

Impact of the Final FY 2004-05 Budget

This spreadsheet includes descriptions of the some of the programs and services impacted by the FY 2004-05 budget proposals from the Governor, House, and Senate, as well as the final budget as passed by the Legislature and signed by the Governor. This list is not exhaustive, but focuses on items that will directly impact nonprofit organizations, low- and moderate-income persons, and other vulnerable populations. The list includes programs whose state funding is reduced or eliminated, as well as those that have been increased, consolidated, or changed in another way. Furthermore, this spreadsheet only looks at state-level funding decisions, not at county- or city-level decisions. Fiscal impact is on the General Fund except where otherwise noted.

Change from Base (\$ are in thousands)

Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total
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E-12 Education

Limit Eligibility	Limited English Proficiency (LEP)	DOE	Governor	-\$3,855	-\$7,480	-\$11,335	-\$8,460	-\$8,896	-\$17,356
	Under current law, schools districts receive additional funding for students of limited English proficiency. The Governor's budget proposal limits funding eligibility for LEP to students who have been enrolled in Minnesota public schools fewer than five years. The House proposal places the limit at 7 years, but phases revenue out in years five, six, and seven. The Senate does not recommend any changes to this program. The final bill follows the Governor's proposal.		House	-\$4,724	-\$6,988	-\$11,713	-\$8,460	-\$8,896	-\$17,356
			Senate	\$0	\$0	\$0	\$0	\$0	\$0
			FINAL	-\$3,855	-\$7,480	-\$11,335	-\$8,460	-\$8,896	-\$17,356
Funding Reduced	Advanced Placement (AP)/International Baccalaureate (IB) Courses	DOE	Base	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$2,000
	AP and IB courses offer students rigorous, challenging courses of study as part of regular offerings in secondary schools. Students have the opportunity to take an exam at the conclusion of each course which can provide college credit for courses taken in high school. This appropriation provides scholarships to train teachers to initiate or improve courses and subsidies for student exams. The Governor and Senate budget proposals cut this aid by 55%, but continue to support participation of the most needy students. The House proposal does not recommend any cuts in the program. The final bill recommends a 22% reduction in funding.		Governor	-\$550	-\$550	-\$1,100	-\$550	-\$550	-\$1,100
			House	\$0	\$0	\$0	\$0	\$0	\$0
			Senate	-\$550	-\$550	-\$1,100	-\$550	-\$550	-\$1,100
			FINAL	-\$222	-\$222	-\$444	-\$222	-\$222	-\$444
Growth Eliminated/Aid Reduced	Adult Basic Education (ABE)	DOE	Base	\$37,164	\$40,254	\$77,418	\$43,558	\$47,106	\$90,664
	ABE programs are day or evening programs offered for people over 16 years old who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate, as well as family learning, workplace skills enhancement, English as a Second Language (ESL) instruction, citizenship, and basic skills education. In response to task force recommendations in 2000, the legislature added a statutory growth rate of 8% to accommodate increased demand for the program, particularly for ESL services for immigrants. All of the proposals eliminate the 8% statutory growth rate. However, the Governor's budget proposal also cuts \$1 million from the base funding, but allows districts to charge fees for students over 21 with family incomes above 185% of federal poverty guidelines to make up the lost revenue. The Department acknowledges that increased demand will lead to longer waiting lists and financial pressures may cause some smaller programs to close entirely. The House proposal would also permit districts to charge fees, while significantly reducing basic population aid and contact hour aid. The final bill eliminates the 8% growth rate, reduces basic population aid, and allows districts to charge a sliding fee (although they must waive the fee for students under 21 who are unable to pay).		Governor	-\$2,314	-\$4,006	-\$6,320	-\$7,244	-\$10,744	-\$17,988
			House	-\$5,033	-\$4,496	-\$9,529	-\$7,248	-\$10,747	-\$17,995
			Senate	-\$2,537	-\$3,704	-\$6,241	-\$5,025	-\$6,201	-\$11,226
			FINAL	-\$4,011	-\$4,431	-\$8,442	-\$7,248	-\$10,747	-\$17,995
Consolidated	Adult Graduation Aid	DOE	Base	\$2,528	\$2,781	\$5,309	\$3,059	\$3,365	\$6,424
	This program provides per pupil general education revenue to school districts for eligible individuals over 21 who are working to obtain their high school diplomas. Eligibility is tied to Unemployment Insurance or Workforce Investment Act eligibility. The final bill consolidates this program with Adult Basic Education and eliminates funding by FY 2006.		Governor	-\$2,132	-\$2,781	-\$4,913	-\$3,059	-\$3,365	-\$6,424
			House	-\$498	-\$2,293	-\$2,791	-\$3,059	-\$3,365	-\$6,424
			Senate	-\$77	-\$8	-\$85	-\$8	-\$9	-\$17
			FINAL	-\$434	-\$2,357	-\$2,791	-\$3,059	-\$3,365	-\$6,424

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total
School Readiness School Readiness enables children to enter school with the skills and behaviors necessary for success. It includes developmental and learning components, health referral services, nutrition, parental involvement, and outreach. The program is open to all Minnesota children aged 3½ to 4 years and their families, but priority is given to children who are developmentally disadvantaged or who have risk factors that could impede their learning. Services are offered at no charge or for a small fee. In 2001, the Legislature acted on a recommendation from the Legislative Auditor to limit school district School Readiness reserves to 25% of the annual program revenue for the prior year. The Governor and House budget proposals transfer the reserves in excess of 25% to the General Fund, the House also clarifies the calculation of the school readiness fund balance limit. The final bill recaptures reserves over 25% and transfers them to the General Fund and clarifies the calculation.	DOE	Base	\$10,395	\$10,395	\$20,790	\$10,395	\$10,395	\$20,790
		Governor	-\$859	-\$97	-\$956	\$0	\$0	\$0
		House	-\$1,156	-\$1,112	-\$2,268	-\$1,000	-\$1,000	-\$2,000
		Senate	-\$697	-\$97	-\$794	-\$1	\$0	-\$1
		FINAL	-\$859	-\$1,137	-\$1,996	-\$1,300	-\$1,300	-\$2,600
Early Childhood Family Education Aid (ECFE) ECFE is a program for all Minnesota families with children between the ages of birth to kindergarten enrollment that works to strengthen families and enhance the ability of all parents to provide the best possible environment for the healthy growth and development of their children. In 2001, the Legislature acted on a recommendation from the Legislative Auditor to limit school district ECFE reserves to 25% of the annual program revenue for the prior year. The excess revenue was to be reallocated to other districts for ECFE programs. The Governor and House proposals eliminate the reallocation and transfer the reserves in excess of 25% to the General Fund. Both proposals also change the aid formula, reducing funding to all districts, although the Governor targets aid to districts with the largest low-income populations. The final bill transfers excess reserves to the General Fund, reduces funding from \$120 to \$96 times the greater of 150 or the number of people under age 5 residing in the district, and encourages ECFE programs to target resources at children from birth to age three.	DOE	Base	\$20,615	\$21,618	\$42,233	\$22,593	\$23,552	\$46,145
		Governor	-\$940	-\$10,506	-\$11,446	-\$13,628	-\$14,077	-\$27,705
		House	-\$1,556	-\$3,756	-\$5,312	-\$4,953	-\$5,161	-\$10,114
		Senate	-\$783	-\$73	-\$856	-\$29	-\$28	-\$57
		FINAL	-\$940	-\$6,489	-\$7,429	-\$8,332	-\$8,685	-\$17,017
Health & Development Screening This program promotes educational readiness and improved health of young children through the early detection of factors that may impede children's learning, growth, and development. The program targets children who are 3 1/2 to 4 years of age. All three proposals reduce funding in FY 2004. The final bill follows the Governor's and Senate recommendation and reduces funding by \$80,000, about 3%, in FY 2004.	DOE	Base	\$2,661	\$2,661	\$5,322	\$2,661	\$2,661	\$5,322
		Governor	-\$80	\$0	-\$80	\$0	\$0	\$0
		House	-\$160	\$0	-\$160	\$0	\$0	\$0
		Senate	-\$80	\$0	-\$80	\$0	\$0	\$0
		FINAL	-\$80	\$0	-\$80	\$0	\$0	\$0
Way to Grow This program supports school readiness of children pre-birth to age six in five communities. Depending on community needs, programs may provide services to pregnant women, support and prevention programs, and promote culturally specific services to families. The funding requires a local match, and is used to leverage other public and private funds. Both the Governor and the House eliminate state funding for this program in their budget proposals. The Senate does not recommend any cuts to this program. The final bill follows the Governor's and House recommendation and eliminates state funding for the program.	DOE	Base	\$475	\$475	\$950	\$475	\$475	\$950
		Governor	-\$475	-\$475	-\$950	-\$475	-\$475	-\$950
		House	-\$475	-\$475	-\$950	-\$475	-\$475	-\$950
		Senate	\$0	\$0	\$0	\$0	\$0	\$0
		FINAL	-\$475	-\$475	-\$950	-\$475	-\$475	-\$950

Reserves Recaptured

Reserves Recaptured/ Funding Reduced

Reduced

Funding Eliminated

Change from Base (\$ are in thousands)

		Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total
Funding Reduced	Head Start	DOE	Base	\$18,375	\$18,375	\$36,750	\$18,375	\$18,375	\$36,750
	Head Start provides a comprehensive, individualized program of health, nutrition, education, parent involvement, and social services to children and families. The program primarily serves 3- to 5-year-olds from low-income families, with some programs serving infants, toddlers, and pregnant mothers. At least 90% of enrolled children must come from families who are living at or below the federal poverty level or participating in MFIP, 10% of enrollment is reserved for children with diagnosed disabilities. About 44% of the eligible population is currently being served. The House proposal cuts state funding for the program by nearly 23% in the 2004-05 biennium and by 35% in the following biennium. The Governor and the Senate do not recommend any cuts. The final bill cuts funding by nearly 9% in the 2004-05 biennium and by 7% in the following biennium.		Governor	\$0	\$0	\$0	\$0	\$0	\$0
	Governor		\$0	\$0	\$0	\$0	\$0	\$0	
	House		-\$1,900	-\$6,375	-\$8,275	-\$6,375	-\$6,375	-\$12,750	
	Senate		\$0	\$0	\$0	\$0	\$0	\$0	
FINAL	-\$1,900	-\$1,275	-\$3,175	-\$1,275	-\$1,275	-\$2,550			
Funding Reduced	Community Education Aid	DOE	Base	\$6,149	\$4,520	\$10,669	\$3,334	\$2,363	\$5,697
	Community education programs provide learning and involvement opportunities for people of all ages, including providing school district residents with the opportunity to utilize educational facilities and programs during non-school hours. The Governor and House establish a limit on school district reserves for Community Education equal to 25% of the annual program revenue for the prior year (similar to the reserve limits already established for ECFE and School Readiness). The Governor's proposal also reduces funding for the program and targets available funds based on the size of the low-income population in the school district. The House proposal reduces funding across the board. The Senate also proposes reductions. The final bill closely follows the Governor's recommendations for reductions.		Governor	-\$654	-\$1,112	-\$1,766	-\$1,139	-\$817	-\$1,956
	Governor		-\$654	-\$1,112	-\$1,766	-\$1,139	-\$817	-\$1,956	
	House		-\$824	-\$1,029	-\$1,853	-\$1,094	-\$780	-\$1,874	
	Senate		-\$284	-\$211	-\$495	-\$232	-\$163	-\$395	
FINAL	-\$654	-\$1,114	-\$1,768	-\$1,118	-\$799	-\$1,917			
Program Eliminated	Violence Prevention Grants	DOE	Base	\$1,450	\$1,450	\$2,900	\$1,450	\$1,450	\$2,900
	Violence Prevention grants integrate violence prevention education programming into existing K-12 curricula and help students learn to resolve conflicts and reduce violence at school. The program serves students kindergarten through senior high school. The Governor and House budget proposals eliminate funding for this prevention program. The Senate proposal recommends a small reduction in FY 2004. The final bill follows the Governor's and House recommendation and eliminates the program.		Governor	-\$1,450	-\$1,450	-\$2,900	-\$1,450	-\$1,450	-\$2,900
	Governor		-\$1,450	-\$1,450	-\$2,900	-\$1,450	-\$1,450	-\$2,900	
	House		-\$1,450	-\$1,450	-\$2,900	-\$1,450	-\$1,450	-\$2,900	
	Senate		-\$44	\$0	-\$44	\$0	\$0	\$0	
FINAL	-\$1,450	-\$1,450	-\$2,900	-\$1,450	-\$1,450	-\$2,900			
State Funds Eliminated	Children's Trust Fund	DOE	Base	\$875	\$875	\$1,750	\$875	\$875	\$1,750
	This program provides grants to nonprofit and public agencies for programs such as child abuse prevention, parenting education, respite care, fathering education, and adolescent pregnancy prevention programs. The Trust Fund serves almost 15,000 families and 16,000 children in 45 programs. All three budget proposals eliminate state funding for this program, reducing by 29% the base budget for the program including all revenue sources. (Other revenue sources are state trust fund monies and federal Community-Based Family Resources and Program Support grants.) The final bill adopts this provision and eliminates state General Fund appropriations for the program.		Governor	-\$875	-\$875	-\$1,750	-\$875	-\$875	-\$1,750
	Governor		-\$875	-\$875	-\$1,750	-\$875	-\$875	-\$1,750	
	House		-\$875	-\$875	-\$1,750	-\$875	-\$875	-\$1,750	
	Senate		-\$875	-\$875	-\$1,750	-\$875	-\$875	-\$1,750	
FINAL	-\$875	-\$875	-\$1,750	-\$875	-\$875	-\$1,750			
Funding Source Ended	Parenting Time Centers	DOE	Base	\$200	\$200	\$400	\$200	\$200	\$400
	Parenting Time Centers provide a safe place for non-custodial parents or parents of children in foster care to visit and/or pick up children for visitation. Both the Governor and the House proposals eliminate General Fund appropriations for this program. The program will continue to receive approximately \$96,000 per year from a fee on marriage licenses. If state funding cannot be replaced by federal grant dollars, there may be service reductions with centers closing or being open for fewer hours weekly and providing less staff support when they are open. The Senate does not recommend any cuts. The final bill appears to follow the Governor's and House recommendation and eliminates the General Fund appropriation.		Governor	-\$200	-\$200	-\$400	-\$200	-\$200	-\$400
	Governor		-\$200	-\$200	-\$400	-\$200	-\$200	-\$400	
	House		-\$200	-\$200	-\$400	-\$200	-\$200	-\$400	
	Senate		\$0	\$0	\$0	\$0	\$0	\$0	
FINAL	-\$200	-\$200	-\$400	-\$200	-\$200	-\$400			

