

payments to qualified MSA participants for medically prescribed diets under the MSA-SD program.

3. Specifically, under the Minnesota Supplemental Aid Act, certain payments are allowed for medically prescribed diets if the cost of those additional dietary needs cannot be met through some other maintenance benefit. The need for special diets or dietary items must be prescribed by a licensed physician. Costs for special diets are determined as percentages of the allotment for a one-person household under the thrifty food plan as defined by the United States Department of Agriculture. The types of diets and percentages of the thrifty food plan that are covered are listed in the Act. *See* Minn. Stat. § 256D.44, subd. 5(a).

4. Applications for MSA-SD must be made through local county human services agencies. Local county human services agencies use the MAXIS automated eligibility system to determine eligibility for MSA-SD and approve payments to recipients. Payments are made to recipients by the state through direct deposit, electronic benefits transfer, and checks/warrants. As of June 2009, there were 5,071 people who received MSA-SD payments, with an average benefit value of \$77 per month.

5. The MSA-SD program is not funded by a separate appropriation specific to that program, but by a general appropriation for all the various MSA grants. In the current biennium, this general appropriation for all MSA grants is \$33.93 million for FY 2010 and \$35.191 million for FY 2011. Minnesota Session Laws 2009, chapter 79 (House File 1362), article 13, section 3, subdivision 4(j).

6. In July 2009, the Commissioner of Minnesota Management and Budget unallotted funding for MSA-SD by \$2.133 million for FY 2010 and \$3.2 million for FY 2011.

7. On September 11, 2009, DHS published Bulletin #09-69-04 regarding the unallotment of state funding for MSA-SD. Attached as Exhibit 1 is a true and correct copy of the Bulletin.

8. The Bulletin stated that the unallotment has the effect of suspending MSA-SD beginning November 1, 2009. *See* Exh. 1. The Bulletin further stated that because state funding has been unallotted rather than the program itself having been eliminated, counties will have the option of continuing the program at county expense. *See* Exh. 1.

9. The Bulletin also provided information on potential alternative resources available to recipients of MSA-SD. Some of those potential alternative resources include:

- a) The Food Support program, which provides a maximum payment of \$200 for one person and \$367 for two persons;
- b) Medical Assistance for certain nutritional supplement formulas for certain medical conditions that interfere with the body's ability to absorb nutrition;
- c) The Homelessness Prevention and Rapid Re-Housing Program ("HPRP"), which is funded by the American Recovery and Reinvestment Act ("ARRA"), and provides homeless prevention and rapid re-housing to homeless, families, singles, unaccompanied youth, and nearly homeless; and
- d) The Low Income Home Energy Assistance Program ("LIHEAP"), which provides assistance to reduce energy costs to low income persons.

See Exh. 1. In addition, MSA-SD recipients may also qualify for assistance from non-governmental organizations, including local food shelves.

10. The Bulletin directed counties to review all MSA-SD recipients for a potential increase in Food Support benefits, any action needed to retain Medical Assistance ("MA") eligibility, and potential MA coverage for nutritional supplement formulas. *See* Exh. 1. The Bulletin also directed counties to advise MSA-SD recipients of potential assistance through the HPRP and LIHEAP programs. *See id.* I understand that the counties in which the Plaintiffs

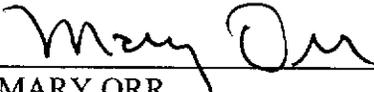
reside (Aitkin, Anoka, St. Louis, Hennepin, and Ramsey) reviewed the potential for alternative assistance for MSA-SD recipients according to the instructions in the Bulletin. In addition, some people were reviewed for eligibility for the “MSA-Shelter Needy” benefit. The MSA-Shelter Needy benefit is an additional cash supplement available for people under age 65 who are eligible for MSA, have monthly shelter costs that exceed 40% of their gross income, and either (i) have recently relocated to the community from an institution or adult mental health residential treatment program; (ii) are eligible for self-directed support programs; or (iii) receive MA waiver services. *See generally* Minn. Stat. § 256D.44, subd. 5(f) (2009).

11. The Bulletin also directed county financial staffs to identify all current recipients of MSA-SD and arrange to send timely notice of the suspension of MSA-SD at least ten days in advance of the November 1, 2009 effective date. Attached as Exhibit 2 is a true and correct copy of an exemplar copy of a notice.

