professional judgement of person's known needs. Requires that face-to-face assessments be conducted annually or as required by federal and state laws and rules.
- Changes timelines for assessment from 40 calendar days of admission to "the timeline established by the commissioner, based on review of data."
- Adds that DHS shall work with lead agencies responsible for consultation services to modify the MNCHOICES application and assessment policies to create efficiencies, while ensuring federal compliance with MA and long-term services and supports eligibility criteria.
- Modifies the home and community-based services incentive pool so that services that provide innovation in achieving integrated competitive employment for youth 25 and younger upon their graduation from school be included in eligible proposals.
- Changes to rates under waivered services:
  - For day service recipients (not authorized prior to 2014 but added a service or changes providers after 2014), the historial rate must be the weighted average authorized rate for the provider number in the county of service ("weighted average" added).
  - Allowance for one percent increase in reimbursement rate through banding period.
- Includes base wage index modifications for minimum wage and median wage changes (compliance with federal labor law).
- Makes modifications to the Deaf and Hard-of-Hearing Services Division.
- Modifies Consumer-Directed Supports budget methodology for persons leaving institutions and crisis residential settings. Institutional settings include ICF-DDs; nursing facilities; acute care hospitals;

AMRTC; Minnesota Security Hospital; and crisis beds. The budget exception is limited to no more than the amount of appropriate services provided in a non-institutional setting as determined by the lead agency managing the individual's HCBS waiver.

- Directs DHS to:
  - Consult with lead agencies and stakeholders to conduct a study to identify opportunities to increase access to transportation services for home and community-based services;
  - Consult with Deaf, Deafblind, and Hard-of-Hearing Minnesotans to provide recommendations (by January 2018) to modernize the telecommunications equipment program;
  - Report on potential costs and benefits of the Deaf and Hard-of-Hearing Services Division billing for cost of mental health services;
  - Consult with lead agencies to modify MNCHOICES assessment tool to reduce assessment times; create efficiencies within the tool and practice; implement policies to reduce the frequency and depth of assessment and reassessment; and evaluate alternative payment methods;
  - Implement administrative efficiencies and evaluate the random moment time study methodology for reimbursement of costs associated with county costs related to MNCHOICES (by January 15, 2019); and
  - Implement rate adjustments to comply with wages and benefits negotiated between the State of Minnesota and Service Employees International Union (SEIU) Healthcare Minnesota for July 1, 2017-June 30, 2019.

Article 2 – Housing

- Foster care bed moratorium – allows Commissioner to adjust capacity for adult foster care and provides for the delicensing and closure processes. An exception to the moratorium must consider the resource need, availability of foster care beds in the area, results of individual's assessment and plan review, and recommendation of the local county board.
- Policy changes related to adult foster care resident rights, roommate choice, and service termination for elderly waiver participants.
- Policy related to the establishment of housing support services (individuals with disabilities that limit one's ability to obtain or maintain stable housing); renaming current "group residential housing" terminology.
- Hospital moratorium exception – allows for additional children's residential treatment psychiatric beds (Prairie Care).
- Supplementary rates for housing support facilities in St/ Louis, Olmsted, and Anoka counties.
- Flexibility for DHS to make cost-neutral transfers of funding from housing support fund to counties for emergency shelter beds.
- Direction to DHS to develop a plan to review housing support services supplemental rates, develop a process to modify insufficient or excessive rates, and plan for future evaluations of supplemental rates (by December 1, 2018).

Article 3 – Continuing care

- Requires lead agencies to conduct a reassessment of an individual if there is a significant change in the client's condition and current services no longer meet the need.
- Direction to Minnesota Board of Aging to administer self-directed caregiver grants to support at-risk family caregivers of seniors, beginning July 1, 2019.
- Removes requirement that a client reassessment under the elderly waiver must be conducted at any time a case manager determines a significant change in the client's functioning, including hospital discharge. Creates new direction that change-in-condition reassessments shall occur before the annual reassessment in cases where client's condition changed due to a major health event, an emerging need/risk, worsening health condition, or cases where current services do not meet client need. The reassessment can be

initiated by the lead agency or at the request of the client, a designee, or provider. The reassessment must occur no later than 20 days from the request, and urgent requests should be expedited.