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Program Eliminated	DOE	After School Enrichment Grants This program provides funding for out-of-school programs for school-aged youth who are not currently involved in after-school programs, struggling with academic success, and/or have been involved with the criminal justice system. This funding is used to increase the involvement of at-risk youth in after-school/out-of-school programs through partnerships that effectively build on existing community resources. In 2002, 44 programs were funded. Both the Governor and the House proposals eliminate state funding for this program. This program also experienced significant cuts under unallotment in February - several programs have already closed and many others have significantly reduced services. The Senate proposal makes a 25% reduction in the 2004-05 biennium, and a 9% reduction in the 2006-07 biennium. The final bill follows the Governor's and House recommendation and eliminates the program.	Base	\$5,510	\$5,510	\$11,020	\$5,510	\$5,510	\$11,020
		Governor	-\$5,510	-\$5,510	-\$11,020	-\$5,510	-\$5,510	-\$11,020	
		House	-\$5,510	-\$5,510	-\$11,020	-\$5,510	-\$5,510	-\$11,020	
		Senate	-\$1,360	-\$1,360	-\$2,720	-\$510	-\$510	-\$1,020	
		FINAL	-\$5,510	-\$5,510	-\$11,020	-\$5,510	-\$5,510	-\$11,020	
No Changes	DOE	Lead Abatement Aid This program serves low-income families statewide, providing outreach and educational activities related to lead poisoning for 2,000 Minnesotans and residential assessment activities. The Governor's budget proposal eliminates state funding for this program. Federal funding for this program is contingent upon receipt of the state funding match. The House and Senate do not recommend any cuts. The final bill does not recommend any cuts to the program.	Base	\$100	\$100	\$200	\$100	\$100	\$200
		Governor	-\$100	-\$100	-\$200	-\$100	-\$100	-\$200	
		House	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	\$0	\$0	\$0	\$0	\$0	\$0	
Eliminated	DOE	Reading Competency Program This program provides grants to education organizations for reading intervention methods or programs to assist students in the goal of learning to read no later than the end of third grade. The Governor and the House budget proposals eliminate funding for this program. The Senate does not recommend any cuts to the program. The final bill follows the Governor's and House recommendation and eliminates funding.	Base	\$100	\$100	\$200	\$100	\$100	\$200
		Governor	-\$100	-\$100	-\$200	-\$100	-\$100	-\$200	
		House	-\$100	-\$100	-\$200	-\$100	-\$100	-\$200	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$100	-\$100	-\$200	-\$100	-\$100	-\$200	
Funding Reduced	DOE	Youthworks This program is a partnership with the federal AmeriCorps program that provides educational scholarships in exchange for one or two years of community service. Services include mentoring and tutoring, service learning, and community service projects. Following a change in law during the 2002 Legislature, the Governor-appointed commission which operated the Youthworks and AmeriCorps programs has been reconfigured as a nonprofit organization, ServeMinnesota!, which can accept both public and private funds. The Governor's budget proposal cuts 44% of the base appropriation for this program. The House proposal cuts 50% of the base appropriation for this program. The Senate proposal does not recommend any cuts. The final bill follows the House recommendation and cuts base funding by 50%.	Base	\$1,788	\$1,788	\$3,576	\$1,788	\$1,788	\$3,576
		Governor	-\$788	-\$788	-\$1,576	-\$788	-\$788	-\$1,576	
		House	-\$888	-\$888	-\$1,776	-\$888	-\$888	-\$1,776	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$888	-\$888	-\$1,776	-\$888	-\$888	-\$1,776	
Funding Reduced	DOE	Special Education & Excess Cost Changes Special education programs serve 115,904 students with disabilities from birth to age 21. Over 90% of the students are served in general education classrooms for the majority of their school day. Prior to this session the special education formula had a built in growth factor of 4.6% per year for special education-regular aid and 2.0% per year for special education-excess cost aid, but these growth factors were eliminated in the final bill. The legislature did fund a one-time increase in special education funding of \$16 million to help offset the loss of the growth factor. However, over 50 school districts and all charter schools will be ineligible for any of the one-time revenue. (The numbers in the spreadsheet only reflect the elimination of the growth factors and the one-time offsetting revenue.)	Base	\$645,782	\$669,762	\$1,315,544	\$697,727	\$727,202	\$1,424,929
		Governor	-\$15,259	-\$32,328	-\$47,587	-\$76,746	-\$106,337	-\$183,083	
		House	-\$50,911	-\$32,308	-\$83,219	-\$76,740	-\$106,301	-\$183,041	
		Senate	-\$18,559	-\$751	-\$19,310	-\$840	-\$860	-\$1,700	
		FINAL	-\$33,085	-\$36,318	-\$69,403	-\$76,748	-\$106,316	-\$183,064	

Change from Base (\$ are in thousands)

Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total
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Higher Education

Financial Aid Funding Increased	Higher Education Services Office (HESO) State Grant Program Financial Aid	HESO	Base	\$120,850	\$120,850	\$241,700	\$120,850	\$120,850	\$241,700
			Nearly all of the HESO financial aid budget goes to the State Grant program, which provides financial aid for low- and moderate-income Minnesota residents attending Minnesota post-secondary institutions. However, three smaller programs -- Summer Academic Scholarships, Advanced Placement/International Baccalaureate (AP/IB) Scholarships, and the Safety Officer Survivor Program -- are also funded through HESO's financial aid budget. In FY 2003, due to increased demand and continued double-digit tuition increases at public colleges, HESO suffered a shortfall of \$16 million in the grant program. Most of the shortfall was made up by transferring all of the work study appropriation and most of the child care assistance appropriation to the State Grant account. For 2004-05, HESO projects an increased need in student aid, mostly to make up for the previous year's shortfall and to keep up with continuing tuition increases at colleges. The Governor's budget proposal recommends an additional \$60 million for the FY 2004-05 biennium, but eliminates Summer Academic Scholarships and AP/IB Scholarships. The House proposal provides \$100 million in additional funds for the State Grant program, but offsets the increase with over \$40 million in financial aid reductions, including eliminating the two scholarship programs. The Senate proposal does not recommend any additional financial aid funding and would eliminate the two scholarship programs. The final bill increases HESO's financial aid base by \$40 million for the biennium and provides \$66 million to address the anticipated shortfall, but includes \$67 million in cuts to student qualification for aid and eliminates the two scholarship programs.	Base	\$120,850	\$120,850	\$241,700	\$120,850	\$120,850
Funding Reduced	HESO Administration and Other Programs	HESO	Governor	-\$2,225	-\$2,225	-\$4,450	-\$2,275	-\$2,275	-\$4,550
			House	-\$2,225	-\$2,225	-\$4,450	-\$2,275	-\$2,275	-\$4,550
			Senate	-\$2,225	-\$2,225	-\$4,450	-\$2,275	-\$2,275	-\$4,550
			FINAL	-\$2,225	-\$2,225	-\$4,450	-\$2,275	-\$2,275	-\$4,550

Health & Human Services Please note: 2003 Federal Poverty Guidelines (FPG) are listed on the last page of the spreadsheet.

Fees Increased	Increase Licensing Fees	DHS	Governor	-\$1,225	-\$1,225	-\$2,450	-\$1,225	-\$1,225	-\$2,450
			The Governor and Senate would increase fees for the following types of facilities: family child care, family foster care, and adult foster care (these three types of facilities are currently exempt), child care centers, residential programs, developmental disability waiver services, outpatient chemical dependency programs, child placing agencies, and mental health clinics. Fees were last increased in July 1991. Fees will increase an average of 250%, but could increase as much as 400% to 500%. The House also raises fees. The final bill follows the Governor's and Senate proposal and increases fees. (The dollar figures shown reflect the reduced cost to the state due to the increased revenues under this proposal.)	Governor	-\$1,225	-\$1,225	-\$2,450	-\$1,225	-\$1,225
Fees Increased	Increase Licensing Fees	DHS	House	-\$925	-\$925	-\$1,850	-\$925	-\$925	-\$1,850
			Senate	-\$1,225	-\$1,225	-\$2,450	-\$1,225	-\$1,225	-\$2,450
			FINAL	-\$1,225	-\$1,225	-\$2,450	-\$1,225	-\$1,225	-\$2,450

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Fees Increased	DHS	Increase Parental Fees All three proposals increase fees for parents of children on TEFRA, Home- and Community-Based Services Waiver Options, and certain out-of-home placements. Families with incomes under 100% of the federal poverty guideline (FPG) would not pay a fee. Families with incomes 100 to 175% of FPG would pay \$4 per month, and all other families would pay on a sliding scale from 1% to 12.5% of adjusted gross income. The final bill adopts this proposal. (The dollar figures shown reflect the reduced cost to the state due to the increased revenues under this proposal).	Governor	-\$2,075	-\$2,075	-\$4,150	-\$2,075	-\$2,075	-\$4,150
		House	-\$2,075	-\$2,075	-\$4,150	-\$2,075	-\$2,075	-\$4,150	
		Senate	-\$2,075	-\$2,075	-\$4,150	-\$2,075	-\$2,075	-\$4,150	
		FINAL	-\$2,075	-\$2,075	-\$4,150	-\$2,075	-\$2,075	-\$4,150	
Programs Eliminated/Reduced/Consolidated	DHS	Children & Community Services Block Grant Under the Governor's and House proposals, a range of existing programs would be eliminated, some mandates removed, and maintenance of effort requirements repealed and replaced with a Children & Community Services grant to counties. The programs are: Community Social Services (CSSA) grants, Family Preservation Grants, Children's Mental Health (CMH) Grant, Mental Health Adolescent Services, CMH Collaborative Wraparound Grant, Juvenile Mental Health Screening, CMH Homeless Children Grants, Crisis Nursery Grants, Homeless Children Grants, Children with Substance Abusing Mothers Grants, Red Lake Grants to Beltrami and Clearwater counties, Fetal Alcohol Intervention, Children whose Mothers were Incarcerated Grants, Social Services Supplemental Grants, Hennepin County Social Services Grants for Group Residential Housing Recipients, Minority Placement Grants, and Training of Criminal Justice. The funding for these programs will be combined with federal Title XX Social Services Grants and Title XX Concurrent Permanency Planning Grants. Overall, this proposal represents a 27% reduction in funding for the biennium. The Senate does not recommend any reductions or consolidation of these programs. The final bill follows the Governor's and House recommendation, except that the Red Lake Grant and Fetal Alcohol Syndrome Grant are not included in the consolidation. Instead, these grants receive a one-time reduction of \$125,000 and \$100,000 respectively in FY 2005 (not reflected in the spreadsheet).	Base	\$93,663	\$93,663	\$187,326	\$93,663	\$93,663	\$187,326
		Governor	-\$12,500	-\$25,000	-\$37,500	\$0	\$0	\$0	
		House	-\$12,500	-\$25,000	-\$37,500	\$0	\$0	\$0	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$12,500	-\$24,775	-\$37,275	\$0	\$0	\$0	
Increased	DHS	Adoption Assistance/Relative Custody Assistance Adoption Assistance provides financial assistance to families who adopt children with special needs and Relative Custody Assistance provides similar assistance to relatives who accept permanent custody of children with special needs. All three proposals would increase funding to address a shortfall in these programs. An estimated 960 additional children will be helped each year of the 2004-05 biennium. The final bill adopts this proposal.	Governor	\$0	\$2,177	\$2,177	\$6,818	\$9,968	\$16,786
		House	\$0	\$2,177	\$2,177	\$6,818	\$9,968	\$16,786	
		Senate	\$0	\$2,177	\$2,177	\$6,818	\$9,968	\$16,786	
		FINAL	\$0	\$2,177	\$2,177	\$6,818	\$9,968	\$16,786	
Benefits Extended	DHS	Children's Mental Health Medical Assistance (MA) Benefit All three proposals would make changes to children's mental health under the MA program, replacing the current Family Community Support Services, Home-Based Mental Health Services, Day Treatment, and Therapeutic Support of Foster Care benefits with a new assessment and authorization process. MA coverage will also be extended to children with emotional disturbance. The final bill adopts this proposal.	Governor	\$175	\$1,773	\$1,948	\$1,859	\$1,947	\$3,806
		House	\$175	\$1,773	\$1,948	\$1,859	\$1,947	\$3,806	
		Senate	\$175	\$1,773	\$1,948	\$1,859	\$1,947	\$3,806	
		FINAL	\$175	\$1,773	\$1,948	\$1,859	\$1,947	\$3,806	
Expanded	DHS	Children's Mental Health Screening The Governor and Senate propose mental health screening for children and adolescents in the juvenile justice and child welfare systems. The House does not include this proposal. The final bill adopts the Governor's and Senate proposed expansion.	Governor	\$0	\$2,733	\$2,733	\$3,827	\$5,467	\$9,294
		House	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate	\$0	\$2,733	\$2,733	\$3,827	\$5,467	\$9,294	
		FINAL	\$0	\$2,733	\$2,733	\$3,827	\$5,467	\$9,294	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Benefit Delayed	DHS	Eliminate New Autism Program In the 2001 Legislative Session, Medical Assistance benefits were expanded to pay for certain intensive home-based early intervention behavior therapy services for some children with autism effective January 1, 2003. The Governor's unallotment order delayed the implementation of this program until July 1, 2003. The Governor's and Senate budget proposals eliminate the expansion of the program. The House proposal delays expansion until July 1, 2007. The final bill follows the House recommendation and delays expansion until 2007.	Base	\$1,408	\$2,723	\$4,131	\$4,121	\$5,585	\$9,706
		Governor	-\$1,408	-\$2,723	-\$4,131	-\$4,121	-\$5,585	-\$9,706	
		House	-\$1,408	-\$2,723	-\$4,131	-\$4,121	-\$5,585	-\$9,706	
		Senate	-\$1,408	-\$2,723	-\$4,131	-\$4,121	-\$5,585	-\$9,706	
		FINAL	-\$1,412	-\$2,729	-\$4,141	-\$4,121	-\$5,585	-\$9,706	
Benefit Capped	DHS	\$500 Cap on Adult Dental Services The House proposal would limit Medical Assistance (MA), General Assistance Medical Care (GAMC), and MinnesotaCare coverage of dental services for adults over age 21 who are not pregnant to diagnostic and preventative services, basic restorative services, and emergency services, subject to a \$500 annual benefit limit. The final bill follows the House recommendation and limits benefits.	Gov - GF	\$0	\$0	\$0	\$0	\$0	\$0
		Gov - HCAF	\$0	\$0	\$0	\$0	\$0	\$0	
		House - GF	-\$864	-\$1,073	-\$1,937	-\$1,114	-\$1,183	-\$2,297	
		House - HCAF	-\$180	-\$313	-\$493	-\$354	-\$395	-\$749	
		Senate - GF	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate - HCAF	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL - GF	-\$713	-\$1,073	-\$1,786	-\$1,141	-\$1,211	-\$2,352	
		FINAL - HCAF	-\$180	-\$313	-\$493	-\$354	-\$395	-\$749	
Copayments Instituted	DHS	Copayments for State Health Programs The Governor and the House propose new copayments for persons enrolled in Medical Assistance (MA), General Assistance Medical Care (GAMC), or MinnesotaCare. Starting October 1, 2003, adults age 21 and over would be charged the following copayments: \$3 for non-preventive office visits, \$3 for eyeglasses, \$6 for non-emergency visits to an emergency room, \$1 for generic drugs, and \$3 for brand-name drugs. Approximately 550,000 persons would be effected. The House proposal includes exemptions for certain mental health drugs for families with children; physical, occupational, and speech therapy; and caps pharmacy copays at \$20 per month. The Senate does not propose any new copayments. The final bill follows the House recommendation and adds an exemption for mental health clinics and adult mental health rehabilitative services. (The dollar figures shown reflect the reduced cost to the state due to the increased revenues under this proposal).	Gov - GF	-\$12,535	-\$17,179	-\$29,714	-\$16,630	-\$18,408	-\$35,038
		Gov - HCAF	-\$1,452	-\$2,531	-\$3,983	-\$2,870	-\$3,199	-\$6,069	
		House - GF	-\$10,781	-\$14,989	-\$25,770	-\$14,525	-\$16,232	-\$30,757	
		House - HCAF	-\$1,393	-\$2,423	-\$3,816	-\$2,752	-\$3,067	-\$5,819	
		Senate - GF	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate - HCAF	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL - GF	-\$9,557	-\$13,241	-\$22,798	-\$14,974	-\$16,583	-\$31,557	
		FINAL - HCAF	-\$1,393	-\$2,423	-\$3,816	-\$2,752	-\$3,067	-\$5,819	
New Copayments	DHS	Copayments for General Assistance Medical Care (GAMC) Services The House proposal recommends copayments for GAMC recipients for FY 2004-05, including a 50% coinsurance requirement for restorative dental services, a \$25 copay for adult eyeglasses, and a \$25 copay for non-emergency emergency room visits. The Governor and the Senate do not propose any copayments. The final bills follows the House recommendation, but extends the copayments into the FY 2006-07 biennium.	Governor	\$0	\$0	\$0	\$0	\$0	\$0
		House	-\$2,299	-\$1,450	-\$3,749	\$0	\$0	\$0	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$2,123	-\$1,450	-\$3,573	-\$2,988	-\$3,103	-\$6,091	
Eligibility Reduced	DHS	Repeal One-Month Rolling MA/GAMC Eligibility Under current law, certain Medical Assistance (MA) and General Assistance Medical Care (GAMC) enrollees are not immediately cut off if they are late submitting income reports, but instead are given an additional month to submit the forms. This results in greater continuity of care and lower administrative burden. All three proposals would repeal this provision. The Senate sees greater savings because more people would be on MA under their proposal and because GAMC is not eliminated after FY 2005. The final bill follows the Senate recommendation.	Governor	-\$7,449	-\$7,628	-\$15,077	-\$4,443	-\$4,805	-\$9,248
		House	-\$7,449	-\$7,628	-\$15,077	-\$4,443	-\$4,805	-\$9,248	
		Senate	-\$7,449	-\$9,993	-\$17,442	-\$10,647	-\$11,400	-\$22,047	
		FINAL	-\$7,449	-\$11,973	-\$19,422	-\$12,854	-\$13,811	-\$26,665	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Eligibility Reduced	DHS	Repeal Delayed Verification for State Health Plans							
		As a means to reduce application processing time and to avoid coverage gaps, eligibility for Medical Assistance (MA), General Assistance Medical Care (GAMC), and MinnesotaCare (MnCare) can be approved based on a form showing that a household meets all eligibility requirements. Coverage then starts under MA or MnCare the month after the month in which the first premium is paid, on condition that the required verification is received within 30 days. Most persons approved under delayed verification submit their verifications in time and remain eligible. The Governor and Senate propose eliminating delayed verification effective 7-1-05 for MA and MnCare, which could result in lost or delayed coverage. The Senate proposal also includes savings in the GAMC program. The House would eliminate delayed verification in all three state health plans effective 7-1-03. The final bill eliminates delayed verification effective 7-1-03 and includes savings in MA, GAMC, and MnCare.	Gov - GF	\$0	\$0	\$0	-\$358	-\$390	-\$748
			Gov - HCAF	\$0	\$0	\$0	-\$654	-\$728	-\$1,382
			House - GF	-\$309	-\$363	-\$672	-\$390	-\$390	-\$780
			House - HCAF	-\$537	-\$654	-\$1,191	-\$654	-\$787	-\$1,441
			Senate - GF	\$0	\$0	\$0	-\$545	-\$594	-\$1,139
			Senate - HCAF	\$0	\$0	\$0	-\$654	-\$728	-\$1,382
			FINAL - GF	-\$496	-\$485	-\$981	-\$641	-\$651	-\$1,292
	FINAL - HCAF	-\$537	-\$654	-\$1,191	-\$654	-\$787	-\$1,441		
Program Restructured/Eligibility Reduced	DHS	Consolidate General Assistance Medical Care (GAMC) and MinnesotaCare							
		The Governor and the House propose that GAMC and MnCare be consolidated. GAMC currently serves citizens and legal non-citizens in the following categories: recipients of General Assistance (GA) or Group Residential Housing, people ages 21 to 64 who do not live with children under age 18, people who are ineligible for MA because they live in an Institution for Mental Disease (IMD), undocumented and non-immigrant persons who are disabled or are age 65 or older, and people receiving services through a center for victims of torture (CVT). Eligible persons generally have incomes below 75% of federal poverty guidelines (FPG) and have assets limited to \$1,000. Adults without children in the home are eligible for MnCare if they are citizens or lawfully residing non-citizen adults with incomes at or below 175% of FPG and assets at or below \$15,000 for one person or \$30,000 for families. Some persons with incomes 175% to 275% of FPG are eligible and pay a sliding-fee premium. Persons with incomes over 275% of FPG pay full premiums. Emergency GAMC provides emergency care and services for the following groups: undocumented and nonimmigrant adults ages 21 to 62 not otherwise eligible for GAMC, nonresidents of Minnesota suffering acute trauma from an accident in Minnesota, and people referred to MnCare from GAMC who were denied or lost MnCare coverage due to nonpayment of premiums. The Governor and House would eliminate Emergency GAMC on 7-1-03. On 10-1-03, adults without children with incomes over 75% of FPG would no longer receive GAMC, and those with incomes 75% to 175% of FPG could only remain on MnCare if they paid the full premium. On 2-1-04, adults without children would become ineligible for MnCare if they have access to any employer-subsidized insurance. On 10-1-04, the GAMC program would be eliminated and those eligible would be transferred to MnCare. Eligibility reviews under MnCare would be every 6 months, rather than every 12 months. In FY 2006, the balance of the Health Care Access Fund would be transferred to the general fund. The Senate only proposes the 6 month eligibility review provisions for adults without children. The final bill does not consolidate GAMC and MnCare, but does adopt some of the provisions: transfers residents of IMDs and people receiving services in a CVT from GAMC to the state-funded MA program; eligibility for GAMC begins at the date of application; eliminates the spend down program under GAMC; caps GAMC eligibility at 75% of FPG; and provides catastrophic inpatient coverage for adults without children between 75% to 175% of FPG. The final bill also modifies the MnCare program for adults without children, including a limited set of benefits for those between 75% and 175% of FPG and no coverage over 175%. Other changes include: eligibility reviews every 6 months; reduced benefits (physician, drugs, outpatient, lab-diagnostic only); \$5,000 cap per calendar year on outpatient benefits; sliding fee premiums; and copays on ER, nonpreventive visits, and prescriptions.	Gov - GF	-\$41,440	-\$158,856	-\$200,296	-\$304,337	-\$326,296	-\$630,633
			Gov - HCAF	-\$68,802	-\$37,118	-\$105,920	\$62,576	\$59,298	\$121,874
			House - GF	-\$41,440	-\$158,856	-\$200,296	-\$304,337	-\$326,296	-\$630,633
			House - HCAF	-\$68,802	-\$37,118	-\$105,920	\$62,576	\$59,298	\$121,874
			Senate - GF	\$0	\$0	\$0	\$0	\$0	\$0
			Senate - HCAF	\$0	-\$2,177	-\$2,177	-\$12,426	-\$21,487	-\$33,913
			FINAL - GF	-\$37,876	-\$66,590	-\$104,466	-\$70,284	-\$75,270	-\$145,554
	FINAL - HCAF	-\$37,816	-\$70,517	-\$108,333	-\$91,571	-\$109,375	-\$200,946		

