

Trustworthy

- Three years ago this week, I spent my second day as Commissioner presenting my 90-Day Plan to a Joint Senate Committee where I said:

“There is nothing more important for the MN Department of Human Services than to be Trustworthy for the people of Minnesota. Trustworthy to the people who depend on our services to live full lives in community. And Trustworthy to the taxpayers of MN whose resources we are entrusted with to use them properly, wisely, and effectively.”
- This remains as true today as it was then. And there have been no reports of payment errors from DHS since.

A Year of Solid Audit Findings

- **MN Dept of Human Services MinnesotaCare Eligibility:** Rated Complied with Legal Requirements. 99% Eligibility Accuracy!
- **Dept. of Human Services Basic Health Program Trust Fund** – Rated Generally Complied with Legal Requirements
- **MN MA Managed Care Entities used a Majority of MA funds received for Medical Expenses and Quality Improvement activities.** – Generally Complied
- **Child Protection Removals and Reunifications** – Minimal findings.
- **2021 Single Audit report** –Went from 32 findings 2020 to 13. Identified no misspent or misappropriated funds in the 15 months of COVID-related funding audited to-date.

Homelessness and Housing Support Grants

- We agree with the report's recommendations of work DHS should be doing as we process grant dollars, but we did not follow all of those recommendations for these grants.
- It was simply not possible during the COVID Pandemic to do it all given the urgent timeframe.
- The vast majority of the grants in this audit were COVID grants expended from 2020 to 2021.

Finishing this Work

- I have confirmed that we have indeed completed the financial reconciliation of 143 of the 150 grantees receiving these funds and have returned \$462,000 in unspent – not misspent – funds to the funds from whence they came.
- We will continue to follow-through until we have completed a thorough examination of the remaining 7 agencies and accounted for all funds expended.
- As our OEO Team in Children and Family Services, and our other DHS Divisions, stand up our new Contracts Integration System, ALL of the recommendations in this audit will be incorporated into their daily work as they already have been in our Behavioral Health Division.

Homelessness and Housing Support Grants - Context

- The urgency of getting funds deployed was motivated by concern about early outbreaks of COVID in homeless shelters, initially on the East and West Coasts, and initial epidemiological projections of spread among people experiencing homelessness.
- Throughout the pandemic, we have seen that people living outside are ***eleven times*** more likely to be hospitalized and ***eight times*** more likely to require intensive care than the general population.
- During SFY21, 3,650 households were served in emergency shelters funded by the *base appropriation* for the Emergency Services Program. By comparison, over ***8,300 households*** (2.25x more) were served with *COVID response funding* for approximately 18 months.

Homelessness and Housing Support Grants - Context

- Responses to protect people experiencing homelessness and prevent outbreaks that would overwhelm hospital capacity were supported by an influx of state and federal funding early in the pandemic, before vaccines or even scaled up testing capacity.
- We had no additional staffing (+ redeployments, + turnover, + a hiring freeze) to process \$26.5M of state funding and \$80M of total funding in this audit.
- At the time, these processes were all paper-file based. As our team went home for the Stay-at-Home order, they grabbed those files and went home, scrambling to get funds out while converting to a remote, digital process of doing their work.