- Changes nursing home payment rates.
- Increase in daily rate for intermediate care facility for persons with developmental disabilities (ICF/DD) in Murray County (14 beds) to $400, in addition to other scheduled increases.
- Direction to DHS to study existing adult day services (support and staffing levels, quality assurance, and delivery models).
- Creates Alzheimer's Disease Working Group within the Minnesota Board of Aging.
- Direction to DHS to establish implementation requirements and standards for an electronic service delivery documentation system to comply with 21st Century Cures Act.
- Direction to DHS and nonpartisan legislative staff to prepare legislation to recodify elderly waiver program statutes.

Article 4 – Health care

- Direction to Office of Legislative Auditor (OLA) to examine the programs, services and benefits administered by DHS to determine whether DHS offered programs and provided services/benefits only to eligible persons and organizations.
- Direction to OLA to examine managed care organizations (MCOs) that contract with DHS to provide health care services, including county-based purchasers.
- Direction to MDH to develop statewide framework for quality of care elements in consultation with stakeholders.
- Direction to DHS to implement the Asset Verification System (AVS) to comply with federal law to verify individual assets for individuals applying or renewing public health care benefits.
- Requirement that DHS notify House and Senate legislative committee chairs at least 30 days before submitting a new Medicaid waiver request to the federal government.
- Direction to DHS to implement periodic data matching beginning April 1, 2018, with a report due to legislature by September 1, 2019.
- Policy clarification related to "good cause" clause for enrollee's excuse for nonpayment of required MA premiums.
- Elimination of rate pro-rationing for NEMT.
- Authorization of interactive video for mental health targeted case management.
- Volume purchasing of incontinence products, resulting in a state cost savings.
- Post-arrest community-based service coordination which allows for MA to cover post-arrest coordination for individuals who have been identified as having a mental illness or substance use disorder (by a screening tool), do not require the security of a public detention facility and is an inmate of the state, and has agreed to participate in this coordination through a diversion contract in lieu of incarceration.
- Extension of MA benefits to cover stiripentol, as medically necessary.
- Direction to DHS to adjust quality metrics for providers (including county-based purchasers) who primarily serve socioeconomically complex patient populations (all MA and MinnesotaCare enrollees), including chronic pain management.
- Modifications of innovative "health care delivery systems" demonstration projects that include changing their name to innovative "integrated health partnerships".
    - Payment system for these partnerships will now include a population-based payment that supports care coordination services for all enrollees and is risk-adjusted.
- Prenatal and postpartum follow-up home visits provided by public health nurses or registered nurses supervised by a public health nurse using evidence-based models will be paid $140/visit, effective January 1, 2018.

- Increase of 54% in payment rates to dental providers for services to MinnesotaCare enrollees after January 1, 2018.
- Increase in sliding scale premium costs for MinnesotaCare enrollees for those greater than or equal to 160% of federal poverty guidelines.
- Delay in capitation payments to managed care and county-based purchasing plans – payments due in May 2019 delayed until July 1, 2019 (no later than July 31, 2019); payments due in May 2021 delayed until July 1, 2021 (no later than July 31, 2021).
- DHS studies:
  - Study of the use of opiates for treatment of chronic pain when acupuncture services are also part of the treatment compared to opiate use among MA recipients who are not receiving acupuncture. Study due by Feburary 15, 2018.
  - Study of the impact of basing MA payment for durable medical equipment and supplies on Medicare payment rates, as limited by 21st Century Care Act, on access by MA enrollees. Study due by January 1, 2019.
- Federal compliance with eligibility verification: Commissioner to implement a process to terminate coverage for MA enrollees who fail to submit requested verifications within 95 days of coverage approval. Commissioner shall implement a manual process by July 1, 2017, with counties and provide them with instructions and necessary reports. Commissioner shall ensure METS has the required functionality to implement an automated process to verify eligibility April 1, 2018.

