

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. 704

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 5/22
DATE FOR REVIEW 6/1
DATE DUE 6/5

Adopted w/a hearing ____
Adopted w/o a hearing X
Temporary rule ____

Approved ____ Disapproved 6/5 Returned to Agency ____

Resubmitted 6/9 Due 6/19
Approved 6/9 Disapproved ____ Returned to Agency ____

Date filed w/Secretary of State 6/9

✓ Rule as Adopted

see our File 569 for Temporary Rule - Same Subject.

✓ Rule as Proposed see SR.

✓ Order Adopting 5.14.81

N/A Notice of Intent to Solicit Outside Opinion

✓ Order for rulemaking
____ Date of Hearing

N/A Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking
2 Sufficiency

✓ Affidavit of Mailing Notice of rulemaking
✓ At least 30 days prior to ~~hearing~~/adoption

✓ Affidavit of Add. Mailing

✓ Mailing list Certificate

✓ Publication in State Register
3.30.81 At least 30/~~20~~ days prior to ~~hearing~~/adoption

N/A Hearing Examiner's Report

N/A Chief Hearing Examiner's Report(s)
____ Approving H.E.'s Report
____ Approving agency action

✓ Agency's Findings of Fact

N/A LCRAR Report or agency Affidavit

✓ Certificate of Board's Resolution Adopting Rules

N/A Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness

N/A Petition for Adoption of a Rule

✓ Record (~~includes transcript or tape, exhibits~~, comments received by agency, requests for a hearing, and other relevant materials)

✓ Certificate of Compliance w/Rulemaking Procedures

✓ Affidavit of Mailing Notice of Submission to Attorney General

✓ Notice of Submission to the Attorney General

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : ARTHUR NOOT
Commissioner
Department of Public Welfare

DATE: June 10, 1981

ATTN : Paul Zerby

FROM : H. THEODORE GRINDAL
Special Assistant
Attorney General

PHONE: 296-1288

SUBJECT: In the Matter of the Proposed Adoption of Rules Governing Grants for Community Support Services for Chronically Mentally Ill Persons
DPW Rule 14 (12 MCAR 2.014)

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Please note that they have not been filed with the State Register; this must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of stamps of the Attorney General and Secretary of State to the last page of the rules;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages to the rules in the approved set.

If you have any questions in this regard, please contact me.

HTG:rjg

Enc.

cc: Susan Robertson
Duane Harves

AG copy.

Rule as Adopted

DPW RULE 14 (12 MCAR 2.014)

GRANTS FOR COMMUNITY SUPPORT SERVICES FOR

CHRONICALLY MENTALLY ILL PERSONS

A. Statutory Citation: The authority for this rule is Chapter 324, §12, Laws of Minnesota, 1979, codified as Minn. Stat. § 256E.12.

? statutory authority may have expired.

B. Purpose: The purposes of this rule are to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. In order to carry out these purposes, this rule will set minimum standards for the contents of grant applications, allocation and award of grants, and maintenance of financial statements to carry out the intent of the authorizing legislation.

C. Introduction.

1. The provisions of this rule shall be severable. If any clause, sentence, or provision is declared illegal or of no effect, the validity of the remainder of this rule and its applicability shall not be affected.

2. This rule shall not be construed as requiring expenditures of monies not available.

3. Any provision of this rule inconsistent with any state or federal law is superseded by that law.

D. Applicability.

1. This rule applies to those county boards of commissioners which apply, either individually or jointly with neighboring counties, to the Commissioner of Public Welfare for grants to carry out the purposes of this rule.

2. The county board of commissioners may request funds under this rule for programs and services for chronically mentally ill people to be carried out by the county or by any public or private organization or any combination of these organizations with which the county contracts.

E. Definitions.

1. Administrative Overhead: All project costs other than those included in "Allowable direct service costs."

2. Allowable direct service costs:

a. Salaries and related expenses (e.g., payroll, taxes, health insurance, telephone, personal liability insurance, postage, recruitment) of personnel providing services directly to clients in the project (this includes "support" personnel to the extent that such personnel perform client-related duties such as client recordkeeping, individual program planning and on-site program supervision).

b. Local (in-state) travel costs of above personnel.

c. Consumable supplies used:

1) by the above personnel in performing client-related duties.

2) by clients in carrying out program activities.

d. Minor expenditures which are justified by showing that the expenditures meet the criteria in 12 MCAR §2.014 H.3.

e. Crisis Home room and board costs which are justified by showing that it would not be cost-effective to charge the individual or third parties for these costs.

3. Case Management: A direct service provided by mental health workers to chronically mentally ill people. Essential components of case management are 1) monitoring and supervising individual clients, 2) assuring coordination and availability of treatment/rehabilitation/support services and 3) providing access for the client to problem-solving resources. These activities which are essentially coordinating and problem-solving functions are provided and periodically reviewed over the period of time that the case is open. It shall include, but not be limited to: (a) assessment of the client's strengths, problems, and needs; (b) development of and carrying out the individual program plan; (c) coordinating the various service components in the continuum of care to carry out the individual program plan; (d) providing linkage between the service system and the client; (e) assuring that clients are involved with appropriate resources and services in accordance with the individual program plan; (f) monitoring and periodically revising of the individual program plan; (g) influencing service providers to respond to client needs; and (h) stimulating the development of needed services and resources; and (i) protecting the rights and dignity of clients being served.

4. Chronic Mental Illness: A condition characterized by severe and persistent symptoms of mental or emotional disability, and

diminished levels of functioning relative to primary aspects of daily living, such as personal relations, living arrangements, work skills, recreation and mobility.

5. Commissioner: Commissioner of Public Welfare or a designated representative.

6. Community Support Services: A network of services coordinated to meet the needs of chronically mentally ill people and to develop their potential ability to function more independently without being unnecessarily isolated or excluded from the general community. These services are based on identified needs of a specified population at risk of recurring episodes of mental illness and are designed to assist such people to improve their functioning in primary aspects of daily living, as identified in the definition of chronic mental illness.

7. County Board of Commissioners: That body of duly elected officials responsible for the governance of its county under the authority of Minnesota Statutes §§375.02-375.55.

8. Crisis Home: A facility providing room, board, and support and referral services for up to four persons, for up to five days, while individuals are assisted to resolve an acute crisis or emergency situation which requires temporary housing.

9. Crisis Management: Short-term services provided, to the extent possible, in the client's usual surroundings including the client's own home or substitute home, aimed at the reduction of acute emotional disabilities and their physical and social manifestations and the restoration of emotional equilibrium. Such services must be available twenty-four hours a day, seven days a week.

10. Day Treatment Program: A program of administratively organized and programmatically structured services operating less than 24 hours a day for chronically mentally ill people which devotes a significant share of the scheduled program day to the teaching of independent living skills, psychosocial rehabilitation, psychotherapy, and development of socialization skills so that the participants may function more independently and more effectively in their own communities.

11. Department: State Department of Public Welfare.

Delete reference to 1979

12. Designated Agency: That agency selected by the county board of commissioners pursuant to Minn. Stat. 253A.02, Subd. 23, as amended.

13. Drop-In Center: A facility offering semistructured services and activities for chronically mentally ill people, including support and social skill development.

14. Independent Living Skills: Those skills necessary for an individual to function successfully independently, such as money management; cooking; grooming; obtaining and holding employment; and personal health maintenance, including medication management.

15. Individual Program Plan (IPP): A written plan of treatment and rehabilitation containing measurable goals and objectives designed to meet the particular needs of an individual client which has been jointly developed and regularly reviewed by appropriate providers, the assigned case manager, and the client.

16. Program: A formal continuum of care that is a coordinated combination of services, with clear goals and measurable objectives.

Programs are directed toward meeting the needs of specific disability groups, and individuals within those groups, while allowing for the ready movement of individuals between appropriate services.

17. Project: Specific formally organized services for which application for funds are being made under this rule.

18. Residential Facility: Any facility or part of a facility not currently licensed as a hospital, offering administratively organized and programmatically structured 24 hours a day room, board and relevant services to foster the independence of chronically mentally ill people.

19. Service: A specific identifiable, goal-oriented activity which, for purposes of this rule, is provided to reduce major disabilities related to chronic mental illness.

F. Allocation.

1. Priority of Allocation:

a. Funds will be awarded for continuation of projects previously funded under DPW Temporary Rule 14 or for new or expanded services which provide direct services to chronically mentally ill people and emphasize crisis management, independent living skill training and case management components. Priority of allocation will be made to applicants previously funded under the authority of DPW Temporary Rule 14 if such applicants otherwise meet the terms of this permanent rule. Day treatment, crisis homes, and drop-in centers are examples of services which may be funded under this rule.

b. Programs and services provided at the site of a long-term residential facility may be funded but will be given a lower priority

than those provided away from the residential facility, unless the applicant county documents that the residents of the facility are unable to leave the facility to make use of the services.

c. Applications proposing services not mentioned in this section will be considered if there is a documented local need for them.

2. Regional Priorities: To the extent that the applications submitted are equally meritorious, the Department will allocate funds in such a way that amounts are awarded, pro rata, according to population size, approximately one-half to applying counties from Region XI and approximately one-half to applying counties from the balance of the state. If there are not sufficient acceptable applications from one group of counties as defined above, the remaining funds will be awarded to qualifying applications from the other group of counties.

3. The Commissioner may reallocate funds within each fiscal year, which have been awarded to counties but not used by them.

