*The cost of this proposal will be almost entirely offset by the reduction in state-funded services as they are replaced by federally-funded supportive services.*

**2017 Minnesota Supplemental Aid (MSA) - Housing Assistance Reform Proposal**

This proposal, introduced in HF 865 and SF 852, will support people with disabilities in two ways:

**1. Expand and increase MSA-Housing Assistance to support people moving out of a GRH program.**

Minnesotans using GRH who want to move into their own home will be eligible to receive MSA-Housing Assistance and the amount of MSA-Housing Assistance will increase to $367.50 per/month.\*\*

* Only 1 in 3 Minnesotans with disabilities can sustainably afford to live in their own home. Increased housing support is critical to creating a more independent future.

**2. Establish federally-funded housing support services.**

DHS (Department of Human Services) will apply for federal Medicaid (MA) funding for housing services that are currently state-funded; these services will be available to other qualifying Minnesotans, including those receiving MSA-Housing Assistance.

* Over 51,000 individuals with disabilities are living in unstable or segregated settings. Housing services will help some find and maintain their own homes, increasing individual choice and sustainable housing.

**People served and cost:**

An estimated 1,467 people will use the reformed MSA-Housing Assistance to move into or remain in their own home by 2021.

* After 2021, approximately 370 new recipients each month will use MSA-Housing Assistance to live independently.
* Expanding MSA-Housing Assistance will cost approximately $3 million/year, beginning in FY 2020 (with the offset from federally-funded services).

An estimated 5,088 people will be assisted by federally-funded housing services by 2021.

* Creating the new housing services will cost approximately $8 million in SFY 2020-2021.
* Reducing state-funded services that will be duplicative of the new federally-funded services will save the state approximately $13.8 million in the same time period.

**Eligibility for Minnesota Supplemental Aid – Housing Assistance and Group Residential Housing**

* **Minnesota Supplemental Aid (MSA) - Housing Assistance** is an income supplement for housing costs available to people with disabilities moving out of certain settings and paying over 40% of their income to housing costs in their own home.
	+ 811 people received MSA-Housing Assistance in July 2016.
* Current eligibility requirements for MSA-Housing Assistance:
	+ Eligible for Minnesota Supplemental Aid [Age 18 or older, receive Supplemental Security Income (SSI), or eligible to receive it except income is too high].
	+ Relocating from an institution or receiving a home and community-based services waiver and living in their own home.
	+ Monthly housing costs exceed 40% of gross income.
* **Group Residential Housing** is a state-funded program that provides housing for adults with disabilities who are low-income or are over 65. Services may also be provided to maintain housing.
* In July 2016, 20,784 people were enrolled in GRH. In FY 2016, 5,841 persons received GRH services, 2,568 of them in their own home.
	+ The average GRH payment per person is $634.58/month.

\*Sources for Estimated Expenses in Graph:

* Utilities (in budget column): US Dept. of Health and Human Services. *LIHEAP Home Energy Notebook for FY 2011*. <https://www.acf.hhs.gov/sites/default/files/ocs/fy2011_hen_final.pdf>
* Utilities (in income): LSS data
* Rent:US Dept. of Housing and Urban Development. 2016. *Final FY 2017 Fair Market Rent Documentation System*. <https://www.huduser.gov/portal/datasets/fmr.html>
* Healthcare, Food: Minnesota Dept. of Employment and Economic Development. *Cost of Living in Minnesota*. <https://mn.gov/deed/data/data-tools/col/> (154 for utilities payments)

\*\*One-half of the SSI payment/ currently $194/month authorized by the Federal Food Stamp program.

\*\*\*Source: <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6143E-ENG>; Governor’s 2018-2019 Biennium Budget