Article 5 – Health insurance

- Nothing that directly impacts counties.

Article 6 – Direct care and treatment

- Location of programs: Commissioner shall take into account prioritization of beds in state-operated, community-based programs for individuals with complex behavioral needs that cannot be met by private community-based providers, and choices made by individuals who chose to move to a more integrated setting, and shall coordinate with the lead agency to ensure that appropriate person-entered transition plans are required.
- Review of alternatives to state-operated group homes housing one person: Commissioner shall review the potential for, and the viability of, alternatives to state-operated group homes housing one person. The intent is to create housing options for individuals who do not belong in an institutionalized setting, but need additional support before transitioning to a more independent community placement.

Article 7 – Children and families

- Allows county personnel in the welfare system to request access to education data in order to coordinate services for a student or family. Request must be submitted to the administrative officer of the school and must include the basis for the request and description of requested information. A copy of the request must be provided to the parent or legal guardian of the student, along with a form that the parent/guardian may execute to consent to the release. Release of information is only allowed after informed consent.
- Allows for data release to county correctional agencies to the extent necessary to coordinate services and diversion programs.
- Extends education and training programs for "transition year extension families" under CCAP.
- Allows for 12-month eligibility for child care assistance. DHS must develop the redetermination form and eligibility must be redetermined no more frequently than every 12 months.
  - Counties shall process a change in eligibility according to a number of listed factors, including reported termination of employment.
- Limits child care centers to receive authorizations for 25 or fewer children who are dependents of the center's employees. County cannot authorize additional dependents of an employee until that number falls below 25.

- Implements new child care authorization requirements. County agencies must consider:
  - Amount of time the parent reports that the child attends preschool, Head Start, or school while parent is in an authorized activity;
  - Care must be authorized and schedule based on applicant's verified schedule; and
  - If the family remains eligible, a new authorization with fewer, same, or increased hours may be determined.
- Requires designation of a primary and secondary provider if a combination of providers is to be paid by CCAP. Secondary provider cannot exceed 20 hours per two-week service period.
- Provides assistance for persons attending an approved education or training program. Dollars can be used to reduce child care costs for a student. The county shall not limit the duration of child care subsidies for a person in an employment or education program unless the person is ineligible.
- Extends eligibility parameters for families for up to three months (or until redetermination, whichever is first) when making progress toward education/employment goals but certain circumstances apply.
- Modifies child care provider rates for providers located within boundaries of a city located in two or more counties (Benton, Sherburne, and Stearns).
- Provides a family member exemption from training related to SIDS and abusive head trauma.
- Reduces TEFRA fees.
- To extent federal funds are available, the Commissioner shall design a program to reduce the needs for out-of-home placements for adoptive, foster and kinship families.
- Extends county responsibility to pay for foster care reentry of children up to 21 years of age (from 18 years of age).
- Implements Dakota County's Birth to Age Eight pilot project.
- Authorizes DHS to develop MN Pathways to Prosperity and Well-Being pilot projects to test alternative financing models for the distribution of publicly funded benefits.
- Requires DHS to develop guidelines for posting public licensing data for licensed child care programs by November 1, 2017. DHS must consult with stakeholders in the process, including counties.

Article 8 – Chemical and mental health services

- Directs parameters around the new mental health innovation grant program. DHS must report to the legislature regarding grant outcomes by December 1, 2019.
- Expands mental health grants to allow for funding for transportation for children receiving school-linked mental health services when school is not in session and for operational costs related to start-up for new children's mental health programs.
- Allows for counties already authorized/licensed by state for residential, foster care, or child placement services to be exempted from licensure for care coordination related to substance use treatment.
- Comprehensive policy related to substance use disorder treatment, including initial services plan, comprehensive assessment and summary parameters.
  - Requires license holder to employ an alcohol and drug counselor supervisor who meets the requirements of MN Statute 245G.11, subdivision 4 (new):
    - *Subd. 4. Alcohol and drug counselor supervisors. An alcohol and drug counselor supervisor must:*
      (1) meet the qualification requirements in subdivision 5;
      (2) have three or more years of experience providing individual and group counseling to individuals with substance use disorder; and
      (3) know and understand the implications of this chapter and sections 245A.65, 626.556, 626.557, and 626.5572.