G. Content of applications.

1. Applications must contain at least the following information, following the Problem, Objectives, Method, Evaluation (POME) format.

a. Problem: A clearly defined statement of the problem to be addressed by the proposed service; the population at risk; and the evidence of the need for this service.

b. Objectives: A statement of the measurable time-limited outcomes of the proposed service.

c. Methods: the modalities of treatment and rehabilitation to be used; a description of how individual program plans will be used in carrying out the service; a description of how case management will be used in carrying out the service; a description of how the proposed service will fit into the local continuum of care and service; and a description of the proposed site(s) and providers to be used. If the providers and sites have not been finally determined at the time of application, the Department will consider the application if it contains indications of potential providers and sites.

d. Evaluation: A description of how the county boards of commissioners will determine the effectiveness of projects funded under this rule.

2. A budget shall be included with the application, completed on designated budget forms. Dollar amounts for the various items included in the budget document shall reflect and be based upon the prevailing cost of like components in the local community. It shall indicate the total cost of the project, showing the state and local shares. The specification of the local share shall indicate the amount of actual local funds committed to the project source.

3. If the service is proposed by and for more than one county, the chairpersons of all participating county boards of commissioners shall sign the application.

4. Six complete copies of the application and budget shall be submitted to the Department.

H. Use of Project Funds

1. The purpose of this experimental, time-limited appropriation is to provide new or expanded programs and services to chronically mentally ill adults in such a way as to maximize the use of the funds in a relatively short period of time to test their effectiveness. The use of the funds available under this appropriation for capital expenditures or non-service related costs would not serve this purpose and therefore will not be allowed.

2. Treatment of other income received by the project:

a. For projects funded under the authority of this rule, any income other than county funds received as a reimbursement for project costs (e.g., Title XIX fees) will be applied first to the local share of the project's budget. The income in excess of the local share shall be applied to the state share.

3. If an applicant can show that an expenditure other than for a direct service is 1) relatively minor, 2) essential for the project to operate, and 3) cannot be paid for from local funds, such an expenditure shall be paid for from funds available under this rule, with the approval of the Commissioner.

4. State funds available under this rule shall not be used to pay room and board costs, except for such costs in Crisis Homes, and then only if it can be demonstrated not to be cost-effective to charge the individual or third parties for these costs.

5. Funds available under this rule shall not be used to replace existing fiscal support of programs and services. In the event that

existing fiscal support of a mental illness program or service is eliminated or reduced by circumstances beyond the control of the county board of commissioners, application may be made for funds available under this rule to replace the existing funds which have been eliminated or reduced, provided that specific documentation of the elimination or reduction in fiscal support accompanies the application.

6. State funds available under this rule shall not be used for construction, renovation or rent of buildings, nor shall they be used for the purchase or lease of equipment or vehicles. Local matching funds, once identified and committed, may be used for these purposes and will be counted as administrative overhead.

I. Administrative overhead.

1. Up to a maximum of ten percent of the total project budget may be used for administrative overhead in a currently operating project. In situations where services are being developed, the maximum allowed for administrative overhead shall be twenty-five percent of the total project budget for the duration of the first project grant.

J. Local Match.

The local match or ten percent of the total budget of the project shall consist of funds committed to the project. The fee income, if any, may be counted as part of the local matching share.

K. Maintenance of Financial Statements.

Grant recipients shall maintain their financial records, using generally accepted accounting procedures, in such a way that expenditures

can be easily compared with the approved budgets; that the state and local contributions can be readily and separately identified; and that documentation is available for all expenditures.

L. Budget Revision Procedures.

1. After a grant award is made, as long as state funds are used for allowable expenses as defined by this Rule, budget revisions (including transfer between approved projects) and/or line item transfers totaling up to 10 percent of the project budget may be made with county board approval. Revisions in excess of 10 percent require both county board and ~~DPW~~ Department approval.

The county board may delegate its approval of budget revisions, if such delegation is specified in county board minutes.

2. All requests for budget revision approval shall include the reason for the revision and a statement as to how the revision will affect program objectives.

Approval for budget revisions and line item transfers shall not be granted unless such revisions or transfers are consistent with the provisions of this Rule.

M. Reporting requirements.

The Commissioner is required by Minn. Stat. §256E.12) to collect data and periodic reports as is deemed necessary to demonstrate the effectiveness of the services. Therefore, the Commissioner shall require that those county boards of commissioners receiving funds under this rule report to the Department the number and kinds of persons

served, the cost of providing the services, results achieved, and other relevant data deemed necessary. This information, along with an evaluation from the County Board of Commissioners, will be used as the basis for an evaluation by the Commissioner of the specific projects in his report to the Legislature.

N. Duration of awards.

1. Awards to applicant counties that are not assigned to a specific project within 60 calendar days of the awarding of the funds shall revert to the Department for reallocation.

O. Other applicable laws and rules.

1. To the extent that a project funded under this rule is also subject to other Minnesota laws and rules, it must also meet the standards of those laws and rules.

2. If a determination is made that all applicable laws, rules and regulations cannot be met immediately, but that the applicant county has a definite, reasonable timetable to meet all necessary requirements within four months, the application shall be considered for funding.

IR/01

APPROVED AS TO FORM AND LEGALITY

June 9th 19 81

WARREN SPANNAUS, ATTORNEY GENERAL

BY Theodora Jendel

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JUN 9 - 1981

Joan Anderson Growe
Secretary of State

3:45 PM

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : ARTHUR NOOT
Commissioner
Department of Public Welfare

DATE: 6/5/81

FROM : H. THEODORE GRINDAL
Special Assistant
Attorney General

PHONE: 6-1288

SUBJECT: In the Matter of the Proposed Adoption of Rules Governing Grants for Community Support Services for Chronically Mentally Ill Persons
DPW Rule 14 (12 MCAR 2.014)

The above-captioned rules have not been approved by this office for the reasons enumerated below:

1. In A., the statutory authority cited, Minn. Stat. § 256E.12, does not seem appropriate. The statute authorizes explicit temporary rulemaking authority, but does not mention or infer other rulemaking authority. Perhaps amendments during the 1981 session, we are not currently aware of, grant the necessary authority. Nevertheless, I would appreciate your further explanation or documentation of the rule's statutory authority.

2. In E. 12, the cite to Minn. Stat. § 253A.02, Subd. 23, seemingly does not need to list the dates 1979.

3. In F. 2, there is reference to "Region XI" but there is no definition of this term. It would be helpful for the term to be defined by showing which counties are included. This is a suggestion, not a requirement.

4. In M., there is again a statutory reference to Minn. Stat. § 256E.12 which includes the year 1979. This would appear to be unnecessary.

Upon consideration of the issues set forth in this memorandum, these rules may be resubmitted. At the time of resubmission to this office, please insure that the original and two copies of the Amended Order Adopting and the Rules as Adopted are submitted as they are necessary for filing with the Secretary of State. This office has retained copies of all other jurisdictional documents. For administrative convenience, please designate the rules as resubmitted rules at the time of resubmission. If you have any questions in regard to this memorandum, please feel free to call me.

HTG/njh
cc: Duane Harves
Sue Robertson

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT of Public Welfare

Office Memorandum

TO : Theodore Grindal
Attorney General's Office

DATE: June 9, 1981

FROM : Terry Sarazin, Director
Mental Illness Program Division

PHONE: 6-2710

SUBJECT: Permanent DPW Rule 14

By means of this memo I am authorizing you to delete from Permanent DPW Rule 14 the outdated references to 1979 Minnesota Statutes.

I am attaching a copy of the Revisor's Bill, passed by the Special Session of the Legislature on June 6, 1981, which changes the effective date of Section 19 of Chapter 355, Laws of 1981, (M.S. 256E.07,) to July 1, 1981. Section 19 gives the Department of Public Welfare permanent rule making authority for the promulgation of Rule 14.

Thank you for your assistance in this important matter.

cc: Paul Zerby

RECEIVED
JUN 9 - 1981
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

for expenditure on the effective date of the appropriation."

Sec. 17. [EFFECTIVE DATE.]

Section 16 is effective the day following final enactment.

Sec. 18. Laws 1981, Chapter 356, Section 377, is amended to read:

Sec. 377. [REPEALER.]

Minnesota Statutes 1980, Sections 3.86; 7.07; 16A.75; 16A.751; 16A.752; 16A.753; 16A.754; 168B.11; ~~363.073, Subdivisions 1 and 2,~~ 481.15, Subdivision 3; 480.053; 483.01; 483.02; 648.45; and 648.46 are repealed. Minnesota Statutes 1980, Section 473.556, Subdivision 15 is repealed, effective July 1, 1982.

Sec. 19. Laws 1981, Chapter 355, Section 35, is amended to read:

~~Sec. 35. [EFFECTIVE DATE.]~~

Sections 1 to ~~21,~~ 18, 20, 21, 23 to 27, and 29 to 34 are effective January 1, 1982. ~~Section 19 is effective July 1, 1981.~~ Section 22 is effective the day following final enactment. In 1981, the commissioner shall send notice of the availability of sliding fee program grants as soon as possible following the effective date. For counties applying for grants in 1981 under section 20 that have not received grants under Laws 1979, Chapter 307, the application deadline is June 8; the counties shall apply as soon as possible after the effective date of section 22 and the commissioner shall make grants in 1981 under section 22 no later than July 1. Section 28 is effective January 1, 1983.

ARTICLE IV

1981 SESSION CORRECTIONS

Section 1. Laws 1981, Chapter 59, Section 10, Subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Upon the termination or cancellation of any franchise, the new motor vehicle dealer shall, in the time prescribed, be allowed fair and reasonable compensation by the manufacturer for the following items:

(a) New motor vehicle inventory which was originally

This conference committee report was drafted and approved by the Revisor's Office.

