Developmental disabilities are severe, chronic mental and/or physical impairments which occur at an early age; are likely to continue indefinitely; and have a pervasive effect on an individual's functional abilities and need for services. Developmental disabilities frequently place limitations on a person's ability to learn, care for one's self, and live independently.

It is estimated that 67,000 Minnesotans have a developmental disability. This represents 1.6 percent of Minnesota's population. One-fourth of this number, (16,155) are children.

Minnesota emphasizes the integration into the community of persons with developmental disabilities. This means learning, working, living, and enjoying life with and among people who are not disabled. It also means supporting persons with developmental disabilities in regular housing and homes rather than in institutions.

Changing Approach

Four major forces have encouraged a shift from an institutional approach to a community approach:

- **The Welsch case.** A 1972 federal court order established the right to treatment and placement in the least restrictive environment. Since the Welsch Consent Decree went into effect in 1980, more than 800 persons with mental retardation have left regional treatment centers (formerly called state hospitals).

- **Medicaid/Funding.** Beginning in 1973, federal Medicaid funds were provided to develop community intermediate care facilities for persons with mental retardation (ICFs/MR). Today, there are 340 privately owned community ICFs/MR ranging in size from six to 165 residents.

- **The Home and Community Based Waiver Program.** This program was created under Medicaid to prevent placements in institutions and to control costs. Funds are directed toward a wide range of community supports and services such as case management, respite care, homemaker, and in-home support services, supported living arrangements, day habilitation, and minor adaptations to living quarters or a vehicle. The waiver encourages people to leave ICFs/MR and prevents people from being moved out of the home and into an ICF/MR. Under federal regulations only a limited number of families in Minnesota may benefit from this program, however.

- **The Developmental Disabilities Act of 1984.** This landmark federal legislation concluded that the goals of national policy should be "increased independence, productivity, and integration into the community" for persons with developmental disabilities.

FUNDING

- **Total government spending for persons with developmental disabilities rose from $91.5 million in fiscal year 1977 to $274.2 million in fiscal 1987.** This represents a 59 percent increase after adjusting for inflation.

- **The state and local share of the total budget is increasing.** In 1977 the federal government paid 54 percent of the money spent on serving persons with developmental disabilities. By 1986 the federal share declined to 48 percent, with the state and counties paying the rest.
Most of the increase in spending has occurred since 1982. This increase is primarily due to expansion of ICFs/MR and added personnel costs.

LIVING ARRANGEMENTS

- In Minnesota, many adults with developmental disabilities live in their own homes or in semi-independent living services where they learn skills they need to care for themselves. One thousand two hundred fifty adults and children live with foster families. Over 5,000 persons live in community intermediate care facilities for persons with mental retardation (ICFs/MR). Residents of ICFs/MR must have a plan of care and 24 hour supervision. Another 1,500 persons live in seven of Minnesota's eight regional treatment centers.

- Most Minnesotans with developmental disabilities receive no public funding for their living arrangements. Last year 12,314 persons with developmental disabilities, less than 20 percent of the total, received public funds for this purpose.

- Regional treatment centers are the most costly option for persons with developmental disabilities—$45,410 per person per year. Regional treatment centers accounted for 40 percent of the developmental disabilities budget while serving only 17 percent of those receiving public funds.
ICFs/MR are the next most costly alternative, serving 47 percent of the population at an average annual cost of $18,379 per person. Expenditures for community ICFs/MR more than quadrupled since 1977, reaching a high of $178 million in 1986. An additional 11 percent of persons with developmental disabilities live in nursing homes at an average cost of $16,454 per year.

The least restrictive programs account for six percent of the budget while serving 24 percent of those receiving public funds. These programs include the home and community care waiver program, supported living arrangements, semi-independent living services, foster care and home care. The average cost of these programs is $6,700 per person per year.

ICF/MR

Minnesota ranks third in the nation in the number of beds per capita in ICFs/MR and in the highest expenditures for these programs. This corresponds to the 1984 findings of the Citizens League of Minnesota that other populations as well (such as persons with mental illness, chemical dependency, or who have been incarcerated) have been placed in overly restrictive settings at higher costs to society. The restrictions on the use of federal dollars currently result in the placement of people in overly protective, restrictive, and segregated settings.

In 1983 the Minnesota legislature placed a moratorium on new ICF/MR construction and directed the Department of Human Services to reduce the number of ICF/MR beds from 7,500 to 7,000 by 1986. As use of the home and community based waiver program continues to increase, expenditures for institutional care will likely be reduced.

Regional Treatment Centers

- Seven of Minnesota’s eight regional treatment centers serve people with developmental disabilities: Brainerd, Cambridge, Faribault, Fergus Falls, Moose Lake, St. Peter, and Willmar.

