

Letters and Testimony for HF 2440

SUPPORT JOB SERVICES FOR PEOPLE WITH MENTAL ILLNESS

HF1985/SF670 (Rehrauer/Mohamed)



- **\$2,500,000 be added to the base for Employment Supports for Persons (ESP) with Mental Illness Program (a.k.a Individual Placement Supports (IPS)).**
- **1,000+ people in Minnesota receive IPS services every year. 1/3 are served using one-time funding from 2023 one-time allocation.**
- **Additional funds are needed to maintain current service capacity and address growing needs.**
- **Significant need to expand services to clients with mental illness who have less access to services. IPS has been shown to be more effective than usual vocational services with significantly better outcomes.**

IPS Background

- Evidence-based, pay for performance, person-centered practice focused on integrated, competitive employment.
- Employment is a means to support recovery from mental illness and people are able to pursue employment without waiting to “get better.”
- Involves a full range of employment services from job seeking to job retention and career laddering. Participants rapidly engage with potential employers.
- Each vocational provider partners with a mental health program to ensure holistic employment services for each person.
- In the United States, 60% of people with mental illness want to work, but less than 2% have access to IPS. **The primary barrier is lack of adequate funding.**
- There are 22 projects in Minnesota serving 44 Minnesota counties – only about half the counties have access to these services at all.
- Average placement rate in Minnesota is 61% - higher than the national average of 55% for IPS projects. Other vocational approaches have a 25% placement rate.
- People receiving IPS services also get jobs more quickly, work more hours, and earn higher wages than people with mental illness served with other approaches. They also stay at their jobs four times longer during follow-up and many become steady workers, retaining employment for 10+ years.
- Mental illness is the fastest growing reason that people become Social Security Disability beneficiaries. By spending on employment services for this population, Social Security expenditures are reduced.

**For more information on HF1985/SF670, contact Shep Harris:
612-219-8531 | sharris@fredgov.com**

IPS in Minnesota is provided in partnership with the DEED-Vocational Rehabilitation Services, Department of Human Services – Homelessness, Housing and Support Services Administration (HHSSA) and a network of community providers.

16 Projects in
42 Counties

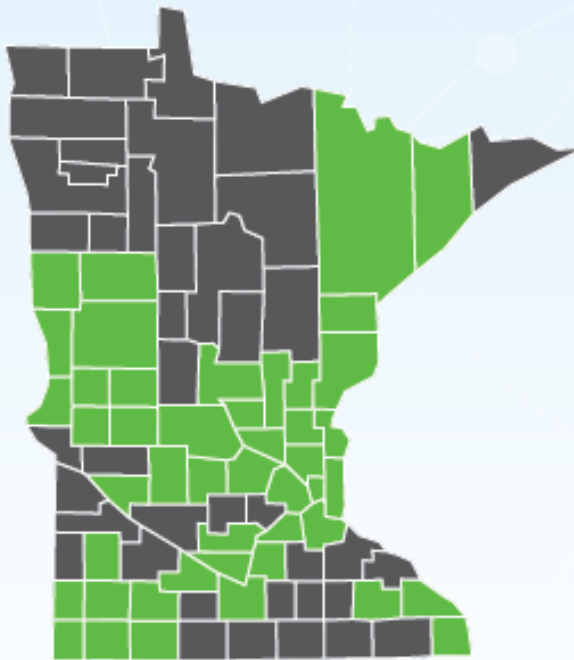


1,151 People served
in PY24

32 MH Partners

63% People who
went to work

IPS STATE GRANT FUNDED PROJECTS



 COUNTIES WITH
ACCESS TO IPS

THIS MODEL IS EVIDENCE-BASED

United States and
International Randomized,
Controlled Trials Show:

- IPS greatly outperforms standard employment supports.
- IPS works in both urban and rural communities.
- IPS works for youth and young adults.
- IPS works for people from different racial, ethnic, and minority backgrounds.
- IPS supports people with education goals.



For more information contact:

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*Claims in this document are supported by more than two decades of research.

Visit IPSworks.org to learn more.

Upon request, this document can be made available in alternative formats for people with disabilities by calling 651-259-7114.



March 26, 2025

Dear Members of the House Workforce, Labor, and Economic Development Finance & Policy Committee:

The Minnesota Chamber of Commerce represents over 6,300 businesses of all sizes and industries and over 500,000 employees in Minnesota. We advocate for public policies to strengthen Minnesota's business climate and to help grow Minnesota's economy.

We appreciate the opportunity to share our thoughts on Governor Walz's proposal within HF 2440 which makes modifications to the Minnesota Forward Fund.

Minnesota has numerous economic strengths including a diverse industry base with businesses of all sizes, a legacy of innovation, hardworking labor force, and great natural resources. However, recent economic data has demonstrated that our state is facing some economic headwinds.

Ten years ago, Minnesota's GDP growth ranked 13th among the states at 2.4%. Today, we have dropped down to 40th at 1.6%. This decline demonstrates Minnesota is at a competitive disadvantage for attracting and retaining businesses.

In the meantime, other states are aggressively competing for and recruiting businesses to locate in their states – through economic development incentives, retention and expansion incentives, infrastructure investments, land availability and highly competitive tax and regulatory structures.

The Minnesota Chamber supports improving our state's business climate through broad efforts that benefit all Minnesota businesses. Reducing our high tax rates for corporations and individuals, improving our permitting and regulatory processes, and ensuring an available, skilled workforce are critical to economic growth. We also support re-tooling existing economic development incentives so they are as effective as possible. The proposed modifications to the Forward Fund make it more effective as a program to incentive business development. The timing of this change is also important in the context of the larger national conversation around on-shoring manufacturing within the United States..

Minnesota should be doing everything it can to compete for new opportunities for capital investment and job growth.

Thank you for your consideration of this item as part of the Governor's proposed budget.

Sincerely,

Brian Cook
Director of Tax, Fiscal Policy, and Elections