Date May 15, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1446

A bill for an act

relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines, corrections ombudsman, and health related boards; amending Minnesota Statutes 1980, Sections 241.021, by adding subdivisions; 241.13; 241.69, Subdivision 4; 245.0313; 245.765, Subdivision 1; 246.151; 254A.03, by adding a subdivision; 256.73, Subdivision 2; 256.76, Subdivision 1; 256B.02, Subdivision 8; 256B.06, Subdivision 1; 256B.091, by adding a subdivision; 256B.15; 256B.17; 256D.01, Subdivision 1; 256D.02, Subdivisions 4 and 13; 256D.05, Subdivision 3, and by adding a subdivision; 256D.06, Subdivision 1, and by adding a subdivision; 256D.08, Subdivision 2; 256D.09, Subdivision 1; 256D.11, Subdivisions 1, 8 and 9, and by adding a subdivision; 260.311, Subdivision 5; 393.07, Subdivision 10; 401.04; and 401.12; proposing new law coded in Minnesota Statutes, Chapters 144; 245; 256D and 257; repealing Minnesota Statutes, Sections 256D.06, Subdivisions 1a and 2; 256D.09, Subdivision 2; and 256D.11, Subdivisions 1a, 2a, and 3a.

May 15, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 1446, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1446 be further amended as follows:

Before calculating any repayment due to the commissioner for rates effected for the biennium ending June 30, 1983, the commissioner shall allow the provider to reallocate costs for patient care allowed pursuant to Department of Public Welfare Rules 49 and 52. Expenditures for investment allowances, interest, depreciation, leases, and top management compensation shall not exceed the amount specified by the commissioner in the rate determination. Adjustments shall be made within the percentage limit set in this act.

General Assistance and General Assistance Medical Care

$49,385,200 $50,554,900

Income Maintenance Support

$11,948,400 $12,212,800

If the appropriation for aid to families with dependent children, medical assistance, Minnesota supplemental assistance, general assistance and general assistance medical care is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

Subd. 5. Mental Health 146,855,000 146,157,300

The commissioner of public welfare may fill up to 120 human services technician positions in the state hospitals in addition to the approved complement specified in this subdivision for the purpose of alleviating recruitment delays in direct patient care, as salary savings become available to fund the positions.

The commissioner of public welfare shall not reduce the number of human services technician positions in the state hospital system.

As the hospital population decreases, the supportive staff complement shall be reduced in direct proportion.

The amounts that may be expended from this appropriation for each activity are as follows:

Program Offices

Mentally Ill

$ 5,117,000 $ 7,836,800

Mentally Retarded

$ 1,733,400 $ 2,512,700

H.F. No. 3
CHAPTER No.

AN ACT

relating to public welfare; amending the community social services act; defining groups of persons for whom counties are responsible; establishing certain funding levels; clarifying sections of the community social services act; defining the county of financial responsibility for participants in long term sheltered workshops; amending Minnesota Statutes 1980, Sections 245.64; 245.66; 245.84, Subdivisions 2 and 5; 252.21; 252.24, Subdivisions 1, 3 and 4; 252.27, Subdivisions 1 and 2; 254A.03, Subdivision 1; 254A.05, Subdivision 1; 254A.07, Subdivision 2; 254A.08, Subdivision 1; 256D.18, Subdivisions 2 and 3; 256E.03, Subdivision 2; 256E.04, Subdivision 1; 256E.05, Subdivisions 2 and 3; 256E.06, Subdivisions 1, 2, and 5 and by adding a subdivision; 256E.07, Subdivision 2; 256E.08, Subdivisions 1, 7 and 9; 256E.09, Subdivisions 1, 3, and by adding a subdivision; 256E.10; and 256E.12, Subdivision 3; repealing Minnesota Statutes 1980, Sections 245.67; 245.68; 245.72; 252.26; 256E.06, Subdivisions 4 and 11; and 261.27.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1980, Section 256D.18, Subdivision 2, is amended to read:

Subd. 2. "County of financial responsibility" means (a) the county in which an individual resides; or (b) if an individual is a patient in a hospital or nursing home, as defined in sections 144.50, or 144A.01, or if an individual participates in a long-term sheltered workshop as defined in chapter 129A, or is placed in a county as a result of a correctional program or a treatment plan for health, rehabilitation, foster care, child care or training, at the time

social problems, stating the measurable goals, objectives, methods, and outcome for those years, including the extent to which the numbers of persons and families proposed to be served by each category of social service were actually served, the direct cost, and the administrative cost per unit of social service for each category.

Sec. 19. Minnesota Statutes 1980, Section 256E.12, Subdivision 3, is amended to read:

Subd. 3. The commissioner shall allocate grants under this section to finance up to 90 percent of each county's costs for services for chronically mentally ill persons. The commissioner shall promulgate temporary and permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the services in helping chronically mentally ill persons remain and function in their own communities. The commissioner shall report to the legislature no later than January 15, ~~1981~~ 1983 on the effectiveness of the experimental program and his recommendations regarding making this program an integral part of the social development programs administered by counties. The experimental program shall expire no later than June 30, ~~1981~~ 1983.

Sec. 20. Minnesota Statutes 1980, Section 245.64, is amended to read:

245.64 [FUNDS ALLOCATED.]

In preparing the biennial plan prescribed in section ~~256E.05~~ 256E.09, the county board shall allocate available funds to the mental health programs in accordance with such approved plans and budgets. The county board may, from time to time during the year, review the budgets and expenditures of the various programs and if funds are not needed for a program to which they were allocated, it may, after reasonable notice and opportunity for hearing, withdraw such funds as are unencumbered and reallocate them to other programs. The county board may

herein shall prevent the state authority from entering into contracts with and making grants to other state agencies for the purpose of providing specific services and programs. With the approval of the county board, the state authority may make grants or contracts for research or demonstration projects specific to needs within that county.

Sec. 33. Minnesota Statutes 1980, Section 254A.08, Subdivision 1, is amended to read:

Subdivision 1. Every county board shall provide a detoxification ~~program~~ services for drug dependent persons. The board may utilize existing treatment programs and other agencies to meet this responsibility.

Sec. 34. [REPEALERS.]

Minnesota Statutes 1980, Sections 245.67; 245.68; 252.26; 256E.06, Subdivisions 4 and 11; and 261.27 are repealed. Minnesota Statutes 1980, Section 245.72 is repealed effective January 1, 1983.

Sec. 35. [EFFECTIVE DATE.]

Sections 1 to 21, 23 to 27, and 29 to 34 are effective January 1, 1982. Section 22 is effective the day following final enactment. In 1981, the commissioner shall send notice of the availability of sliding fee program grants as soon as possible following the effective date. For counties applying for grants in 1981 under section 20 that have not received grants under Laws 1979, Chapter 307, the application deadline is June 8; the counties shall apply as soon as possible after the effective date of section 22 and the commissioner shall make grants in 1981 under section 22 no later than July 1. Section 28 is effective January 1, 1983.

PART XVII—ATTORNEY GENERAL

Section 2-1701 The Attorney General shall be responsible for providing legal advice and opinions for state emergency operations as Chief of Legal Services at the Emergency Operating Center.

Section 2-1702 The Attorney General shall perform legal advisory functions to include preparing and reviewing proclamations and special regulations as issued by the Governor in a national emergency.

PART XVIII—DEPARTMENT OF EMPLOYEE RELATIONS

Section 2-1801 The Department of Employee Relations will support the State Employment Services during a national emergency at State and Regional Emergency Operating Centers and will assist in the development of emergency employment utilization plans.

PART XIX—DEPARTMENT OF FINANCE

Section 2-1901 The Department of Finance shall provide staffing for the State and Regional Emergency Operating Centers.

Section 2-1902 The Department of Finance shall appoint the Chief of the Fiscal Services.

Section 2-1903 The Department of Finance shall develop proper plans for Fiscal Services for the State of Minnesota in a national emergency.

PROPOSED RULES

Pursuant to Minn. Laws of 1980, § 15.0412, subd. 4h, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules;

and

4. that the rule may be modified if modifications are supported by the data and views submitted.

If, during the 30-day comment period, seven or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of § 15.0412, subds. 4 through 4g, which state that if an agency decides to hold a public hearing, it must publish in the *State Register* a notice of its intent to do so. This notice must appear at least 30 days prior to the date set for the hearing, along with the full text of the proposed rules. (If the agency has followed the provisions of subd. 4h and has already published the proposed rules, a citation to the prior publication may be substituted for republication.)

Pursuant to Minn. Stat. § 15.0412, subd. 5, when a statute, federal law or court order to adopt, suspend or repeal a rule does not allow time for the usual rulemaking process, temporary rules may be proposed. Proposed temporary rules are published in the *State Register*, and for at least 30 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Public Welfare
Bureau of Mental Health

Proposed Rule Governing Grants for Community Support Services for Chronically Mentally Ill Persons (12 MCAR § 2.014)

Notice of Intent to Adopt A Rule without A Public Hearing

Notice is hereby given that the State Department of Public Welfare proposes to adopt the above-entitled rule without a public hearing. The commissioner has determined that the proposed adoption of this rule will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, § 15.0412, subdivision 4h (1980).

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Persons interested in this rule shall have 30 days to submit comments on the proposed rule. The proposed rule may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Unless seven or more persons submit written requests for a public hearing on the proposed rule within the 30-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes, § 15.0412, subdivisions 4-4f.

Persons who wish to submit comments or a written request for a public hearing should submit such comments or request to:

Terry Sarazin, Director
Mental Illness Program Division
Department of Public Welfare
4th Floor Centennial Office Building
612/296-2710

Authority for the adoption of this rule is contained in Minnesota Statutes, § 256E.12. Additionally, a Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Terry Sarazin upon request.