- The total cost of maintaining the seven institutions has nearly doubled since 1977, reaching almost $100 million in 1986 despite a decline in the number of residents. In real economic terms, however, this cost has been relatively constant over the past decade, hovering around $50 million (in 1977 dollars). Beginning in 1980, the federal government assumed a greater share of spending providing 54 percent of the funding while the state provided the rest.

- The average number of residents with developmental disabilities in institutions dropped significantly during the last decade, from a high of 3,085 in 1977 to 1,600 at the end of 1987. The Welsch Consent Decree, which sets quotas for regional treatment centers discharges and an increase of funds for community services, was largely responsible for this population decline.
The institutional cost for each individual per day (per diem) increased from $46 in 1977 to $197 in 1987. The adjusted institutional cost per day remained virtually constant between 1977 ($46/day) and 1981 ($51/day). After 1981, despite the large population drop in the regional centers, the per diem increased by almost 300 percent. This increase reflects the high fixed costs of maintaining these large institutions. Employment at regional treatment centers has declined by 40 percent since 1980.

IMPLICATIONS

- Residents will continue to move out of regional treatment centers and into the community. Per resident costs will continue to increase as fewer people are served by the regional treatment centers.
- As the resident population declines, programs will need to be consolidated, and unneeded buildings and space will need to be modified or used for other purposes.
- As the number of residents at regional centers declines, employment will continue to decline as well. Much of the staffing reduction will occur through attrition. However, alternative economic development strategies will be needed in communities near regional treatment centers.

Community Programs

- Minnesota provides community services to persons with developmental disabilities through 340 group homes, 108 day programs, and 32 rehabilitation facilities.
- Day and rehabilitation programs provide a variety of services including: 1) programs focused on community integration and job skills; 2) programs that provide paid work and other services which allow a level of production below that required for a long-term employment program; and 3) programs leading to placement in employment settings with follow-up supervision and training after placement.
- In Minnesota last year $177.1 million (state and federal) were spent these services. Of this total, $97.8 million were state funds to match federal programs.

EDUCATION PROGRAMS

- Educational programs for children with disabilities are provided primarily by the Minnesota public school system through special education programs. While state law currently requires public schools to serve all children between ages 3 and 21 with disabilities, the provision of

Educational Settings for Students
With Developmental Disabilities

- Regular Class
- Separate Class
- Separate Building

1986

Trend Reports
Minnesota State Planning Agency
The role of the public schools will become increasingly important.

- Early intervention services from birth to age three will become mandatory for all school districts on September 1, 1988.

- Preschool programs are delivered directly by school districts or indirectly through contracts with other districts or agencies such as developmental achievement centers. During the school year 1986-87, there were 9,487 children from birth through age five receiving such services.

- In Minnesota, the total cost of preschool special education services in 1985 was $15.1 million. Local sources provided 26 percent of the funds, state sources provided 60 percent, and 14 percent came from the federal government. Cost-benefit studies demonstrate that for each dollar invested in preschool education for youngsters with handicaps, there is a savings of $4.75 achieved in lower special education costs, reduced welfare payments, and higher worker productivity.

- In 1986, there were 711,730 students in Minnesota’s public schools. Of that number, 71,068 (10%) were receiving special education services (ages 6 to 21). Total expenditures for special education in Minnesota for this age group in fiscal year 1985 amounted to $247.1 million.

- The emphasis of both policy and legislation is on integration of students with disabilities into regular classroom settings and local schools. Minnesota students with severe disabilities, however, for the most part were served in separate classrooms and buildings during 1985.

**IMPLICATIONS**

- As more persons with developmental disabilities return to communities, the costs will shift from institutional to community expenditures.

- A decline in the number of young entry-level workers in Minnesota could open up opportunities for non-traditional workers, including those with developmental disabilities. Programs designed to train people with developmental disabilities to hold productive jobs may prove increasingly important.

- Monitoring care is more difficult in a decentralized system than in a centralized one. With more people living in a greater number of smaller facilities, the state may have to rethink its legal responsibilities and its systems for monitoring care.

- As more families become dependent on two incomes and more women enter the workforce the ability to care for persons with developmental disabilities in their homes may diminish.

- In the future families, who are the primary care givers for their members with a disability, will need both financial support and services in order to prevent out-of-home placements as well as prevent possible burnout. Currently, less than one percent of the budget goes toward family support.

- Children from birth to age 21 with all types of handicapping conditions will be served by public schools. Effective educational intervention can prevent out-of-home placements, help individuals to become more independent, and prepare them for fuller participation in everyday community activities such as work, family living, and other opportunities necessary for self-fulfillment.

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