

Proposed budget changes for MDH for Fiscal Years 2010 and 2011

Governor Pawlenty's proposed budget for 2010-11 includes both increases and reductions for some MDH programs. The net outcome would be a \$38 million reduction over the next two fiscal years. This represents about a 12 percent reduction to all appropriated funds.

These adjustments are designed to help balance the budget while maintaining focus on the department's three strategic priorities: reducing preventable health risks, protecting Minnesotans from public health threats, and reforming health care.

Critical investments: \$2.2 million

Behavioral Risk Factor Surveillance Survey

The governor recommends \$550,000 per year from the general fund to provide stable funding for the Behavioral Risk Factor Surveillance System (BRFSS). The BRFSS is a Centers for Disease Control and Prevention-sponsored state-based telephone survey that collects information on chronic conditions. The BRFSS program is the main source of data for many department and community programs.

E-health initiative

The governor recommends \$350,000 per year from the general fund for the Center for Health Informatics to make sure statutory mandates are achieved. The center is charged with implementing a number of e-health requirements, including a statewide interoperable electronic health record system by 2015 and an electronic prescription drug program by 2011.

Tuberculosis prevention and control

The governor recommends \$200,000 annually from the general fund to increase funding for Tuberculosis to address the critical

need for laboratory testing, treatment and prevention. Active TB cases in the state have increased 69 percent in 15 years. TB incidence in Minnesota now exceeds the national rate for the first time since surveillance began in 1953.

Health reform adjustments: -\$35.53 million

Statewide Health Improvement Program

Funding for SHIP—enacted in 2008 as part of the state's health reform initiative—continues in the governor's budget. The program is designed to reduce the burden of obesity and tobacco use in the state.

Instead of allocating \$47 million over two years, the budget would allocate \$6 million per year over four years. This money will be used to provide competitive grants to community health boards and tribal governments.

Essential benefit set

The governor recommends replacing activities associated with defining an essential benefit set with a less expensive study on value-based insurance, using existing research capacity in the department's Health Economics Program. This amounts to a \$540,000 reduction.

Grant reductions/shifts: -\$9.7 million

Family Planning Special Project Grants

Family Planning Special Project (FPSP) grants provide funds to clinics for outreach services, family planning counseling and pregnancy prevention services.

The governor's budget includes a \$1,050,000 reduction to base funding for the grants in FY 2010 and 2011.

In 2006, the Minnesota Department of Human Services implemented the Minnesota Family Planning Waiver program. This program allows family planning services for people with incomes at or below 200 percent of federal poverty guidelines and who are not enrolled in



Freeman Building
625 Robert St. N.
St. Paul, MN 55164-0975
651-201-5000
www.health.state.mn.us

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Minnesota Health Care programs. The program is anticipated to serve more than 39,000 individuals a year by FY 2011.

With the anticipated growth in people receiving services through the waiver, the reduction of FPSP grant funds is not expected to have an impact on unintended pregnancies.

Local Public Health Funding

The governor recommends changing the Local Public Health Grants monthly payment schedule to a quarterly payment and delaying the April - June 2011 payment to counties and cities until July 2011. This delay will result in a one-time general fund savings of \$5,193,000 in state FY 2011 and one-time costs in FY 2012.

By switching to a quarterly payment, local public health entities will be paid up front for the quarter. Counties and cities would still receive their full allocation for 2011.

Elimination of two single-source grants

The proposed budget eliminates grants for the Medical Education and Research Costs program and a community health demonstration project. These single-source grants are already scheduled to end. They would end sooner than required under current law.

Administrative reductions: **-\$3.668 million**

General fund administrative support

The governor recommends a 7.5 percent reduction in the MDH general fund administrative budget. Cost savings could be realized through staffing reductions, restructuring, or possible elimination of some services currently provided. Reductions will occur throughout the agency.

Clean Water and Land Legacy Amendment: **\$3.750 million**

Drinking water contaminants

The governor recommends that Clean Water Land and Legacy Amendment funding be appropriated to improve drinking water protection in the following two ways:

- Assess public health concerns related to five or more contaminants found in Minnesota drinking water per year. Funding (in thousands) will be allocated as follows:

2010	2011	2012	2013
\$445	\$890	\$890	\$890

- Strengthen protection of drinking water sources by enhancing source water characterization, accelerating development of source water protection plans, and providing local government technical assistance. Funding (in thousands) will be allocated as follows:

2010	2011	2012	2013
\$805	\$1,610	\$1,610	\$1,610

State Government Special Revenue

Fee revenue: \$7.136 million, Appropriation: \$3.958 million

The governor's budget includes modest fee and appropriation increases in the following areas:

- Licensing, inspection and review of food, beverage and lodging establishments.
- Licensing and plan review of swimming pools.
- Protection of drinking water and sealing of abandoned wells.
- Inspection of x-ray facilities.
- Food manager certification.
- Licensing and inspection of manufactured home parks and recreational camping areas.
- Lead program pre-renovation and renovation.
- Minnesota Environmental Laboratory Accreditation.
- Youth camp licensing and inspection.
- Provision of duplicate copies of occupational therapy licenses.
- Hearing instrument dispenser certification.
- Adverse health events reporting.
- Infected Health Worker Program

Technical Fixes- **\$580,000**

The proposed budget also includes \$580,000 for technical fixes to previous legislation.