Upon adoption of the final rule without a public hearing, the proposed rule, this Notice, the Statement of Need and Reasonableness, all written comments received, and the final Rule as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rule as proposed for adoption, should submit a written statement of such request to Terry Sarazin.

The rule proposed for adoption relates to the following matters:

The rule establishes the conditions under which grants can be made to counties for services for chronically mentally ill people. It covers allowable costs, the allocation process, content of applications, use of funds, and local matching requirements.

The authorizing statute is included in the Community Social Services Act. The Legislature appropriated the funds, and ordered an evaluation of the funded activities to determine the extent to which chronically mentally ill people can be rehabilitated. Early indications, based on the first four months of project operations, are favorable. Further evaluation is planned to determine outcome over a longer period of time.

The department published temporary rule 14 in the *State Register* on November 19, 1979 following the incorporation of comments it published the adopted temporary rule 14 on January 21, 1980. The proposed rule is very similar to the adopted temporary rule, with the changes being mainly technical ones.

Copies of this Notice and the proposed rules are available and may be obtained by contacting Terry Sarazin.

The estimated cost to the state for implementing this rule in the two years following its adoption is $5 million. This is the amount recommended in the Governor's Budget for the 1982-83 Biennium.

Since the statute requires a local match of 10 percent, the estimated cost to the counties for the biennium is $500,000. This is a permissive statute so the obligations found in the rule apply only if a county elects to apply for a grant under this rule.

Arthur E. Noot
Commissioner of Public Welfare

Rule as Proposed (all new material)

A. Statutory citation. The authority for this rule is Chapter 324, § 12, Laws of Minnesota, 1979, codified as Minn. Stat. § 256E.12.

B. Purpose. The purposes of this rule are to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. In order to carry out these purposes, this rule will set minimum standards for the contents of grant applications, allocation and award of grants, and maintenance of financial statements to carry out the intent of the authorizing legislation.

C. Introduction.

1. The provisions of this rule shall be severable. If any clause, sentence, or provision is declared illegal or of no effect, the validity of the remainder of this rule and its applicability shall not be affected.

2. This rule shall not be construed as requiring expenditures of monies not available.

3. Any provision of this rule inconsistent with any state or federal law is superseded by that law.

D. Applicability.

1. This rule applies to those county boards of commissioners which apply, either individually or jointly with neighboring counties, to the Commissioner of Public Welfare for grants to carry out the purposes of this rule.

2. The county board of commissioners may request funds under this rule for programs and services for chronically mentally ill people to be carried out by the county or by any public or private organization or any combination of these organizations with which the county contracts.

E. Definitions.

1. Administrative overhead: All project costs other than those included in "Allowable direct service costs."

2. Allowable direct service costs:

a. Salaries and related expenses (e.g., payroll, taxes, health insurance, telephone, personal liability insurance, postage, recruitment) of personnel providing services directly to clients in the project (this includes "support" personnel to the extent that such personnel perform client-related duties such as client recordkeeping, individual program planning and on-site program supervision).

b. Local (in-state) travel costs of above personnel.

c. Consumable supplies used:

(1) by the above personnel in performing client-related; duties.

(2) by clients in carrying out program activities.

d. Minor expenditures which are justified by showing that the expenditures meet the criteria in 12 MCAR § 2.014 H.3.

e. Crisis home room and board costs which are justified by showing that it would not be cost-effective to charge the individual or third parties for these costs.

3. Case management: A direct service provided by mental health workers to chronically mentally ill people. Essential components of case management are 1) monitoring and supervising individual clients, 2) assuring coordination and availability of treatment/rehabilitation/support services and 3) providing access for the client to problem-solving resources. These activities which are essentially coordinating and problem-solving functions are provided and periodically reviewed over the period of time that the case is open. It shall include, but not be limited to: (a) assessment of the client's strengths, problems, and needs; (b) development of and carrying out the individual program plan; (c) coordinating the various service components in the continuum of care to carry out the individual program plan; ((d) providing linkage between the service system and the client; (e) assuring that clients are involved with appropriate resources and services in accordance with the individual program plan; (f) monitoring and periodically revising of the individual program plan; (g) influencing service providers to respond to client needs; and (h) stimulating the development of needed services and resources; and (i) protecting the rights and dignity of clients being served.

4. Chronic mental illness: A condition characterized by severe and persistent symptoms of mental or emotional disability, and diminished levels of functioning relative to primary aspects of daily living, such as personal relations, living arrangements, work skills, recreation and mobility.

5. Commissioner: Commissioner of Public Welfare or a designated representative.

6. Community support services: A network of services coordinated to meet the needs of chronically mentally ill people and to develop their potential ability to function more independently without being unnecessarily isolated or excluded from the general community. These services are based on identified needs of a specified population at risk of recurring episodes of mental illness and are designed to assist such people to improve their functioning in primary aspects of daily living, as identified in the definition of chronic mental illness.

7. County board of commissioners: That body of duly elected officials responsible for the governance of its county under the authority of Minn. Stat. §§ 375.02-375.55.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

8. Crisis home: A facility providing room, board, and support and referral services for up to four persons, for up to five days, while individuals are assisted to resolve an acute crisis or emergency situation which requires temporary housing.

9. Crisis management: Short-term services provided, to the extent possible, in the client's usual surroundings including the client's own home or substitute home, aimed at the reduction of acute emotional disabilities and their physical and social manifestations and the restoration of emotional equilibrium. Such services must be available twenty-four hours a day, seven days a week.

10. Day treatment program: A program of administratively organized and programmatically structured services operating less than 24 hours a day for chronically mentally ill people which devotes a significant share of the scheduled program day to the teaching of independent living skills, psychosocial rehabilitation, psychotherapy, and development of socialization skills so that the participants may function more independently and more effectively in their own communities.

11. Department: State Department of Public Welfare.

12. Designated agency: That agency selected by the county board of commissioners pursuant to Minn. Stat. § 253A.02, subd. 23 (1979), as amended.

13. Drop-in center: A facility offering semistructured services and activities for chronically mentally ill people, including support and social skill development.

14. Independent living skills: Those skills necessary for an individual to function successfully independently, such as money management; cooking; grooming; obtaining and holding employment; and personal health maintenance, including medication management.

15. Individual Program Plan (IPP): A written plan of treatment and rehabilitation containing measurable goals and objectives designed to meet the particular needs of an individual client which has been jointly developed and regularly reviewed by appropriate providers, the assigned case manager, and the client.

16. Program: A formal continuum of care that is a coordinated combination of services, with clear goals and measurable objectives. Programs are directed toward meeting the needs of specific disability groups, and individuals within those groups, while allowing for the ready movement of individuals between appropriate services.

17. Project: Specific formally organized services for which application for funds are being made under this rule.

18. Residential facility: Any facility or part of a facility not currently licensed as a hospital, offering administratively organized and programmatically structured 24 hours a day room, board and relevant services to foster the independence of chronically mentally ill people.

19. Service: A specific identifiable, goal-oriented activity which, for purposes of this rule, is provided to reduce major disabilities related to chronic mental illness.

F. Allocation.

1. Priority of allocation.

a. Funds will be awarded for continuation of projects previously funded under DPW temporary rule 14 or for new or expanded services which provide direct services to chronically mentally ill people and emphasize crisis management, independent living skill training and case management components. Priority of allocation will be made to applicants previously funded under the authority of DPW temporary rule 14 if such applicants otherwise meet the terms of this permanent rule. Day treatment, crisis homes, and drop-in centers are examples of services which may be funded under this rule.

b. Programs and services provided at the site of a long-term residential facility may be funded but will be given a lower priority than those provided away from the residential facility, unless the applicant county documents that the residents of the facility are unable to leave the facility to make use of the services.

c. Applications proposing services not mentioned in this section will be considered if there is a documented local need for them.

2. Regional priorities. To the extent that the applications submitted are equally meritorious, the Department will allocate funds in such a way that amounts are awarded, pro rata, according to population size, approximately one-half to applying counties from Region XI and approximately one-half to applying counties from the balance of the state. If there are not sufficient acceptable applications from one group of counties as defined above, the remaining funds will be awarded to qualifying applications from the other groups of counties.

3. The commissioner may reallocate funds within each fiscal year, which have been awarded to counties but not used by them.

G. Content of applications.

1. Applications must contain at least the following information, following the Problem, Objectives, Method, Evaluation (POME) format.

a. Problem: A clearly defined statement of the problem to be addressed by the proposed service; the population at risk; and the evidence of the need for this service.

b. Objectives: A statement of the measurable time-limited outcomes of the proposed service.

c. Methods: the modalities of treatment and rehabilitation to be used; a description of how individual program plans will be used in carrying out the service; a description of how case management will be used in carrying out the service; a description of how the proposed service will fit into the local continuum of care and service; and a description of the proposed site(s) and providers to be used. If the providers and sites have not been finally determined at the time of application, the department will consider the application if it contains indications of potential providers and sites.

d. Evaluation: A description of how the county boards of commissioners will determine the effectiveness of projects funded under this rule.

2. A budget shall be included with the application, completed on designated budget forms. Dollar amounts for the various items included in the budget document shall reflect and be based upon the prevailing cost of like components in the local community. It shall indicate the total cost of the project, showing the state and local shares. The specification of the local share shall indicate the amount of actual local funds committed to the project source.

3. If the service is proposed by and for more than one county, the chairpersons of all participating county boards of commissioners shall sign the application.

