

Exhibit K1

Minnesota Department of Veterans Affairs

CERTIFICATE OF CONSULTING WITH COMMISSIONER OF MANAGEMENT AND BUDGET IN COMPLIANCE WITH MINNESOTA STATUTES, SECTION 14.131

Proposed Amendments to Rules of the Minnesota Department of Veterans Affairs Governing the Minnesota Veterans Homes, Minnesota Rules, Chapter 9050 Veterans Homes, Revisor's ID Number 4384

I certify that on June 14, 2021, at the Minnesota Department of Veterans Affairs, St. Paul, Minnesota, I:

1) Consulted with the Commissioner of Minnesota Management and Budget in compliance with *Minnesota Statutes*, section 14.131, by sending an electronic letter addressed to Commissioner Jim Schowalter of Minnesota Management and Budget, signed by Dale Klitzke, Deputy General Counsel of the Minnesota Department of Veterans Affairs with these enclosures:

- The Revisor's draft of the proposed rules.
- The signed Statement of Need and Reasonableness (SONAR) dated June 8, 2021.
- The Governors' Office Proposed Rule and SONAR Form.

A copy of the letter sent to Commissioner Schowalter dated June 14, 2021, is attached to this Certificate.

2) Sent notification via email to Brain Hornbecker, Executive Budget Officer, Minnesota Management and Budget, and with a copy of the letter addressed to Commissioner Schowalter, the Governors' Office Proposed Rule and SONAR Form, the proposed rules, and the signed SONAR. A copy of the email and response from MMB is attached to this Certificate.

Dale B. Klitzke

Dale B. Klitzke
Deputy General Counsel
Minnesota Department of Veterans Affairs



STATE OF MINNESOTA DEPARTMENT OF VETERANS AFFAIRS



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June 14, 2021

Commissioner Jim Schowalter
Executive Budget Officer
Minnesota Management and Budget
658 Cedar Street
400 Centennial Office Building
St. Paul, MN 55155

RE: Proposed Amendments to Rules Governing the Operation of Minnesota Veterans Homes;
Minnesota Rules Chapter 9050; Revisor's ID Number R04384

Dear Mr. Schowalter:

Minnesota Statutes, section 14.131 requires that an agency engaged in rulemaking consult with the Commissioner of Minnesota Management and Budget (MMB) "to help evaluate the fiscal impact and fiscal benefits of the proposed rule on units of local government." This letter relates to that requirement. Specifically, the Minnesota Department of Veterans Affairs (MDVA) requests that MMB please review and comment on the fiscal analysis detailed in the enclosed Statement of Need and Reasonableness (SONAR) for the proposed rule amendments identified above.

Also enclosed is a copy of the proposed rule amendments, and the MDVA's Proposed Rule and SONAR Form for the Governor's Office. It is my understanding that by providing the proposed rules and SONAR at the same time MDVA provides these documents to the Governor's Office, we are following MMB procedures for initiating the required consultation. This allows for MMB review of the fiscal impacts and benefits of a proposed rule concurrent with the required Governor's Office review.

The overall purpose of the enclosed proposed amendments to Minnesota Rule 9050 is to update and clarify definitions; clarify repayment options; update bed hold requirements; update the discharge process including the addition of an immediate discharge process; clarify the cost of care calculation; update fiscal responsibilities for board and care residents; and add new rules for the adult day health care program and pharmaceutical services. The proposed rule amendments ensure: consistency and transparency in the establishment of admission and financial requirements for healthcare services; that every veteran and their spouse who are in need of healthcare services from the commissioner is fully aware of what is required of them; and that only those persons authorized by statute receive such healthcare benefits and services.

Thank you for your assistance with this matter. If you or any other representative of the Commissioner of MMB have questions about the proposed rule amendments or the SONAR, please contact me at 612-548-5706 or dale.klitzke@state.mn.us.

Sincerely,

Dale B. Klitzke

Dale Klitzke
MDVA Deputy General Counsel

Cc: Brian Hornbecker
Alisha Cowell

Enclosures

Office Memorandum

Date: June 28, 2021

To: Dale Klitzke
Deputy General Counsel
Minnesota Department of Veterans Affairs

From: Brian Hornbecker
Executive Budget Officer
Minnesota Management and Budget

Subject: M.S. 14.131 – Review of Proposed Amendments to Rules Governing the Operation of Minnesota Veterans Homes; Minnesota Rules Chapter 9050; Revisor’s ID Number R04384

Background

The Minnesota Department of Veterans Affairs (MDVA) is proposing amendments to rules relating to the Operation of Minnesota Veterans Homes, in Minnesota Rules, Chapter 9050. Pursuant to M.S. 14.131, the Commissioner of Minnesota Management and Budget has been asked “to help evaluate the fiscal impact and fiscal benefits of the proposed rule on units of local government.”

As identified in the draft Statement of Need and Reasonableness (SONAR), MDVA identified a need to update this chapter in order to update and clarify definitions; clarify repayment options; update bed hold requirements; update the discharge process including the addition of an immediate discharge process; clarify the cost of care calculation; update fiscal responsibilities for board and care residents; and add new rules for the adult day health care program and pharmaceutical services.

Evaluation

On behalf of the Commissioner of Minnesota Management and Budget, I have reviewed the proposed changes and the draft of the SONAR to explore the potential fiscal impact these changes may have on local governments. The proposed rule revisions are related only to the management of Veterans Homes operated by MDVA. The proposed revisions therefore do not have any fiscal impact on local units of government.

cc: Kristen Root, General Counsel and Agency Rules Coordinator, MDVA
Alisha Cowell, Executive Budget Coordinator, MMB