

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

E-12 Education

Education

Universal Free Meals with Community Eligibility Provision (CEP) - Revised

The Governor recommends providing free breakfast and lunch to students attending any registered, certified Minnesota school participating in the National School Lunch Program and School Breakfast Program. Funding will be used on school meals for Minnesota students, as well as administration costs for the Minnesota Department of Education to implement this proposal. Also all eligible schools and districts with an Identified Student Percentage (ISP) of 62.5% or higher will be required to participate in the federal Community Eligibility Provision leading to increased federal funding for school meals. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$450,000 in FY 2022-23 and \$900,000 in FY 2024-25 to support additional outreach and encourage increased participation in child nutrition programs.

General	Expenditures	\$187,419	\$397,433
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Public Pre-K for Eligible 4-Year Old Children - Revised

The Governor recommends full-day, state-funded prekindergarten for the most underserved four-year old children, using a mixed-delivery model comprised of school-based, Head Start, and community-based licensed center and family child care programs. This funding request combined with consolidating existing Pre-K funding streams could serve more than 22,000 young learners and supports the Governor's Due North Education Plan goal of ensuring that every child receives a world class education. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The amount of new funds for the proposal has not changed, but the consolidation of existing funding streams is adjusted.

General	Transfers Out	(\$18,823)	(\$46,080)
General	Expenditures	\$173,823	\$416,080
Other Misc Special Revenue	Transfers In	(\$18,823)	(\$46,080)
Other Misc Special Revenue	Expenditures	(\$18,823)	(\$46,080)

Redefine Early Learning Scholarships for 0-3 Year Old Children

The Governor recommends redefining Early Learning Scholarships by expanding the eligibility and prioritization of scholarships to eligible 0-2 year old children in addition to prioritizing 3-year-old children. This shift recognizes the need to offer supports earlier especially with the youngest infants and toddlers, to support their optimal development while supporting the family's choice in what program they choose to attend.

General	Transfers Out	\$75,000	\$150,000
Other Misc Special Revenue	Transfers In	\$75,000	\$150,000
Other Misc Special Revenue	Expenditures	\$75,000	\$150,000

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Education

Student Support Personnel - Repriced

The Governor recommends funding to address shortages of school support personnel services. This funding will benefit students' social, emotional, academic, and physical health through additional support personnel positions within district and charter schools, as well as dedicated staff at the Department of Education. The department will also implement a workforce development initiative. By increasing support staff across the state, this proposal will help support and strengthen students' academic performance, mental health, and well-being, so they are more prepared for learning. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$215,000 in FY 2022-23 and \$931,000 in FY 2024-25.

General	Expenditures	\$21,740	\$54,003
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School Based Mental Health Screening - Revised

The Governor recommends funding statewide implementation of mental health screening and referral systems in schools by school-based mental health staff, including school administrators, to ensure the mental health and well-being of Minnesota students and staff. Funds will be provided to school districts, charter schools and tribal schools, through a per pupil allocation based on K-12 enrollment count, to obtain professional development on mental health screening of students and school staff well-being self-assessments, procure needed resources and supplies, pay for school staff and time conducting student mental health screening and school staff well-being self-assessments, and other expenses in implementing systems for mental health screening of students and school staff well-being self-assessments. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022, which reflected a capped appropriation instead of a forecast program. The cost of the proposal decreased by \$445,000 in FY 2022-23 and \$894,000 in FY 2024-25.

General	Expenditures	\$9,538	\$19,072
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School-Linked Behavioral Health Grants

The Governor recommends funding for School-Linked Behavioral Health Grants administered by the Minnesota Department of Human Services to address an increased need for community behavioral health services, partially as a result of the COVID-19 pandemic. The funds will be distributed to school-linked behavioral health providers and other behavioral health providers who serve children, youth, and families with young children as well as school staff. The funds may be used to mitigate service interruptions and prioritize in-person services, purchase critical care supplies, cover public health-related training costs, and address the behavioral health needs of communities of color and American Indian communities.

General	Expenditures	\$6,000	\$12,000
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Infant and Early Childhood Mental Health Consultation in Schools

The Governor recommends increased access to infant and early childhood mental health consultation for school-based early childhood programs through grants with the Minnesota Department of Human Services Behavioral Health Division. This would create an early childhood mental health system of care to meet the needs of the state's children by integrating services with local schools and early childhood programs that serve young children and their families. This work already takes place in child care programs with federal funding and has long been demonstrated as a need for schools.

General	Expenditures	\$3,759	\$7,518
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Education

Mental Health Services and Early Childhood Social Workers

The Governor recommends funding for social workers focused solely on early childhood systems, like early intervention, Head Start, and early Head Start. Early care and education can strengthen programs within these systems and improve outcomes for participating children and families.

General	Expenditures	\$2,500	\$5,000
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American Indian History and Culture Relicensure Requirements

The Governor recommends the development and implementation of American Indian history and culture training required for teacher relicensure. This will create a new relicensure requirement specific to American Indian history and culture and fund materials to support teacher training. In order to support teachers in meeting this relicensure requirement, funding will be dedicated to the creation of American Indian history and culture training and the delivery of that training free to Minnesota educators. This includes design and development for this training, statewide training for educators, and funding for the training materials, as well as certification of new trainers.

General	Expenditures	\$86	\$120
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Increase Funding for Grow Your Own

The Governor recommends increasing funding for the Grow Your Own program, as well as creating new Grow Your Own programs for early childhood education professionals, and targeting licensure shortage areas. Grants for Grow Your Own programs develop a teaching workforce that more closely reflects the state's increasingly diverse student population and ensure all students have equitable access to effective and diverse teachers. Funds are used for scholarships or stipends for adults to pursue a teaching license or for secondary students to explore teaching careers, and may be used to reimburse aspiring teachers for teacher licensure fees and teacher licensure exams in an effort to reduce financial burden and increase access to the teaching profession, with a specific focus on Indigenous individuals and individuals of color participating in the program.

General	Transfers Out	\$21,725	\$39,450
Other Misc Special Revenue	Transfers In	\$21,725	\$39,450
Other Misc Special Revenue	Expenditures	\$21,725	\$39,450

Statewide Teacher Mentoring Program

The Governor recommends the creation of statewide teacher induction and mentoring program. This program will improve the experiences of early career teachers, teachers new to buildings, and Indigenous teachers and teachers of color, encouraging them to remain in the profession and thrive as professional educators. Funds will be used for grants to regional partners, such as institutions of higher education or professional organizations, to provide mentoring support for new teachers as well as training, technical assistance, and networks or communities of practice for local new teachers. Funding will also be used for contracts with national content experts and research collaboratives to assist in developing Minnesota's induction model and to evaluate the program over time.

General	Expenditures	\$5,500	\$11,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Education

Educator Career Pathways

The Governor recommends the development of a career pathway for students interested in pursuing education-related professions. Funding will be used for development of rigorous middle and high school coursework in partnership with districts and charter schools, development of an apprenticeship program, grants for school districts to launch education and training career pathway programs, and grants for school districts and charter schools to incentivize high school teachers to obtain credentials for teaching concurrent enrollment.

General	Expenditures	\$5,000	\$10,000
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Recruit and Retain Education Support Professionals

The Governor recommends increased training for education support professionals serving students receiving special education services. It would provide all education support professionals working primarily in special education with 20 hours of special education focused professional development annually, as well as paying the exam fee for individuals who may qualify for these positions in Minnesota schools.

General	Expenditures	\$15,000	\$30,000
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Aspiring Teacher Retention Bonuses

The Governor recommends funding for teacher retention bonuses for teachers new to the profession, with priorities for teacher candidates of color and American Indian teacher candidates, teachers filling licensure shortage areas, or low-income teachers. The requested funds would provide retention bonuses to approximately 460 newly licensed, first-time teachers as they progress through their first three years in the profession.

General	Expenditures	\$3,750	\$7,500
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Early Childhood Family Education Teacher Licensing Support

The Governor recommends funding for student scholarships to the University of Minnesota's Parent and Family Education program to help address a shortage in licensed parent and family educators. The scholarships will be used for students from rural areas and/or students from traditionally underrepresented communities. The direct result would be an estimated 15 additional licensed parent and family educators.

General	Expenditures	\$177	\$177
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General Education Formula Increase of 2 Percent for FY 2023 - Repriced

The Governor recommends increasing the general education basic formula by 2 percent in FY 2023. The per-pupil formula would increase by \$137, from \$6,863 to \$7,000 in FY 2023 and later. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$1.831 million in FY 2022-23 and \$3.342 million in FY 2024-25.

General	Expenditures	\$133,590	\$300,548
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Education

Reduce Financial Burden for Aspiring Teachers

The Governor recommends reducing the financial burden for aspiring teachers by paying costs of the Minnesota Teacher Licensure Exam and the First Professional Teacher License fees for graduates in the spring 2022 through spring 2025.

General	Expenditures	\$2,275	\$4,550
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Reduce English Learner Cross-Subsidy - Repriced

The Governor recommends funding to increase English learner (EL) aid and lower the EL cross-subsidy more than eight percentage points to 59.3 percent of all EL expenditures. The EL funding formula was enacted in 2003 and has remained flat while costs increased. This proposal is partially offset by eliminating the existing separate \$2 million annual EL cross-subsidy reduction aid for FY 2023-25 and allocating those funds to this ongoing cross-subsidy reduction. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$23,000 in FY 2022-23 and increased by \$182,000 in FY 2024-25.