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Feasibility Limited	DHS	Modify MinnesotaCare							
		Starting February 1, 2004, the Governor's proposal would make the following changes to MnCare: Parents and pregnant women with incomes above 200% of federal poverty guidelines (FPG) could only remain covered if they pay the full cost of premiums. Coverage for "dependent siblings" (children ages 21 to 24 who are full-time students, live with their parents, and have other siblings under 21 in the home) would end. Parents would be ineligible for MnCare if they have access to employer-based health insurance. Starting October 1, 2004, eligibility reviews would occur every 6 months, instead of every 12 months as under current law. The Senate proposal only includes the 6 month eligibility review provisions for parents and children. The final bill includes the following provisions: eliminates eligibility for parents over 275% of FPG, eliminates coverage for dependent siblings, and changes eligibility reviews to every 6 months for parents and children. The does not make parents and pregnant women between 200-275% of FPG pay the full cost of premiums.	Gov - HCAF	-\$3,637	-\$16,462	-\$20,099	-\$25,642	-\$34,691	-\$60,333
		House - HCAF	-\$3,637	-\$16,462	-\$20,099	-\$25,642	-\$34,691	-\$60,333	
		Senate - HCAF	\$0	-\$1,875	-\$1,875	-\$10,815	-\$18,767	-\$29,582	
		FINAL - HCAF	-\$586	-\$3,546	-\$4,132	-\$10,074	-\$17,108	-\$27,182	
Eligibility Limited	DHS	Rollback MinnesotaCare Children Exceptions							
		This provision, which is included in all three budget proposals, would repeal a current law provision that effective July 1, 2003, would increase the income level at which children under 21 covered by MnCare pay a minimum \$4 monthly premium and are exempt from most insurance barriers (see next item). Instead of the income level increasing to 175% of federal poverty guidelines, it would remain at 150%. The final bill adopts this provision.	Gov - HCAF	-\$1,440	-\$2,404	-\$3,844	-\$2,584	-\$2,778	-\$5,362
		House - HCAF	-\$1,440	-\$2,404	-\$3,844	-\$2,584	-\$2,778	-\$5,362	
		Senate - HCAF	-\$1,440	-\$2,404	-\$3,844	-\$2,584	-\$2,778	-\$5,362	
		FINAL - HCAF	-\$1,440	-\$2,404	-\$3,844	-\$2,584	-\$2,778	-\$5,362	
Expanded	DHS	MinnesotaCare Insurance Barrier Exemption							
		New enrollees to MnCare generally must be without insurance for four months before being eligible. All three proposals would exempt from the four-month insurance barrier former Medical Assistance (MA) enrollees who had private cost effective insurance while enrolled in MA who transition from MnCare. This would result in some increased eligibility for MnCare. The final bill adopts this provision.	Gov - HCAF	\$97	\$339	\$436	\$518	\$562	\$1,080
		House - HCAF	\$97	\$339	\$436	\$518	\$562	\$1,080	
		Senate - HCAF	\$97	\$339	\$436	\$518	\$562	\$1,080	
		FINAL - HCAF	\$97	\$339	\$436	\$518	\$562	\$1,080	
Eligibility Eliminated	DHS	Eliminate MA/GAMC for Undocumented Persons							
		Undocumented persons and nonimmigrants (including tourists and students) may be eligible for General Assistance Medical Care (GAMC) if they are under 18, meet Social Security Administration (SSA) disability criteria, or are age 65 and older. Pregnant women may be eligible for state-funded Medical Assistance (MA) for care related to pregnancy and 60 days post-partum. Undocumented and nonimmigrant persons who meet MA criteria (under 21, parents of children under 18, persons age 65 and older, disabled according to SSA criteria, and pregnant women), may also be covered for emergency services (including labor and delivery) through federally-funded Emergency Medical Assistance. The Governor and House propose to end all GAMC coverage and MA coverage funded by the state. Eligibility for federally-funded Emergency Medical Assistance would remain in place. The Senate does not recommend any changes to eligibility. The final bill follows the Governor's and House recommendation to eliminate coverage for undocumented persons and nonimmigrants, but does provide coverage for non-citizen pregnant women on MA.	Governor	-\$22,944	-\$27,178	-\$50,122	-\$30,524	-\$34,621	-\$65,145
		House	-\$22,944	-\$27,178	-\$50,122	-\$30,524	-\$34,621	-\$65,145	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$15,427	-\$20,143	-\$35,570	-\$21,700	-\$23,541	-\$45,241	
Federal Funds	DHS	S-CHIP for Undocumented Pregnant Women							
		All three proposals would use State-Children's Health Insurance Program (S-CHIP) money from the federal government to cover prenatal services for undocumented women on Medical Assistance. The final bill follows the Senate recommendation.	Gov - GF	-\$4,000	\$0	-\$4,000	\$0	\$0	\$0
		House - GF	-\$4,000	\$0	-\$4,000	\$0	\$0	\$0	
		Senate - GF	-\$10,776	-\$8,045	-\$18,821	-\$9,348	-\$10,905	-\$20,253	
		Senate - HCAF	\$0	\$1,590	\$1,590	\$2,624	\$3,061	\$5,685	
		FINAL - GF	-\$10,776	-\$8,045	-\$18,821	-\$9,348	-\$10,905	-\$20,253	
		FINAL - HCAF	\$0	\$1,590	\$1,590	\$2,624	\$3,061	\$5,685	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Eligibility Reduced	DHS	Reduce Medical Assistance (MA) Coverage for Pregnant Women The Governor and House proposals would reduce the eligibility ceiling for pregnant women under MA from 275% of federal poverty guidelines (FPG) to 200%. Some women with incomes between 200% to 275% of FPG could transition to MinnesotaCare if they pay the full price of premiums. The Senate does not recommend any changes in eligibility. The final bill follows the Governor's and House recommendation. <i>[Note: Due to increased availability of federal funds, implementation of this change has been delayed from February 1, 2004 to July 1, 2004. The dollar figures shown have <u>not</u> been adjusted to reflect this change.]</i>	Gov - GF	-\$202	-\$1,919	-\$2,121	-\$3,043	-\$3,435	-\$6,478
		Gov - HCAF	\$61	\$598	\$659	\$964	\$1,088	\$2,052	
		House - GF	-\$202	-\$1,919	-\$2,121	-\$3,043	-\$3,435	-\$6,478	
		House - HCAF	\$61	\$598	\$659	\$964	\$1,088	\$2,052	
		Senate - GF	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate - HCAF	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL - GF	-\$202	-\$1,919	-\$2,121	-\$3,043	-\$3,435	-\$6,478	
		FINAL - HCAF	\$61	\$598	\$659	\$964	\$1,088	\$2,052	
Eligibility Reduced	DHS	Reduce Medical Assistance (MA) Coverage for Children All three proposals would reduce the eligibility ceiling for children ages 2 to 18 under MA from 170% of federal poverty guidelines to 150%. A \$90 work expense reduction would be put in place. Some children may move to MinnesotaCare coverage. The final bill adopts this provision. <i>[Note: Due to increased availability of federal funds, implementation of this change has been delayed to July 1, 2004. The dollar figures shown have <u>not</u> been adjusted to reflect this change.]</i>	Gov - GF	-\$906	-\$2,154	-\$3,060	-\$2,501	-\$2,864	-\$5,365
		Gov - HCAF	\$74	\$174	\$248	\$211	\$229	\$440	
		House - GF	-\$906	-\$2,154	-\$3,060	-\$2,501	-\$2,864	-\$5,365	
		House - HCAF	\$74	\$174	\$248	\$211	\$229	\$440	
		Senate - GF	-\$1,359	-\$2,154	-\$3,513	-\$2,501	-\$2,864	-\$5,365	
		Senate - HCAF	\$111	\$174	\$285	\$211	\$229	\$440	
		FINAL - GF	-\$906	-\$2,154	-\$3,060	-\$2,501	-\$2,864	-\$5,365	
		FINAL - HCAF	\$74	\$174	\$248	\$211	\$229	\$440	
Eligibility Reduced	DHS	Repeal Medical Assistance (MA) Income Deductions In determining whether a family's income meets eligibility limits, certain income is not counted. All three proposals recommend the elimination of the 21% earned income disregard for children ages 2 to 18 who use the 170% federal poverty guideline standard and the extra earned income deduction for pregnant women and children under two. This will result in some loss of eligibility. The final bill adopts this provision.	Governor	-\$407	-\$861	-\$1,268	-\$943	-\$1,033	-\$1,976
		House	-\$407	-\$861	-\$1,268	-\$943	-\$1,033	-\$1,976	
		Senate	-\$407	-\$861	-\$1,268	-\$943	-\$1,033	-\$1,976	
		FINAL	-\$407	-\$861	-\$1,268	-\$943	-\$1,033	-\$1,976	
Coverage Reduced	DHS	Limit MA/MnCare Automatic Newborn Coverage Under current law, infants born to mothers with Medical Assistance (MA) or MinnesotaCare coverage are automatically eligible for two years. The Governor and House proposals would reduce the coverage to one year. Children from age 1 to 2 would be eligible for MA if family income is at or below 280% of federal poverty guidelines (FPG) and MnCare if family income is at or below 275% of FPG. This will result in loss of coverage for some children. The Senate does not recommend any reductions in coverage. The final bill follows the Governor's and House recommendation and reduces coverage to one year.	Gov - GF	-\$1,651	-\$5,590	-\$7,241	-\$6,309	-\$7,122	-\$13,431
		Gov - HCAF	-\$31	-\$60	-\$91	-\$34	-\$13	-\$47	
		House - GF	-\$1,651	-\$5,590	-\$7,241	-\$6,309	-\$7,122	-\$13,431	
		House - HCAF	-\$31	-\$60	-\$91	-\$34	-\$13	-\$47	
		Senate - GF	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate - HCAF	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL - GF	-\$1,651	-\$5,590	-\$7,241	-\$6,309	-\$7,122	-\$13,431	
		FINAL - HCAF	-\$31	-\$60	-\$91	-\$34	-\$13	-\$47	
Premiums Increased	DHS	Increase MinnesotaCare Premiums The House proposal would increase each percentage in the sliding scale premiums for families and children with incomes greater than 100%, but less than 200% of the federal poverty guidelines (FPG), by 0.5 percentage points, and increases each percentage by 1.0 percentage points for families greater than 200% of FPG. The proposal also requires single adults without children with gross incomes above 75% of FPG and adults in families with gross incomes above 200% of FPG to pay the maximum premium. Effective July 1, 2005, these two groups would pay the full cost premium. The Governor and Senate do not recommend any changes. The final bill adopts the House proposal.	Gov - HCAF	\$0	\$0	\$0	\$0	\$0	\$0
		House - HCAF	-\$2,125	-\$3,194	-\$5,319	-\$3,329	-\$3,464	-\$6,793	
		Senate - HCAF	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL - HCAF	-\$2,125	-\$3,194	-\$5,319	-\$3,329	-\$3,464	-\$6,793	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Fees Increased & Policy Changed	DHS	Modify Medical Assistance for Employed Persons with Disabilities (MA-EPD) Loss of Medical Assistance (MA) coverage has been identified by people with disabilities as one of the major barriers to employment. Under current law, the MA-EPD program allows for a higher income and asset limit than in standard MA for employed persons with disabilities. Enrollees pay a premium based on gross income, family size, and a sliding scale. The Governor and House propose the following changes effective November 1, 2003: enrollees would pay an additional 5% of unearned income in addition to their premium, and create an additional charge to the current premium structure. All three proposals include the following provisions effective January 1, 2004: require enrollees to have earned income above \$65, require enrollees to have Medicare, Social Security, and state and federal income taxes withheld (this will disqualify "casually employed" individuals), allow enrollees up to four months without earnings to obtain new employment following job loss unrelated to work performance, and create a minimum premium of \$35 per month. The final bill follows the Governor's and House proposal with a few changes: enrollees would pay an additional 0.5% of unearned income instead of 5%, and the additional charge would apply to fewer enrollees. [Note: Due to increased availability of federal funds, implementation of the \$65 per month income disregard and disqualifying recipients who do not have earned income withholding has been delayed to July 1, 2004. The dollar figures shown have <u>not</u> been adjusted to reflect this change.]	Governor	-\$1,475	-\$2,426	-\$3,901	-\$2,426	-\$2,426	-\$4,852
		House	-\$1,494	-\$2,459	-\$3,953	-\$2,459	-\$2,459	-\$4,918	
		Senate	-\$332	-\$715	-\$1,047	-\$715	-\$715	-\$1,430	
		FINAL	-\$711	-\$1,284	-\$1,995	-\$1,284	-\$1,284	-\$2,568	
Adjusted	DHS	Adjust Prescription Drug Program (PDP) Appropriation to Forecast All three proposals adjust base funding for the PDP program to reflect February 2003 forecast estimates. This program is available to seniors and persons with disabilities who meet income guidelines. The program is not an entitlement, so enrollment must be limited to reflect available funding. The final bill adopts this adjustment.	Governor	-\$1,924	-\$4,095	-\$6,019	\$1,028	\$7,052	\$8,080
		House	-\$1,924	-\$4,095	-\$6,019	\$1,028	\$7,052	\$8,080	
		Senate	-\$1,924	-\$4,095	-\$6,019	\$1,028	\$7,052	\$8,080	
		FINAL	-\$1,924	-\$4,095	-\$6,019	\$1,028	\$7,052	\$8,080	
Reduced	DHS	Repeal Prescription Drug Program (PDP) Expansion The income guidelines for elderly persons participating in PDP is scheduled to increase in July 2003 from 120% of federal poverty guidelines (FPG) to 135%. All three proposals would keep eligibility at 120% of FPG. The final bill adopts this provision.	Governor	-\$1,936	-\$4,065	-\$6,001	-\$5,633	-\$7,599	-\$13,232
		House	-\$1,936	-\$4,065	-\$6,001	-\$5,633	-\$7,599	-\$13,232	
		Senate	-\$1,936	-\$4,065	-\$6,001	-\$5,633	-\$7,599	-\$13,232	
		FINAL	-\$1,936	-\$4,065	-\$6,001	-\$5,633	-\$7,599	-\$13,232	
Cost Savings	DHS	Medical Assistance (MA) Payment of Cost-Effective Premiums Under this proposal, MA clients with cost-effective private insurance would have their premiums paid. Cost sharing amounts and medical care not covered by private insurance would be covered under fee-for-service if it is part of the MA benefit set. The final bill adopts this provision.	Governor	-\$133	-\$250	-\$383	-\$300	-\$300	-\$600
		House	-\$133	-\$250	-\$383	-\$300	-\$300	-\$600	
		Senate	-\$133	-\$250	-\$383	-\$300	-\$300	-\$600	
		FINAL	-\$133	-\$250	-\$383	-\$300	-\$300	-\$600	
Rates Reduced	DHS	Limit Medical Assistance (MA) Asset Sheltering All three proposals limit asset sheltering techniques used to establish or maintain eligibility for MA long-term care services. The final bill adopts this provision.	Governor	-\$1,005	-\$2,012	-\$3,017	-\$4,024	-\$4,025	-\$8,049