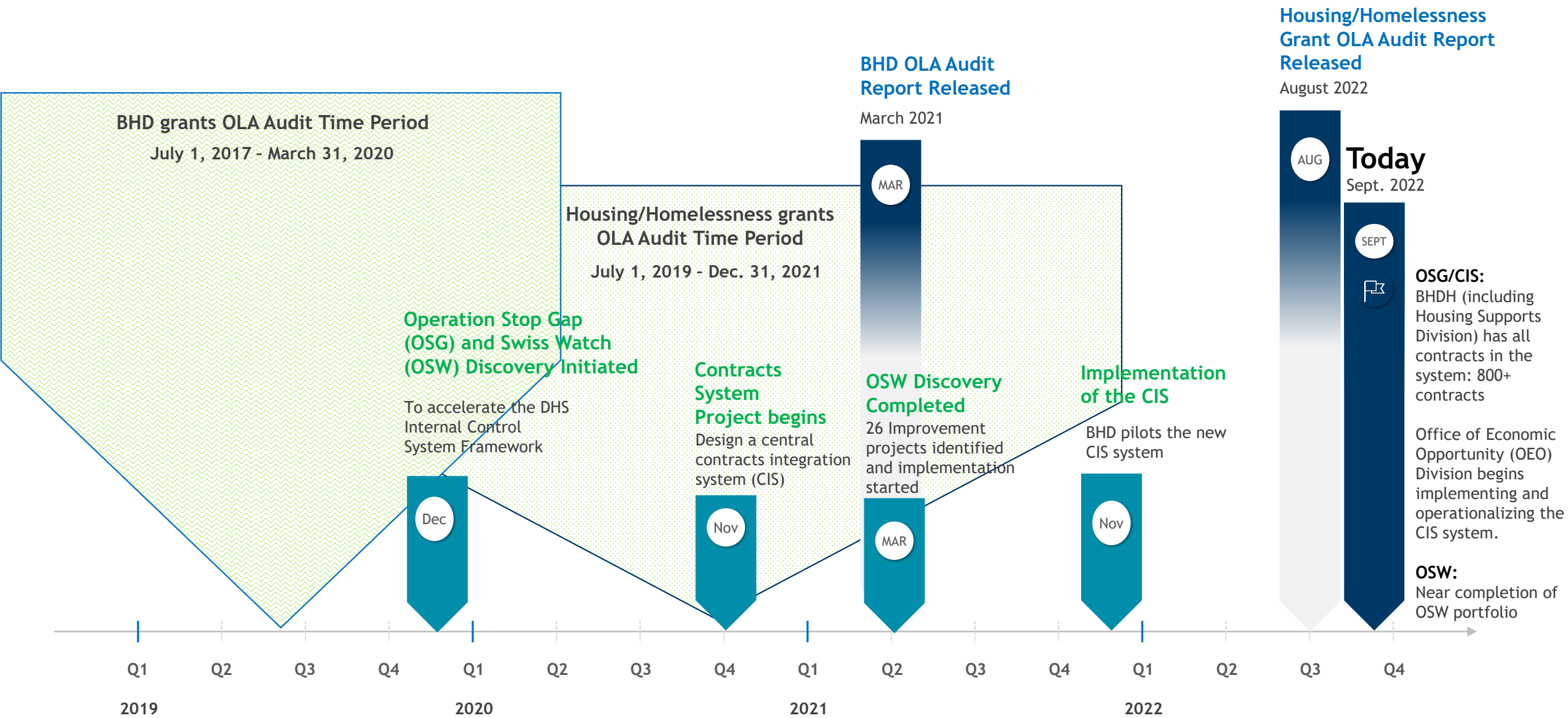
Homelessness and Housing Support Grants - Context

- We started to make funds available within 3 weeks of the Stay-at-Home Order.
- The normal time to process grant dollars when following all documentation procedures is 6 months.
- The normal time to request an exception from the Office of Grants Management is 1 month.
- Our Housing Teams intentionally prioritized rapid, nimble processes to distribute these funds as efficiently as possible.
- Those teams and I have received dozens of messages this past week thanking us for saving lives during the pandemic with these funds.

Homelessness and Housing Support Grants - Context

- Created innovative shelter models like Avivo Village to work better for people encamped in Powderhorn Park in summer 2020.
- Funded collaborative initiatives between municipal and county governments and nonprofit providers in Duluth, St. Paul, Minneapolis, Rochester and St. Cloud to sustain shelter capacity, create safe day shelter space, or create safe isolation space for COVID-positive people experiencing homelessness to recover.
- Supported temporary hotel spaces used for shelter in 16 counties.
- Supported culturally-focused safe shelter and isolation options in Minneapolis and Bemidji, supporting American Indian populations statewide.
- Assisted pandemic responses from 21 programs supporting homeless youth statewide.

Department of Human Services Timeline of Events



Subtraction

- In addition to our commitment to “cross our t’s and dot our i’s” to be Trustworthy to the people of Minnesota for our work, our four HHS Chairs are well-aware of our study this year of Leidy Klotz’s brilliant book called Subtraction.
- We will be undertaking an examination inside DHS and in partnership with the Department of Administration’s Office of Grants Management to see whether we can simplify and shorten the process of making funding available to the providers for whom it is intended to put it to work faster for the people of Minnesota.
- We are receiving increasing complaints from providers who worked to advocate for funding in the 2021 Budget Session about how long it took for them to receive that funding.

Going forward, we intend to be as Trustworthy to the people of Minnesota for getting funding out to our neighbors who need our support in an agile, more flexible fashion as we are to the taxpayers of Minnesota to have a solid approach to accounting for funds spent – especially through an ongoing workforce shortage.