12. DHS has made programming changes to its MAXIS automated eligibility system in order to implement the unallotment of MSA-SD funds effective November 1, 2009. It would take approximately one working day for DHS to complete the actions necessary to enable the counties to approve MSA-SD payments. In addition, it would take approximately 15 working days for counties to approve MSA-SD payments to recipients, but this would vary by county and by size of county worker caseloads. During this time, county workers will need to review a report prepared by DHS that lists all MSA-SD recipients in their county; review instructions

published by DHS for the counties to follow when approving MSA-SD payments to recipients;
and access the MAXIS system and redetermine benefit amounts for each eligible MSA-SD
recipient after adding back the special diet payment in the proper fields in the MAXIS system.

FURTHER YOUR AFFIANT SAYETH NOT.

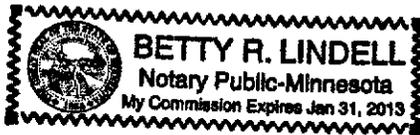


MARY ORR

Subscribed and sworn to before me on
this 12 day of November, 2009.



NOTARY PUBLIC



Bulletin

September 11, 2009

Minnesota Department of Human Services - P.O. Box 64941 - St. Paul, MN 55164-0941

OF INTEREST TO

- County Directors
- County Income Maintenance Supervisors and Staff
- County fiscal staff

ACTION/DUE DATE

Please review and take appropriate action to be effective by:
November 1, 2009

EXPIRATION DATE

July 1, 2011

Unallotment of State Funds for EGA, EMSA and MSA Special Diets

TOPIC

The unallotment of state funds for Emergency General Assistance (EGA), Emergency Minnesota Supplemental Aid (EMSA), and Minnesota Supplemental Aid Special Diets (MSA-SD).

PURPOSE

To confirm and implement the unallotment of funds for EGA, EMSA, and MSA-SD effective November 1, 2009.

CONTACT

Policy questions related to this bulletin may be directed to Policy Quest.

SIGNED

CHARLES E. JOHNSON
Assistant Commissioner
Children and Family Services Administration

Background

Pursuant to *Minnesota Statutes, section 16A.152, subdivision 4*, the commissioner of Finance (Minnesota Management and Budget) has reduced the amount allotted for Emergency General Assistance (EGA) and Emergency Minnesota Supplemental Aid (EMSA) by \$6 million for state fiscal year (SFY) 2010 and \$9 million for SFY 2011. The amount allotted for Minnesota Supplemental Aid Special Diets (MSA-SD) was also reduced by \$2.133 million for SFY 2010 and \$3.2 million for SFY 2011.

The unallotments have the effect of suspending these programs beginning November 1, 2009 (or earlier for counties that deplete their state allocation for EGA or EMSA prior to November 1) through June 30, 2011.

Because state funding has been unallotted rather than the programs themselves having been eliminated, counties will have the option of continuing all or some of the programs at county expense.

DHS Actions

- DHS Financial Operations (DHS-FO) notified counties regarding their state allocations for SFY 2010 for EGA and EMSA on June 29, 2009. After counties have spent their allocations or October 31, 2009, whichever comes first, DHS-FO will bill counties for any overspending for EGA and EMSA. County use of state funds must be initiated and completed before November 1, 2009.
- MAXIS will continue to offer full functionality for EGA, EMSA and MSA-SD throughout the unallotment period. In addition, a new text will be available for MAXIS generated client notices. For EGA and EMSA, beginning November 1, when county financial workers fail the existing "County Allocation test," a new notice text will be printed on the notices "State money for EGA and EMSA has ended due to "unallotment" as of November 1, 2009. You may be able to use federal stimulus and energy assistance programs instead of EGA and EMSA; check with your county worker or local community action agency."
- To facilitate identification and notification of MSA-SD recipients, lists and DAIL messages will be created to help identify clients who may have special diet supplements included in their MSA monthly grants. There will be a new reason code for the special diets that will produce a similar message to that for EGA and EMSA.
- Information about alternative resources available for housing, utilities and other emergency services is attached. These include an expansion to county MFIP emergency

or crisis services under TANF Emergency Assistance (EA) program and the Homelessness Prevention and Rapid Re-Housing Program (HPRP), both of which are funded by the federal American Recovery and Reinvestment Act (ARRA), and the Low Income Home Energy Assistance Program (LIHEAP). Attached also is a decision-making tool to guide access to these alternative resources so that funds, particularly federal ARRA and single-purpose funds, are maximized. Resources may vary by local area so counties are encouraged to coordinate with other local services providers. DHS will forward additional information about alternative resources to counties as it becomes available.