4. Six complete copies of the application and budget shall be submitted to the Department.

H. Use of the project funds.

1. The purpose of this experimental, time-limited appropriation is to provide new or expanded programs and services to chronically mentally ill adults in such a way as to maximize the use of the funds in a relatively short period of time to test their effectiveness. The use of the funds available under this appropriation for capital expenditures or non-service related costs would not serve this purpose and therefore will not be allowed.

2. Treatment of other income received by the project:

a. For projects funded under the authority of this rule, any income other than county funds received as a reimbursement for the project costs (e.g., Title XIX fees) will be applied first to the local share of the project's budget. The income in excess of the local share shall be applied to the state share.

3. If an applicant can show that an expenditure other than for a direct service is 1) relatively minor, 2) essential for the project to operate, and 3) cannot be paid for from local funds, such an expenditure shall be paid for from funds available under this rule, with the approval of the Commissioner.

4. State funds available under this rule shall not be used to pay room and board costs, except for such costs in crisis homes, and then only if it can be demonstrated not to be cost-effective to charge the individual or third parties for these costs.

5. Funds available under this rule shall not be used to replace existing fiscal support of programs and services. In the event that existing fiscal support of a mental illness program or service is eliminated or reduced by circumstances beyond the control of the county board of commissioners, application may be made for funds available under this rule to replace the existing funds which have been eliminated or reduced, provided that specific documentation of the elimination or reduction in fiscal support accompanies the application.

6. State funds available under this rule shall not be used for construction, renovation or rent of buildings, nor shall they be used for the purchase or lease of equipment or vehicles. Local matching funds, once identified and committed, may be used for these purposes and will be counted as administrative overhead.

I. Administrative overhead.

1. Up to a maximum of ten percent of the total project budget may be used for administrative overhead in a currently operating project. In situations where services are being developed, the maximum allowed for administrative overhead shall be twenty-five percent of the total project budget for the duration of the first project grant.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

J. Local match.

The local match or ten percent of the total budget of the project shall consist of funds committed to the project. The income, if any, may be counted as part of the local matching share.

K. Maintenance of financial statements. Grant recipients shall maintain their financial records, using generally accepted accounting procedures, in such a way that expenditures can be easily compared with the approved budgets; that the state and local contributions can be readily and separately identified; and that documentation is available for all expenditures.

L. Budget revision procedures.

1. After a grant award is made, as long as state funds are used for allowable expenses as defined by this Rule, budget revisions (including transfer between approved projects) and/or line item transfers totaling up to 10 percent of the project budget may be made with county board approval. Revisions in excess of 10 percent require both county board and DPW approval.

The county board may delegate its approval of budget revisions, if such delegation is specified in county board minutes.

2. All requests for budget revision approval shall include the reason for the revision and a statement as to how the revision will affect program objectives.

Approval for budget revisions and line item transfers shall not be granted unless such revisions or transfers are consistent with the provisions of this Rule.

M. Reporting requirements. The commissioner is required by Minn. Stat. § 256E.12 (1979 Supp.) to collect data and periodic reports as is deemed necessary to demonstrate the effectiveness of the services. Therefore, the commissioner shall require that those county boards of commissioners receiving funds under this rule report to the department the number and kinds of persons served, the cost of providing the services, results achieved, and other relevant data deemed necessary. This information, along with an evaluation from the county board of commissioners, will be used as the basis for an evaluation by the commissioner of the specific projects in his report to the Legislature.

N. Duration of awards.

1. Awards to applicant counties that are not assigned to a specific project within 60 calendar days of the awarding of the funds shall revert to the Department for reallocation.

O. Other applicable laws and rules.

1. To the extent that a project funded under this rule is also subject to other Minnesota laws and rules, it must also meet the standards of those laws and rules.

2. If a determination is made that all applicable laws, rules and regulations cannot be met immediately, but that the applicant county has a definite, reasonable timetable to meet all necessary requirements within four months, the application shall be considered for funding.

Waste Management Board

Proposed Rules Governing the Operating Procedures for the Waste Management Board

Notice of Intent to Adopt Rules without A Public Hearing

Notice is hereby given that the State Waste Management Board proposes to adopt the above-entitled rules without a public hearing. The Waste Management Board has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, § 15.0412, subd. 4h (1980).

Persons interested in these rules shall have 30 days to submit comments on the proposed rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Unless seven or more persons submit written requests for a public hearing on the proposed rules within the 30-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes, § 15.0412, subds. 4-4f.

STATE OF MINNESOTA

DEPARTMENT OF Public Welfare

In the Matter of the Proposed Adoption
of Rules of the State Department of Public Welfare
Governing Grants for Community Support Services
for Chronically Mentally Ill Persons (DPW Rule 14)

ORDER ADOPTING
RULE

Notice of the Commissioner's intent to adopt the above-entitled rule without a public hearing was published in the State Register on March 30, 1981 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes section 15.0412, subsivision 4 on March 27, 1981. After affording interested and affected persons an opportunity to submit comments for 30 days after Notice, receiving fewer than seven written requests for a public hearing within the 30-day comment period, reviewing and considering the comments, and determining the need for and reasonableness of the above captioned rule.

NOW, THEREFORE, IT IS ORDERED that this rule identified as DPW Rule 14 is adopted this 15th day of [illegible], 1981 pursuant to authority vested in me by Minnesota Statutes section 15.0412, subdivision 4h(1980).

STATE OF MINNESOTA

COMMISSIONER OF Public Welfare

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

In the matter of the Proposed Adoption of Rules of the State Department of Public Welfare Governing Grants for Community Support Services for Chronically Mentally Ill Persons (DPW Rule 14)

ORDER FOR NOTICE OF INTENT TO ADOPT RULES WITHOUT PUBLIC HEARING

IT IS ORDERED this 11th day of March, 1981, that a Notice of Intent to Adopt Rules Without Public Hearing in the above-entitled matter be given to all persons who have registered their names with the State Department of Public Welfare for that purpose and be published in the State Register.

STATE OF MINNESOTA

Commissioner of Public Welfare

JW/cmb

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

In the Matter of the Proposed Adoption of Rules of the State Department of Public Welfare Governing Grants for Community Support Services for Chronically Mentally Ill Persons (DPW Rule 14)

NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the State Department of Public Welfare proposes to adopt the above-entitled rules without a public hearing. The Commissioner has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes section 15.0412, subdivision 4h (1980). 2

Persons interested in these rules shall have 30 days to submit comments on the proposed rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language. 3 4

Unless seven or more persons submit written requests for a public hearing on the proposed rules within the 30-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes section 15.0412, subdivisions 4-4f. 5 7

Persons who wish to submit comments or a written request for a public hearing should submit such comments or request by April 29, 1981, to:

Terry Sarazin, Director
Mental Illness Program Division
Department of Public Welfare
4th Floor Centennial Office Building
612/296-2710 6

Authority for the adoption of these rules is contained in Minnesota Statutes section 256E.12. Additionally, a Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rules has been prepared and is available from Terry Sarazin upon request. 9

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonableness, all written comments received, and the final Rules as Adopted will be delivered to the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Terry Sarazin. 8

The rules proposed for adoption relate to the following matters:

The rule establishes the conditions under which grants can be made to counties for services for chronically mentally ill people. It covers allowable costs, the allocation process, content of applications, use of funds, and local matching requirements.

The authorizing statute is included in the Community Social Services Act. The Legislature appropriated the funds, and ordered an evaluation of the funded activities to determine the extent to which chronically mentally ill people can be rehabilitated. Early indications, based on the first four months of project operations, are favorable. Further evaluation is planned to determine outcome over a longer period of time. 10

The Department published Temporary Rule 14 in the State Register on November 19, 1979 following the incorporation of comments it published the adopted temporary Rule 14 on January 21, 1980. The proposed rule is very similar to the adopted temporary rule, with the changes being mainly technical ones.

Copies of this Notice and the proposed rules are available and may be obtained by contacting Terry Sarazin.

The estimated cost to the state for implementing this rule in the two years following its adoption is $5 million. This is the amount recommended in the Governor's Budget for the 1982-83 Biennium.

Since the statute requires a local match of 10 percent, the estimated cost to the counties for the biennium is $500,000. This is a permissive statute so the obligations found in the rule apply only if a county elects to apply for a grant under this rule. 11

STATE OF MINNESOTA

Dated: 3-16-81

Judith E Levine

Commissioner of Public Welfare

JW/cmc

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

In the Matter of the Proposed Adoption of Rules of the State Department of Public Welfare Governing Grants for Community Support Services for Chronically Mentally Ill Persons (DPW Rule 14)

AFFIDAVIT OF MAILING

Wendy Johnson, being first duly sworn, deposes and says:

That on the 27 day of March, 1981, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Intent to Adopt Rules Without a Public Hearing by depositing in the State of Minnesota Central Mail System for first class mailing (or) in the United States mail at said City of St. Paul, a copy thereof, properly enveloped, with postage prepaid, on all persons and associations who have requested that their names be placed on file with the Department of Public Welfare for the purpose of receiving notice of the proposed adoption of rules by this Department.

Wendy Johnson

Subscribed and sworn to before me

this 3 day of April, 1981.