General	Expenditures	\$11,895	\$27,889
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Multi-Tiered Systems of Support

The Governor recommends reinforcing systemic approaches to meet the needs of all students and ensure all schools effectively implement multi-tiered systems of support that deliver evidence-based academic, social, emotional, and physical health services based on targeted, individual needs of students. Funding would be used to support the six Regional Centers of Excellence, the Early Childhood Special Education Centers of Excellence, and Minnesota Service Cooperatives in training, technical assistance, and coaching to districts, as well as establishing validated practices across the early learning continuum. Additional funds will be used to defer costs for school and district personnel to participate in cohort activities and other learning activities including stipends, costs for substitute teachers, materials, travel expenses, etc.

General	Expenditures	\$15,000	\$30,000
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Expand Competency-Based Education

The Governor recommends expansion of competency or standards-based approach to education, using evidence-based models that focus on what students know and are able to do, rather than the traditional A-F model. Funds will be used for professional development of staff, family engagement, and increasing the Minnesota Department of Education's capacity to implement this proposal.

General	Expenditures	\$6,648	\$3,352
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Education

Expand Rigorous Coursework

The Governor recommends expanding rigorous coursework, such as Advanced Placement, Career and Technical Education or International Baccalaureate, to foster opportunities for Indigenous students, students of color, students with disabilities, and students in greater Minnesota to prepare and train for career and college. Funds will be used for grant programs to support regional partnerships and statewide programs to support professional development for high school teachers to develop and expand offerings for these types of courses. A second grant program will support rigorous course expansion and career and technical education programs for school districts and charter schools.

General	Expenditures	\$10,000	\$20,000
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Increase American Indian Education Aid Base Funding - Revised

The Governor recommends increasing the base funding for American Indian Education Aid program (AIEA). Districts, charter schools and tribal schools that report an American Indian student count of 20 or more to the Minnesota Department of Education (MDE) are eligible to participate in the AIEA program. This program uses the state American Indian student count along with a per-pupil funding formula to determine aid award estimates. Currently 170 districts participate in the program across the state. This recommendation reflects a correction to the fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$824,000 in FY 2024-25.

General	Expenditures	\$3,120	\$7,064
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BOLD Literacy

The Governor recommends funding to effectively implement the Minnesota BOLD: A Birth–Grade 12 Action Plan for Literacy Achievement. Minnesota BOLD will increase the equitable access to effective literacy experiences for all students by ensuring school leaders and educators are trained in the Science of Reading; support effective implementation and measurement of instructional practices aligned to state standards; utilize data literacy to inform instruction, educator development, evaluate resource deployment and policy, and employ intentional family and community engagement strategies.

General	Expenditures	\$5,000	\$10,000
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Culturally Specific Learning Opportunities

The Governor recommends funding to expand opportunities for culturally-specific learning opportunities in schools and communities across the state for Minnesota students. This grant program will provide funds for schools to build out class offerings and support for implementing course work focused on culturally specific education opportunities. These grants could form partnerships between community organizations and schools for programming to design and offer culturally specific learning opportunities that offer critical thinking and engagement in learning.

General	Expenditures	\$5,000	\$10,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Education

Increase Career Technical Education (CTE) Revenue - Repriced

The Governor recommends changes to Career and Technical Education (CTE)-related policies, additional funding for schools providing CTE, and the creation of a new student transportation reimbursement program to support the additional costs of transporting students enrolled in work-based learning experiences. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$25,000 in FY 2022-23 and decreased by \$53,000 in FY 2024-25.

General	Expenditures	\$573	\$7,250
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Expand Supplemental Enrollment

The Governor recommends that the legislature amend statute to allow broader access to public education through supplemental courses offered by state-approved online providers. The funds requested will allow students enrolled in students in Bureau of Indian Education (BIE) Schools to access supplemental Online Learning (OLL) courses from state approved OLL providers.

General	Expenditures	\$3	\$6
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Paid High School Equivalency Test

The Governor recommends funding to allow any Minnesotan to take a commissioner-approved high school equivalency assessment for free. A full high school equivalency assessment battery can cost up to \$144. The funding would purchase high school equivalency assessments through approved test vendors.

General	Expenditures	\$345	\$690
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Additional State Funding to Special Education Separate Site and Programs

The Governor recommends funding to provide additional services that students with disabilities with the highest needs require, and which are not sufficiently met with state and federal special education funds, in special education separate schools, sites and programs (Special Education Settings 4 and higher).

General	Expenditures	\$5,071	\$11,316
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Reduce Funding Disparities for Young Children with Disabilities

The Governor recommends amending statute to ensure that young children with disabilities have equal access and equitable funding as their general education peers and are enrolled in general education funded programs. This recommendation includes changing the average daily membership calculation for kindergarten students with a disability by making it the same as the calculation for other kindergarten students. Additionally, this recommendation includes making changes to the eligibility of English language learner and school breakfast programs to include early childhood special education.

General	Expenditures	\$683	\$1,645
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Education

Specific Learning Disability (SLD) Criteria Change and Multi-Tiered System of Support (MTSS)

The Governor recommends updating the policy and state rule to update the rule to remove the option for discrepancy route to eligibility along with other language changes to update and align with other state and federal language, as well as supporting districts to implement the rule changes. Minnesota policy would then be aligned to current and evolving evidence-based practices in identification. Funds are requested to operationalize changes to existing criteria, and to provide training, guidance, and evaluation on those policy changes, once implemented.

General	Expenditures	\$540	\$1,080
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Provision of Special Instruction

The Governor recommends extending special instruction and services for students with a disability until age 22, consistent with federal law. This proposal results in additional special education costs because students remain eligible for services up to a year longer than they would under current law. This proposal will allow for students age 20 and 21 to have more time to achieve goals and improve daily living skills.

General	Expenditures	\$3,661	\$7,367
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Establishment of Visually Impaired (VI) Graduate Program

The Governor recommends establishing a Visual Impairment (VI) graduate program within the State of Minnesota. Providing qualified teachers for the blind and visually impaired will ensure equitable access to education for all students, and contribute to Minnesota being a top place to live and for each and every child to grow up. After the initial phase of external funding, the program would be sustainable via tuition recapture.

General	Expenditures	\$700	\$1,400
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Intermediate School District Mental Health Innovative Grant Program

The Governor recommends funding to establish a temporary program to improve mental health outcomes for youth attending an intermediate school district or service cooperative that provide instruction to students with disabilities in a setting on federal instructional level four or higher. This program is closely modeled after a state-funded grant program administered by the Minnesota Department of Human Services in 2018. The proposal would provide funding for contracts with a qualified responders to perform the tasks and services to support mental health for students attending intermediate districts.

General	Expenditures	\$4,900	\$0
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Intermediate District Support

The Governor recommends funding for grants to the five intermediate districts within Minnesota for the purpose of establishing and maintaining a full-service community school model, and providing professional development to teachers and staff. This is a new grant program closely aligned with Minnesota's existing competitive full-service community school grant program, but it builds off of a prior professional development grant model.

General	Expenditures	\$1,000	\$2,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Education

Expand Targeted Services

The Governor recommends a revision to Minnesota statute to include all students placed in residential programs during the summer, excluding those that already generate extended time revenue, to be eligible to generate extended time revenue for the instruction they receive. Extended time revenue allows a school district to count a student for the time spent in extended day, extended week, or summer school. Currently only students enrolled in state-approved alternative programs and two residential programs in Willmar are eligible to generate extended time revenue for summer instruction. This addition is expected to increase the number of students currently generating extended time revenue by about 1,200 students resulting in higher state funding to school districts.

General	Expenditures	\$900	\$2,000
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Special Education Life Skills & Vocational Skills Secondary Transition Programs

The Governor recommends additional state funding to improve the capacity of special education secondary transition programs, serving 18 to 21 year old students with disabilities, to provide life skills and vocational skills instruction. Funds will be used for grants for up to 25 school districts, charter schools or tribal schools, with allowable expenditures of the funding to include: hiring or contracting instructional and support staff; procuring instructional resources; providing needed assistive technology, job coaching and other supports for employment; and technology to instruct and improve life skills and vocational skills of students with disabilities age 18-21.

General	Expenditures	\$1,000	\$2,000
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Reduce Special Education Cross-Subsidy - Repriced

The Governor recommends cross-subsidy reduction aid be increased to reduce the state total cross-subsidy per average daily membership (ADM) to \$790. The special education cross-subsidy refers to general education funding that is used to pay for special education costs. This would be accomplished by increasing the cross-subsidy reduction aid from 6.43 percent to 12.14 percent of the cross-subsidy in FY 2023 and later years. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$1.857 million in FY 2022-23 and \$1.694 million in FY 2024-25.

General	Expenditures	\$47,516	\$112,224
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Out of School Time / Community Partnership

The Governor recommends funding for grants to community organizations to support youth engagement and youth employment and training. A portion of the funding would also be used to provide training and technical assistance to the community-based organizations receiving grant funds so that they can engage in best practices and effectively implement evidence-based programming.

General	Expenditures	\$7,000	\$14,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Education

After School Grant Programs

The Governor recommends funding to reestablish the After School Community Learning grant program that expired in FY 2009, in order to meet the needs for expanded learning opportunities in communities across the state. Included are changes to the existing statute to include funding to support organizational capacity building and professional development activities. The funding will provide grants that connect schools and communities so that they can offer afterschool programs that meet the need of students and their families. Funding would be used for a contract with Ignite Afterschool to build a state-wide system of support so that all afterschool program providers have access to professional development and technical assistance.

General	Expenditures	\$5,000	\$10,000
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Full Service Community Schools

The Governor recommends funding to expand and sustain the full-service community schools grant program. This will broaden community engagement and access to wrap-around supports in school and local communities. The grants will be structured to support schools with either creating a plan to implement the full-service community school model or, for schools that already have a plan in place, to fund a full-service community school coordinator.