County Actions

- Under current law, *Minnesota Statutes, section 256D.06, subdivision 2*, counties may make EGA and EMSA expenditures above the amount of their state allocation but additional expenditures must be made from county funds. If a county decides not to use county funds, the county must arrange to suspend issuances when it has exhausted its allocations or by November 1, 2009, whichever may come first, until further notice. In MAXIS, be sure to “fail the county allocation test” so a notice with appropriate text will be sent to the client.
- Please make every attempt to review and advise all clients of the potential for assistance through the TANF-EA, HPRP and LIHEAP programs. Please review DHS bulletin #09-69-03 and the attached information. Again, we hope to have more detailed information for your use as the details emerge.
- For MSA-SD, county financial staffs must identify all current recipients and arrange to send timely notice using the new reason code at least 10 days in advance of the November 1 effective date. Loss of the MSA-SD may mean an increase in the Food Support benefit; please review clients accordingly.
- Loss of MSA-SD may also mean loss of MSA altogether for some MSA recipients who do not receive federal Supplemental Security Income (SSI) due to excess income; please review and advise these clients of what, if anything, needs to be done to retain Medical Assistance (MA) eligibility.
- Medical Assistance (MA) may cover certain nutritional supplement formulas that may substitute for an MSA-SD:
 - when taken through a feeding tube
 - when used for PKU, maple syrup urine disease, hyperlysinemia or other inborn errors of metabolism
 - when needed because of a combined allergy to cow's milk and soy
 - for certain other medical conditions that interfere with the body's ability to absorb nutrition.

Please review client needs and advise accordingly.

Americans with Disabilities Act (ADA) Advisory

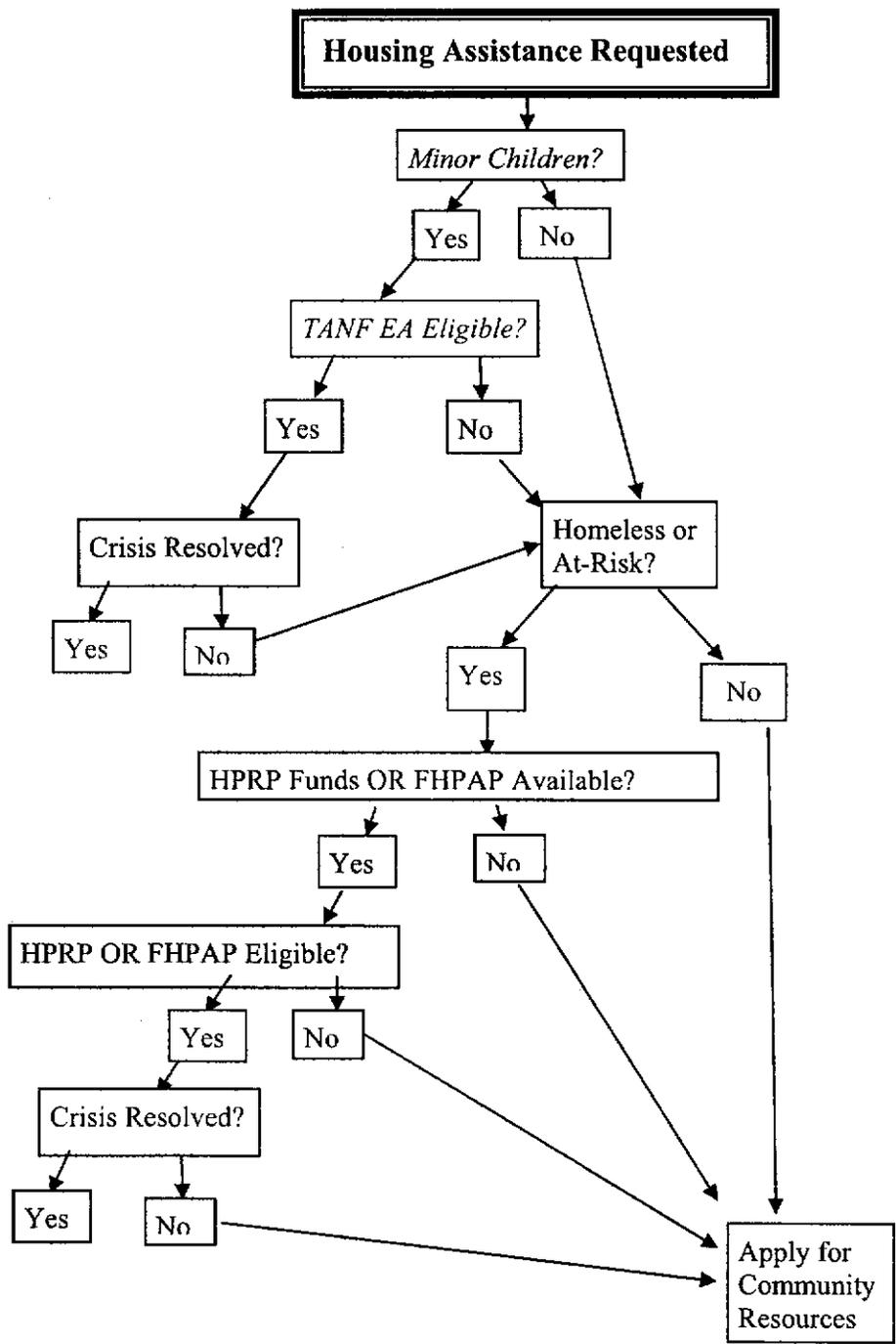
This information is available in alternative formats to individuals with disabilities by calling (651) 431-3809 (voice). TTY users can call through Minnesota Relay at (800) 627-3529. For Speech-to-Speech, call (877) 627-3848. For additional assistance with legal rights and protections for equal access to human services programs, contact your agency's ADA coordinator.