Margaret Holt

P/ecdd

MARGARET HOLT
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
My Comm. Expires Sept. 22, 1984

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

In the Matter of the Proposed Adoption of Rules of the State Department of Public Welfare Governing Grants for Community Support Services for Chronically Mentally Ill Persons (DPW Rule 14)

AFFIDAVIT OF ADDITIONAL MAILING

Wendy Johnson, being first duly sworn, deposes and says:

That on the 27 day of March, 1981, at the City of St. Paul, County of Ramsey, State of Minnesota, in addition to serving the attached Notice of Intent to Adopt Rules Without a Public Hearing to all persons and associations who have requested that their names be placed on file for the purpose of receiving notice of the proposed adoption of rules by this Department, she also served the attached Notice by depositing in the State of Minnesota Central Mail System for first class mailing (or) in the United States mail at said City of St. Paul, a copy thereof, properly enveloped, with postage prepaid to the following agencies:

-Members of State Mental Health Advisory Council
-State Hospitals
-Mental Health Associates
-County Welfare Departments
-Mental Health Advocates Coalition
-Mental Health Centers

Wendy Johnson

Subscribed and sworn to before me

this 3 day of April, 1981.

Margaret Holt

P/ecee

MARGARET HOLT
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
My Comm. Expires Sept. 22, 1984

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

In the Matter of the Proposed Adoption of Rules of the State Department of Public Welfare Governing Grants for Community Support Services For Chronically Mentally Ill Persons (DPW Rule 14)

CERTIFICATE

I hereby certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minn. Stat. §15.0412, subd. 4, that their names be placed on file with and maintained by the Department of Public Welfare for the purpose of receiving notice of the proposed adoption of rules by this Department is accurate and complete as of 12:00, P.M., this 27 day of March, 1981.

P/eccc

STATE OF MINNESOTA

DEPARTMENT OF PUBLIC WELFARE

In the Matter of the Proposed Adoption
of Rules of the State Department of Public Welfare
Governing Grants for Community Support Services
for Chronically Mentally Ill Persons (DPW Rule 14)

FINDINGS OF FACT
AND CONCLUSIONS

The above entitled matter was published in the State Register on March 30, 1981, as a noncontroversial rule which would not require a public hearing after proper notice required by Minnesota Statutes 15.042 was served upon all persons, associations, and other interested groups registered with the State Department of Public Welfare for that purpose. The notice accompanying that rule indicated that no public hearing would be held unless seven or more persons made written requests for a public hearing within the 30-day comment period. No requests for a public hearing were received.

After affording interested persons an opportunity to submit written statements during the 30-day comment period (March 30 - April 9, 1981) and after considering all of the statements received, I find the following:

Section J. should be amended to read: "The fee income, if any may be counted as part of the local matching share," since the word "fee" was inadvertently omitted from the proposed rule as published. p.10

Section L.1. should be amended to read: "Department approval" instead of "DPW approval" since DPW is not used in the body of the rule and Department is defined therein. p.11

A question was raised regarding the restriction in H.6. which prohibits the use of state funds for construction, renovation, or rent of buildings and for the purchase or lease of vehicles. This restriction will remain in the rule since it is evident that the legislative intent was that the state appropriation be used for services. The rule does allow the use of local funds for their purposes.

A suggestion was received that the limitation in the rule on using state funds for room and board costs in crisis homes, H.2., be extended beyond five days. The rule allows state funds for their costs when it is not cost-effective to charge the individual or third parties for them. In view of the limited state funds available this suggestion will not be accepted at this time.

The rule as adopted is otherwise identical to the rule proposed. The need for and reasonableness of the rule amendments has been fully set forth, and adequately demonstrated. The rule shall be submitted to the Attorney General for review as required by Minn. Stat. 15.0412, Subd. 4h. (1980)

NOW THEREFORE IT IS ORDERED that in the light of the fact that the need for and reasonableness of these rule amendments have been demonstrated, the permanent amendments, identified as Permanent Rule on Grants For Chronically Mentally Ill Persons, are hereby adopted and shall become effective five (5) working days after publication in the State Register, pursuant to the authority of Minn. Stat. 256.0412, Subd. 4h (Minn. Laws, 1980, ch. 615, 7.).

Dated May 15 1981

STATE OF MINNESOTA
Department of Public Welfare

ARTHUR E. NOOT
COMMISSIONER

Transitional Housing Opportunities
For Mentally Ill and Socially
Handicapped

THOMAS House Inc.

Lynn Haagenson, ACSW, Director
Telephone 507-281-1476
15 - 6th Avenue S.E.
Rochester, Minnesota 55901

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April 6, 1981

Mr. T. Sarazin
Mental Health Division
Department of Public Welfare
Centennial Office Building, 4th Floor
St. Paul, MN. 55155

Dear Mr. Sarazin:

I am writing in response to the request for public comment on the proposed adoption of DPW, Rule 14. This matter was discussed at a recent meeting of the 18 member THOMAS House Board of Directors and I was asked to convey to you a summary of that discussion.

At the outset I want to make it clear that we are not requesting a public hearing on the Rule and for the most part agree with the department that the Rule is non-controversial. The board did have serveral recommendations for change in the Rule, however, and I will list them section by section:

F.1.B. We suggest that this section be deleted entirely. Because of the prohibition against spending state money for rent of a facility and the limited local funds available, it may be more feasible in some locations for a program to use a portion of an existing program's facility.

H. 6 After operating a successful Rule 14 project for almost a year, it was the boards opinion that this portion of the Rule had been the cumbersome, time consuming and unfair. It was felt that even though department staff had been very cooperative in granting waivers of this provision where necessary for the Circle Center program, it would be far better if rent and lease of equipment were permitted expenses. For a small project, the local 10% match which is to cover rent, accounting fees, legal fees and lease of equipment, is insufficient. We suggest that state funds be allowed for 25% of the rent of the facility rental and 100% for lease of equipment. It did not make sense to the board to be placed in the position of operating a social/recreational center for chronic mentally ill and not be permitted to purchase a ping-pong table, lease a pool table, or in some way adequately fund the equipment and space necessary to operate the program.

H.8 The board felt that both legal and accounting fees should be allowable expenses under this Rule.

We also suggest the new Rule specify that grants will be awarded for the entire bi-ennium rather than asking each program to re-apply annually . The advantage of this was seen as a reduction in the amount of administrative time necessary to operate the project both within the department and within our agency.

Thank you for the opportunity to comment on the proposed Rule.

Sincerely,

Lynn Haagenson

Lynn Haagenson

LH/mc

DAKOTA COUNTY

SOCIAL SERVICES DIVISION
SHIRLEY UTZINGER, DIRECTOR
357 - 9TH AVENUE NORTH
SOUTH ST. PAUL, MN 55075
457-0677

HUMAN SERVICES DEPARTMENT

ST. PAUL
MPLS.
DAKOTA COUNTY

BRANCH OFFICES:

WEST DAKOTA COUNTY OFFICES
900 W. 128TH ST., SUITE 152
BURNSVILLE, MN 55337
890-0240

DAKOTA COUNTY HUMAN SERVICES BLDG.
1580 WEST HWY. 55
HASTINGS, MN 55033
437-0410

March 12, 1981

Terry Sarazin, Director
Mental Illness Program Division
Department of Public Welfare
Centennial Office Building
St. Paul, Minnesota 55155

Dear Mr. Sarazin:

This letter comes to you at the request of Mr. Larry Morgan, the Rule 14 Crisis Intervention Program Director. It is my understanding that public hearings on Rule 14 are being considered.

While we are in agreement with the basic components of Rule 14, there is one change that we would suggest for inclusion in the final rule. This change would affect the number of days allowed within the community safe home placement. Currently, the rule provides for maximum placement of five days per client at a safe home. Our experience has shown that often times a placement of between ten to twelve days is much more realistic. During this time, staff may work out alternative residential placements and/or testing services to fully evaluate the client and determine his or her potential as well as full client needs.

Other than the above, Dakota County is satisfied with the basic components of the Department of Public Welfare's Rule 14 and does not feel the need for full public hearings regarding this rule.

Sincerely,

Shirley L Utzinger

Shirley Utzinger, Director
Dakota County Social Services

In the Matter of the Proposed Adoption
of Rules of the State Department of Public
Welfare Governing Grants for Community Support
Services for Chronically Mentally Ill Persons
(DPW Rule 14)

STATEMENT OF
COMPLIANCE WITH
RULEMAKING PROCEDURES

I, Assistant Attorney General Paul Zerby, do hereby declare that I have examined the proposed rules and all related documents and that, based on my personal familiarity with the applicable procedures, the Administrative Procedure Act, the rules of the Office of Administrative Hearings, and the rules of the Attorney General have been followed. Any exceptions are noted below.

Paul H. Zerby
(Assistant Attorney General)

Dated: 5/21/81

In the Matter of the Proposed Adoption of Rules of the State Department of Public Welfare Governing Grants for Community Support Services for Chronically Mentally Ill Persons (DPW Rule 14)

AFFIDAVIT OF MAILING NOTICE OF SUBMISSION TO THE ATTORNEY GENERAL

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

Wendy Johnson, being first duly sworn, deposes and says:

That on the 22nd day of May, 1981, in the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Submission to the Attorney General by depositing in the State of Minnesota Central Mail System for United States mailing at said City of St. Paul, a copy thereof, properly enveloped, with postage prepaid, on all persons and associations who requested notice that the rules in the above-entitled matter have been submitted to the Attorney General.

Wendy Johnson

Subscribed and sworn to before me this 22nd day of May, 1981.