		House	-\$1,005	-\$2,012	-\$3,017	-\$4,024	-\$4,025	-\$8,049	
		Senate	-\$1,005	-\$2,012	-\$3,017	-\$4,024	-\$4,025	-\$8,049	
		FINAL	-\$1,005	-\$2,012	-\$3,017	-\$4,024	-\$4,025	-\$8,049	
Rates Reduced	DHS	Reduce Continuing Care Provider Rates The Governor recommends reducing most Continuing Care programs by 4% of FY 2003 funding levels. These providers deliver safety net, chronic health care, and long-term supportive care in people's homes, in their communities, and in residential settings. Nursing facilities are not included in this proposal. Personal care assistance, private duty nursing, and home health agency services would be reduced by 2%. This may result in reductions in employee compensation and work force levels. The House and Senate do not recommend reductions. The final bill reduces most Continuing Care programs by 1% of FY 2003 funding levels. Personal care assistance, private duty nursing, and home health agency services are not reduced.	Governor	-\$33,091	-\$48,620	-\$81,711	-\$52,123	-\$56,221	-\$108,344
		House	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$6,599	-\$8,086	-\$14,685	-\$8,631	-\$9,268	-\$17,899	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Reduced	DHS	Reduce MR/RC Waiver Growth All three proposals would reduce the growth in the home- and community-based waiver for persons with mental retardation or a related condition (MR/RC Waiver) by eliminating the new diversion caseload growth for each year of the 2004-05 biennium. The final bill adopts this provision.	Governor	-\$2,178	-\$10,760	-\$12,938	-\$17,263	-\$17,263	-\$34,526
		House	-\$2,178	-\$10,760	-\$12,938	-\$17,263	-\$17,263	-\$34,526	
		Senate	-\$2,178	-\$10,760	-\$12,938	-\$17,263	-\$17,263	-\$34,526	
		FINAL	-\$2,178	-\$10,760	-\$12,938	-\$17,263	-\$17,263	-\$34,526	
Limit Growth	DHS	Limit Traumatic Brain Injury (TBI) Waiver Growth All three proposals would limit new caseload growth in the home- and community-based waiver for persons with TBI to 150 slots per year. The final bill adopts this provision.	Governor	-\$1,385	-\$3,536	-\$4,921	-\$4,855	-\$5,771	-\$10,626
		House	-\$1,385	-\$3,536	-\$4,921	-\$4,855	-\$5,771	-\$10,626	
		Senate	-\$1,385	-\$3,536	-\$4,921	-\$4,855	-\$5,771	-\$10,626	
		FINAL	-\$1,385	-\$3,536	-\$4,921	-\$4,855	-\$5,771	-\$10,626	
Improvements Delayed	DHS	Delay Home and Community-Based Services (HCBS) Improvements All three proposals delay until July 1, 2005, the implementation of home and community-based services "common menu." The common menu provides for a consistent set of services and reimbursement rates among all of the home and community-based services waivers and the Alternative Care Program. The implementation of a new case management service will also be delayed. This service is for Medical Assistance enrollees who use home care services, but who are not enrolled in a home and community-based services waiver (where they would receive case management). The final bill adopts this provision.	Governor	-\$1,809	-\$2,147	-\$3,956	-\$209	\$0	-\$209
		House	-\$1,809	-\$2,147	-\$3,956	-\$209	\$0	-\$209	
		Senate	-\$1,809	-\$2,147	-\$3,956	-\$209	\$0	-\$209	
		FINAL	-\$1,809	-\$2,147	-\$3,956	-\$209	\$0	-\$209	
Rates Reduced	DHS	ICF/MR Rate Adjustments An Intermediate Care Facility for Persons with Mental Retardation or Related Conditions (ICF/MR) is a residential facility licensed to provide services to persons who have mental retardation or a related condition at a supervised living facility. All three proposals recommend that the DHS Commissioner no longer have the authority to adjust the rates of an ICF/MR to cover the cost of a vacant bed until it is filled. The House and Senate would exclude respite care beds. The final bill adopts the House and Senate version of this provision.	Governor	-\$1,192	-\$1,192	-\$2,384	-\$1,192	-\$1,192	-\$2,384
		House	-\$914	-\$914	-\$1,828	-\$914	-\$914	-\$1,828	
		Senate	-\$914	-\$914	-\$1,828	-\$914	-\$914	-\$1,828	
		FINAL	-\$914	-\$914	-\$1,828	-\$914	-\$914	-\$1,828	
Eliminated	DHS	Eliminate Mandate for Day Training and Habilitation (DT&H) Services The Governor and House propose to end the mandate that counties provide DT&H services to persons with mental retardation or a related condition who need and desire such services. Savings are from approximately 20% of ICF/MR residents currently receiving DT&H services choosing other options. The Senate does not recommend any changes. The final bill follows the Governor's and House recommendation.	Governor	-\$820	-\$773	-\$1,593	-\$724	-\$698	-\$1,422
		House	-\$820	-\$773	-\$1,593	-\$724	-\$698	-\$1,422	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$820	-\$773	-\$1,593	-\$724	-\$698	-\$1,422	
Restructured	DHS	Restructure Adult Mental Health Treatment All three proposals seek to support regional approaches that restructure adult residential treatment to create more intensive, specialized mental health residential settings, flexible mental health community services to meet individual needs, and additional options to maintain and establish permanent housing. The Senate proposal, however, would not increase the county share. The final bill follows the Governor's and House proposal, but delays implementing the county share until FY 2005.	Governor	-\$3,344	-\$7,589	-\$10,933	-\$5,474	-\$4,175	-\$9,649
		House	-\$3,344	-\$7,589	-\$10,933	-\$5,474	-\$4,175	-\$9,649	
		Senate	\$1,730	-\$787	\$943	-\$1,125	-\$1,125	-\$2,250	
		FINAL	\$1,730	-\$7,589	-\$5,859	-\$5,474	-\$4,175	-\$9,649	
Phased Out	DHS	Phase out Medical Assistance (MA) Day Treatment The Governor and House propose phasing out MA coverage for adult mental health day treatment by July 1, 2005. This involves lowering the prior authorization thresholds during FY 2004, and allowing clients to switch to Adult Mental Health Rehabilitative Services (ARMHS) and/or partial hospitalization. The Senate does not recommend any changes. The final bill follows the Governor's and House recommendation.	Governor	-\$904	-\$1,559	-\$2,463	-\$3,144	-\$3,733	-\$6,877
		House	-\$904	-\$1,559	-\$2,463	-\$3,144	-\$3,733	-\$6,877	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$904	-\$1,559	-\$2,463	-\$3,144	-\$3,773	-\$6,917	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Grandfathering Ended	DHS	Eliminate Consumer Support Grant Exceptions Under the Consumer Support Grant program, participants may directly receive funding for home care services that they were eligible to receive through Medical Assistance (MA). Prior to 2001, county agencies determined the maximum allowable grant levels. In 2001, the Legislature provided a standard method for determining grant levels. Approximately 200 Consumer Support Grant recipients whose grants were above these standard levels were "grandfathered" at the higher grant levels. The Governor and Senate proposals would end the grandfathering. The House does not propose any changes. The final bill adopts the Governor's and Senate recommendation, but delays implementation by six months.	Governor	-\$1,166	-\$1,312	-\$2,478	-\$1,328	-\$1,346	-\$2,674
		House	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate	-\$1,166	-\$1,312	-\$2,478	-\$1,328	-\$1,346	-\$2,674	
		FINAL	-\$583	-\$1,312	-\$1,895	-\$1,328	-\$1,346	-\$2,674	
Grants Eliminated and Reduced	DHS	Eliminate Some Continuing Care Grants The Governor would eliminate the following Continuing Care Grants: Block Nurse Administration - grant to the statewide Technical Assistance Center to provide oversight and management of local living at home/block nurse projects; SAIL Grants - grants to counties, area agencies on aging, and nonprofits to integrate, coordinate, and enhance services for seniors; Epilepsy Grants - grant to a nonprofit for independent living skills training for adults with intractable epilepsy; Senior Nutrition Support, Home Delivered Meals, and Senior Nutrition Program Grants - provide congregate dining services and home delivered meals - this proposal would eliminate all state funding, although the programs could continue to exist; Foster Grandparents - grants to nonprofit organizations to allow low-income seniors to provide services to special needs children; RSVP - grants to counties and nonprofits to provide volunteer opportunities for seniors; Senior Companion Program - grants to nonprofits that allow low-income seniors to provide services to other seniors; Home Share - grants to nonprofits to assist homeowners to stay in their homes by pairing them with home seekers willing to share the rent or provide services in exchange for sharing the home; Health Insurance Counseling - grants to Area Agencies on Aging and nonprofits to provide information and counseling about Medicare and supplemental insurance options; Home Care Ombudsman - grant to a nonprofit organization to provide ombudsman services regarding in home health care services; Regional Planning Grants - grants to counties and Area Agencies on Aging to conduct gaps analysis for long-term care reform; and two smaller grants. The House proposal is similar to the Governor's, except funding is restored at 85% for: SAIL Grants, Epilepsy Grants, Senior Nutrition, Home Delivered Meals, Foster Grandparents, RSVP, and Senior Companion. The Senate proposal only cuts funding for Block Nurse Administration, SAIL Grants, and Regional Planning Grants. The final bill follows the House proposal, except Epilepsy Grants are not reduced.	Base						
		Governor	-\$6,672	-\$6,672	-\$13,344	-\$6,672	-\$6,672	-\$13,344	
		House	-\$1,909	-\$1,909	-\$3,818	-\$1,909	-\$1,909	-\$3,818	
		Senate	-\$703	-\$703	-\$1,406	-\$703	-\$703	-\$1,406	
		FINAL	-\$1,871	-\$1,871	-\$3,742	-\$1,871	-\$1,871	-\$3,742	
Grants Eliminated	DHS	Eliminate Some Chemical Health Grants The Governor and the House eliminate the following Chemical Health grants: Women's Ancillary Support Programs - competitive grants to counties, tribes, and community agencies to support women with children and pregnant women who are seeking chemical dependency treatment; CCDTF Tier II placements - provide for chemical dependency treatment services to persons with incomes above Medical Assistance standards but below 215% of poverty; and Juvenile Assessment and detox transportation grants - reimburse counties for a portion of costs for these services. The Senate does not recommend eliminating any programs. The final bill follows the Governor's and House recommendation.	Base	\$6,080	\$6,065	\$12,145	\$6,080	\$6,065	\$12,145
		Governor	-\$5,025	-\$5,010	-\$10,035	-\$5,010	-\$5,010	-\$10,020	
		House	-\$5,025	-\$5,010	-\$10,035	-\$5,010	-\$5,010	-\$10,020	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$5,025	-\$5,010	-\$10,035	-\$5,010	-\$5,010	-\$10,020	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Grants Reduced	DHS	Reduce Community Support Grants The Governor and the Senate reduce disability service grants for the Region 10 Quality Assurance Project (a regional effort in Southeastern Minnesota to implement an alternative system of evaluating and licensing services) and the Public Guardianship Initiative (an initiative to decrease the number of individuals under state public guardianship). The House only reduces funding for the Public Guardianship Initiative. The final bill follows the House recommendation.	Base						
		Governor	-\$429	-\$429	-\$858	-\$429	-\$429	-\$858	
		House	-\$250	-\$250	-\$500	-\$250	-\$250	-\$500	
		Senate	-\$429	-\$429	-\$858	-\$429	-\$429	-\$858	
		FINAL	-\$250	-\$250	-\$500	-\$250	-\$250	-\$500	
Refinanced	DHS	Refinance Group Residential Housing All three proposals eliminate the Group Residential Housing (GRH) program supplemental room and board rate, transferring eligible costs to home- and community-based services waiver programs, and establishing a federally-recognized room and board rate as the base GRH rate. It also obtains federal reimbursement under the food stamp program. The final bill adopts this provision. (The dollar figures shown reflect the reduced cost to the state due to the increased revenues under this proposal).	Governor	-\$2,496	-\$15,799	-\$18,295	-\$17,959	-\$19,255	-\$37,214
		House	-\$2,496	-\$15,799	-\$18,295	-\$17,959	-\$19,255	-\$37,214	
		Senate	-\$2,496	-\$15,799	-\$18,295	-\$17,959	-\$19,255	-\$37,214	
		FINAL	-\$2,496	-\$15,799	-\$18,295	-\$17,959	-\$19,255	-\$37,214	
Changed/Premiums Increased	DHS	Alternative Care Program Changes All three proposals would implement the following changes: 1) fully fund increased Alternative Caseload growth in the 2004-05 biennium; 2) shift persons with incomes below 120% of poverty and assets of \$3,000 or less to the Elderly Waiver and require them to pay a personal contribution toward the cost of their care; 3) delay implementation of the common services menu until July 1, 2005; and 4) make persons receiving Alternative Care subject to the same estate recovery provisions as under Medical Assistance. The Governor and House also propose premium increases for Alternative Care services; the Senate does not. The final bill adopts the four agreed upon provisions, and also increases premiums as the Governor and House recommend, although the increase is smaller than they proposed.	Governor	-\$10,740	-\$14,413	-\$25,153	-\$14,520	-\$14,510	-\$29,030
		House	-\$10,742	-\$14,416	-\$25,158	-\$14,525	-\$14,512	-\$29,037	
		Senate	-\$6,646	-\$9,559	-\$16,205	-\$9,963	-\$9,865	-\$19,828	
		FINAL	-\$8,668	-\$11,787	-\$20,455	-\$12,044	-\$11,997	-\$24,041	
Eliminated	DHS	Eliminate Automatic Nursing Facility Cost-of-Living Adjustments All three proposals would eliminate the Medical Assistance (MA) rate adjustments for operating costs for nursing facilities under contract through the Alternative Payment System for FY 2004-05. This may result in reduced staffing levels, and a corresponding reduction in access and quality of care for residents. The final bill adopts this provision.	Governor	-\$8,055	-\$16,587	-\$24,642	-\$17,280	-\$17,417	-\$34,697