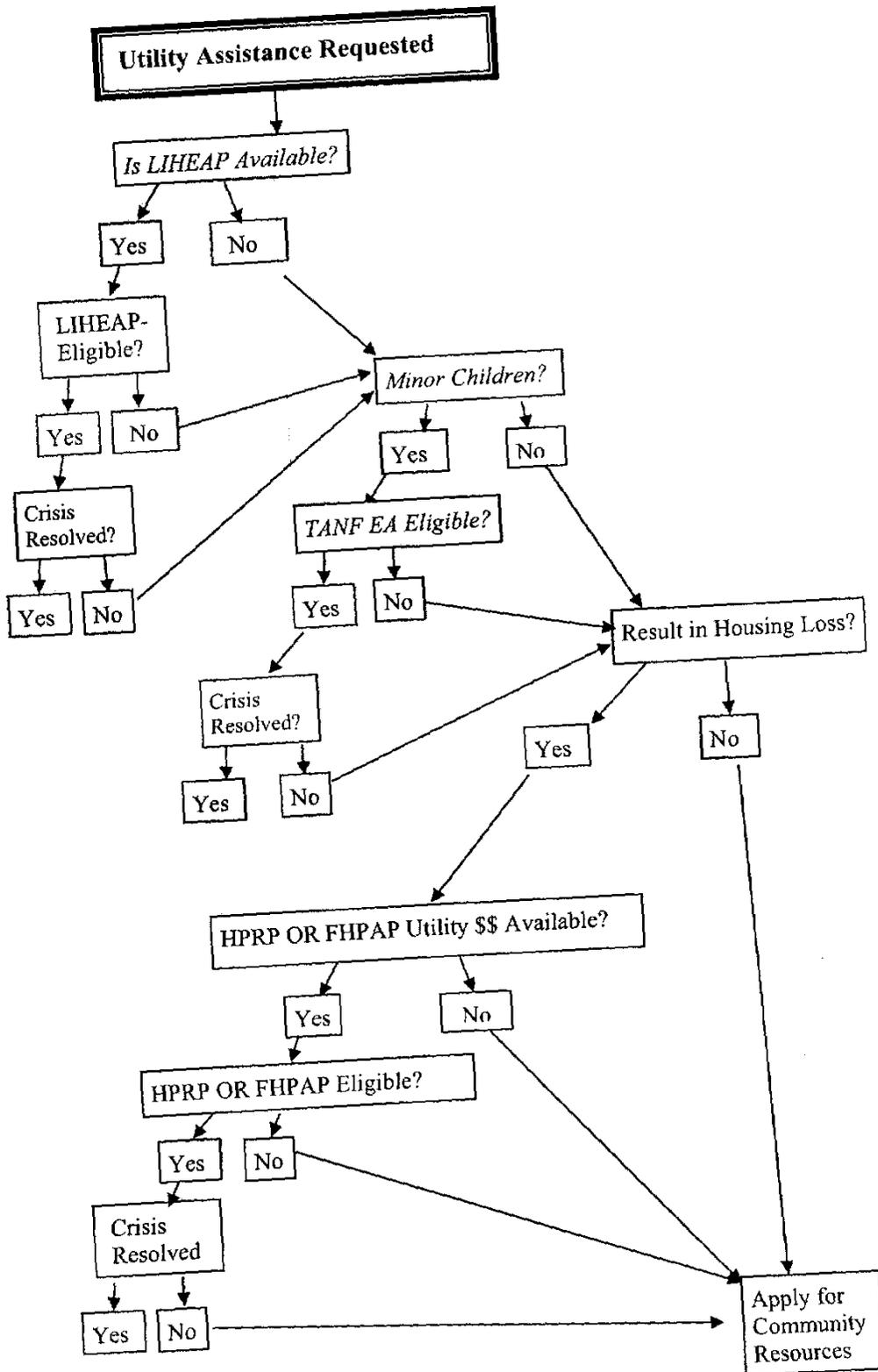
Funding for Housing, Utilities and Emergency Assistance