Margaret Holt

MARGARET HOLT
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
My Comm. Expires Sept. 22, 1984

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

In the Matter of the Proposed Adoption of Rules of the State Department of Public Welfare Governing Grants for Community Support Services for Chronically Mentally Ill Persons (DPW Rule 14)

NOTICE OF SUBMISSION TO THE ATTORNEY GENERAL

Pursuant to your request and in accordance with Minnesota Statutes, section 15.0412:

PLEASE TAKE NOTICE that the above-captioned rules have been submitted to the Office of the Attorney General on this date, May 22, 1981, for review as to form and legality. Pursuant to 1 MCAR § 1.206 B., the Attorney General will not approve the rules for at least eight calendar days after receipt to allow any person or association time to comment on the legality of the rules, after which that Office will complete its review. If you desire to comment on the legality of the above-captioned rules, you should direct your comments to the Office of the Attorney General, G-25 State Administration Building, 50 Sherburne Avenue, Saint Paul, Minnesota 55155, telephone (612) 296-7030. Please note that the above-cited rule of the Attorney General also provides that a copy of any written comments submitted to the Attorney General must be submitted simultaneously to this agency.

If you are interested in determining what changes, if any, were made in the proposed rules after publication in the State Register and before submission to the Attorney General, you may contact:

Terry Sarazin
Department of Public Welfare
4th Floor Centennial Building
St. Paul, Minnesota 55155

Robert J. Hamper

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC WELFARE

In the matter of the adoption
of permanent 12 MCAR 2.014
governing grants for community
support services for chronically
mentally ill people

STATEMENT OF NEED
AND REASONABLENESS

INTRODUCTION

12 MCAR 2.014 governs the administration of an experimental program of grants for community support services for chronically mentally ill people. This Statement is in support of a proposed permanent rule based on the temporary Rule 14, the effective date of which was December 27, 1979, and on authority contained in Chapter 324 §12, Laws of Minnesota, 1979, codified as Minn. Stat. §256E.12. The temporary rule was published at State Register, Volume 4, Number 20, pp. 802-805, November 19, 1979, 4 S.R. 802 approved by the Attorney General on December 27, 1979, and published as adopted at State Register, Volume 4, Number 29, 1174, January 1, 1980, 4 S.R. 1174. The Department promulgated a temporary rule to expedite the awarding of grants to county boards of commissioners, as authorized in the statute. Under the temporary rule, the Department established two cycles of funding so that it could initially assist counties which had definite proposals and could then subsequently fund projects from counties which needed more time to formulate proposals. All initial grants were made by July 1, 1980. The permanent rule will enable the Department to continue the administration of these grants after the temporary rule expires, and will also govern any future grants made possible by any future legislative appropriations.

Background

The Legislature appropriated $2 million in Chapter 324, Section 49, Subdivision 3, Laws of 1979, for services for chronically mentally ill people and directed the Department to develop a rule to govern the administration of such grants. These grants were intended by the Legislature to partially fill the need for alternative treatment and rehabilitation resources for chronically mentally ill people, as well as subsidize experimental approaches to alternatives.

This legislation and the appropriation represent an attempt to deal with problems in serving chronic mentally ill persons which have developed as a result of a shift in emphasis over the years from inpatient institutional to outpatient care community alternatives.

At its high point, the daily census of the mentally ill population of Minnesota's state hospitals numbered 8,709 in Fiscal Year 1962. It has now declined to less than 20 percent of that figure, 1.530, in January, 1980. At the same time, there are about 3,000 admissions to state hospitals for mental illness each year, of which 56 percent had been admitted at least once before. These figures are taken from the Department's statistics and are referred to on page 2 of the Deprtment of Public Welfare's Residential Care Study (1979) (attached as Exhibit A).

While the state hospital mentally ill population decreased by 77 percent between 1964 and 1976, approximately 500 beds were added to psychiatric units of private and community hospitals. Residential Care Study, p.5.

Additional information obtained from the Residential Care Study indicates that on a national level, outpatient care of mentally ill people rose from 25 percent of all episodes of care in 1955 to more than 50 percent of all episodes of care in 1973. It is reasonable to believe that this trend has also occurred in Minnesota. Residential Care Study, p.5. Further, over 12,000 persons with some form of mental illness reside in nursing homes and board and care homes in Minnesota. Residential Care Study, page 6.

Available evidence thus indicates that the focus of care for many people with mental illness has shifted from state hospitals to community hospitals and outpatient services. For those persons using state hospitals, the average length of stay has declined to under five months and for many of them, the actual length of stay is considerably less. Residential Care Study, page 9.

While these changes have occurred, and while significant resources have been made available for community programs, sizeable gaps still exist in such areas as housing, support services, training in independent living skills, and employment. These gaps were identified by participants at the Governor's Conference on Minnesota Alternatives in November, 1979, a summary of which is attached as Exhibit B. Therefore, the Legislature passed this appropriation to determine the effectivenss of community support services in helping people with chronic mental illness maintain or improve their functioning abilities and reduce their dependence on hospitalization.

Need and Reasonableness, Section-by-Section:

A. Statutory Citation: This is stated in the Proposed Rule.

B. Purpose: stated in Proposed Rule, based on Minn. Stat. §256E.12 (Supp. 1979). Included in the rule to specify its focus.

C. Introduction.

1. Provision is made for severability, so that the entire rule would not be invalidated if any part of it is determined to be illegal or of no effect. This allows all affected parties to continue implementing services to clients under the rule, even if a part of the rule should be determined to be no longer legal or applicable.

2. This rule implements §256E.12 which allows counties to apply for state funds on a 90-10 matching basis. The statute provides for an experimental program and limited funds were appropriated. Therefore, grants can be made only up to the amount of funds available. This is a reasonable statement which potential applicants must understand.

3. This statement merely repeats existing laws that state and federal laws supersede provisions of an administrative rule in the even of a conflict. It is included in this Rule to assure that readers are aware of it.

D. Applicability

1. The rule conforms to the authorizing statute by limiting the applicants to county boards of commissioners.

2. As provided in the authorizing statute, applicant county boards of commissioners may use their own employees, or by contract, those of public or private organizations, or combinations of these to carry out the service activities funded under this rule.

E. Definitions

1. Administrative Overhead: This definition is needed to clarify allowable costs of this kind and to assure compliance with legislative intent that the maximum possible share of this appropriation be expended on direct services to clients.

2. Allowable Direct Service Costs: This section specifies which direct service costs are allowed for state funds available under this rule so that applicants can develop and implement budgets which conform to rule.

3. Case Management: Current thinking in the mental health field is that the coordination of services, in respect to individual clients, is best assured through effective case management. The elements of case management are stated, for the benefit of the applicants, based on work done in the Department to clarify the meaning of the term. See Attachment C, Summary Report From the Community Support Project Case Management Advisory Committee. This definition is needed to clarify what is meant by case management, for the purposes of this rule.

4. Chronic Mental Illness: This statement is needed to clarify the target population for which this appropriation and rule were developed to guide the counties in developing and implementing their plans. This definition was developed in this broad way so as not to exclude persons who have had lengthy histories of mental illness and resulting problems in social functioning, while assuring that the funds are used for chronically mentally ill people and not for other human problems.

5. Commissioner: This definition identifies the person/office in state government responsible for implementing the appropriation and rule pursuant to Minn. Stat. §256E.12 (1979 Supp.).

6. Community Support Services: This section describes the characteristics of such services and their significance in improving and maintaining the functioning abilities of chronically mentally ill people. These services do not cure mental illness but they provide the support and social skills that mentally ill people need to manage their lives effectively. This definition is adapted from Comprehensive Community Support Systems For Severely Mentally Disabled Adults, July 29, 1977, by Judith Clark Turner, Community Support Programs Chief, National Institute of Mental Health, which is attached as Exhibit D. It is necessary to clarify this relatively new term for readers of the rule.

7. County Board of Commissioners: Identifies this board by its statutory authority to govern its county. Minn. Stat. §256E.12 (1979 Supp.) requires that applicants for funds from this appropriation be county boards of commissioners. Potential applicants need to understand this requirement.

8. Crisis Homes: This definition is needed to assure applicants that operation of such homes is allowable under the rule, particularly including room and board costs which are not otherwise allowed. In this instance, where the length of stay is five days or less, it may not be cost-effective to separate room and board costs from service costs. State participation in these costs is allowed because these costs are intrinsic to the operation of a crisis home. It is reasonable to allow them, as an exception to the general exclusion of room and board costs in this rule, to encourage the development of crisis homes as an alternative to more expensive hospital crisis care. Not allowing these costs would be a major deterent to establishing crisis homes since other potential sources of payment may not be readily available on short notice and some people who could use the crisis home might have to be turned away for lack of funding.

By defining these homes as serving four or less people, it will not be necessary to require them to be licensed. The five-day limitation was selected to allow for resolution of personal problems while providing a cost-containment provision. It is important for potential applicants to understand this.

9. Crisis Management: This type of activity is one of the priorities under the rule because frequently people with previous histories of mental illness are hospitalized when they experience a crisis. Pilot projects to encourage less restrictive and less costly alternatives are in accord with the legislative intent here, so inclusion of this definition is both necessary and reasonable.

10. Day Treatment Program: This definition distinguishes day treatment from other nonresidential services, such as drop-in centers, by identifying its structure and components, a distinction of potentially great significance to applicants.

11. Department: This definition identifies which Department is being referred to in this rule. It is necessary to provide internal consistency and meaning in the rule.

12. Designated Agency: Minn. Stat. Ch. 256E (1979 Supp.) changed the agency responsible for implementing joint discharge planning and case management from the county welfare board to the county board of commissioners, which must now "designate" the agency to carry out these functions. This definition is necessary to assure that the rule reflects the statutory change and allows for mention of the Designated Agency in applications submitted under this rule.

13. Drop-In Center: This is a high priority item under this rule. Its inclusion is necessary to inform applicants of its priority, which is based on experience in the field that many people with chronic mental illness problems are lacking in social skills and need drop-in centers where they may go on an unscheduled basis and feel welcome. It is also important for the rule to distinguish between day treatment programs and drop-in centers.