General	Expenditures	\$5,000	\$10,000
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Adult Basic Education Funding Growth - New

The Governor recommends adding a factor to the Adult Basic Education (ABE) growth formula that would allow ABE funding to grow at the same rate as the general education basic formula allowance. This will add an additional factor by which state ABE funding could increase, which helps ensure that state ABE funding keeps up with inflationary increases. ABE funding growth would still be capped at a 3 percent maximum per year, as under current law.

General	Expenditures	\$1,152	\$2,540
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Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota. Funds provided to the Department of Education would be used to identify model programs that may be used to educate middle and high school youth on the health effects on children and adolescents of cannabis use and substance use.

General	Expenditures	\$59	\$58
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Online Learning Application Fee Spending Authority

The Governor recommends that the Legislature grant the Minnesota Department of Education authority to spend the revenue that is generated by the online program fees authorized in section 124D.095, subd. 7(d) . Currently the agency has the authority to collect this fee, but not to spend it. The revenue will be used for research partnerships with organizations to improve the quality of programs, stipends to outside experts to validate and support program applications and reviews, and travel expenses for the Online Learning Specialist to meet on site with staff planning an Online Learning program.

Restrict Misc Special Revenue	Expenditures	\$26	\$6
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Education

Expanded Use of Head Start Funds

The Governor recommends expanding the use of Head Start state funds currently to allow Head Start programs to build internal program operations, infrastructure and reconfigure facilities in order to increase their capacity overtime to serve more children across the state. Currently, state statute requires Head Start programs to use state funds to support minimum funded enrollment. This proposal will allow a program to determine based on their community needs if they will use state Head Start funds to fund program operations, infrastructure and facility reconfiguration or serve additional children.

General	Expenditures	\$0	\$0
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Tribal Head Start Set-Aside

The Governor recommends designating 10.72% of the total Head Start annual allocation to Tribal Head Start programs, where the funds will be divided among the federally designated tribal Head Start programs. This proposal will not change how Head Start state funds are allocated to non-tribal or migrant/seasonal Head Start programs.

General	Expenditures	\$0	\$0
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ABE Hold Harmless Formula Clarification

The Governor recommends a statutory clarification of the Adult Basic Education (ABE) funding growth formula, ensuring continued funding for ABE at current levels.

General	Expenditures	\$0	\$0
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Compensatory Spending at Generating Site

The Governor recommends increasing the amount of compensatory revenue that must be spent on qualifying programs at the generating sites from 50 percent to 80 percent. This proposal ensures that a higher proportion of the revenue is spent on programs serving students at the sites generating the revenue, while still providing the district with some flexibility to support programs for under-prepared and under-performing learners across the district.

General	Expenditures	\$0	\$0
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Technical Correction: Require Q Comp Funds to be Spent on ATPPS

The Governor recommends a technical correction to ensure that districts continue to expend unused Q Comp funding only on uses within the Alternative Teacher Professional Pay System program. This technical change will allow the Minnesota Department of Education to ensure that funds are not used for unintended purposes.

General	Expenditures	\$0	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Education

Clarifying Intended Recipients of American Indian Education

The Governor recommends refining the uses for American Indian Education Aid to clarify that aid must be prioritized on programming and services for American Indian children. The change would dedicate existing funding to educational programming for American Indian students in Minnesota.

General	Expenditures	\$0	\$0
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Link Programs to General Education Formula Allowance

The Governor recommends linking certain categorical programs to the general education basic formula allowance beginning with FY 2024. The programs include English Learner, Local Optional Revenue, Extended Time Revenue, American Indian Education Aid, and Long-Term Facilities Maintenance. There are no costs to this recommendation; however, additional costs would occur if formula allowance increases are enacted in future years.

General	Expenditures	\$0	\$0
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Align Student Eligibility Criteria to State-Approved Alternative Programs

The Governor recommends that the eligibility criteria to participate in a State-Approved Alternative Program be simplified to more intentionally focus the state's resources for underserved youth to progress to graduation from high school. Students who are actually not on track to graduate will benefit as the resources will be more targeted towards their needs.

General	Expenditures	\$0	\$0
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Increase Earnings Limitation for Retired Teachers

The Governor recommends increasing the Teachers Retirement Association (TRA) earnings limitation for retired teachers thereby allowing former teachers to spend more time in the classroom and fill full-time and substitute vacancies that are occurring from the teacher shortage.

Teachers Retirement	Expenditures	\$10	\$0
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Prof Educator Licensing Std Bd

Educators Online Licensing System

The Governor recommends funding to ensure the Professional Educator Licensing and Standards Board can review and approve educator licensing applications in a timely and effective manner. The first year project plan consists of enhancements to the Educator Licensing system that will improve user experience and ease challenges with processing educator license applications. Ongoing costs would fund system upgrades and fixes, which include many licensing enhancements not able to be completed in the first year.

General	Expenditures	\$660	\$728
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Higher Education

Higher Education, Office of

Underrepresented Student Teacher Grant (USTG)

The Governor recommends increased funding to expand and administer the Underrepresented Student Teacher Grant program. This program seeks to reduce the financial barriers eligible students from underrepresented communities face when completing a required 12-week student teaching experience by providing a grant of up to \$7,500. These experiences often require students to leave their current employment or reduce their hours in order to complete their student teaching requirement (usually unpaid). As a result, individuals may not complete a teacher preparation program because they are not financially able to provide for themselves or their families during this 12-week period without any income. The current appropriation is insufficient to award all eligible students at the maximum award amount.

General	Expenditures	\$800	\$1,600
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Student Teachers in Shortage Areas (STSA)

The Governor recommends increased funding to expand and administer the Student Teachers in Shortage Areas grant program. The program provides postsecondary financial assistance to eligible students enrolled in Minnesota teacher preparation programs who are working in teaching shortage areas. Awarded students receive grants of up to \$7,500 during the term in which they are completing their required student teaching experience. These grants reduce financial impact to students who must leave or reduce employment to complete student teaching. The current appropriation for this program is not sufficient to award all eligible students at the maximum award amount.

General	Expenditures	\$3,000	\$6,000
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Teacher Shortage Loan Repayment Expansion and Increase

The Governor recommends increased funding to expand and administer the Teacher Shortage Loan Repayment program. The Teacher Shortage Loan Repayment program provides student loan debt relief, in the form of annual repayment awards for up to five years, to eligible teachers working in designated teacher shortage areas. There is currently greater demand than the existing appropriation can support. For FY 2022, the Office of Higher Education received 440 applications from eligible teachers; however, OHE anticipates only awarding 194 at the existing appropriation levels.

General	Expenditures	\$700	\$1,400
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College Application Fee Waiver Grants

The Governor recommends funding a pilot program to eliminate college application fees for undergraduate post-secondary applications through the College Application Fee Waiver program. Funds for this program will be used to coordinate and administer a pilot program to waive application fees for Minnesota's public, private non-profit, and tribal colleges.

General	Expenditures	\$10,000	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Higher Education, Office of

Student Parent Center Grants

The Governor recommends funding to establish and administer the Student Parent Center Grant program. The program provides campus support and resources to address the unique needs of expectant and parenting college students. Specifically, the funds will provide competitive grants to create new programs and build capacity of existing programs. Student parents face multiple barriers to college enrollment, persistence, and completion. Research shows that they benefit from holistic supports including specialized advising, intentional creation of cohorts and support groups, access to and assistance with navigating applications for public benefits programs, and campus-based programs like career and personal counseling. The challenges facing expectant and parenting students were further magnified by the COVID-19 pandemic, and the re-enrollment and new enrollment rates for this population have markedly declined since March 2020.

General	Expenditures	\$6,925	\$12,380
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Emergency Assistance for Postsecondary Students (EAPS)

The Governor recommends increased funding to expand and administer the Emergency Assistance for Postsecondary Students grant program. The program provides financial resources to students experiencing unexpected immediate financial hardships that may prevent them from continuing their post-secondary education. In FY 2022, OHE received significantly more applications than the current appropriation could support. The increased appropriation will meet existing demand and expand the number of institutions participating in the EAPS program.

General	Expenditures	\$731	\$1,362
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State Grant Modifications - Revised

The Governor recommends increased investments in the State Grant program by modifying eligibility requirements. This recommendation promotes continued affordability of Minnesota's postsecondary education system for low-wage working adults and middle-income families. More than 40% of State Grant recipients are students of color and Indigenous students. Specifically, this proposal modifies the program eligibility requirements in two ways: 1. Under this proposal, only credits in which the student has received State Grant aid by term will count toward their lifetime eligibility. 2. Allowing students to qualify for a State Grant for up to 10 semesters or equivalent of grant receipt. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022, due to the Office of Higher Education February projection calculation revision. The cost of the proposal decreased by \$1.9 million in FY 2022-23 and \$3.8 million in FY 2024-25.

General	Expenditures	\$14,814	\$48,504
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Tribal College Supplemental Grant Assistance Program Expansion

The Governor recommends increased funding to expand and administer the Tribal College Supplemental Grant Assistance Program to support Minnesota tribal colleges by defraying the costs associated with all Minnesota resident students regardless of their status as enrolled members of federally recognized Indian tribes. Minnesota's tribal colleges are valuable assets to their tribes, local communities, and the State. This proposal seeks to align the funding for Minnesota Tribal Colleges with the per FTE state support of Minnesota public institutions.

General	Expenditures	\$1,700	\$3,400
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Higher Education, Office of

Additional Funding For Dual Training Competency Grants

The Governor recommends additional funding to expand and administer the Dual Training Competency Grant (DTG) Program and the Department of Labor and Industry Pipeline Program. The additional funding will allow the programs to meet existing demand and expand eligibility to the Childcare/Early Childhood Education and Transportation industries. The DLI Pipeline Program works with industry councils to identify competency standards necessary for employment in specific occupations. The DTG program helps employers fill critical vacancies, provide training for their workforce, and support trainees in earning industry-recognized degrees, certificates, or credentials. Specifically, the program reimburses grantees for the costs of tuition, fees, required books, and required materials of their dual trainees.