		House	-\$8,055	-\$16,587	-\$24,642	-\$17,280	-\$17,417	-\$34,697	
		Senate	-\$8,055	-\$16,587	-\$24,642	-\$17,280	-\$17,417	-\$34,697	
		FINAL	-\$8,055	-\$16,587	-\$24,642	-\$17,280	-\$17,417	-\$34,697	
No Changes	DHS	Reduce Medical Assistance Nursing Facilities Rates/Capacity The Governor's budget would give nursing facilities the choice of reducing their total payment rate by 4% or removing some beds from service. This proposal may result in financial problems for certain nursing facilities and access or quality of care issues for residents. It is anticipated that, facing these choices, some facilities may choose to close. The proposal includes the costs associated with such closings. The House and Senate do not recommend any changes. The final bill does not adopt this provision.	Governor	-\$16,237	-\$17,260	-\$33,497	-\$16,313	-\$15,866	-\$32,179
		House	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	\$0	\$0	\$0	\$0	\$0	\$0	
No Changes	DHS	Eliminate Medical Assistance Nursing Facility Scholarship Program Under current law, nursing facilities receive \$0.25 per resident day to fund a Scholarship Program to allow their employees to pursue a degree or credential to advance their careers in long-term care. The Governor and House propose eliminating the funding for the scholarship program on July 1, 2003. The Senate does not recommend any changes. The final bill does not adopt this provision.	Governor	-\$894	-\$949	-\$1,843	-\$945	-\$951	-\$1,896
		House	-\$894	-\$949	-\$1,843	-\$945	-\$951	-\$1,896	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	\$0	\$0	\$0	\$0	\$0	\$0	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Payment Reduced	DHS	Reduce Medical Assistance Payment for Nursing Facility (NF) Hold Days Under certain circumstances, when a resident of a nursing facility is in need of hospitalization or temporarily leaves the facility, the NF may charge the resident a fee to hold their bed. Under current law, the NF is reimbursed 79% of the usual rate to hold a bed for an MA resident. All three proposals would reduce this to 60% of the resident's usual rate. The final bill adopts this provision.	Governor	-\$417	-\$447	-\$864	-\$446	-\$449	-\$895
		House	-\$417	-\$447	-\$864	-\$446	-\$449	-\$895	
		Senate	-\$417	-\$447	-\$864	-\$446	-\$449	-\$895	
		FINAL	-\$417	-\$447	-\$864	-\$446	-\$449	-\$895	
Payment Reduced	DHS	Reduce Medical Assistance Payment for Nursing Facility Medicare Co-pays All three proposals would reduce the Medicare coinsurance amount paid to nursing facilities by the state for Medical Assistance-qualified residents covered under a Medicare stay. This may present a cash-flow problem for nursing facilities, but they will be reimbursed by Medicare at a later date. The Senate proposal sets up a \$2 million loan fund to help with these cash flow issues. The final bill adopts this provision, but does not include a loan fund.	Governor	-\$4,371	-\$4,662	-\$9,033	-\$4,639	-\$4,668	-\$9,307
		House	-\$4,371	-\$4,662	-\$9,033	-\$4,639	-\$4,668	-\$9,307	
		Senate	-\$2,371	-\$4,662	-\$7,033	-\$4,639	-\$4,668	-\$9,307	
		FINAL	-\$4,371	-\$4,662	-\$9,033	-\$4,639	-\$4,668	-\$9,307	
Reduced	DHS	Reduce Medical Assistance First 90-Days Nursing Facilities Payment All three proposals would reduce the number of days in which nursing facilities may be paid a rate enhancement (10% higher than the usual rate) for newly admitted residents from 90 days to 30. The final bill adopts this provision.	Governor	-\$2,476	-\$2,665	-\$5,141	-\$2,658	-\$2,679	-\$5,337
		House	-\$2,476	-\$2,665	-\$5,141	-\$2,658	-\$2,679	-\$5,337	
		Senate	-\$2,476	-\$2,665	-\$5,141	-\$2,658	-\$2,679	-\$5,337	
		FINAL	-\$2,476	-\$2,665	-\$5,141	-\$2,658	-\$2,679	-\$5,337	
Rates Increased	DHS	Nursing Home Surcharge & Intergovernmental Transfer All three proposals include as part of their proposal an increase in the nursing facility surcharge from \$990 per licensed bed per year to \$2,700 and an increase in the rates paid to nursing facilities by \$5.21 per resident day. The rate charge to privately paying people is likely to increase. The final bill adopts this provision. (The dollar figures shown reflect the reduced cost to the state due to the increased revenues under this proposal).	Governor	-\$46,474	-\$46,172	-\$92,646	-\$46,161	-\$46,144	-\$92,305
		House	-\$46,474	-\$46,172	-\$92,646	-\$46,161	-\$46,144	-\$92,305	
		Senate	-\$46,474	-\$46,172	-\$92,646	-\$46,161	-\$46,144	-\$92,305	
		FINAL	-\$49,422	-\$49,100	-\$98,522	-\$49,087	-\$49,067	-\$98,154	
Program Changed	DHS	Minnesota Family Investment Program (MFIP) - Welfare Reform The Governor and the House propose a number of changes to the MFIP program, which would result in fewer federal Temporary Assistance for Needy Family (TANF) dollars going to the MFIP program. The changes are: a diversion program for new applications, the requirement that all participants have an employment plan, eliminating access to education and training except for participants who work 25 hours a week, a work first emphasis, 100% sanctions for participants who are out of compliance with program rules after six occurrences, an increase in the sanction for noncompliance with child support from 25% to 30%, and a family cap (a family's cash assistance will not increase if a child is born while the family is on assistance.) The Senate only recommends changes in cash assistance. The final bill follows the Governor's and House recommendation, except the work requirement for access to education is reduced to 20 hours a week.	Gov - TANF	-\$2,990	-\$8,755	-\$11,745	-\$9,852	-\$9,569	-\$19,421
		House - TANF	-\$2,990	-\$8,755	-\$11,745	-\$9,852	-\$9,569	-\$19,421	
		Senate - TANF	-\$697	-\$3,639	-\$4,336	-\$6,079	-\$6,689	-\$12,768	
		FINAL - TANF	-\$3,145	-\$9,065	-\$12,210	-\$10,162	-\$9,879	-\$20,041	
Grants Consolidated	DHS	Consolidated MFIP Support Services Grant The Governor and House propose consolidating funding as of July 1, 2003 for the following: county administration, current employment-related grants, Diversionary Assistance, Emergency Assistance, and Minor Parent Support Services. The funding would be allocated to counties and tribes to administer self-sufficiency programs. Background: 19 programs currently being funded with TANF funds see that funding end as of June 30, 2003 and one program (Supported Work Grants) has TANF funding ending June 30, 2004. The Senate proposal does not consolidate funding, only recommends a reduction in Diversionary Assistance, and would continue to fund Supported Work Grants at a reduced level through FY 2007. The final bill follows the Governor's and House recommendation to consolidate the grants, but funds them at a reduced level.	Gov - TANF	\$15,000	\$25,000	\$40,000	\$25,000	\$25,000	\$50,000
		House - TANF	\$15,000	\$25,000	\$40,000	\$25,000	\$25,000	\$50,000	
		Senate - TANF	-\$3,261	-\$332	-\$3,593	-\$538	-\$747	-\$1,285	
		FINAL - TANF	\$12,414	\$19,995	\$32,409	\$19,719	\$19,565	\$39,284	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
No Changes	DHS	Limit MFIP Education & Training The Governor and House limit access to education and training for MFIP participants to 12 months, instead of 24 months. The Senate proposal does not recommend any changes. The final bill does not adopt this provision.	Gov - TANF	-\$2,586	-\$5,005	-\$7,591	-\$5,281	-\$5,435	-\$10,716
		House - TANF	-\$2,586	-\$5,005	-\$7,591	-\$5,281	-\$5,435	-\$10,716	
		Senate - TANF	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL - TANF	\$0	\$0	\$0	\$0	\$0	\$0	
Grants Reduced	DHS	MFIP Budgeting and SSI Under this proposal, MFIP families who have a disabled person receiving Supplemental Security Income (SSI) in the home would have their grants reduced by up to \$175. Approximately 17% of MFIP families have SSI recipients in their households. The Senate proposal does not recommend any changes. The final bill includes a compromise position which would reduce grants by up to \$125.	Gov - GF	\$6	\$0	\$6	\$0	\$0	\$0
		Gov - TANF	-\$15,376	-\$14,566	-\$29,942	-\$14,304	-\$13,964	-\$28,268	
		House - GF	\$6	\$0	\$6	\$0	\$0	\$0	
		House - TANF	-\$15,376	-\$14,566	-\$29,942	-\$14,304	-\$13,964	-\$28,268	
		Senate - GF	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate - TANF	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL - GF	\$0	\$0	\$0	\$0	\$0	\$0	
Eligibility Reduced	DHS	Reduce MFIP Exit Level The Governor and House proposes reducing the income level at which families leave the MFIP program from 120% of federal poverty guidelines to 115%. Because the earned income disregard is linked to the exit level, working families on MFIP would also see reductions in their benefit levels. The Senate proposal does not recommend any changes. The final bill follows the Governor's and House recommendation.	Gov - TANF	-\$3,519	-\$4,549	-\$8,068	-\$4,810	-\$4,812	-\$9,622
		House - TANF	-\$3,519	-\$4,549	-\$8,068	-\$4,810	-\$4,812	-\$9,622	
		Senate - TANF	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL - TANF	-\$3,519	-\$4,549	-\$8,068	-\$4,810	-\$4,812	-\$9,622	
Eligibility Changed	DHS	MFIP Time Limit Policy All three proposals would make the following changes to the policies allowing extensions for MFIP participants reaching the 60-month time limit: the sunset of the extensions for employed participants would be repealed, the policy for two-parent families would be "clarified/refined," and MFIP sanction policy would be "clarified/refined." The final bill adopts this provision.	Gov - GF	\$0	-\$30	-\$30	-\$36	-\$41	-\$77
		Gov - TANF	\$0	\$2,143	\$2,143	\$2,623	\$3,113	\$5,736	
		House - GF	\$0	-\$30	-\$30	-\$36	-\$41	-\$77	
		House - TANF	\$0	\$2,143	\$2,143	\$2,623	\$3,113	\$5,736	
		Senate - GF	\$0	-\$30	-\$30	-\$36	-\$41	-\$77	
		Senate - TANF	\$0	\$2,143	\$2,143	\$2,623	\$3,113	\$5,736	
		FINAL - GF	\$0	-\$30	-\$30	-\$36	-\$41	-\$77	
Maintained	DHS	Continue MFIP for Legal Non-Citizens Under current law, MFIP cash and food assistance for legal non-citizens would end on June 30, 2003. All three proposals eliminate the sunset and continue to provide assistance. The final bill adopts this provision.	Gov - TANF	\$5,107	\$6,141	\$11,248	\$7,251	\$7,888	\$15,139
		House - TANF	\$5,107	\$6,141	\$11,248	\$7,251	\$7,888	\$15,139	
		Senate - TANF	\$5,107	\$6,141	\$11,248	\$7,251	\$7,888	\$15,139	
		FINAL - TANF	\$5,107	\$6,141	\$11,248	\$7,251	\$7,888	\$15,139	
Shortfall Funded	DHS	Fund Minnesota Food Assistance Program (MFAP) Shortfall The Minnesota Food Assistance Program (MFAP) provides state-funded food assistance for legal non-citizens who do not qualify for federal food benefits because of their citizenship status. There is a projected shortfall in the funding for this program, which all three proposals would fund. The final bill adopts this provision.	Governor	\$27	\$132	\$159	\$246	\$367	\$613
		House	\$27	\$132	\$159	\$246	\$367	\$613	
		Senate	\$27	\$132	\$159	\$246	\$367	\$613	
		FINAL	\$27	\$132	\$159	\$246	\$367	\$613	
Funding Reduced	DHS	Reduce State Food Support Employment and Training Grants Food Support Employment and Training (FSET) programs provide employment and training services. Non-disabled adults without dependents only can receive Food Stamp benefits for three months but can earn extra months of benefits by participating in FSET. The Governor and House proposals would reduce FSET funding, which is expected to reduce the number of persons served by 72%. It will also mean a loss of up to \$1.3 million per year in federal matching funds. The Senate does not recommend any changes. The final bill follows the Governor's and House recommendation.	Governor	-\$1,321	-\$1,321	-\$2,642	-\$1,321	-\$1,321	-\$2,642
		House	-\$1,321	-\$1,321	-\$2,642	-\$1,321	-\$1,321	-\$2,642	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$1,321	-\$1,321	-\$2,642	-\$1,321	-\$1,321	-\$2,642	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Coverage Limited	DHS	Limit Emergency Assistance Programs Emergency Assistance (EA) provides special financial support for a family facing unexpected emergency expenses (such as eviction or losses from a fire). About 6,100 per month are served. Emergency General Assistance (EGA) provides benefits to about 13,500 adults and families who are not eligible for EA or the Minnesota Family Investment Program. There are no absolute income limits, but eligibility is based on the existence of an emergency that threatens health or safety and that cannot be resolved with existing resources. Emergency Minnesota Supplemental Aid (EMSA) provides emergency benefits to over 3,130 aged, blind, or disabled adults who are not eligible for EA or EGA, and who face an emergency that threatens health and safety. The Governor and House propose capping funding for all three programs at FY 2002 spending levels. EGA and EMSA would also be limited to once in every 12 months. The Senate does not recommend any changes. The final bill follows the Governor's and House recommendation.	Gov - GF	-\$2,338	-\$2,591	-\$4,929	-\$2,812	-\$3,192	-\$6,004
		Gov - TANF	-\$4,946	-\$6,055	-\$11,001	-\$7,721	-\$9,414	-\$17,135	
		House - GF	-\$2,338	-\$2,591	-\$4,929	-\$2,812	-\$3,192	-\$6,004	
		House - TANF	-\$4,946	-\$6,055	-\$11,001	-\$7,721	-\$9,414	-\$17,135	
		Senate - GF	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate - TANF	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL - GF	-\$2,338	-\$2,591	-\$4,929	-\$2,812	-\$3,192	-\$6,004	
		FINAL - TANF	-\$4,946	-\$6,055	-\$11,001	-\$7,721	-\$9,414	-\$17,135	
Refinanced with TANF	DHS	TANF Refinancing The Governor and House propose replacing General Fund expenditures with TANF dollars made available through cuts made elsewhere in the budget to TANF-funded purposes. Under this proposal, more TANF dollars will go for the Minnesota Family Investment Program. TANF dollars are also transferred to the Social Services Block Grant and would replace General Fund dollars for the Children and Community Services Grant. The Senate does not recommend any changes. The final bill follows the Governor's and House recommendation, although a smaller amount of each program is refinanced.	Gov - GF	-\$12,927	-\$9,272	-\$22,199	-\$10,724	-\$10,827	-\$21,551