      Subd. 5. Alcohol and drug counselor qualifications. (a) An alcohol and drug counselor must either be licensed or exempt from licensure under chapter 148F.
      (b) An individual who is exempt from licensure under chapter 148F, must meet one of the following additional requirements:
      (1) completion of at least a baccalaureate degree with a major or concentration in social work, nursing, sociology, human services, or psychology, or licensure as a registered nurse; successful completion of a

minimum of 120 hours of classroom instruction in which each of the core functions listed in chapter 148F is covered; and successful completion of 440 hours of supervised experience as an alcohol and drug counselor, either as a student or a staff member;
(2) completion of at least 270 hours of drug counselor training in which each of the core functions listed in chapter 148F is covered, and successful completion of 880 hours of supervised experience as an alcohol and drug counselor, either as a student or as a staff member;
(3) current certification as an alcohol and drug counselor or alcohol and drug counselor reciprocal, through the evaluation process established by the International Certification and Reciprocity Consortium Alcohol and Other Drug Abuse, Inc.;
(4) completion of a bachelor's degree including 480 hours of alcohol and drug counseling education from an accredited school or educational program and 880 hours of alcohol and drug counseling practicum; or
(5) employment in a program formerly licensed under Minnesota Rules, parts 9530.5000 to 9530.6400, and successful completion of 6K hours of supervised work experience in a licensed program as an alcohol and drug counselor prior to January 1, 2005.
(c) An alcohol and drug counselor may not provide a treatment service that requires professional licensure unless the individual possesses the necessary license. For the purposes of enforcing this section, the commissioner has the authority to monitor a service provider's compliance with the relevant standards of the service provider's profession and may issue licensing actions against the license holder according to sections 245A.05, 245A.06, and 245A.07, based on the commissioner's determination of noncompliance.

- Affirmative policy change around substance use disorders:
  - **254A.01 PUBLIC POLICY.**
    It is hereby declared to be the public policy of this state that scientific evidence shows that addiction to alcohol or other drugs is a chronic brain disorder with potential for recurrence, and as with many other chronic conditions, people with substance use disorders can be effectively treated and can enter recovery. The interests of society are best served by reducing the stigma of substance use disorder and providing persons who are dependent upon alcohol or other drugs with a comprehensive range of rehabilitative and social services that span intensity levels and are not restricted to a particular point in time. Further, it is declared that treatment under these services shall be voluntary when possible: treatment shall not be denied on the basis of prior treatment; treatment shall be based on an individual treatment plan for each person undergoing treatment; treatment shall include a continuum of services available for a person leaving a program of treatment; treatment shall include all family members at the earliest possible phase of the treatment process.
- Creation of children's psychiatric residential treatment facilities. For facilities that CMS determines to be IMDs, MA will cover medically necessary mental health services except for room and board.
  - Payment to counties for services shall be a proportion of the per day contract rate that relates to the rehabilitative mental health services, and shall not include payment for costs/services that are billed to the IV-E program as room and board. This is effective for services provided July 1, 2017 through April 30, 2019 and expires May 1, 2019.
- Directs DHS to conduct a comprehensive analysis of Minnesota's continuum of intensive mental health service and shall develop recommendations for a sustainable and community-driven continuum of care for children with serious mental health needs. Includes a $250K one-time appropriation to conduct this analysis.
- Instructs DHS to contract with an outside expert to identify recommendations for the development of a substance use disorder residential treatment program model and payment structure that is not subject to IMD exclusion and is financially sustainable for providers. The report is due to legislature by December 15, 2018.

Article 9 – Operations

- Changes definition of "annual" family child care training requirements to indicate a 12-month period or within a calendar year.
- Requires child care licensing agencies to offer an exit interview before completion of a licensing inspection to discuss violations and offer technical assistance.
- Allows for licensed family child care providers to request that DHS expedite its review of a corrections order if the violation would require substantial expenditure of funds or change to programming and provider describes what actions the provider will take in lieu of the corrective action to ensure health and safety of children pending DHS review.

    - If DHS reverses/rescinds a violation, DHS shall issue an amended correction order and the license holder shall post the amended order. If the correction order is rescinded in full, the license holder shall remove the original correction order.
- Prohibits DHS and counties from having correction order quotas.
- Creation of a "fix-it ticket" for family child care and child care center license holders.
    - License holders are eligible if:
        - Violation does not imminently endanger served persons;
        - License holder did not receive a fix-it ticket or correction order at last licensing inspection;
        - Violation can be corrected at the time of inspection or within 48 hours; and
        - License holder correct violation at time of inspection or agrees to correct within 48 hours.
    - If violation is not corrected within 48 hours, DHS must issue a correction order.
    - By October 1, 2017, DHS (in consultation with stakeholders) shall identify the violations that are eligible for a fix-it ticket. An annual report must be submitted to the legislature and will be posted on DHS website.
    - These provisions are effective October 1, 2017.
- Adds fines for determinations of serious maltreatment and sets a cap on fines assessed to in-home child care programs.
- Requires the commissioner to inform family child care and child care center license holders on a timely basis of changes to state and federal statute, rule, regulation, and policy relating to the provision of licensed child care, the child care assistance program, the quality rating and improvement system, and child care licensing functions delegated to counties. Communications under this section shall include information to promote license holder compliance with identified changes. Communications under this section may be accomplished by electronic means and shall be made available to the public online.
- Requires DHS to submit annual reports (by February 1 of each year) on the status of child care in Minnesota.

Article 10 – Health department

- Amends the statutory definitions of environmental wells, environmental well contractor and temporary environmental wells. Also makes changes to licensing and licensing fees.
- Updates food and beverage licensing fees and related language.
- Requires fees collected in relation to manufactured home parks and recreational camping to be deposited into a special revenue fund; changes to licensing fees.
- Requires a study of home care nursing workforce shortage.
- Sets policy around implementation of opioid abuse prevention pilot projects for American Indian communities.

Article 11 – Health Licensing Board

- Nothing that directly impacts counties.

Article 12 – Opiate abuse prevention

- Limits the quantity of opioids prescribed for acute dental and eye pain.
- Establishes a demonstration project focused on chronic pain rehabilitation therapy and appropriates $1m in FY18 to fund the project.
- Establishes a provider grant program for substance use disorders (MA patients).

Article 13 – Miscellaneous

- Nothing that directly impacts counties.

Article 14 – Nursing facility technical corrections

- Nothing that directly impacts counties.

Article 15 – Managed care organizations

- Establishes an enrollee support system with MCO oversight.

Article 16 – Child Care Development Block Grant compliance

- Requires the Commissioner to make the results of inspection reports of all child care providers publicly available no later than November 2017.
- Requires counties to conduct at least one unannounced licensing review annually.
- Requires training to conduct family child care licensing.
- Requires counties to report the results of each completed licensing review, any correction order issued and death, serious injury or determination of substantiated maltreatment to DHS.
- Requires county staff performing family child care licensing to be trained by DHS on standards.
- Requires training within 90 days of the person's employment and to be repeated once each calendar year.
- Directs DHS to conduct background studies on all child care staff, including legal non-licensed child care and certified license-exempt child care programs, once NETStudy 2.0 is implemented.
- Requires counties to verify background study information provided by the individual and forward to DHS for completion of background study.
- Makes DHS solely responsible for the reconsideration of the disqualification from licensing for an individual who has committed multiple maltreatment offenses.
- Implements certification requirements for licensed exempt child care centers in order for those centers to qualify for CCAP.

Article 17 – Human services forecast adjustments

- This article contains technical provisions that adjust the base budget appropriations based on the February forecast.

Article 18 (Appropriations)

- This article includes all appropriations contained in the bill. For the ease of reading, the provisions contained in this article have been outlined in previous sections of this update.

Other Legislation

Health Insurance Premium Relief (2017 Session Law Chapter 2, SF1)

This was one of the first bills passed by the Legislature. Coming into office, Republican leadership indicated this would be a priority for the House and Senate. The bill moved through the legislative process quickly and passed just days before the January 31 enrollment deadline for MNsure. Insurers provided 25% rebates to 125K Minnesotans who purchase insurance through the individual market. The state used budget reserves to provide $312m in premium relief and $15m for transition care coverage for those covered by the individual market who have new health plans and continuing treatment for acute conditions (life-threatening mental or physical illnesses, pregnancy beyond the first trimester, and other chronic conditions). Insurance providers were required to apply these discounts to consumers by April 30. In addition to the premium relief, the bill allows for-profit insurers to enter the individual market space (formerly only non-profit providers were allowed in Minnesota) and permits farmers to join together in cooperatives to purchase insurance.

McKenna's Law – Right to Counsel (2017 Session Law Chapter 60, HF1702)

This bill, brought forward by a young woman with a compelling personal story, requires the responsible social services agency to notify children under 10 of their right to counsel within 14 days after filing the petition or at the emergency removal hearing. During the hearings on this bill, counties did express concern over the increased costs associated with this notice provision and whether social workers were the appropriate personnel to provide the notice. The bill overwhelmingly passed the House and Senate and Governor Dayton signed it into law.

Omnibus Tax Bill (2017 Special Session Law Chapter 1, HF1)

The omnibus tax bill contained two provisions of interest to counties. First, the bill allocates $10m per biennium for reimbursements to counties and tribes for out-of-home placements of Indian Child Welfare Act cases. Second, there was an expansion of the child and dependent care tax credit at a cost of $35.8m to the state over the next biennium.

Omnibus E-12 Education Finance Bill (2017 Special Session Law Chapter 5, HF2

This bill directs the Departments of Health and Education to collaborate to develop a plan that requires school districts to test for lead in the water of public school facilities that serves K-12 students. Additionally, the bill contains several funding provisions of interest:

- $50.2m (FY18-19) for expansion of Head Start programs. This was a Governor Dayton initiative.
- $4.9m (FY18-19) in mental health innovation grants for intermediate school districts.
- $1m in funding for counties to assist with the cost of bussing foster kids to their home-area schools.
- $1.8m (FY18-19) for early childhood literacy programs within the Parent-Child Home Program.
- $1.1m (FY18-19) for assistance in home visiting programs.

Omnibus Higher Education Bill (2017 Session Law Chapter 89, SF943)

The omnibus higher education bill contained a few small funding provisions of interest. These provisions apply to individuals enrolled in public college and university programs.

- $400K (FY18-19) for student grants for individuals with intellectual and developmental disabilities.
- $50K for development and implementation of an academic program for students with intellectual and/or developmental disabilities.
- $14m (FY18-19) in child care grants for enrolled college students who are parents.

Omnibus Legacy Finance Bill (2017 Session Law Chapter 91, HF707)

This bill appropriates funding for environment, natural resources, arts, and cultural programs in accordance with a constitutional amendment that directs a portion of state sales tax for these purposes. There were three issues of interest funded in the bill:

- $55K for an enhancement program for the Governor's Council on Developmental Disabilities to allow for some digital upgrades.
- $270K for assessment and monitoring of mercury and other fish contaminants.
- $2.2m to address public health concerns related to contaminants in Minnesota's drinking water.

Omnibus Public Safety Bill (2017 Session Law Chapter 95, HF470)

- $180K/yr for grants to state and local units of government to support new or existing multijurisdictional entities to investigate sex trafficking crimes and for technical assistance (training and case consultation) to law enforcement agencies.
- Policy language that adds “domestic assault by strangulation” to the list of crimes that bears burden of proof on the convicted individual when seeking custody or parenting time.
- Policy language that allows for hearing and proceedings in expedited child support processes to be reported by use of electronic recording equipment.

Omnibus Jobs and Economic Development Bill (2017 Session Law Chapter 94, SF1456)

The omnibus jobs bill also contained provisions of interest related to housing and childcare business development.

- $2m in a grant to Pillsbury United Communities to renovate a building in north Minneapolis for a grocery store and wellness center.
- $50K from the workforce development fund for a grant to Fighting Chance for behavioral intervention programs for at-risk youth.
- $519K in 2018 for grants to local communities to increase the supply of quality child care providers to support economic development. At least 60% of the funds must go to communities outside the seven-county metropolitan area and grants recipients must provide a 50% nonstate match. The Department of Employment and Economic Development must submit an annual report on the progress of grant funds beginning in January 2019.
- $500K from the workforce development fund for a grant to Resource, Inc. for career education and job skills training that are fully integrated with chemical and mental health services.
- $500K for continuation of the FATHER Project in Rochester, Park Rapids, Saint Cloud, and Minneapolis to assist fathers in overcoming barriers that prevent them from supporting their children economically and emotionally.
- $150K to Anoka County to develop a pilot program to increase employment for transition-age youth (ages 18-21), with a directive to collaborate with disability providers, employers and schools.
- $1.269m to Minnesota Housing Finance Agency for operating the Olmstead Compliance Office.
- $34.691m each year for vocational rehabilitation (combination of general fund and workforce development fund) programs run by the State of Minnesota, grants to centers for independent living, extended employment services for severely disabled individuals, grants to employment support providers for persons with mental illness, and employment services for transition-age youth, deaf, deafblind, and hard-of hearing individuals.
- $14.9925m each year for the Housing Challenge Program, aimed at addressing the disparity rate between white households and those of American Indians and communities of color.
- $4.088m each year for rental assistance for individuals with a mental illness or families with an adult member with a mental illness.
- $8.769m in family homeless prevention and assistance programs.
- $200K for the creation of a statewide education and outreach campaign to protect seniors, vulnerable adults, and their caregivers from financial fraud.

Capital Investment Bill (2017 Special Session Law Chapter 8, HF5)

The capital investment (or “bonding”) bill funded a number of infrastructure projects of interest:

- $1.25m for a regional mental health residential crisis stabilization facility (Carver County).
- $500K for Eagles Healing Nest (Stearns County).
- $1m for Safe Routes to Schools.
- $70.255m for design, remodel and equipping the two-phase project for the Minnesota Security Hospital in Saint Peter.
- $7.53m for predesign, design, construction and equipment of a new community-based 16-bed psychiatric hospital facility to house the Child and Adolescent Behavioral Health Services (CABHS) to be located in or near Willmar.
- $2.25m for security upgrades at Anoka Metro Regional Treatment Center.
- $2.69m for Hennepin County to design a regional medical examiner's facility.
- $600K to Saint Louis Park for expand and renovate Perspectives Family Center facility for a variety of public programs.
- $12m to City of Saint Paul for construction of an opportunity center associated with the Dorothy Day shelter.
- $1.6m for Family Partnership to design a facility to provide mental health, early childhood education, and other children and family support services.
- $2.2m for People's Center for construction of a facility that provides medical, dental, mental health, and wellness services to all patients.

Conclusions and Ongoing Work

The 2017 legislative session was marked by a number of key issues (Real ID, Sunday Sales, etc.) but did not produce grand-scale innovations. In the health and human services area, however, a number of small innovative projects got traction and were included in the final budget agreement. This is partially due to the ability of straight-forward projects to rise above partisan politics, which can bog down large reform efforts. It is also due to the fact that these innovations are also (generally) low-risk financial investments from the state's perspective that have the potential to result in measurable savings.

Overall, counties were successful in being leaders on these innovative projects (ITV, Birth to Eight, jail in-reach) and were saved from many dramatic cuts that had been proposed over the course of the legislative session. Despite a healthy budget surplus however, it was disappointing to see no new investments in METS and to have the legislature turn to a cost shift for MNCHOICES assessments.

Moving forward, MACSSA is committed to working with commissioners and policymakers at all levels to make progress on some of the looming issues in human services that were not addressed this session: child protection, systemic changes to mental health services delivery, and unsustainable cost projections in how human services is funded from federal, state, and county sources.