General	Expenditures	\$2,000	\$4,000
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Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for the Office of Higher Education. The Office of Higher Education would receive funding for the Dual Training Grant program fund for grants to employers in the legal cannabis industry for dual training competency programs.

General	Expenditures	\$500	\$1,000
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Fostering Independence Higher Education Grants Admin Costs

The Governor proposes this change to address a technical error within the Fostering Independence Higher Education Grants created during the 2021 1st Special Session. Specifically, the amount appropriated by the legislature (Minnesota Session Laws, 2021 1st Special Session, Chapter 2, Sec. 2, Subd. 36), as denoted in the fiscal note, included the program administrative costs in FY23; however, language permitting OHE to use these funds was accidentally omitted in the appropriation bill. This change item does not result in increased expenditures, rather it adds the necessary language for OHE to use the funds appropriated for administrative expenses in FY23 as originally intended.

General	Expenditures	\$0	\$0
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Continuing CNA Training Program - New

The Governor recommends increased funding to the Minnesota State HealthForce Center of Excellence to continue educating and training Certified Nursing Assistants (CNA) across the state. Specifically, the Office of Higher Education will contract with the HealthForce Center of Excellence to provide grant funding to cover the up-front costs necessary for students to be trained and certified as CNAs. This funding will build upon the existing work being conducted by HealthForce which was funded with American Rescue Plan funding at the start of 2022. Funding will be used to pay for instruction, training, testing, and certification costs, as well as administrative resources for the agency and Minnesota State for program implementation and coordination.

General	Expenditures	\$6,684	\$13,368
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

University Of Minnesota

Increase Access to the University: Reduce Cost of Attendance Burden for Minnesota Residents

The Governor recommends funding to address the University of Minnesota's goals to attract, educate, and graduate students and to reduce financial barriers to student achievement. This proposal seeks to achieve that goal by targeting aid to those students who most need support to offset tuition, fees, and other costs of attendance items, as well as creating a new scholarship program specifically supporting students from Greater Minnesota system campuses.

General	Expenditures	\$38,000	\$64,000
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Increase Access to the University: Enhanced Student Services

The Governor recommends funding for the University of Minnesota to address growing need for increased student supportive services. The University's systemwide strategic plan outlines specific goals to increase student outcomes including retention, graduation, mental health, and campus climate while addressing equity gaps that exist for low-income and Black, Indigenous, People of Color students. At current funding levels it does not have the financial capacity to fully respond to student demand for services related to personal well-being and academic success, which have increased during the COVID-19 pandemic.

General	Expenditures	\$5,000	\$10,000
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Minnesota State

Campus Responsiveness and Stabilization

The Governor recommends support for Minnesota State campuses with the operating funds they need to continue offering high-quality, affordable higher education programs throughout the state. The funding in this proposal would provide additional operating funds to support Minnesota State's core education programs in light of COVID-19 disruptions.

General	Expenditures	\$24,000	\$48,000
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Equity and Affordability Directly Supporting Students' Critical Needs

The Governor recommends funding to address critical needs that stand in the way of college and university students pursuing and completing their educational programs. This proposal will protect access and affordability for students; will provide all Minnesota State students with access to a variety of mental health support options; will address workforce gaps through innovative career, technical, and professional programming serving business and industry; and will provide all Minnesota State students with access to a statewide basic needs resources hub to connect to resources on campus, in the local community, and nationally.

General	Expenditures	\$15,000	\$30,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Property Tax Aids and Credits

Tax Aids, Credits and Refunds

Direct Payments to Minnesotans - Revised

The Governor recommends a one-time direct payment to Minnesotans. The one-time payment would equal \$1,000 for married joint and head of household filers and \$500 for single and married separate filers. To be eligible for the payment, a taxpayer must have filed either a 2020 income tax return by October 15, 2021 or a 2020 property tax refund by December 31, 2021. Returns with some income in the top income tax bracket would not be eligible. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$1.3 billion in FY 2022-23 as direct payments to filers increased.

General	Expenditures	\$2,004,600	\$0
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Minnesota's Response to Federal Tax Changes - Repriced

The Governor recommends conforming to provisions in several federal acts including: the Further Consolidated Appropriations Act (2019); the Families First Coronavirus Response Act (2020); the Coronavirus Aid, Relief and Economic Security Act (2020); the Consolidated Appropriations Act (2021); the American Rescue Plan Act (2021); the Infrastructure Investment and Jobs Act (2021). Adopting federal changes helps to ensure Minnesota's tax system is stable, predictable, and reduces complexity. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$1.8 million in FY 2022-23 and by \$2 million in FY 2024-25.

General	Revenues	(\$94,880)	(\$30,580)
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Expand the K-12 Education Credit - Repriced

The Governor recommends changing the income eligibility for the K-12 credit to use federal adjusted gross income rather than total household income, expanding the number of households that can qualify for the credit, and simplifying the calculation. Additionally, the recommendation increases the phase-out threshold from \$33,500 to \$70,000 in tax year 2022, and adjusts the threshold annually for inflation beginning in tax year 2023. The K-12 credit and subtraction can help lower families' taxes when eligible expenses are made on educational products and materials. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$300,000 in FY 2024-25.

General	Revenues	(\$12,200)	(\$26,000)
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Expand the Child and Dependent Care Credit - Repriced

The Governor recommends updates to the child and dependent care credit including increasing the phase-out threshold from \$53,100 to \$70,000, removing the marriage requirement to claim the newborn credit, and increasing the credit by 30% over the federal tax credit (but not in excess of actual expenditures) for taxable years 2022 and 2023. These recommendations will allow more taxpayers to qualify for the credit and will temporarily increase the amount of the credit. The Minnesota child and dependent care credit helps offset certain care expenses for one or more qualifying persons. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$400,000 in FY 2024-25.

General	Revenues	(\$17,900)	(\$26,500)
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Tax Aids, Credits and Refunds

Exempt Government and Nonprofit Construction from Sales and Use Tax - Repriced

The Governor recommends providing a sales tax exemption for building, construction, reconstruction materials, and supplies used or consumed in, and equipment incorporated into, buildings or facilities used principally by local governments and nonprofits. Contractors, subcontractors, and builders would pay the tax at the time materials are purchased, and the local governments and nonprofits would submit a tax refund claim to the Department of Revenue. As this recommendation reduces state sales tax, there is an impact to the legacy funds. This recommendation reflects a repriced fiscal impact from the original Governor’s recommendation, released January 2022. The cost of the proposal increased by \$1.9 million in FY 2022-23 and by \$4.190 million in FY 2024-25.

General	Revenues	(\$96,700)	(\$145,790)
Outdoor Heritage	Revenues	(\$1,841)	(\$2,776)
Arts & Cultural Heritage	Revenues	(\$1,102)	(\$1,661)
Clean Water	Revenues	(\$1,841)	(\$2,776)
Parks and Trails	Revenues	(\$795)	(\$1,199)

Establish Public Safety Aid to Local Governments - Repriced

The Governor recommends establishing an ongoing aid to cities, counties, and tribal governments to supplement public safety spending. Aid will be distributed based on population. It is assumed that this aid will offset local property taxes. This recommendation reflects a repriced fiscal impact from the original Governor’s recommendation, released January 2022. The cost of the proposal increased by \$40,000 in FY 2024-25.

General	Revenues	\$0	\$2,040
General	Expenditures	\$100,000	\$194,780

Establish Soil and Water Conservation District Aid

The Governor recommends providing local aid to support the operations of Soil and Water Conservation Districts statewide. The Department of Revenue would administer these grants in conjunction with the Board of Soil and Water Resources. This program would provide reliable and ongoing state funding for Soil and Water Conservation Districts, replacing one-time appropriations from the clean water fund.

General	Expenditures	\$22,000	\$44,000
Clean Water	Expenditures	(\$12,000)	\$0

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Tax Aids, Credits and Refunds

Working Family Credit Expansion for Individual Taxpayer Identification Numbers (ITINs)

The Governor recommends expanding the working family credit to include taxpayers who file a return using an individual taxpayer identification number (ITIN) as opposed to a social security number. The Internal Revenue Service issues ITINs in lieu of social security numbers to individuals who are required to file a federal tax return but are not eligible for a social security number. Under current law, a taxpayer must generally be eligible for the federal earned income tax credit in order to receive the state working family credit. Taxpayers filing an income tax return with an ITIN are not eligible for the federal credit, and therefore cannot receive the working family credit. Under the proposal, individuals with a valid ITIN who are otherwise eligible for the working family credit could qualify.

General	Revenues	(\$9,800)	(\$20,800)
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Expand Homestead Benefits to Taxpayers with Individual Taxpayer Identification Numbers (ITINs)

The Governor recommends allowing property owners to qualify for homestead classification by providing an individual taxpayer identification number (ITIN) to an assessor. The Internal Revenue Service issues ITINs to individuals who are required to file a federal tax return but who are not eligible for a social security number. Under the proposal, property owners with a valid ITIN could apply for (and receive) homestead classification. As a result, more taxpayers could qualify for homestead status and the homestead property tax refund.

General	Expenditures	\$0	\$3,600
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Angel Tax Credit

The Governor recommends additional funding for the angel investment tax credit. This program provides a tax credit to investors or investment funds that put money into early stage companies focused on high growth technology, a new proprietary technology, or a new proprietary product, process, or service in specified fields.

General	Revenues	(\$7,000)	(\$10,000)
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Increase Income Threshold for Senior Citizen Property Tax Deferral

The Governor recommends increasing access to the senior citizen property tax deferral program by increasing the income threshold from \$60,000 to \$75,000 beginning with property taxes payable in 2023. This program allows eligible senior citizens to postpone paying a portion of their homestead property taxes and special assessments, allowing more seniors to stay in their homes. The state reimburses counties for the property taxes deferred each year.

General	Net Loan Activity	\$0	\$180
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Tax Aids, Credits and Refunds

Update Agricultural Land Property Tax Classification to Include Hemp - Repriced

The Governor recommends clarifying the definition of agricultural product to include hemp, making land that is used to produce hemp eligible for the 2a agricultural land classification for property tax purposes. This is assumed to increase state-paid property tax refunds, homestead market value credits and school building bond agricultural credits. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$10,000 in FY 2024-25.

General	Expenditures	\$0	\$60
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Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for tax revenues. Adult-use cannabis will be subject to a new 10% gross receipts tax and state sales tax. A new Cannabis Management Office would be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation also includes funding for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis.

General	Revenues	\$0	\$63,900
Outdoor Heritage	Revenues	\$0	\$462
Arts & Cultural Heritage	Revenues	\$0	\$276
Clean Water	Revenues	\$0	\$462
Parks and Trails	Revenues	\$0	\$200

Frontline Worker Pay

The Governor recommends resources from the state fiscal recovery fund to provide one-time payments of \$1,500 per person to frontline workers of the COVID-19 pandemic. The recommendation includes general fund appropriations for administering the payments for the Departments of Labor and Industry, Revenue, and Employment and Economic Development.

ARP-State Fiscal Recovery	Expenditures	\$1,000,000	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Health and Human Services

Human Services

Workforce Revitalization - Revised

The Governor recommends revitalizing the state's disability, substance use disorder, housing, and older adult workforce by incorporating multiple strategies to retain and attract the workforce. This proposal establishes a workforce incentive fund to cover retention payments, post-secondary costs, transportation, and child care costs. Employers can apply for grants to deliver these incentives to employees who have been employed for six months or longer and who meet certain wage thresholds. The proposal also recommends ongoing provider rate increases for the Personal Care Assistance (PCA) and Community First Services and Supports (CFSS) programs. Lastly, this proposal includes funding to improve Direct Support Connect and to expand the Culture of Safety Initiative. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$19.984 million in FY 2022-23 and \$79.289 million in FY 2024-25.

General	Expenditures	\$135,208	\$79,289
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Workforce Revitalization: Behavioral Health Workforce and Support - New

The Governor recommends funding a combination of strategies to support the Behavioral Health Workforce. This proposal funds the cost of interns and clinical trainees' supervision, reimburses staff for master's degree tuition costs, and funds licensing and exam fees by adding funding to the Cultural & Ethnic Workforce Infrastructure Grants (CEMIG) and creating a new provider grant. This proposal also provides a grant program to fund training for mental health, recovery and family peers to expand the peer workforce. Drawing upon lived experience, peer services compliment clinical services through advocacy and promotion of personal responsibility, self-awareness, and hope. Lastly, this proposal creates a Workforce Incentive Fund grant specifically for mental health providers to fund workforce-related costs.

General	Expenditures	\$31,298	\$22,680
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Responding To COVID-19 In Minnesota Health Care Programs - New

The Governor recommends a series of investments to manage the state's return to normal eligibility procedures in the medical assistance and MinnesotaCare programs after the end of federal public health emergency. The current extension of the emergency ends in April 2022. These changes are designed to minimize disruptions in coverage Minnesotans experience. This recommendation would provide statutory authority to stagger medical assistance renewals over 12 months after the public health emergency ends, extend the suspension of periodic data matching from 6 to 12 months after the public health emergency ends, temporarily bar the collection of MA-EPD premiums, and provide a 95 day window for individuals to spenddown assets accrued during the pandemic. This proposal also provides additional funds for health care navigators, and funds a contract to manage communications between the state and lead agencies regarding the unwinding of the public health emergency.

General	Expenditures	\$7,454	\$2,719
Health Care Access	Expenditures	\$2,000	\$1,000

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Increasing Health Care Affordability for Minnesotans - Repriced

The Governor recommends creating a MinnesotaCare buy-in. This allows individuals whose incomes are too high to be eligible for regular MinnesotaCare to purchase into the program. This recommendation also seeks to strengthen the state's existing public health care programs and improve the enrollee experience by making systems improvements that will be necessary to implement the buy-in and other recommended changes, establishing funding for community-driven health care improvements, and simplifying the MinnesotaCare premium scale to maintain the current American Rescue Plan Act (ARPA)-reduced premiums past the end of 2022. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$208,000 in FY 2022-23 and \$1.368 million in FY 2024-25.

Health Care Access	Expenditures	\$48,033	\$99,311
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Coverage for Undocumented Children - Repriced

The Governor recommends expanding the MinnesotaCare program to provide coverage to undocumented children under the age of 19 beginning January 1, 2024. This state-only funded MinnesotaCare expansion is estimated to provide health care access for an average of 1,700 additional children. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$1.787 million in FY 2024-25.

Health Care Access	Expenditures	\$1,591	\$13,963
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Provide Continuous MA Eligibility for Children Under 21 - Revised

The Governor recommends expanding Medical Assistance (MA) eligibility for children under 21 to offer children 12 months of continuous coverage. Once determined eligible, children will retain coverage for 12 months until they turn 21, or no longer reside in the state, requests the state cancel their coverage, or pass away. At the end of the 12-month period, the child's eligibility will be redetermined following standard MA eligibility renewal policies, including closure if the child is no longer eligible. If eligibility is renewed, the child is again enrolled in Medical Assistance for a new 12-month period. This change is expected to result in an average of an additional 15,888 children a month retaining their MA coverage.

This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$5.373 million in FY 2022-23 and \$33.752 million in FY 2024-25. This change reflects a revision to the assumption around the length of time needed to complete the needed IT systems work and federal approvals to implement this change. This recommendation would be implemented by January 2024.

General	Expenditures	\$1,124	\$40,935
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Stabilizing Working Minnesotans - Revised

The Governor recommends changes to how the state calculates benefits for the Minnesota Family Investment Program (MFIP) and General Assistance (GA) to provide more consistent financial support to lower income Minnesotans. This change will set MFIP benefits based upon six month reporting periods rather than monthly income reporting. This recommendation will also set benefits based upon income from the last 30 days rather than income from two months prior. These changes will align MFIP and GA rules with Supplemental Nutrition Assistance Program (SNAP) and Housing Support program rules.

This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The general fund cost of the proposal decreased by \$304,000 in FY 2022-23 and \$15.494 million in FY 2024-25. The TANF fund cost of the proposal decreased by \$522,000 in FY2022-23, and \$18.487 million in FY2024-25. This change reflects a revision to the assumption around the length of time needed to complete the needed IT systems work. This recommendation would be implemented by March 2024.

General	Expenditures	\$663	\$18,638
Federal TANF	Expenditures	\$7	\$22,470

Addressing Deep Poverty - Repriced

The Governor recommends advancing initiatives to ensure people living in deep poverty are offered supports to meet their basic needs. This proposal increases General Assistance for the first time since 1986 by indexing the benefits to an annual cost of living adjustment. This would raise the maximum GA benefit from approximately \$203 per month to \$355 per month. This proposal also disregards pandemic periods from the Emergency General Assistance formula, making it more equitable for Tribes and Counties and streamlines the standard for lead agency overpayment errors. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$572,000 in FY 2024-25.

General	Expenditures	\$82	\$45,508
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Emergency Services Program Funding for Shelter Services - Revised

The Governor recommends additional funding for the Emergency Services Program (ESP) to support Minnesota adults, youth, and families experiencing homelessness. This investment will increase shelter capacity and services across the state, giving shelter providers that were under financial strain even before the COVID-19 pandemic the resources necessary to support increased operations costs, manage safe facilities, and deliver enhanced services to Minnesotans experiencing homelessness. The proposal also would amend Minnesota Statute to make tribal nations eligible for ESP funds. Lastly, this proposal would create emergency funding for local and tribal governments and nonprofits to avoid losing current bed capacity funded by pandemic aid. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$20 million in FY 2022-23.

General	Expenditures	\$55,000	\$60,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Service Delivery Transformation Continuation

The Governor recommends funding to support continued efforts to transform the human service delivery system towards an integrated, person-centered experience for individuals and families accessing human services programs. Funding will be used to advance the strategy, recommendations and roadmap that were developed by external IT consultants in partnership with DHS, MNIT, counties and tribes. This recommendation will significantly change how the agency and its partners manage business transformation and system modernization activities and is centered on outcomes and people being served.

General	Expenditures	\$77,516	\$0
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Critical Resources for Licensing

The Governor recommends investing in additional licensing staff to respond to the growth in the number of foster care and home and community-based services (HCBS) licensed programs and related maltreatment and licensing complaints. The Licensing Division in the Office of Inspector General performs a critical role in ensuring the health and safety of the vulnerable adults and children receiving services through licensing reviews and maltreatment investigations. Licensed programs and investigations have increased significantly while staffing has failed to keep pace with this growth. This proposal will decrease the time it takes to conduct HCBS licensing visits from once every 4.5 years to every 3 years, increase timeliness of reviews of foster care license applications and licensing actions, and ensure that the department meets statutory timelines for maltreatment complaints.

General	Expenditures	\$2,923	\$6,260
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Forecasting Basic Sliding Fee Child Care Assistance Program - Repriced

The Governor recommends forecasting the Child Care Assistance Basic Sliding Fee program to allow all individuals who meet the income and other eligibility criteria to access the program starting in fiscal year 2024. Through forecasting individuals will not have to wait until funds are available to access the program and would eliminate waiting lists for the program. When fully implemented it is estimated an additional 16,000 families would be served by this program. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$12,000 in FY 2024-25.

General	Expenditures	\$81	\$467,630
Federal TANF	Expenditures	\$0	\$47,000

Increase CCAP Rates to 75th Percentile - Repriced

The Governor recommends increasing Child Care Assistance Program (CCAP) Rates to the 75th percentile of the 2021 market survey effective October 3, 2022. CCAP serves approximately 15,000 families and 30,000 children each month. The Governor also recommends automatically updating rates to the 75th percentile of the most recent market starting January 1, 2025 and every three years thereafter. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$13,000 in FY 2022-23, and \$8.027 million in FY2024-25.

General	Expenditures	\$51	\$267,240
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

CCAP Family Definition - Repriced

The Governor recommends altering the definition of family under the Child Care Assistance Program (CCAP) to include foster care families, relative custodians, successor custodians, and guardians. This proposal would allow these individuals to access the Child Care Assistance Basic Sliding Fee program to receive increased financial support for child care. It is anticipated an additional 2,000 families would be eligible for the basic sliding fee as a result of this proposal. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$37,000 in FY 2024-25.

General	Expenditures	\$56	\$37,460
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Building Child Care Capacity/Grants to Stabilize Child Care Providers - Repriced

The Governor recommends additional funding for grants to support child care providers experiencing financial hardship. The ongoing COVID-19 pandemic continues to place financial burdens upon child care providers. This proposal would extend the availability of additional financial support for child care providers after federal funds made available from the American Rescue Plan (ARP) are exhausted to ensure the continued availability of child care slots. This proposal also extends funding for local child care support services originally developed using ARP funds, including technical assistance for child care providers, training and recruitment of qualified staff to work in the child care sector, child care shared services alliances, and support for provider business practices through technology access and supports. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The repricing does not change the aggregate cost of the proposal.

General	Expenditures	\$31,703	\$71,379
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Interaction of Child Care Program Changes - Revised

This recommendation reflects the additional cost of implementing the following three proposals in conjunction with one another: forecasting the basic sliding fee child care assistance program, setting rates at the 75th percentile of the most recent market survey, and changing the family definition in CCAP. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$689,000 in FY 2022-23, and \$1.477 million in FY 2024-25. This proposal now includes an interaction with the Governor's recommendation to expand Pre-K and the Stabilizing Working Minnesotans proposal.

General	Expenditures	(\$689)	\$174,142
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Investments in Child Welfare Prevention and Systemic Needs - Repriced

The Governor recommends a series of investments to reduce the number of children entering the child welfare system. These investments will also better ensure that when children have entered the child welfare system that they are more likely to remain safely at home with their parents or, if removal is necessary, placed into care with relatives or kin. This recommendation expands several programs with the goal of supporting more families by expanding their and making prevention and family preservation a central focus. This includes an expansion of the Parent Support Outreach program to schools and community-based agencies, expansion of Family Group Decision Making, expansion of the Parent Mentors program's prevention activities, and increasing the state's contribution to Family Assessment Response, which all support children remaining safely in their homes and provides more funding to counties and tribal governments. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$105,000 in FY 2022-23, and \$130,000 in FY 2024-2025.

General	Expenditures	\$4,169	\$93,096
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Preserving American Indian Families - Repriced

The Governor recommends funding to address the rate of American Indian children entering the state's child welfare system. This proposal would add staff to the agency's Indian Child Welfare Act (ICWA) compliance unit to expand and strengthen existing work. This proposal adds staff to expand prevention and early intervention work, resolve the backlog of ICWA non-compliance complaints, develop a human trafficking response specific to Indian children, young adults, and families, and manage updates to the Tribal State Agreement. It also adds an attorney specializing in ICWA and laws impacting Indian children in the Child Protection system. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$31,000 in FY 2022-23, and \$84,000 in FY 2024-25.

General	Expenditures	\$877	\$2,010
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American Indian Child Welfare Initiative Planning - Mille Lacs Band of Ojibwe - Repriced

The Governor recommends funding to the Mille Lacs Band of Ojibwe for support the tribal government's implementation of Minnesota's American Indian Child Welfare Initiative. Once fully implemented in fiscal year 2025, the tribal government will begin receiving child welfare cases from counties to offer culturally based services. This recommendation funds a two-phase approach to support tribal capacity to develop a federally reimbursable, tribally administered foster care and child welfare service. These funds will provide resources for the Mille Lacs Band of Ojibwe Family Services to hire staff to manage the growth in administrative and direct care programs. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$3,000 in FY 2022-23, and \$6,000 in FY 2024-2025.

General	Expenditures	\$1,339	\$2,843
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Family First Implementation Phase 3 - Repriced

The Governor recommends additional investments to support the implementation of the federal Family First Prevention Services Act (FFPSA). This recommendation provides additional state staff to implement new or expanded Title IV-E eligible prevention services, provides funding to operationalize the IT requirements of FFPSA, and creates a new grant program to pay for individuals to retain their Child and Adolescent Needs and Strengths (CANS) tool certification. This recommendation reflects arepriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$21,000 in FY 2022-23 and increased by \$2,000 in FY 2024-25.

General	Expenditures	\$495	\$786
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Connecting Minnesotans to Services and Supports - Repriced

The Governor recommends connecting Minnesota children and families to additional services and supports. The funding would create a temporary two-year expansion of existing community support services to serve an additional 5,000 households. This proposal includes funding for a multilingual statewide helpline that will help connect people to community services and supports during the pandemic and post-pandemic recovery period, and additional resources for programs currently administered by the Resettlement Programs Office at the department. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$354,000 in FY 2022-23 and \$333,000 in FY 2024-25.

General	Expenditures	\$5,253	\$5,274
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Building Assets for Minnesota Families

The Governor recommends an expansion of the Family Assets for Independence in Minnesota program. This program gives Minnesotans with low income matched savings accounts. This program expansion will increase the lifetime financial match limit from \$6,000 to \$9,000, allow tribal nations and 501(c)(3) organizations to administer to program, allow participants to contribute to 529 college savings plans, and allow participants to contribute to emergency savings account for unexpected expenses.

General	Expenditures	\$5,000	\$10,000
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Coordination & Local Community Resource Hubs - Repriced

The Governor recommends a series of investments into Community Action Agencies and Tribal Nations to create community resource hubs to better connect families to services and supports. This recommendation funds physical locations that will support relationship-based, culturally appropriate program and service navigation. These sites will be geographically disbursed across the state with each agency eligible for up to three funded site partners. Current community Resource Hubs will be included as site partners moving forward. When fully implemented it is anticipated there will be over 100 community resource sites. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$2,000 in FY 2022-23 and \$28,000 in FY 2024-25.

General	Expenditures	\$3,575	\$37,974
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Tribal Food Sovereignty - Repriced

The Governor recommends providing funding to Tribal Nations and American Indian organizations to improve access to food security programs within tribal and American Indian communities. This funding will assist in building capacity for these governments and organizations to provide access to culturally relevant food supports. This recommendation will provide resources for capital and infrastructure development, funding for food security, and support for culturally relevant training for building food access and sustainability. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$6,000 in FY 2022-23, and \$16,000 in FY 2024-25.

General	Expenditures	\$7,006	\$5,016
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Food Support Grants

The Governor recommends providing additional funding to food shelves, food banks, and meal programs to purchase, store, transport, and process the distribution of food to individuals and families. These funds may also be used to purchase personal protective equipment, hygiene supplies, and other COVID-mitigation strategies including no or low-contact distribution methods. These funds may also be used to provide outreach and application assistance to ensure eligible Minnesotans who are not enrolled in SNAP can receive SNAP benefits.

General	Expenditures	\$5,000	\$3,000
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Capital For Emergency Food Distribution Facilities - Repriced

The Governor recommends providing grant funds to improve and expand food shelf facilities throughout the state through capital improvements. These funds can be used to add freezer space and dry storage space, improve the safety and sanitation of existing food shelves, and address on-going wear-and-tear and deferred maintenance of existing food shelves. This recommendation includes administrative resources to manage these grants. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$2,000 in FY 2022-23.

General	Expenditures	\$15,002	\$0
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Expanding Children's Inpatient Psychiatric and PRTF Beds - Repriced

The Governor recommends funding to retain, create, or expand children's inpatient psychiatric and psychiatric residential treatment facility beds. The funding would be issued through a competitive request for proposal process to hospitals or mental health providers to retain, build or expand existing facilities to add beds for children in need of acute psychiatric care. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$157,000 in FY 2022-23 and \$304,000 in FY 2024-25.

General	Expenditures	\$10,333	\$15,644
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Expanding Support for Psychiatric Residential Treatment Facilities (PRTFs)

The Governor recommends additional funding for startup grants for new Psychiatric Residential Treatment Facilities. These facilities provide active treatment at an inpatient level of care under the direction of a physician, seven days per week, to youth under age 21 with complex mental health needs and their families, based on medical necessity. This recommendation also expands the allowable uses of start-up grants to include emergency workforce shortage uses, as determined by the Commissioner.

General	Expenditures	\$954	\$1,934
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Expanding Mobile Transition Units and Person Centered Discharge

The Governor recommends expanding mobile transition units and strengthening person-centered discharge planning activities. This recommendation expands mobile transition units to include both adults and children in emergency departments and inpatient hospital settings to transition them to an appropriate level of care. This recommendation also funds certified individuals to work with adults, children and their parents, to develop person-centered transition planning as part of discharge planning.

General	Expenditures	\$540	\$1,374
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Expanding Intensive Treatment in Foster Care

The Governor recommends expanding eligibility for the Intensive Treatment in Foster Care Medical Assistance service to include children at risk of an out-of-home placement. This expanded program will be called Children's Intensive Behavioral Health Services. This investment will allow for earlier interventions, reducing the need for children to be separated from their families and placed in foster care or residential treatment. It is anticipated this new service will expand the number of children and families served from 175 to 800 a year.

General	Expenditures	\$372	\$12,766
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American Indian Culturally Responsive Rate in EIDBI

The Governor recommends changing eligibility for an enhanced reimbursement for Early Intensive Developmental Behavioral Intervention (EIDBI) services to promote culturally responsive care offered to American Indian children. This recommendation adds that, in addition to non-English language fluency, a provider may receive the enhanced rate if they are certified by a tribal nation.

General	Expenditures	\$3	\$30
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Expanding First Episode Psychosis (FEP) and Developing an Emerging Mood Disorders Program

The Governor recommends expansion of the First Episode Psychosis grant program and the creation of an emerging mood disorder program. First Episode Psychosis programs serve people 15 to 40 years old with early signs of psychosis. The Emerging Mood Disorder program would use evidence-informed interventions for youth and young adults who are at risk of developing a mood disorder or are experiencing an emerging mood disorder.

General	Expenditures	\$2,000	\$4,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Children's Mental Health Community of Practice

The Governor recommends creating a Community of Practice focused exclusively on children's mental health issues. This network of families, advocates, researchers, providers, and other professionals will be tasked with identifying shared solutions to behavioral health issues facing children. This collaboration will attempt to identify gaps in children's behavioral health services, enhance collective knowledge, and inform changes to improve outcomes.

General	Expenditures	\$245	\$512
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Expanding Mobile Crisis Grants and Transition to Community Initiative

The Governor recommends additional, ongoing funding of mobile crisis grants and the Transition to Community Initiative. Mobile crisis grants strengthen the state's mobile crisis infrastructure and help improve access to crisis services by supporting counties and tribes to staff 24-hour mobile crisis lines. The Transition to Community Initiative assists people exiting Anoka-Metro Regional Treatment Center, community mental health psychiatric units, and Community Behavioral Health Hospitals, as well as people who are on the Forensic Mental Health Program. Funding and eligibility for these programs were expanded during the 2021 legislature, and the expansion is set to end in fiscal year 2024. This recommendation makes those expansions permanent.

General	Expenditures	\$0	\$20,444
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Rate Increase for Adult Day Treatment Services

The Governor recommends a rate increase for adult day treatment services. Adult day treatment services stabilize an individual's mental health and improve independent living and socialization skills. A rate increase for this service will ensure that providers are able to continue serving individuals so they can live in the community. Payment rates would increase by 50 percent effective January 1, 2023.

General	Expenditures	\$261	\$1,350
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Children's Mental Health Respite Grant Clarifications

The Governor recommends redefining the scope of allowable expenses under the Children's Mental Health Respite Care grant program to include forms of respite care services that are family-centered and culturally affirming. The proposal also increases access for children who are already in out-of-home placement, but who are at risk of a change in placement or a higher level of care due to their mental health conditions. Respite care grants provide temporary relief to families of children with emotional disturbances or severe emotional disturbances.

General	Expenditures	\$0	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Substance Use Disorder Direct Access Implementation and 1115 Compliance

The Governor recommends the complete transition to Substance Use Disorder direct access, allowing individuals to seek treatment services from a provider of their choice. This reform will increase access to critical treatment services and ensure compliance with federal guidelines. The proposal revises Minnesota Statutes related to Direct Access implementation, repurposes administrative funds for counties and tribal nations, and adds American Society of Addiction Medicine level of care definitions.

General	Expenditures	\$543	\$1,363
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OERAC Updates - Revised

The Governor recommends changes to the Opiate Epidemic Response Advisory Council (OERAC) composition and the Opiate Epidemic Response Fund distribution of funds. This proposal expands the membership of OERAC to include a representative from all 11 federally recognized American Indian tribes and two representatives to represent urban American Indian communities. The proposal requires that going forward, 50 percent of OERAC have lived experience with opioid addiction. This proposal requires that 40 percent of the OERAC grants are awarded to projects that have culturally-specific or culturally responsive components. The proposal would continue existing funding for traditional healing grants and overdose prevention grants in the base, starting in FY 2025, which are currently set to expire. Lastly, this proposal includes funds for grant administration and for establishing a reporting structure for counties and cities to monitor promising practices. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$12,000 in FY 2022-23 and \$124,000 in FY 2024-25.

Opiate Epidemic Response	Expenditures	\$551	\$3,202
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Opioid Grant Program - New

The Governor recommends funding a temporary grant program for grants to smaller non-profits with an emphasis on organizations utilizing culturally-specific practices. The funding in these grants would address opioid addiction and the subsequent socioeconomic challenges people may face, such as housing, employment, and treatment. The program would require a community review, which means the Department would work with community stakeholders to discuss what policies are working and what additional actions and resources are needed for more progress.

General	Expenditures	\$2,122	\$2,132
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for the Department of Human Services. A new Cannabis Management Office would be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation includes funding for the department to establish and administer the Substance Use Disorder Advisory Council whose purpose will be to develop and implement a comprehensive statewide approach to substance use disorder prevention and treatment. This recommendation establishes a substance use disorder treatment and prevention grant account and provides grant funding starting in FY 2024. This recommendation also includes administrative funding to provide for the expungement of non-violent offenses involving cannabis.

General	Expenditures	\$1,354	\$10,704
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Housing Support for Adults with Serious Mental Illness Program Expansion

The Governor recommends expanding the Housing Support for Adults with Serious Mental Illness (HSASMI) program. This proposal expands eligibility to individuals with substance use disorders who are also homeless, long-term homeless, or at-risk for homelessness. These services help individuals to transition to and sustain permanent supporting housing.

General	Expenditures	\$3,073	\$6,168
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PATH Program Expansion

The Governor recommends expanding the Projects for Assistance in Transition from Homelessness (PATH) program so that people with substance use disorder are categorically eligible. The program currently provides outreach and support services for individuals with serious mental illness or co-occurring disorders who are experiencing homelessness, particularly individuals who are living in encampments, under highways or bridges, and other areas that are not fit for habitation.

General	Expenditures	\$5,000	\$10,000
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Homeless Youth Act Expansion

The Governor recommends expanding services under the Homeless Youth Act (HYA). This is the primary program to assist homeless youth around the state. This additional investment in the HYA would enhance the supports provided to youth and young adults in need of assistance and increase the number of housing units for youth experiencing homelessness. This proposal also places an emphasis on young parents who are homeless and LGBTQ+ youth, who are disproportionately homeless compared to other young people.

General	Expenditures	\$0	\$11,238
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Housing Transition Services through Housing Stabilization Services

The Governor recommends ongoing funding to assist people using Housing Stabilization Services Medical Assistance benefit as they move to stable housing in the community. The proposal would provide up to \$3,000 per individual in moving assistance to cover rent or security deposits, utility set-up, and home furnishing. The current appropriation is temporary and is set to expire on March 31, 2024.

General	Expenditures	\$0	\$2,298
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Housing Stabilization Services Eligibility Staff

The Governor recommends establishing permanent funding for additional staffing that assess eligibility for individuals applying for Housing Stabilization Services financial assistance. The current appropriation is temporary and is set to expire on March 31, 2024.

General	Expenditures	\$0	\$763
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Community Living Infrastructure Program

The Governor recommends extending funding for transitional housing costs covered through the Community Living Infrastructure (CLI) Program. Transitional costs can pay for rent and security deposits, utility set-up, and furnishing costs. The Community Living Infrastructure program supports counties and tribes to integrate housing into their human services infrastructure through funding for outreach, housing resource specialists, transition costs, and administration of the Housing Support program. The current appropriation for transitional housing costs as a part of CLI is temporary and is set to expire on March 31, 2024.

General	Expenditures	\$0	\$11,000
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Increase Transitional Housing Program

The Governor proposes expanding the existing transitional housing program. This program is the primary state program that funds temporary housing and wrap-around support services for individuals and families experiencing homelessness as they prepare to transition to long-term housing stability. The funds would be used to expand existing services, particularly in preventative programming.

General	Expenditures	\$0	\$3,000
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Joint Homelessness Prevention Initiative

The Governor recommends an extension of current funding for the Joint Homelessness Prevention Initiative sponsored by the Department of Corrections (DOC) and the Department of Human Services (DHS). This proposal would maintain two temporary staff positions funded under DHS. The 2017 initiative was established to work with individuals identified as being at high risk of recidivism and to assist them in applying for public assistance benefits.

General	Expenditures	\$0	\$209
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

AmeriCorps Heading Home Corps Initiative

The Governor recommends investing in a state match to help fund 100 positions for non-profits participating in the AmeriCorps Heading Home Corp Initiative. The initiative is a federal grant program that has provided 100 volunteers across 40 different shelter sites across Minnesota. Staff help individuals experiencing homelessness with navigating and accessing resources to achieve permanent housing. This funding would provide the state-match requirement to ensure the positions continue to serve beyond 2022.

General	Expenditures	\$1,100	\$2,200
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Staff Position in the Housing Division for Stakeholder Engagement

The Governor recommends funding for additional staffing to assist in the administration of housing assistance programs. The position would assist with current and new programming, with a focus on community outreach and equity.

General	Expenditures	\$71	\$162
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Housing Workforce Study

The Governor recommends funding for the Department of Employment and Economic Development (DEED) and Department of Human Services (DHS) to work with Minnesota Housing and the Minnesota Interagency Council on Homelessness to survey and study the housing/shelter industry. This would include employees who work at shelters, transitional housing settings, street outreach, and site-based housing for the long-term homelessness.

General	Expenditures	\$188	\$194
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Homeless Management Information System

The Governor recommends funding to assist with the ongoing maintenance and improvement of the Homeless Management Information System (HMIS). The database supports programs across multiple agencies to serving individuals experiencing homelessness and allows the state to partner with other stakeholders to track progress and determine the best ways to target resources to meet the needs of this population.