14. Independent Living Skills: These are skills that are acquired, and often taken for granted, by most people. Experience indicates that this is often not the case with chronically mentally ill people. Experience also indicates that when they do acquire these skills, they are better equipped to cope with the demands of daily living without recourse to institutional care. Training in these skills is an important component of this rule. It is reasonable to include them in this rule.

15. Individual Program Plan: This is the basic document for action. It is developed and periodically reviewed by the case manager, the client, and the involved providers. The efforts undertaken on behalf of the client get their focus from this document. It inclusion in the rule is essential for evaluating outcomes of the service activities and the use of the grant funds.

16. Program: Understanding of the concept of a program is essential to ordering services, for an identified group of people, in such a way that measurement of results is possible. This rule promotes the provision of services, as needed to complete and carry out a program for chronically mentally ill people, not simply to promote expansion of services on the assumption that more is better. This definition is needed to assure that applicants are proposing programs, as defined in the rule, and not just a collection of service activities.

17. Project: This is the name given to proposals submitted for funding under this rule. Such a designation is both necessary and reasonable.

18. Residential Facility: This definition is included to describe a needed category of resources. The rule clarifies what components of residential care the Department can fund, and under what conditions. The restriction on hospitals is to prevent the use of this appropriation for inpatient hospital care, since there are other public and nongovernmental means of paying for hospital care when it is needed. Such a distinction is reasonable and in conformance with legislative intent.

19. Service: These are the activities for which the Legislature appropriated funds under Minn. Stat. §256E.12 (1979 Supp.). Since the terms "program" and "service" are often used interchangeably, it is necessary and reasonable to define them in this rule which uses the terms separately and distinctly.

F. Allocation

1. Priority of Allocation:

a. This section emphasizes the Department's priority on funding direct service to the target population. Assigning priority to already qualified applicants is reasonable since not to do so could cause the termination of existing projects in favor of projects not in existence whose effectiveness cannot be determined. It provides priorities as well as examples of services for the applicants. The rule puts emphasis on crisis management, independent living skill training and case management because such emphasis is consistent with the legislative intent to support experimental methods for providing services to chronically mentally ill people. Given the purpose of the legislation, the inclusion of this section is both necessary and reasonable.

b. In keeping with the principle of normalization, i.e., that most people live one place and work or go to school somewhere else, this section encourages provision of services away from where clients live. An elaboration of this approach may be found in Wolfensberger, Wolf, The Principles of Normalization in Human Services, Toronto: National Institute on Mental Retardation 1972. The projects funded under this rule are experimental attempts to minimize institutional treatment modes by which most of the chronically mentally ill persons' needs are met by the facility in which they live. Thus, this section is a reasonable component of this rule.

c. This section recognizes the possibility that an applicant county board of commissioners may propose services not mentioned in this rule, but which are consistent with the experimental nature of this funding source. Such flexibility within a new area of effort is reasonable and necessary.

2. Regional Priorities: This section allocates the available funds according to the distribution of the general population. That is, funding will be prorated by population if appropriate applications are made. This type of priority is designed to encourage the smaller, rural counties to qualify for funds available under this rule. The statement "sufficient acceptable applications" is included so that funds earmarked for one section of the state may be reallocated to the other section if one section of the state does not submit enough applications that meet the requirements of the rule to qualify for its share of the appropriation. It is included to assure that the available funds are made available and not withheld solely because of the location of the applicant counties.

The rationale for this allocation is: there is not available reliable data on the number or distribution of chronically mentally ill people in Minnesota. The next basis for allocation of these funds is to use the distribution of the general population. According to Population Estimates For Minnesota Counties 1978, published by the Office of State Demographer, State Planning Agency, the seven-county metropolitan area (Region XI) contained 49 percent of the state's population, while the remaining 51 percent resided in the rest of the state. With such a close balance in the percentages, the Rule was written to divide the appropriation approximately in half. Everything else being equal, half of the appropriation will be awarded to counties in Region XI, and the other half of the appropriation will go to the counties outside of Region XI.

The Department regards this rationale and procedure as fair and reasonable.

3. It is reasonable to assume that the Legislature intended that the entire appropriation be used and if there are enough acceptable applications, to use them properly. It is also reasonable to authorize the Commissioner to reallocate unused funds to achieve this purpose.

G. Content of applications

1. This section describes the format (POME) required for applications to be considered for funding. This format was chosen because it is readily understood, easy to use by both applicants and reviewers, and one that county applicants are most likely to be familiar with since the Department has used it previously in awarding federal mental health grants when funds were available under Section 314(D) of the U.S. Public Health Service Act. Familiarity with the format will aid in submitting aceptable accplications and, therefore, it is explained in the rule itself. The logic of the format is described below.

a. Problem: This problem must be clearly defined, therefore, this section requires such a statement, including projected numbers of people affected by the problem and documentation of the need for the proposed service.

b. Objectives: This step requires the applicant to state clearly what changes it wants to make in the conditions which constitute the problem. Without such a statement of measurable outcomes, it would be very difficult to determine if the applicant achieved the goals of its project.

c. Methods: Flowing from the two previous steps, this one describes how and where the efforts to address the problem will be made.

d. Evaluation: In this section, the applicant county boards describe how they will judge the effectiveness of their efforts if they are awarded funds under this rule.

2. This section describes the Department's budget expectations regarding Rule 14 applications, which is also information essential to administration of project funds by the applicants themselves. The authorizing legislation specifies that the Commissioner must oversee approval of grant applications, maintenance of financial statements and evaluate the effectiveness of funded programs. The requirements of a budget section is essential to these purposes.

3. The rule makes it clear that multi-county applications are acceptable and this section sets out the requirement that the chairperson of the county board of commissioners of each applying county shall sign the application. Such a written commitment is a reasonable request to make of potential applicants.

4. In this section, applicants are informed about the number of copies to be submitted. Six copies are required to provide once copy for each of the reviewers.

H. Use of Project Funds

1. Here the purpose of the appropriation and of the rule are restated as a basis for prohibiting the use of the appropriated funds for capital expenditures of non-service related costs. It is important that applicants understand the legislative directive on this question at the outset of the application process.

2. This section states how income, other than state funds available under this rule and the required local matching funds, may be used in projects qualifying under this rule.

Since some projects will be able to earn some fee income, it is necessary to establish in the rule the basis for allocating this revenue in relation to the state and local funds committed to the projects.

The Department considers it reasonable to apply any such fee income equally to state and county shares of the project budget, even though those shares are not equal, to assist the counties in providing quality services at minimum cost to the counties.

3. This section provides for some flexibility, when necessary, in paying for nondirect service costs on an exception basis when to do so would further the purpose of the experimental program. The Department regards this as a reasonable provision.

4. In this section, the Department clarifies that, contrary to its general policy on paying for room and board costs under this rule, it will pay these costs in Crisis Homes, as defined at the beginning of the rule. This exception is included because, under the maximum length of stay, provision of five days in a Crisis Home, it is often not cost-effective, or even possible in some cases, to separate costs and obtain alternate funding for the disallowed costs. This exception is reasonable under these circumstances.

5. This section clarifies capital expenditures which cannot be made with state funds available under this rule. It is necessary to inform applicants of these restrictions when they are developing their proposals and budgets. It is also necessary as a guideline for auditors. These limitations are imposed to assure that the maximum possible share of the appropriation is used for direct serves.

6. This statement is necessary to insure legislative intent, i.e., that the appropriation be used as far as possible for services. It is reasonable, since it recognizes the need for buildings and equipment, but it also puts the burden on the counties and project managers to maximize expenditures for services and minimize them for buildings and equipment where it can more effectively and appropriate be carried out than would be the case if all expenditure decisions had to be made at the state level.

I. Administrative Overhead

1. This section is very important for applicants when developing their budgets so that they understand the limitations placed on allowable overhead expenditures. These limitations were established to assure that as much of the appropriation as possible be used for direct services in projects funded under this rule.

J. Local Match: This provision is necessary to assure the commitment of the required local matching funds. Allowing the counting of fee income as part of the local match is reasonable as an incentive to county boards to collect any such fees.

K. Maintenance of Financial Statements: Obviously this is of critical importance to funded projects. It describes how the financial statements are to be maintained and documented so as to provide as much information and documentation possible in the least burdensome and most reasonable manner possible.

L. Budget Revision Procedures: This section was included to specify the conditions under which budget revisions may be made. It recognizes that budgets for new projects may have to be modified in the light of actual experience, a provision that is both necessary and reasonable. Allowing the county board to delegate approval of budget revisions is reasonable, if the board wishes to do so.

M. Reporting Requirements: This section is required by Minn. Stat. §256E.12 and is essential to enable legislators to determine the effectivenss of this pilot demonstration effort. It describes the kinds of information that the Department will ask from those county boards of commissioners whose projects are funded under this rule.

N. Duration of Awards

This section allows the grantee counties 60 days in which to sign any necessary contracts and leases following the effective date of the Department's award of funds to them. Some counties hav been reluctant to sign contacts and leases prior to an award. This section allows them to discuss possible service contracts with providers and possible leases with landlords without requiring the counties to make firm commitments until they know that their applications have been funded by the Department.

O. This section is necessary to assure that: 1) other applcable laws and rules are obeyed by the projects, and to 2) specify what is a reasonable time, four months, for meeting all applicable laws, rules and regulations.

It is reasonable in that it calls for compliance with applicable laws and rules and in that it specifies the deadline within which compliance must occur, thus eliminating confusion and ambiguity for the applicants.

IR/08