	Stimulus plan Yes/No	Source of funding	Amount	Available	Purpose	Eligible agencies	Eligible beneficiaries
TANF Emergency Assistance (EA)	Yes	TANF Emergency Fund	Estimated \$16 M in SFY 2010	FFY 2009 and 2010 (on a quarterly basis based on increase over base year)	Non-recurrent short term benefits Crisis related Usually no more than 4 months per incident	Past practices: administered by counties under the consolidated fund	Needy families with children (defined by MN as below 200% of FPG)
Homeless Prevention and Rapid Rehousing (HPRP)	Yes	HUD	State allocation - \$10.8 M (plus \$12.7 M allocated to six local jurisdictions)	FFY 2010-2011	Homeless prevention and rapid re-housing	Non-profits and local units of Government	Homeless, families, singles, unaccompanied youth (McKinney-Vento) and nearly homeless
Low Income Home Energy Assistance Program (LIHEAP)	No	HHS	\$164 M	FFY2009 10/1/08 - 9/30/09	Help reduce energy cost	Administered by MN Dept of Commerce, delivered by 37 local service providers	Low income (50% of SMI)
Family Homeless Prevention Assistance Program (FHPAP)	No	State general fund	\$7.4 million per year	SFY 2010-11	Direct financial assistance and services needed to prevent and end homelessness including rent/mortgage assistance, utility costs, transportation, housing placement, case management	Counties in the metro area; a county, group of counties, or community nonprofit organization (with county sign-off) in Greater MN.	Families with children, single adults and youth who are homeless or at imminent risk of homelessness
Emergency Shelter Grants (ESG)	No	HUD	\$1.2 M per year	FFY 2010	Operating costs for shelters	Local governments, non-profits	Homeless persons, persons at risk of becoming homeless

Funding for Housing, Utilities and Emergency Assistance

	Stimulus plan Yes/No	Source of funding	Amount	Available	Purpose	Eligible agencies	Eligible beneficiaries
Runaway and Homeless Youth (RHY)	No	State general fund	\$218,000	SFY 2010	Street outreach, drop-in centers, shelters	Non-profits, Tribal and local governments	At risk, runaway or homeless youth.
Support Systems for Rural Homeless Youth	No	HHS	\$200,000	FFY 2010	Transitional living program (TLP) in rural areas	Non-profits, Tribal and local governments	Homeless youth





[REDACTED]

October 03, 2009 11:24 AM

CASE NUMBER: [REDACTED]

[REDACTED]

IMPORTANT INFORMATION REGARDING THIS DOCUMENT:

* This information is available in other

forms to people with disabilities by calling your county worker, [REDACTED] at [REDACTED]

- * For TTY/TDD users, contact your county worker through the Minnesota Relay at 711 or (800) 627-3529. For the Speech-to-Speech Relay, call (877) 627-3848.
- * The back of this page lists your appeal rights and responsibilities.

MINNESOTA SUPPLEMENTAL AID NOTICE OF DECISION

Your GRH or MSA redetermination was processed. You remain eligible for GRH or MSA.

Your GRH or MSA grant will be \$ [REDACTED].

Beginning November 01, 2009, your MSA grant will change from \$ [REDACTED] to \$ [REDACTED] because:

State money for MSA Special Diets has ended due to "unallotment" as of November 1, 2009.

***** IMPORTANT APPEAL RIGHTS! READ THIS NOW! *****

If you don't agree with the action taken on your case, you can appeal. To keep your benefits until the appeal, you must appeal:

- * Within 10 days or
- * Before the first day of the month when the action takes place.

If you miss the 10 day deadline, you can appeal within 30 days from the date you get this notice (90 days for Food Support), but your benefits will not start again unless you win the appeal. To find out more, read the back of the first page of this notice.

WORKER COMMENTS:

The State funding for the MSA Special Diet Program has ended. This change is for Special Diets only. It does not change any other MSA benefits you are currently receiving.

WORKER:



TELEPHONE:

