

m MANAGEMENT AND BUDGET

Date: December 23, 2020

To: Legislative Advisory Commission Members

Senator Paul Gazelka
Senate Majority Leader

Senator Julie Rosen, Chair
Finance Committee

Senator Michelle Benson, Chair
Health and Human Services Finance and Policy
Committee

Senator Jim Abeler, Chair
Human Services Reform Finance and Policy
Committee

Senator Mary Kiffmeyer, Chair
State Government Finance and Policy and
Elections Committee

Senator Warren Limmer, Chair
Judiciary and Public Safety Finance and Policy
Committee

Representative Melissa Hortman
Speaker of the House

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Ways and Means Committee

Representative Tina Liebling, Chair
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Representative Michael Nelson, Chair
State Government Finance Division

Representative John Lesch, Chair
Judiciary Finance and Civil Law Division

Representative Carlos Mariani, Chair
Public Safety and Criminal Justice Reform Finance
and Policy Division

From: Jim Schowalter, Secretary Legislative Advisory Commission



Subject: URGENT REVIEW | #5, #6, #9, #11, #13, #17, #18, #21, #47, #48, #49, #53, #56, #57, #58, #59, #60, #61, #62, #63, #65, #66, #68, #81, #86, #87, #88, and #89 Coronavirus Relief Fund Extension Requests to Legislative Advisory Commission

This is a request to spend federal dollars received through the CARES Act as part of the Coronavirus Relief Fund (CRF) for necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19). This request is submitted under M.S. 3.3005 subd. 4 and 5, which allows for a 10-day review.

These requests are to extend CRF spending beyond December 30, 2020 as allowed by recently passed federal legislation and do not contain any additional funding. There are also some requests for the limited expansion of the use of previous authorizations. We are making these requests anticipating the recent federal bill extending the deadline of the CRF to December 31, 2021 will be signed into law.

All other previously approved CRF requests will continue as planned, with costs limited to those incurred on or before December 30, 2020 although actual expenditures may be made into calendar year 2021.

The Minnesota Department of Human Services (DHS), the Minnesota Department of Health (MDH), Minnesota Management and Budget (MMB), the Minnesota Department of Administration, the Minnesota Department of Public Safety (DPS), and the Minnesota Judicial Branch request amendments to the following Legislative Advisory Commission (LAC) Orders:

- LAC Order #5, which was approved by the LAC on June 2, 2020
- LAC Order #6, which was approved by the LAC on June 2, 2020
- LAC Order #9, which was approved by the LAC on June 16, 2020
- LAC Order #11, which was approved by the LAC on June 26, 2020
- LAC Order #13, which was approved by the LAC on July 21, 2020
- LAC Order #17, which was approved by the LAC on July 13, 2020
- LAC Order #18, which was approved by the LAC on July 13, 2020
- LAC Orders #21 and #89, which were approved by the LAC on July 13, 2020 and December 1, 2020
- LAC Order #47, which was approved by the LAC on August 11, 2020
- LAC Orders #48 and #86 which were approved by the LAC on August 11, 2020 and December 1, 2020
- LAC Order #49 and #87, which were approved by the LAC on August 11, 2020 and December 1, 2020
- LAC Order #53, which was approved by the LAC on August 11, 2020
- LAC Order #56, which was approved by the LAC on August 17, 2020
- LAC Order #57, which was approved by the LAC on August 18, 2020
- LAC Order #58, which was approved by the LAC on August 18, 2020
- LAC Order #59, which was approved by the LAC on August 11, 2020
- LAC Order #60, which was approved by the LAC on August 22, 2020
- LAC Order #61, which was approved by the LAC on August 22, 2020
- LAC Order #62, which was approved by the LAC on August 22, 2020
- LAC Order #63, which was approved by the LAC on August 22, 2020
- LAC Order #65, which was approved by the LAC on October 6, 2020
- LAC Order #66, which was approved by the LAC on October 6, 2020
- LAC Order #68, which was approved by the LAC on October 6, 2020
- LAC Order #81 which was approved by the LAC on November 23, 2020
- LAC Order #88, which was approved by the LAC on December 1, 2020

These extensions apply to the amounts remaining in the authorizations after the reductions outlined in CRF Request #95.

LAC Order #5

LAC Order #5 authorized a total of \$20 million to implement mobile testing teams for COVID-19 testing sites in the community and in response to hot spots, along with enhanced testing in congregate settings such as long term care, group homes, residential facilities, homeless shelters, and corrections through December 30, 2020. As testing efforts continue across the state, this revision request is to extend funding authority for use of any remaining available balance of these monies after an appropriation reduction of \$2 million due to LAC Request #95 for continued activities through December 31, 2021.

LAC Order #6

LAC Order #6 authorized \$8 million for a case management software system capable of performing necessary functional and data management support for case investigation and contact tracing of COVID-19 cases through December 30, 2020. As testing efforts continue across the state, this revision request is to 1) expand the scope of allowable activities to include vaccination-related IT costs, and 2) extend funding authority for use of any remaining available balance of these monies after an appropriation reduction of \$0.75 million due to LAC Request #95 for continued activities through December 31, 2021.

LAC Order #9

LAC Order #9 authorized MDH to use \$3 million from the Coronavirus Relief Fund to establish a nurse triage line to call out results of COVID-19 tests to LTC facilities who have made use of the State's standing order for COVID-19 tests, and answer follow up questions related to COVID symptoms and concerns. The LAC approved an amendment to this request on September 10, 2020 to extend the work through December 30, and to modify the scope of the contract to include the ability for nurse line staff to respond to questions from a broader range of individuals who have tested positive. This request extends the authorization to spend funds through December 31, 2021.

LAC Order #11

LAC Order #11 authorized \$8.75 million to fund a statewide media campaign to help all Minnesotans understand their role in the recovery from COVID-19, and how they can help to protect themselves, their families, and their communities through December 30, 2020. As pandemic-related efforts continue across the state, this revision request is to extend funding authority for use of any remaining available balance of these monies for continued activities through December 31, 2021.

LAC Order #13

LAC Order #13 authorized \$3.343 million to provide operational funding for a community alternative care site. It was further amended on December 9, 2020. This request extends the authorization to spend funds through June 30, 2021. The December 9 amendment expanded the use of LAC Order #13 to cover anticipated state liability for FEMA direct assistance match requirements for Ambulance Strike Teams and Humanitarian Assistance for Veterans Administration Hospital Beds. Additionally, this request further adjusts the scope of the project to include operational costs of a cold storage facility through the same time period. The change in scope does not request additional funding for this purpose.

LAC Order #17

LAC Order #17 authorized \$2.43 million to provide additional nurses and healthcare workers to supplement existing staff in congregate settings and provide training on the proper use of PPE, infection prevention control practices; guidance and assistance with isolating and cohorting residents and creating staffing plans, and supporting those facilities in crisis through December 30, 2020. As pandemic-related efforts continue across the state, this revision request is to 1) expand the scope of allowable activities to include vaccination-related staffing costs, and 2) extend funding authority for use of any remaining available balance of these monies after an appropriation reduction of \$1.44 million due to LAC Request #95 for continued activities through December 31, 2021.

LAC Order #18

LAC Order #18 authorized \$3 million to meet immediate staffing needs to conduct case investigation and contact tracing of COVID-19 cases through December 30, 2020. As testing efforts continue across the state, this revision request is to extend funding authority for use of any remaining available balance of these monies for continued activities through December 31, 2021.

LAC Requests #21 and #89

LAC Requests #21 and #89 authorized \$1.608 million and \$350,000, respectively, for tribal food assistance funds. These have been disbursed to tribes and four American Indian community organizations to support purchases of food and non-food essential items as well as equipment and transportation to support safe food distribution. Spending of these funds has progressed, however, there have been delays in procuring some items as well as

establishing and arranging the contracts necessary for procurement by tribes and organizations that may not have had existing relationships. A December 30, 2020 deadline would leave some funds unspent while there continues to be need for food support. An additional six months will allow the tribes and community organizations sufficient time to fully expend the funds and continue to meet the food needs beyond December 30, 2020 for the designated purposes.

With support from this funding, and in partnership with the State of Minnesota, tribal nations have been responsive to addressing food insecurity needs within their communities. For many tribal nations this work is new. A timeline extension would allow the tribes to continue to build the infrastructure including shelving, refrigerating and freezers needed to continue to distribute food so their members are not put into harm's way to access food. We are seeking a six month extension, to June 30, 2021, of these funds and will update the corresponding contracts with each tribe and organization to reflect the change.

LAC Order #47

LAC Order #47 authorized \$445,000 to fund the activities of the COVID-19 Response Accountability Office. The request currently expires December 30, 2020. We request the funding be available to pay for salaries of the office beyond December 30 to carry out continued responsibilities for CRF funding that accompany the extension of time to spend CRF Funds. This request extends the authorization to spend funds through December 31, 2021.

LAC Orders #48 and #86

LAC Orders #48 and #86 authorized the Department of Human Services (DHS) to use \$19.5 million from the Coronavirus Relief Fund (CRF) to fund activities to provide shelter and support to persons experiencing homelessness, victims of violence and trauma, and those who cannot safely isolate at home through December 30, 2020. These funds were used to 1) sustain existing activities to protect persons experiencing homelessness through DHS's Emergency Services Program (ESP), 2) Support ESP-like activities for victims of domestic violence, sexual violence, and human exploitation, 3) Pay for modest capital expenditures necessary due to the COVID-19 pandemic to increase capacity and improve COVID-19 mitigation measures in safe spaces for persons experiencing homelessness, and 4) Establish Isolation spaces for suspected or confirmed COVID-19 positive persons who are experiencing homelessness or who cannot safely isolate at home. Pending changes as a result of recent congressional action, the Department of Human Services requests the spending authority for the remaining CRF funds allocated by orders #48 and #86 be extended through December 31, 2021 for the COVID-19 response activities described above.

The Department of Human Services requested an amendment to LAC order #48 on December 17. This would permit DHS to refinance the unspent CRF balance on December 30 to the general fund appropriation for ESP made in the 2020 Session (2020 Session Laws, Chapter 71, Article 1, Section 6). This request was made prior to the federal extension of the Coronavirus Relief Fund. This previous request served two purposes 1) ensure the state was maximizing the CRF 2) use those resources to address shelter, isolation and victims' service needs in 2021. The Department of Human Services submits this LAC revision to orders #48 and #86 to continue to best address these needs and maintain flexibility in calendar year 2021.

LAC Orders #49 and #87

LAC Order #49 and #87 approved a total of \$9.9 million in Coronavirus Relief Funds (CRF) for DHS to contract with third party vendors to hire about 600 licensed and unlicensed replacement staff to work temporarily at settings with a COVID staffing crisis. The requests funded activities through 12/30/20. DHS has had some success hiring temporary workers for this project and anticipates continuation of a need for replacement workers engaged in responding to COVID-related staffing crises after December 30, 2020. DHS has cancelled \$5 million of

this total allocation. Pending the enactment of recent federal law, Minnesota will have the authority to spend COVID Relief Funds through December 31, 2021. DHS requests extended funding authority for the remaining COVID Relief Fund allocation through December 31, 2021 for the COVID related long-term care response activities described in orders #49 and #87.

DHS also requests authorization to use up to \$800,000 of previously allocated CRF for a staffing strategy that will temporarily deploy state employees in a direct services capacity. The funding will cover the costs of preparation, training and reimbursement of employees' time for direct services provided by up to 100 state employees who volunteered to provide unlicensed care services to sites in a COVID staffing crisis. This additional effort will be jointly managed by Minnesota Management and Budget (MMB), DHS, MDH, and the State Emergency Operations Center (SEOC). The SEOC will determine how many staff will be made available for deployment to provider site for up to 14-days to stabilize the setting serving at risk populations. Funds reprioritized will pay for replacement costs of state employees' compensation at average rates (\$43 per hour), employees' time during 12 hours of paid training, training fees of \$315 per worker, background studies of \$20 per worker, and an initial COVID test with a cost of \$119 per worker. The use of state employees in this manner will be operated under the Governor's authority described in M.S. section 12.36(a)(2) and with involvement of both DHS and MDH.

LAC Order #53

LAC Order #53 authorized the Department of Human Services (DHS) to use \$1.063 million from the Coronavirus Relief Fund (CRF) to expand services provided through seven Area Agencies on Aging (AAAs) to help older adults stay safe in their homes through December 30, 2020. This original authorization included expanding community living assistance, chore, and homemaker support to these older Minnesotans. DHS requested an amendment to LAC Order #53 to allow these funds to be used to provide direct and telephone support services to older adults and persons with disabilities who are experiencing the emotional and psychological effects of limited human interaction. This amendment was approved on December 9, 2020. It is expected there will be unspent funds from this authorization on December 30, 2020. Pursuant to the recently enacted federal law, DHS requests the authority to expend these funds for the purposes described in LAC Order #53 and its subsequent amendment be extended through December 31, 2021. This extension will allow the support described in these LAC orders to continue.

LAC Order #56

LAC Order #56 authorized \$6 million to make available on-demand, at home saliva testing available to every educator and employee of public and private K12 school, preschool and childcare facility in Minnesota through 12/30/20. As testing efforts continue across the state, this revision request is to extend funding authority for use of any remaining available balance of these monies for continued activities through December 31, 2021.

LAC Order #57

LAC Order #57 authorized \$8 million for community groups working on efforts in the areas of youth intervention programs, youth violence prevention, crime victim services, domestic violence services and related issues. This request extends the authorization to spend through June 30, 2021.

LAC Order #58

LAC Order #58 authorized funding to pay workers' compensation claims for state employees covered under the COVID-19 presumption, which was passed in law on April 8, 2020. This request extends the authorization to spend LAC Order #58, as amended by LAC CRF request #95, "All Agencies COVID-19 Workers' Compensation Costs" through December 31, 2021.

LAC Order #59

LAC Order #59 authorized MDH to use \$7 million from the Coronavirus Relief Fund to maintain and expand the long term care testing infrastructure it has built over the last few months, to accommodate anticipated increased demand related to the spread of the virus and expanded visitation by friends and family members of residents. The authorized expenses fell into two categories: 1) on-site specimen collection by mobile teams using nasal swabs, and 2) staff to support the coordination, planning, reporting and logistics functions in the State Emergency Operations Center.

The LAC has approved two amendments to the original authorization. The first expanded the use of those funds for expanded specimen collection including methods beyond nasal/nasal pharyngeal where appropriate, purchasing supplies and equipment to assist in more efficient specimen processing and result reporting for LTC facilities, and providing additional options for support to facilities that are in staffing crisis. The second authorized the use of funds to support targeted infection control strike teams, analysis of common root causes of severe outbreaks in LTC facilities, and staff at the SEOC to support those activities.

MDH proposes to amend the LAC approval in three ways:

- 1) Pursuant to recently enacted federal law, MDH requests extended funding authority for currently authorized activities through December 31, 2021.
- 2) MDH requests authority to amend current contracts with organizations providing specimen collection services to LTC facilities so that these vendors can also assist with vaccine administration as needed. Pursuant to recently enacted federal law, MDH requests authority to use funds for this purpose through December 31, 2021.
- 3) MDH requests authority to use a portion of these funds to support activities initially authorized under LAC Order #17, approved by the LAC on July 13, 2020. Order #17 authorizes MDH to employ nurses who serve as COVID case managers for LTC facilities experiencing outbreaks, and interviewers for the health care worker monitoring team, who work with facilities to ensure appropriate exclusion of exposed health care workers in LTC facilities. Pursuant to recently enacted federal law, MDH requests authority to use funds for this purpose through December 31, 2021.

LAC Order #60

LAC Order #60 authorized \$55 million to purchasing additional capacity for COVID-19 test processing across the state through December 30, 2020. This order was amended on October 26, 2020, to allow for management of contracts on a reimbursement rather than pre-payment basis to minimize cash outlays against later insurance reimbursements, utilizing CRF dollars in a more advantageous manner for the state. As testing efforts continue across the state, this revision request is to extend funding authority for use of any remaining available balance of these monies after an appropriation reduction of \$2 million due to LAC Request #95 for continued activities through December 31, 2021.

LAC Order #61

LAC Order #61 authorized \$14.66 million to expand lab capacity for processing COVID-19 testing in the state by establishing a saliva sample testing lab in Oakdale, Minnesota to process as many as 30,000 samples per day through December 30, 2020. This order was amended on Oct 26, 2020, to allow for management of contracts on a reimbursement rather than pre-payment basis to minimize cash outlays against later insurance reimbursements, utilizing CRF dollars in a more advantageous manner for the state. As testing efforts continue across the state, this revision request is to extend funding authority for use of any remaining available balance of these monies through December 31, 2021.

LAC Order #62

LAC Order #62 authorized \$35,091,423 to meet the need for case investigation and contact tracing activities in support of testing to limit the spread of COVID-19 and by moving MDH work activities “upstream” to better inform people who may be infectious so they can protect their health and avoid transmitting the virus to others through December 30, 2020. As testing efforts continue across the state, this revision request is to extend funding authority for use of any remaining available balance of these monies after an appropriation reduction of \$5.48 million due to LAC Request #95 for continued activities through December 31, 2021.

LAC Order #63

LAC Order #63 authorized \$2.579 million to provide resources to tribal public health departments through grants for implementing necessary COVID-19 response actions at the tribal level through December 30, 2020. As testing efforts continue across the state, this revision request is to extend funding authority for use of any remaining available balance of these monies after an appropriation reduction of \$11,000 due to LAC Request #95 for continued activities through December 31, 2021.

LAC Order #65

LAC Order #65 authorized DHS to use \$3 million from the Coronavirus Relief Fund for Supports for Behavioral Health and School Linked Mental Health Providers. DHS would use the CRF funds to support behavioral health services providers, including School Linked Mental Health Providers, that serve children and families and who require additional resources due to COVID-19. The funds will be used to support increased costs and business interruptions associated with the pandemic and emergency response and will prioritize families of color and indigenous families as well as low-income families.

On December 4, 2020, MMB submitted a request to revise LAC Order #65 to limit the number of grant rounds to one and to permit grant awards to exceed \$25,000. This revision was approved on December 15. Based on the request we have received from provider organizations, DHS is requesting an extension on the end date of the expenditure time period from December 30, 2020 to January 29, 2021. In the meantime, the Department will work to get the grant awards distributed as quickly as possible.

LAC Order #66

LAC Request #66 authorized \$3.5 million in funding to support the Minnesota civil legal aid network's emergency response to the COVID-19 pandemic, public health emergency, and economic disaster. As the COVID-19 pandemic has created a public health emergency and economic crisis in Minnesota, the Coalition's expertise in legal advocacy for people in poverty is critical to a meaningful statewide response to protect Minnesotans' basic civil and human rights in the face of an unprecedented emergency and disaster. Presently, there is rising demand for civil legal aid all over Minnesota as a direct result of the public health and economic effects of the COVID-19 emergency and disaster. This request extends the request for activities continuing through June 30, 2021.

LAC Request #68

LAC Request #68 authorized grants to eligible grocers. These funds are being administered through a non-competitive grant program by the Minnesota Grocers Association (MGA). MGA has engaged, in partnership with Department of Human Services, in significant outreach to ensure all 2,290 eligible grocers are aware of and able to apply for up to \$500 to offset the cost of a wireless point of sale machine that can process EBT card transactions. Through the implementation, we have learned that there are sometimes operational barriers that grocers need to address prior to apply for the grant (e.g. internet service provider contract changes, availability of equipment for purchase, timeline to get the system operational). Due to these barriers, grocers have not

been able to execute the necessary steps to apply for the funds as quickly as anticipated.

A six month extension, to June 30, 2021, of these funds will ensure that grocers have adequate time to address the operational considerations needed in order to pursue the grants and support these changes. In addition, a timeline extension would enable grocers to get through this very busy time taking into consideration the holiday season and COVID-19 which has hampered implementation efforts and would increase the marketing exposure in diverse communities, enabling more support to smaller format stores as they transition to adding a new mobile system that supports EBT transactions.

LAC Request #81

LAC Order #81 authorized \$20 million to continue and expand community-based testing strategies and implement mobile testing teams for COVID-19 testing sites in the community and in response to hot spots, along with enhanced testing in congregate settings such as long term care, group homes, residential facilities, homeless shelters, and corrections through December 30, 2020. As testing efforts continue across the state, this revision request is to extend funding authority for use of any remaining available balance of these monies after an appropriation reduction of \$2 million due to LAC Request #95 for continued activities through December 31, 2021.

LAC Request #88

LAC Order #88 authorized the Department of Human Services (DHS) to use \$506,000 from the Coronavirus Relief Fund (CRF) to provide grant funding for enhanced homecare and health services for American Indian elders. These funds were requested to provide short term services to help American Indian elders at risk of severe COVID illness stay safe at home. These funds may be used to provide home health monitoring equipment, telehealth support, COVID-safe alternatives for primary care, and support for behavioral telehealth visits. It is expected there will be unspent funds from this authorization on December 30, 2020. Pursuant to the recently enacted federal law, DHS requests the authority to expend these funds be extended through December 31, 2021. This extension will allow the support described in this LAC order to continue.

PROCEDURE FOR LAC REVIEW

The six LAC members have until Monday, January 4, 2021 to provide a recommendation. To expedite the LAC review process, LAC members may respond to this review request directly, recommending their approval or request for further review, instead of waiting the 10-day period.

CC: Bill Marx, House Chief Fiscal Analyst
Eric Nauman, Senate Lead Fiscal Analyst
Nancy Conley, House Ways and Means Committee Administrator
Jessica Young, Senate Finance Committee Administrator