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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE NO. **764**

February 8, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to human services; changing the chemical dependency allocations;  
1.3 amending Minnesota Statutes 2006, section 254B.02, subdivision 3.

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

1.5 Section 1. Minnesota Statutes 2006, section 254B.02, subdivision 3, is amended to read:

1.6 Subd. 3. **Reserve account.** The commissioner shall allocate money from the  
1.7 reserve account to counties that, during the current fiscal year, have met or exceeded the  
1.8 base level of expenditures for eligible chemical dependency services from local money.  
1.9 The commissioner shall establish the base level for fiscal year 1988 as the amount of local  
1.10 money used for eligible services in calendar year 1986. In later years, the base level  
1.11 must be increased in the same proportion as state appropriations to implement Laws  
1.12 1986, chapter 394, sections 8 to 20, are increased, except the county expenditure under  
1.13 subdivision 2 shall not exceed 55 percent of the total allocation for fiscal year 2007; 50  
1.14 percent in fiscal year 2008; 45 percent in fiscal year 2009; and 40 percent in fiscal year  
1.15 2008. Thereafter the expenditure shall decrease by five percent each fiscal year until the  
1.16 maximum county match is 15 percent. The base level must be decreased if the fund balance  
1.17 from which allocations are made under section 254B.02, subdivision 1, is decreased in  
1.18 later years. The local match rate for the reserve account is the same rate as applied to the  
1.19 initial allocation. Reserve account payments must not be included when calculating the  
1.20 county adjustments made according to subdivision 2. For counties providing medical  
1.21 assistance or general assistance medical care through managed care plans on January 1,  
1.22 1996, the base year is fiscal year 1995. For counties beginning provision of managed  
1.23 care after January 1, 1996, the base year is the most recent fiscal year before enrollment  
1.24 in managed care begins. For counties providing managed care, the base level will be

2.1 increased or decreased in proportion to changes in the fund balance from which allocations  
2.2 are made under subdivision 2, but will be additionally increased or decreased in proportion  
2.3 to the change in county adjusted population made in subdivision 1, paragraphs (b) and (c).  
2.4 Effective July 1, 2001, at the end of each biennium, any funds deposited in the reserve  
2.5 account funds in excess of those needed to meet obligations incurred under this section  
2.6 and sections 254B.06 and 254B.09 shall cancel to the general fund.