		Gov - TANF	\$12,927	\$9,272	\$22,199	\$10,724	\$10,827	\$21,551	
		House - GF	-\$12,927	-\$9,272	-\$22,199	-\$10,724	-\$10,827	-\$21,551	
		House - TANF	\$12,927	\$9,272	\$22,199	\$10,724	\$10,827	\$21,551	
		Senate - GF	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate - TANF	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL - GF	-\$3,952	-\$3,137	-\$7,089	-\$6,692	-\$3,192	-\$9,884	
		FINAL - TANF	\$3,952	\$3,137	\$7,089	\$6,692	\$3,192	\$9,884	
Eliminated	DHS	Eliminate Access and Visitation Grants All three proposals would eliminate the Access and Visitation Grants, which would result in the additional loss of \$100,000 in federal funds. These grants have primarily gone to Cooperation for the Children, a custody and visitation program operating in Ramsey and Stearns counties. The final bill adopts this provision.	Governor	-\$100	-\$100	-\$200	-\$100	-\$100	-\$200
		House	-\$100	-\$100	-\$200	-\$100	-\$100	-\$200	
		Senate	-\$100	-\$100	-\$200	-\$100	-\$100	-\$200	
		FINAL	-\$100	-\$100	-\$200	-\$100	-\$100	-\$200	
Fees Increased	DHS	Child Support Grant Reduction and Fees The Governor and House propose a new user fee of 1% for parents who seek help from the state in collecting owed child support. Current and recent public assistance recipients would be exempt from the fee. Under current law, applicants pay a one-time application fee of \$25. The Senate does not recommend any changes. The final bill follows the Governor's and House recommendation.	Governor	-\$462	-\$636	-\$1,098	-\$884	-\$884	-\$1,768
		House	-\$462	-\$636	-\$1,098	-\$884	-\$884	-\$1,768	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$462	-\$636	-\$1,098	-\$884	-\$884	-\$1,768	
MFIP Cash Grants Reduced	DHS	\$100 Housing Penalty Under current law, families enrolled in the Minnesota Family Investment Program (MFIP) who receive subsidized housing have \$100 a month counted against their cash grant, effectively reducing their cash grant by that amount. Each year, however, the Legislature has approved funding to offset this deduction. The Governor and House do not take any action in their proposal, which would let the "\$100 rule" take effect. The Senate proposal fully funds offsetting the deduction, thus preventing any reduction in cash grants. The final bill partially funds an offset, so that families living in subsidized housing will have \$50 a month counted against their cash grant. This change could affect 11,000 families. Some families who live in subsidized housing and have a family member on SSI would be subject to both the \$50 penalty and the \$125 SSI cut.	Governor	\$0	\$0	\$0	\$0	\$0	\$0
		House	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate	\$13,138	\$12,244	\$25,382	\$11,937	\$11,595	\$23,532	
		FINAL	\$5,436	\$6,080	\$11,516	\$5,927	\$5,757	\$11,684	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Consolidated & Reduced	Health	Grant Redesign The Governor and House propose to consolidate 13 grants into a single grant. Total grant funds are cut by \$3.3 million in General Funds and \$3 million in TANF funds each fiscal year, with an additional \$750,000 per year cut from the Dept. of Health. The grant programs to be consolidated are: Community Health Service (CHS) Subsidy, Bioterrorism, Maternal and Child Health (MCH) Block Grant, Women, Infants and Children (WIC), Infant Mortality, Lead Safe Housing, Family Home Visiting, Suicide Prevention, Fetal Alcohol Syndrome Prevention (FAS), Youth Risk Behavior, Minnesota ENABL, Eliminating Health Disparities (EHD)-Tribal Grants, and EHD-RHITB. The Senate only recommends the consolidation of TANF funding. The final bill follows the Governor's and House recommendation with the following exceptions: FAS, Lead Safe Housing, and EHD-Tribal Grants receive no reductions. In addition, Suicide Prevention is not part of the consolidation, but receives an annual reduction of \$123,000 (not reflected in the spreadsheet).	Gov - GF	-\$4,088	-\$4,088	-\$8,176	-\$4,088	-\$4,088	-\$8,176
		Gov - TANF	-\$3,000	-\$3,000	-\$6,000	-\$3,000	-\$3,000	-\$6,000	
		House - GF	-\$4,088	-\$4,088	-\$8,176	-\$4,088	-\$4,088	-\$8,176	
		House - TANF	-\$3,000	-\$3,000	-\$6,000	-\$3,000	-\$3,000	-\$6,000	
		Senate - GF	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate - TANF	-\$3,000	-\$3,000	-\$6,000	-\$3,000	-\$3,000	-\$6,000	
		FINAL - GF	-\$3,845	-\$3,845	-\$7,690	-\$3,845	-\$3,845	-\$7,690	
		FINAL - TANF	-\$3,000	-\$3,000	-\$6,000	-\$3,000	-\$3,000	-\$6,000	
Eliminated & Reduced	Health	Reduce and Eliminate Health Department Grants The Governor and House proposals save nearly \$2 million each year by eliminating two grant programs and reducing two others. The grants to be eliminated are: Long Term Care Home Transition Planning Grant Program , which provides support to nursing homes to analyze their specific circumstances and plan their response to a changing environment; and the Long Term Care Quality Demonstration Grant Program , which was designed to support nursing home quality innovations. Reductions would be made in the Eliminating Health Disparities Initiative , which was created in 2001 to address serious disparities in health status between whites and Minnesota's communities of color and American Indians. The planning grants component of this program would be eliminated. Also reduced are Rural Hospital Capital Improvement Grants , which support rural hospitals with 50 or fewer beds. The Senate proposal eliminates the two Long Term Care grants, but does not make the other reductions. The final bill follows the Governor's and House recommendation.	Governor	-\$1,966	-\$1,966	-\$3,932	-\$1,966	-\$1,966	-\$3,932
		House	-\$1,966	-\$1,966	-\$3,932	-\$1,966	-\$1,966	-\$3,932	
		Senate	-\$1,000	-\$1,000	-\$2,000	-\$1,000	-\$1,000	-\$2,000	
		FINAL	-\$1,966	-\$1,966	-\$3,932	-\$1,966	-\$1,966	-\$3,932	
Eliminated	Health	Tobacco Endowment Eliminated The budget agreement transfers the entire \$1.0 billion balance in the Tobacco Endowments into the state's General Fund. The Tobacco Endowments represent a portion of the state's tobacco settlement that were set aside in earlier legislative sessions, and the interest earned on these endowments were dedicated to programs including medical education and tobacco use prevention. The endowment interest that previously went to the Academic Health Center at the University of Minnesota and the Medical Education Research Fund will now be funded by dedicating a portion of tobacco tax revenues to these purposes (\$44.9 million for 2004-05 for the Academic Health Center and \$17.3 million for the biennium to the Medical Education Research Fund - not included in spreadsheet figures). The Senate proposed \$24.8 million for the 2004-05 biennium in tobacco tax revenues be dedicated to a Statewide Tobacco Prevention Fund, but this was not adopted in the final proposal.	Gov - TE	-\$1,029,000	\$0	-\$1,029,000	\$0	\$0	\$0
		House - TE	-\$1,029,000	\$0	-\$1,029,000	\$0	\$0	\$0	
		Senate - TE	-\$1,029,000	\$0	-\$1,029,000	\$0	\$0	\$0	
		FINAL - TE	-\$1,029,000	\$0	-\$1,029,000	\$0	\$0	\$0	
Significantly Reduced	DOE	Minnesota Economic Opportunity Grant These grants provide the core funding for the 40 community action agencies which cover all Minnesota counties, serving 750,000 low-income people each year. Funds are used to enable low-income families and individuals to attain the skills, knowledge, and motivation that will result in their becoming self-sufficient. These funds leverage an additional \$240 million in other federal, state, local, and private funds. Eleven tribes also receive funding through this grant. The Governor's and House proposals cut funding by 53%. The Senate proposal cuts funding by 18%. The types of services that will be impacted include transportation, housing and shelter, senior programs, Head Start, food shelves, and emergency services. The final bill follows the Governor's and House proposal and cuts funding by 53%.	Base	\$8,514	\$8,514	\$17,028	\$8,514	\$8,514	\$17,028
		Governor	-\$4,514	-\$4,514	-\$9,028	-\$4,514	-\$4,514	-\$9,028	
		House	-\$4,514	-\$4,514	-\$9,028	-\$4,514	-\$4,514	-\$9,028	
		Senate	-\$1,514	-\$1,514	-\$3,028	-\$1,514	-\$1,514	-\$3,028	
		FINAL	-\$4,514	-\$4,514	-\$9,028	-\$4,514	-\$4,514	-\$9,028	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Fees Increased/Funding Reduced	DOE	Basic Sliding Fee Child Care Assistance	Base	\$46,499	\$46,499	\$92,998	\$46,499	\$46,499	\$92,998
		This program helps pay the child care costs of low- and moderate-income families who are not participating in MFIP. The program uses a sliding fee scale based on family income for families who are engaged in authorized work, education, and job search activities. Families with incomes under 75% of state median income and children under age 13 (age 15 for children with disabilities) are eligible. All three proposals would no longer reimburse Legal Non-Licensed (LNL) providers of child care for registration fees and would pay them at an hourly rate, rather than in blocks of time. In addition, the Governor's and Senate proposals increase parental copays for families between 75-100% of federal poverty guidelines (FPG) from \$5 to \$10 per month and increases parental copays for families between 100-250% of FPG by 10%. The House makes significant additional changes in the program, including reducing eligibility, limiting provider reimbursement rates, and significantly increasing parent copays starting at 0% of FPG. The final bill adopts the following changes: reimburses LNL providers on an hourly basis, setting a maximum rate of 80% of the county maximum family child care rate; no longer reimburses LNL providers for registration fees; increases parental copays for families between 75-100% of FPG from \$5 to \$10 per month and increases parental copays for families between 100-250% of FPG to range from 3.85% of adjusted gross income (AGI) to 22% of AGI; reduces eligibility to 175% of FPG for entry into the program and sets the exit level at 250% FPG; freezes provider rates at the FY 2003 rates through FY 2005; eliminates accreditation payments; and provides some additional funds to reduce the waiting list for low-income families. Overall, the final bill reduces General Fund spending for this program by 50% for the FY 2004-05 biennium.	Governor	-\$3,971	-\$4,725	-\$8,696	-\$4,725	-\$4,725	-\$9,450
		House	-\$22,938	-\$27,515	-\$50,453	-\$24,155	-\$24,144	-\$48,299	
		Senate	-\$3,971	-\$4,725	-\$8,696	-\$4,725	-\$4,725	-\$9,450	
		FINAL	-\$18,871	-\$27,728	-\$46,599	-\$16,686	-\$16,687	-\$33,373	
Program Eliminated	DOE	Eliminate At-Home Infant Care	Base	\$2,000	\$2,000	\$4,000	\$2,000	\$2,000	\$4,000
		This program allows families to receive a subsidy in lieu of child care assistance for up to twelve months while they stay home to care for an infant up to one year of age. Up to 7% of the annual appropriation for the Basic Sliding Fee Child Care Assistance Program could be set aside to fund this program. All three proposals eliminate this program and correspondingly reduces the appropriation for the basic sliding fee child care assistance program by \$2 million annually. The final bill adopts this provision and eliminates the program.	Governor	-\$2,000	-\$2,000	-\$4,000	-\$2,000	-\$2,000	-\$4,000
		House	-\$2,000	-\$2,000	-\$4,000	-\$2,000	-\$2,000	-\$4,000	
		Senate	-\$2,000	-\$2,000	-\$4,000	-\$2,000	-\$2,000	-\$4,000	
		FINAL	-\$2,000	-\$2,000	-\$4,000	-\$2,000	-\$2,000	-\$4,000	
Fees Increased/Funding Reduced	DOE	MFIP/TY Child Care Assistance	Base	\$82,371	\$84,723	\$167,094	\$87,272	\$87,267	\$174,539
		This program helps pay the child care costs of low-income families who are participating in the Minnesota Family Investment Program (MFIP) or Transitional Year (TY) assistance. The program uses a sliding fee scale based on family income for child care while parents are engaged in authorized work, education, and job search activities. The Governor and the Senate proposals would no longer reimburse Legal Non-Licensed (LNL) providers of child care for registration fees and would pay them at an hourly rate, rather than in blocks of time. In addition, the proposals increases the parent co-pays for families between 75-100% of federal poverty level from \$5 to \$10 per month and increases parental co-pays for families between 100-250% the federal poverty level by 10%. The House makes significant additional changes in the program, including limiting provider reimbursement rates and significantly increasing parent copays. The final bill adopts the following changes: reimburses LNL providers on an hourly basis, setting a maximum rate of 80% of the county maximum family child care rate; no longer reimburses LNL providers for registration fees; increases parental copays; freezes provider rates at the FY 2003 rates through FY 2005; eliminates accreditation payments; and provides some additional funds for Social Service child care and transition year child care assistance. Overall, the final bill reduces General Fund spending for this program by 20% for the FY 2004-05 biennium.	Governor	-\$4,124	-\$4,753	-\$8,877	-\$4,737	-\$4,737	-\$9,474
		House	-\$15,619	-\$17,308	-\$32,927	-\$13,096	-\$13,096	-\$26,192	
		Senate	-\$4,124	-\$4,753	-\$8,877	-\$4,737	-\$4,737	-\$9,474	
		FINAL	-\$12,828	-\$21,003	-\$33,831	-\$7,273	-\$6,852	-\$14,125	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total
Sunset Extended	Other Boards	Base	\$0	\$0	\$0	\$0	\$0	\$0
		Governor	\$500	\$500	\$1,000	\$0	\$0	\$0
		House	\$500	\$500	\$1,000	\$500	\$500	\$1,000
		Senate	\$607	\$607	\$1,214	\$607	\$607	\$1,214
		FINAL	\$500	\$500	\$1,000	\$500	\$500	\$1,000
No Changes	Other Boards	Base	\$1,462	\$1,462	\$2,924	\$1,462	\$1,462	\$2,924
		Governor	-\$219	-\$220	-\$439	-\$219	-\$220	-\$439
		House	-\$219	-\$220	-\$439	-\$219	-\$220	-\$439
		Senate	\$0	\$0	\$0	\$0	\$0	\$0
		FINAL	\$0	\$0	\$0	\$0	\$0	\$0

Economic Development

Reduced/Eliminated	DTED	Base - GF	\$8,440	\$8,440	\$16,880	\$8,440	\$8,440	\$16,880
		Gov - GF	-\$766	-\$405	-\$1,171	-\$405	-\$405	-\$810
		Gov - TANF	-\$750	-\$750	-\$1,500	-\$750	-\$750	-\$1,500
		House - GF	-\$1,366	-\$1,005	-\$2,371	-\$1,005	-\$1,005	-\$2,010
		House - TANF	-\$750	-\$750	-\$1,500	-\$750	-\$750	-\$1,500
		Senate - GF	-\$766	-\$405	-\$1,171	-\$405	-\$405	-\$810
		Senate - TANF	-\$750	-\$750	-\$1,500	-\$750	-\$750	-\$1,500
		FINAL - GF	-\$2,016	-\$1,655	-\$3,671	-\$1,655	-\$1,655	-\$3,310
		FINAL - TANF	-\$750	-\$750	-\$1,500	-\$750	-\$750	-\$1,500
		Nonprofits Funded	DTED	Base	\$0	\$0	\$0	\$0
Governor	\$0			\$0	\$0	\$0	\$0	\$0
House	\$0			\$0	\$0	\$0	\$0	\$0
Senate	\$1,075			\$1,075	\$2,150	\$1,075	\$1,075	\$2,150
FINAL - GF	\$500			\$500	\$1,000	\$500	\$500	\$1,000
FINAL - WDF	\$100			\$100	\$200	\$0	\$0	\$0

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Funding Reduced	Housing Finance	Minnesota Housing Finance Agency (MHFA) All of the MHFA's appropriations from the General Fund go directly to fund programs, so any cut will amount to a cut in affordable housing programs. Programs the Governor and the House propose to cut include, but are not limited to, the Housing Trust Fund by 5%, which targets assistance with rents affordable to extremely low-income households, Bridges by 2%, which provides rental assistance to extremely low-income households with a disability, Rehabilitation Loans by 5.7%, which provides affordable loan programs to some of the lowest income households in the state, and Nonprofit Capacity Building Grants by 8.5%. The Senate does not recommend any of these cuts, but would make reductions in the Challenge Fund and the Home Ownership Assistance Fund. The final bill follows the Governor's and House recommendation, except the Home Owner Assistance Fund is only cut in the 2004-05 biennium. Also, the Family Homeless Prevention and Assistance Program (FHPAP) gets a base increase of \$150,000 per year. However, due to the loss of \$250,000 in one-time TANF funds and last year's scheduled budget cuts of \$120,000 for FY 2004-05, FHPAP has \$70,000 less in funding. Overall, MHFA will experience a 33% reduction in resources, including a \$9.3 million cut to base spending and a loss of \$24 million in one-time funding for the construction and rehab of low-income housing.	Base	\$39,534	\$39,537	\$79,071	\$39,534	\$39,534	\$79,068
		Governor	-\$4,799	-\$4,799	-\$9,598	-\$4,799	-\$4,799	-\$9,598	
		House	-\$4,799	-\$4,799	-\$9,598	-\$4,799	-\$4,799	-\$9,598	
		Senate	-\$2,299	-\$2,299	-\$4,598	-\$2,299	-\$2,299	-\$4,598	
		FINAL	-\$4,649	-\$4,649	-\$9,298	-\$3,764	-\$3,764	-\$7,528	
Funding Continued/One-Time Funding Lost	DOE	Emergency Services Program (ESP) & Transitional Housing Program (THP) ESP provides funding to 26 emergency homeless shelters and nonprofit agencies to support the costs of services to homeless families and individuals. THP provides supportive housing and supportive services to homeless families and individuals so that they can secure permanent, stable housing. The Governor and the House recommend continuing funding at current levels for both programs. However, the plans do not renew the one-time resources available during the last biennium - \$1 million for ESP and \$3.85 million for THP. Combined with the loss of other one-time revenue, there would be a 50% decrease in state resources for sheltering programs. The Senate proposal also recommends continued funding at current levels, but renews the \$1 million for ESP and provides \$3.6 million for THP in the next biennium. The final bill funds both programs at the current level, does not renew the one-time funding for ESP, but does increase base funding for THP by \$1 million per year. However, the overall impact was a \$1.7 million reduction in spending for these programs, a 29% cut. Currently, over 1,000 men, women, and children are turned away from Minnesota's sheltering programs each night. The impending one-third reduction will result in hundreds more being unable to receive services.	Base	\$0	\$0	\$0	\$0	\$0	\$0
		Governor	\$2,338	\$2,338	\$4,676	\$2,338	\$2,338	\$4,676	
		House	\$2,338	\$2,338	\$4,676	\$2,338	\$2,338	\$4,676	
		Senate	\$4,638	\$4,638	\$9,276	\$4,638	\$4,638	\$9,276	
		FINAL	\$3,338	\$3,338	\$6,676	\$3,338	\$3,338	\$6,676	
Reduced	DTED	Minnesota YouthBuild Minnesota YouthBuild serves youth between the ages of 16 and 24 who are high school dropouts and potential dropouts, youth at risk of involvement with the juvenile justice system, chemically dependent and disabled youth, homeless youth, teen parents, and public assistance recipients. The goal is to assist at-risk youth in making a successful transition to the workforce through services including construction skills training, work experience, job readiness training, leadership development, and basic academic skills. The program also serves low-income and homeless families and individuals in need of affordable housing. The Governor's budget proposal cuts funding for this program by 22%. The House also cuts funding, but by only 11% per year. The Senate does not recommend any cuts to this program. The final bill follows the House recommendation and reduces funding by 11%. (The dollar figures shown include both grant cuts and operational reductions.)	Base	\$851	\$851	\$1,702	\$851	\$851	\$1,702
		Governor	-\$197	-\$197	-\$394	-\$197	-\$197	-\$394	
		House	-\$97	-\$97	-\$194	-\$97	-\$97	-\$194	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
		FINAL	-\$97	-\$97	-\$194	-\$97	-\$97	-\$194	

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Reduced	Minnesota Youth Program Minnesota Youth Program provides economically disadvantaged and at-risk youth between the ages of 14 to 21 with employment and training services. The Minnesota Youth Program operates through the local Workforce Councils and is available in all 87 counties. Work experience, basic skills training, work-based learning, career counseling, personal counseling, life skills training, mentoring, and peer support groups are available as well as support services such as transportation and child care. Both the Governor and the House reduce funding for this program. The Senate does not recommend any cuts to this program. The final bill closely follows the Governor's and House recommendation and reduces funding by 22%. (The dollar figures shown include both grant cuts and operational reductions.)	DTED	Base	\$5,354	\$5,354	\$10,708	\$5,354	\$5,354	\$10,708
			Governor	-\$1,241	-\$1,241	-\$2,482	-\$1,241	-\$1,241	-\$2,482
			House	-\$1,241	-\$1,241	-\$2,482	-\$1,241	-\$1,241	-\$2,482
			Senate	\$0	\$0	\$0	\$0	\$0	\$0
			FINAL	-\$1,200	-\$1,200	-\$2,400	-\$1,200	-\$1,200	-\$2,400
Reduced	Learn to Earn Learn to Earn provides positive park maintenance, work experience, and educational opportunities to unemployed or underemployed at-risk youth in Minneapolis. Both the Governor and the House reduce funding for this program. The Senate does not recommend cuts. The final bill follows the Governor's and House recommendation and reduces funding by 23%.	DTED	Base	\$238	\$238	\$476	\$238	\$238	\$476
			Governor	-\$55	-\$55	-\$110	-\$55	-\$55	-\$110
			House	-\$55	-\$55	-\$110	-\$55	-\$55	-\$110
			Senate	\$0	\$0	\$0	\$0	\$0	\$0
			FINAL	-\$55	-\$55	-\$110	-\$55	-\$55	-\$110
Reduced	Youth Intervention Program Youth Intervention Program funds 52 community-based youth service organizations that provide early intervention services to youth and families, including: crime prevention, youth development, restorative justice, pre-court diversion, counseling, educational programs related to specific offenses, and gender- and culturally-specific services. Youth served are those that are identified as being at-risk or just starting to get into illegal behaviors. They often face hurdles such as trouble with the law, school truancy, abuse at home, homelessness, chemical abuse, basic skills deficiency and limited English proficiency. Base funding for this program was reduced by \$90,000 per year in FY 2003. Both the Governor and the House further reduce funding for this program, although the House proposal makes a smaller cut in the next biennium. The Senate does not recommend any cuts. The final bill follows the House recommendation for reductions. Together with the FY 2003 base cut, funding for this program has been reduced by 27%. (The dollar figures shown include both grant cuts and operational reductions.)	DTED	Base	\$1,635	\$1,635	\$3,270	\$1,635	\$1,635	\$3,270
			Governor	-\$378	-\$378	-\$756	-\$378	-\$378	-\$756
			House	-\$378	-\$378	-\$756	-\$189	-\$189	-\$378
			Senate	\$0	\$0	\$0	\$0	\$0	\$0
			FINAL	-\$378	-\$378	-\$756	-\$189	-\$189	-\$378
State Funding Reduced	Independent Living Services for the Disabled The Independent Living program provides comprehensive services to people with severe disabilities who wish to live more independently and participate in their communities. Services include skills training, individual and systems advocacy, peer counseling, information and referral, and transition services for youth and young adults. The Governor's proposal eliminates state funding for basic independent living services provided by the eight Centers for Independent Living (CILs) in Minnesota. The budget document reports this will leave \$1.4 million in annual federal funding for this program, although the CILs report receiving only \$850,282 in federal funds. With this kind of reduction, the CILs would need to eliminate services in 74 counties in Minnesota. The House proposal reduces state funding by 29% in the 2004-05 biennium and 10% in the following beinnium. The Senate proposal does not recommend any cuts to the program. The final bill follows the House recommendation for reductions.	DTED	Base	\$1,874	\$1,874	\$3,748	\$1,874	\$1,874	\$3,748
			Governor	-\$1,874	-\$1,874	-\$3,748	-\$1,874	-\$1,874	-\$3,748
			House	-\$549	-\$549	-\$1,098	-\$184	-\$184	-\$368
			Senate	\$0	\$0	\$0	\$0	\$0	\$0
			FINAL	-\$549	-\$549	-\$1,098	-\$184	-\$184	-\$368

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total	
Funding Reduced	DTED	Additional DTED Grant Reductions							
		In addition to the Independent Living Services and four youth programs listed above, the Governor also proposes cuts of \$50,000 to State Services for the Blind's Self-Sufficiency unit, a \$241,000 cut in the Mental Illness Support Employment program, and a \$197,000 cut for the Minnesota Center for Deaf or Hard of Hearing Minnesotans. The last two cuts mean services would continue but at reduced funding levels. The House proposal does not cut state Services for the Blind, makes the same cut to the Mental Illness program, and reduces the cut to the Center for Deaf or Hard of Hearing to \$97,000 per year. The Senate does not recommend any cuts to any of these programs. The final bill follows the House recommendation.	Base						
		Governor	-\$488	-\$488	-\$976	-\$488	-\$488	-\$976	
		House	-\$338	-\$338	-\$676	-\$338	-\$338	-\$676	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
FINAL	-\$338	-\$338	-\$676	-\$338	-\$338	-\$676			
Funding Reduced/Revenues Raised	DTED	Displaced Homemaker Program							
		The Displaced Homemaker Program provides pre-employment services to women or men who have worked in the home for a minimum of two years caring for home and family, but due to separation, divorce, death, or disability of spouse or partner, or other loss of financial support, must support themselves and their family. Eligibility is based on income guidelines. Both the Governor and the House eliminate this program, which is funded out of the Workforce Development Fund, and propose transferring the money into the General Fund. Participants in the program would be eligible for the Dislocated Worker Program, which does not provide the same kind of comprehensive workshops or intensive supportive services. The Senate proposal does not reduce funding for the program, but recommends increasing the marriage license fee from \$70 to \$80 for those without 12 hours of premarital education. The \$10 would be deposited in the special revenue fund and appropriated for the Displaced Homemaker Program. The final bill reduces funding by 25%, but adopts the Senate proposal to increase the marriage license fee and dedicate the increase to this program.	Base - WDF	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$2,000
		Gov - WDF	-\$1,000	-\$1,000	-\$2,000	-\$1,000	-\$1,000	-\$2,000	
		House - WDF	-\$1,000	-\$1,000	-\$2,000	-\$1,000	-\$1,000	-\$2,000	
		Senate - WDF	\$0	\$0	\$0	\$0	\$0	\$0	
		Senate - SR	\$240	\$240	\$480	\$240	\$240	\$480	
		FINAL - WDF	-\$250	-\$250	-\$500	-\$250	-\$250	-\$500	
FINAL - SR	\$240	\$240	\$480	\$240	\$240	\$480			
Reduced	State Arts Board	State Arts Board							
		The State Arts Board enriches the state through its support of artists and cultural institutions. The Governor's budget proposal originally recommended a 22% cut to the budget, but increased the cut to 40% in his Supplemental Budget proposal. The House proposal would cut funding by 32%. The Senate proposal would cut funding by 16%. The final bill follows the House recommendation, cutting funding by 32%.	Base	\$12,616	\$12,616	\$25,232	\$12,616	\$12,616	\$25,232
		Governor	-\$5,023	-\$5,023	-\$10,046	\$5,023	\$5,023	\$10,046	
		House	-\$4,023	-\$4,023	-\$8,046	-\$4,023	-\$4,023	-\$8,046	
		Senate	-\$2,011	-\$2,011	-\$4,022	-\$2,011	-\$2,011	-\$4,022	
FINAL	-\$4,023	-\$4,023	-\$8,046	-\$4,023	-\$4,023	-\$8,046			
Reduced	Supreme Court	Civil Legal Services (Legal Aid)							
		Civil Legal Services (Legal Aid) provides low-income people, the elderly, the disabled, and children with critical civil legal services they could otherwise not obtain. Approximately 70% of persons served are women and their children, 15% are age 60 or older, and 33% are persons of color. A significant number of persons with physical or mental disabilities are also served. Legal Aid is a line item in the Supreme Court's budget. The Governor proposed cutting 10% from the Supreme Court's budget, to be distributed proportionately between operating costs and grants (Legal Aid). The House proposed cutting Legal Aid 20% or \$1.6 million per year. The Senate recommended no cut to Legal Aid. The final bill reduced funding for the Supreme Court by 3% across the board, which means a cut of approximately \$230,000 per year for Legal Aid. Combining cuts in other funding with the state cut, regional legal aid programs will have lost over 32% of their attorneys (down from 178 in 2001 to 122 in 2004).	Base	\$7,559	\$7,559	\$15,118	\$7,559	\$7,559	\$15,118
		Governor							
		House	-\$1,572	-\$1,572	-\$3,144	-\$1,572	-\$1,572	-\$3,144	
		Senate	\$0	\$0	\$0	\$0	\$0	\$0	
FINAL	-\$230	-\$230	-\$460	-\$230	-\$230	-\$460			

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total
Crime Victims Assistance This funds over 400 programs that serve about 197,000 victims of sexual assault, general crime, domestic violence, and child abuse each year. Services include crisis intervention, counseling, support groups, advocacy, information, referrals, transportation, and child care assistance - 48% of funds go to programs serving victims of battering, 23% to programs serving victims of sexual assault, 15% to programs serving victims of general crime, and 14% to programs serving abused children. The Governor and House propose a 37% reduction in grants. Crime Victim Services has notified community mediation programs that victim offender mediation funding will be eliminated, which will result in significantly reduced services. Without access to these services, more offenders will end up in the criminal justice system, and many victims will be left out of the system. The Senate does not recommend any cuts. The final bill follows the Governor's and House recommendations and reduces funding for domestic violence programs, sexual assault programs, general crime services, and abused children programming, although grants for battered women receive a smaller reduction in FY 2004.	Public Safety	Base						
		Governor	-\$2,820	-\$2,820	-\$5,640	-\$2,820	-\$2,820	-\$5,640
		House	-\$2,820	-\$2,820	-\$5,640	-\$2,820	-\$2,820	-\$5,640
		Senate	\$0	\$0	\$0	\$0	\$0	\$0
		FINAL	-\$2,481	-\$2,820	-\$5,301	-\$2,820	-\$2,820	-\$5,640
Battered Women's Shelter Services The per diem program makes payments to programs that provide 24-hour emergency housing and support services to victims of domestic abuse and their children throughout Minnesota. This will be changing from a per diem to a grant program July 1, 2003. The 2002 Legislature reduced FY 2004-05 base funding for this program by \$600,000 per year. The Governor proposes an additional 12% reduction in funding, the House recommends a 20% reduction. The Senate does not recommend any cuts. The final bill basically follows the Governor's recommendation and cuts funding by 12%.	Public Safety	Base	\$17,379	\$17,379	\$34,758	\$17,379	\$17,379	\$34,758
		Governor	-\$2,000	-\$2,000	-\$4,000	-\$2,000	-\$2,000	-\$4,000
		House	-\$3,400	-\$3,400	-\$6,800	-\$3,400	-\$3,400	-\$6,800
		Senate	\$0	\$0	\$0	\$0	\$0	\$0
		FINAL	-\$1,784	-\$2,000	-\$3,784	-\$2,000	-\$2,000	-\$4,000
Law Enforcement & Community Grants These funds go to over 300 state and local units of government, as well as public and nonprofit agencies for the reduction and prevention of crime, violence, and drug abuse. The Governor and House reduce grant funds by 28%. The Senate does not recommend any cuts. The final bill follows the Governor's and House recommendation on drug policy grants, although significantly increasing the cuts to the Gang Strike Force.	Public Safety	Base						
		Governor	-\$634	-\$634	-\$1,268	-\$634	-\$634	-\$1,268
		House	-\$634	-\$634	-\$1,268	-\$634	-\$634	-\$1,268
		Senate	\$0	\$0	\$0	\$0	\$0	\$0
		FINAL	-\$2,134	-\$2,134	-\$4,268	-\$2,134	-\$2,134	-\$4,268
Department of Corrections Grants Eliminated All three proposals recommend a 5% reduction to core services. However, the Governor and the House also recommend eliminating a number of grants that the Dept. of Corrections determined were important services to the community, but did not rise to the level of a core service: Adult and Juvenile Female Offender, Amicus, Community and Regional Corrections Center, Juvenile Restitution, Extended Jurisdiction Juveniles, Juvenile Continuum of Care, Intensive Repeat DWI, Sex Offender Assessment Reimbursement, Restorative Justice, Juvenile Residential Treatment, and American Indian Grants. The Senate does not eliminate any of these grants, but proposes a \$200,000 increase for Restorative Justice Grants. The final bill follows the Governor's and House recommendation, except for Restorative Justice Grants. The bill recommends a smaller reduction of \$437,000 for this grant for the biennium, although it also increases funding by \$300,000, resulting in a net reduction of \$137,000.	Corrections	Base						
		Governor	-\$10,271	-\$10,271	-\$20,542	-\$10,271	-\$10,271	-\$20,542
		House	-\$10,271	-\$10,271	-\$20,542	-\$10,271	-\$10,271	-\$20,542
		Senate	-\$3,549	-\$3,549	-\$7,098	-\$3,549	-\$3,549	-\$7,098
		FINAL	-\$10,064	-\$10,065	-\$20,129	-\$10,065	-\$10,065	-\$20,130

Change from Base (\$ are in thousands)

	Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total
Department of Human Rights Operations Reductions The mission of the Dept. of Human Rights is to stop illegal discrimination and further equal opportunity for all people in Minnesota. The department pursues this mission through a coordinated program of law enforcement, prevention education, and community-based conflict resolution. The agency sustained a 5% permanent budget reduction in FY 2003, resulting in the loss of six full-time positions. The Governor and House propose a cut to the department's operating budget that would result in the elimination of 16.5% of its remaining staff at a time when discrimination charges are increasing. In addition, the agency expects to lose \$200,000 in federal reimbursements to the General Fund because the department would need to reduce the number of cases it investigates. The Senate recommends a smaller reduction in funding. The final bill reduces the operating budget by approximately 11%, which is more than the Governor and House originally recommended.	Human Rights	Base	\$3,941	\$3,941	\$7,882	\$3,941	\$3,941	\$7,882
		Governor	-\$361	-\$391	-\$752	-\$391	-\$391	-\$782
		House	-\$361	-\$391	-\$752	-\$391	-\$391	-\$782
		Senate	-\$188	-\$217	-\$405	-\$217	-\$217	-\$434
		FINAL	-\$421	-\$451	-\$872	-\$451	-\$451	-\$902

State Government

Taxpayer Assistance Grant This program provides free tax assistance to low-income, disabled, non-English speaking, and elderly people. This program provided \$200,000 in grants to nonprofits in the 2002-03 biennium. However, it has no base funding, and the Governor does not include any funding to continue the program in his budget. The Senate proposal includes \$200,000 for grants in the next biennium, the House includes \$100,000 for grants in the next biennium. The final bill follows the Senate recommendation.	Revenue	Base	\$0	\$0	\$0	\$0	\$0	\$0
		Governor	\$0	\$0	\$0	\$0	\$0	\$0
		House	\$100	\$0	\$100	\$0	\$0	\$0
		Senate	\$200	\$0	\$200	\$0	\$0	\$0
		FINAL	\$100	\$100	\$200	\$0	\$0	\$0
Vinland Center Grant This is an employment program for disabled veterans that returns people to self-sufficiency. The Governor and House eliminate the program. The Senate recommends a reduction in funding. The final agreement follows the Senate recommendation.	Veterans Affairs	Base	\$275	\$275	\$550	\$275	\$275	\$550
		Governor	-\$275	-\$275	-\$550	-\$275	-\$275	-\$550
		House	-\$275	-\$275	-\$550	-\$275	-\$275	-\$550
		Senate	-\$75	-\$125	-\$200			
		FINAL	-\$75	-\$125	-\$200			

Local Government

Local Aids - Cities Cities receive general funding from the state primarily through the Local Government Aid (LGA) formula and Market Value Credit. State aids are intended to keep local property taxes lower than they otherwise would be, and to ensure that all parts of the state can provide a basic level of services. In the final agreement, the distribution formula for LGA was replaced with a new formula. The final agreement cuts aids to cities by 24% for the 2004-05 biennium. Cities may replace up to 60% of aids lost in 2004 through increased property taxes. For cuts to individual cities, see House Research, www.house.mn/hrd/issinfo/tax_aids.htm.		Base	\$674,255	\$692,311	\$1,366,566	\$704,869	\$717,895	\$1,422,764
		Governor	-\$140,729	-\$294,000	-\$434,729	-\$270,802	-\$286,369	-\$557,171
		House	-\$143,136	-\$219,151	-\$362,287	-\$215,083	-\$230,650	-\$445,733
		Senate	-\$129,784	-\$134,473	-\$264,257	-\$120,552	-\$123,563	-\$244,115
		FINAL	-\$143,136	-\$189,818	-\$332,954	-\$185,750	-\$201,317	-\$387,067
Local Aids - Counties Counties receive general funding from the state through the Homestead and Agricultural Credit (HACA) formula and Market Value Credit, as well as through several specific aid programs. The Governor proposed to consolidate HACA, mobile home HACA, out-of-home placement aid, criminal justice aid, and family preservation aid into one county program aid formula. A new aid formula will be used starting in CY 2005. The final agreement cuts total county aids by 24% for the 2004-05 biennium, although the cuts are significantly larger in FY 2005 than in FY 2004. Counties may replace up to 60% of aids lost in 2004 through increased property taxes. For cuts to individual counties, see House Fiscal Analysis, www.house.mn/fiscal/files/tax03CA.pdf.		Base	\$399,730	\$397,929	\$797,659	\$390,315	\$388,140	\$778,455
		Governor	-\$65,821	-\$125,375	-\$191,196	-\$32,401	-\$36,199	-\$68,600
		House	-\$64,710	-\$118,102	-\$182,812	-\$36,751	-\$39,074	-\$75,825
		Senate	-\$65,695	-\$125,060	-\$190,755	-\$32,401	-\$36,199	-\$68,600
		FINAL	-\$65,724	-\$126,714	-\$192,438	-\$36,751	-\$39,074	-\$75,825

Questions? Contact Christina Macklin at cmacklin@mncn.org or 651-642-1904 x233

Change from Base (\$ are in thousands)

Dept.	Budget Proposal	FY04	FY05	Biennium Total	FY06	FY07	Biennium Total
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Department Abbreviations: DOE - Department of Education, DHS - Dept. of Human Services, DTED - Dept. of Trade & Economic Development, DES - Dept. of Economic Security

Fund Abbreviations: GF - General Fund, HCAF - Health Care Access Fund, SR - Special Revenue, TANF - Temporary Assistance for Needy Families, WDF - Workforce Development Fund, TE - Tobacco Endowment

The information in this document comes from the Governor's 2004-05 Biennial Budget materials, House and Senate session tracking spreadsheets, and details provided by affected nonprofit organizations and advocates.

2003 Federal Poverty Guidelines						
Family Size	75%	100%	175%	200%	250%	275%
1	\$6,735	\$8,980	\$15,715	\$17,960	\$22,450	\$24,695
2	\$9,090	\$12,120	\$21,210	\$24,240	\$30,300	\$33,330
3	\$11,445	\$15,260	\$26,705	\$30,520	\$38,150	\$41,965
4	\$13,800	\$18,400	\$32,200	\$36,800	\$46,000	\$50,600
5	\$16,155	\$21,540	\$37,695	\$43,080	\$53,850	\$59,235
6	\$18,510	\$24,680	\$43,190	\$49,360	\$61,700	\$67,870
7	\$20,865	\$27,820	\$48,685	\$55,640	\$69,550	\$76,505
8	\$23,220	\$30,960	\$54,180	\$61,920	\$77,400	\$85,140