General	Expenditures	\$1,600	\$4,000
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Codify FY 2022 Appropriation for Emergency Shelter Improvements - New

The Governor recommends codifying a fiscal year 2022 appropriation for emergency shelter to make the funds available for longer than the current fiscal year to complete work related to making capital improvements to emergency shelters.

General	Expenditures	\$0	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Enhancing MHCP COVID-19 Vaccination Rates

The Governor recommends funding for community outreach grants to support trusted messenger programs and culturally informed community-based providers to encourage vaccination against COVID-19 and other communicable diseases among Medical Assistance and MinnesotaCare enrollees. Department data shows that Minnesotans who get their health care coverage through the state's public health care programs had far lower COVID-19 vaccination rates than Minnesotans as a whole. Allowable activities will include a variety of outreach methods to encourage vaccination, answer questions, and address misinformation. This proposal assumes that 50% of the costs of this program will be reimbursed by the federal government under recent guidance from CMS.

General	Expenditures	\$1,116	\$0
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Medical Assistance for Former Foster Care Youth

The Governor recommends expanding Medical Assistance (MA) eligibility to include former foster care youth who were enrolled in Medicaid in another state to comply with federal law. The federal Substance-Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act requires Minnesota to cover former foster care youth, ages 18-26 who were in foster care and enrolled in Medicaid on their 18th birthday in another state. Minnesota has already adopted this expansion for former foster care youth who lived in Minnesota on their 18th birthday and were enrolled in MA when they left foster care as part of the requirements of the Affordable Care Act.

General	Expenditures	\$792	\$316
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Remove Doula Supervision Requirement

The Governor recommends removing the requirement that doulas be supervised by a licensed provider to be eligible for payment under the medical assistance program. Removing this requirement seeks to expand access to doula care which is linked to better maternal and postpartum outcomes. As a result of this change, doulas will now directly enroll as providers and receive direct payment from the state.

General	Expenditures	\$20	\$70
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Continuous Improvement and Compliance Expansion

The Governor recommends funding to hire additional staff in the department's continuous improvement, contracts and legal compliance, and internal audit divisions. This investment will allow the department to meet the increasing internal demand for continuous improvement expertise and to staff critical internal control functions. Increasing staff capacity in these business areas will allow the department to increase efficiency, reduce waste, and address gaps in centralized business functions that are contributing to audit findings.

General	Expenditures	\$1,543	\$3,326
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Background Studies Emergency Background Study Credit - Repriced

The Governor recommends funding to credit DHS-regulated providers for costs incurred from emergency background studies conducted during the peacetime emergency following resubmission of studies for full federal and state compliance. During the peacetime emergency, the department temporarily waived and modified statutes governing the submission of background studies for regulated programs. While these statutory modifications ensured regulated providers were able to continue to provide critical services during the peacetime emergency, the modifications were only temporary and require every employee working under a cleared emergency background study to submit a new statutorily compliant study by July 2, 2022 to continue working in these programs. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, release January 2022. The cost of the proposal decreased by \$330,00 in FY 2022-23.

General	Expenditures	\$3,300	\$0
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Direct Care and Treatment Electronic Health Record

The Governor recommends funding to continue the development of an electronic health record system for the department's Direct Care and Treatment programs. Currently, Direct Care and Treatment is not compliant with a Department of Health mandate to have an electronic health record system. This recommendation funds a two phased approach to create a functioning electronic system and then integrating the electronic records across the entire health care system to provide more integrated care. This project is expected to be complete by the end of fiscal year 2025.

General	Expenditures	\$8,919	\$7,685
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Supporting Drug Pricing Litigation Costs - Repriced

The Governor recommends one-time funding to reimburse the department for drug pricing litigation costs. The department was subpoenaed as a part of a pharmaceutical drug price litigation case brought by the Minnesota Attorney General's Office. The department was required to hire a third-party vendor to assist in collecting the documentation, as the timeline to produce the documents was not feasible for current staff on-top of other administrative duties. This request would reimburse the department for its contracting costs to comply with the subpoena. This recommendation reflects a repriced fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$42,000 in FY 2022-23.

General	Expenditures	\$270	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Supporting Tribal Providers and Payments - New

The Governor recommends additional administrative resources to develop a federally compliant enrollment and payment methodology for tribal providers delivering medical assistance services outside the tribe's primary facility. In 2016, the Centers for Medicare & Medicaid Services (CMS) issued guidance to states that established requirements for tribal providers for services that are provided outside of the four walls of the tribe's main tribal clinic or facility. This guidance is known as the "Four Walls" policy. Tribal providers that comply with the requirements may be eligible to receive the federally established daily all-inclusive rate (AIR) at 100% federal financial participation (FFP) for services rendered to tribal members. When services are delivered in line with this policy, MA services delivered to tribal members are entirely paid for using federal funds. To be eligible for this enhanced funding, providers must enroll as a federal qualified health center. This proposal also directs the department to create an alternative payment methodology in line with the new federal government policies. Enforcement of this federal policy has been suspended until nine months after the end of the public health emergency.

General	Expenditures	\$636	\$356
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Supporting Urban American Indians in Minnesota Health Care Programs - New

The Governor recommends providing a grant to the Indian Health Board (IHB) of Minneapolis to support continued access to health care coverage, improve the quality of care, and to increase COVID-19 vaccination among urban American Indians. The IHB provides medical and dental care and counseling services to approximately 5,000 people in the Twin Cities area. These funds can be used to provide medical assistance application assistance, increased care coordination, and outreach/navigation by community health workers to address health care needs and other social drivers of health.

General	Expenditures	\$2,518	\$5,030
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Opioid Treatment Program (OTP) Rate Integrity - New

The Governor recommends updating the payment methodology for opioid treatment programs (OTP) rates. The new rates will unbundle the current OTP per diem, while allowing for a weekly drug bundle, with non-medication treatment services reimbursed separately. The Office of the Legislative Auditor and the Centers for Medicare and Medicaid services have indicated that the department is not in compliance with federal and state laws under the current payment structure. This proposal includes the administrative resources to implement the updated payment methodology and analyze data to better understand outcomes.

General	Expenditures	\$472	\$251
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SEIU Healthcare Bargaining - New

The Governor recommends funding for memorandums of understanding between SEIU Healthcare and the State of Minnesota.

General	Expenditures	\$8,270	\$486
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

Medical Assistance Clinical Trials - New

The Governor recommends expanding medical assistance coverage to conform with updated federal regulations to cover routine patient costs related to participation in a clinical trial. Many of these services when furnished outside a clinical trial setting would normally be covered by MA. The Department does not have sufficient information to develop a full fiscal estimate at this time.

General	Expenditures	\$0	\$0
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DHS Costs From MNsure IT Proposal - New

The Governor recommends additional staffing at the Department of Human Services to manage the IT transition related to the MNsure technology modernization recommendation. This recommendation provides additional health care staffing. These staff will be responsible for working on IT projects to decommission MNsure programs and help ensure METS preserves what is needed to support DHS programs. This investment is targeted at ensuring the MNsure modernization project does not impact eligibility assessments and does not impact medical assistance and MinnesotaCare users.

General	Expenditures	\$301	\$692
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Technical Changes to HCBS FMAP Projects - New

The Governor recommends technical changes to 2021 session law related to the implementation of Section 9817 of the American Rescue Plan Act (ARPA), which provides the state with a temporary enhanced federal medical assistance percentage (FMAP) on Medicaid expenditures for home and community based services (HCBS). The Department submitted a HCBS FMAP Plan for approval in the summer of 2021, and has received partial approval from the Centers for Medicare & Medicaid Services (CMS).

This proposal would (1) enable the Department to carryforward grant dollars in Fiscal Year 2022 to Fiscal Year 2023 and (2) specify that substance use disorder (SUD) rate increases passed by the 2021 Legislature are not contingent upon the CMS approval of the HCBS spending plan.

General	Expenditures	\$0	\$0
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Clarifying MHCP Enrollee Error Overpayments - New

The Governor recommends clarifying procedural aspects of assessing and recovering Medical Assistance and MinnesotaCare overpayments resulting from enrollee error so that standards for these overpayments are applied consistently statewide. This standard would prohibit recovery in cases where the overpayment is less than \$350, excludes children from being assessed an overpayment, allows a 90 day window for individuals to voluntarily the overpayment before revenue recapture or a court judgement is begun, and allows DHS or the counties to write off uncollected overpayments after five years.

General	Revenues	\$0	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Services

TANF Maximization - Revised

The Governor's revised budget recommendations remove this proposal. Removing this recommendation decreases general fund revenue in the Governor's recommendations by \$26 million in FY 2022-23 and \$52 million in FY 2024-25, including changes due to February forecast change. The TANF cost of the proposal decreases by \$26 million in FY 2022-23 and \$52 million in FY 2024-25.

General	Revenues	\$0	\$0
Federal TANF	Expenditures	\$0	\$0

Adjust HCAF Appropriation for Medical Assistance

The Governor recommends increasing the Health Care Access Fund appropriation for Medical Assistance (MA). A corresponding decrease in MA spending occurs in the general fund to fund other health care priorities.

General	Expenditures	(\$14,353)	\$0
Health Care Access	Expenditures	\$14,353	\$0

Newborn Screening Fee - New

The Governor recommends a statutory change to allow Medical Assistance to reimburse providers for the newborn screening fee at the Department of Health rate when the test is billed in an outpatient setting. This recommendation gives the Department the ability to reimburse outpatient claims the same as inpatient claims on the rare occasions when a child is born outside of a hospital or birthcenter or when it is medically inappropriate to take the blood sample during the newborn hospital stay. This recommendation fixes a technical error in the newborn screening proposal enacted during the 2021 session. This is expected to impact fewer than 50 screenings a year.

General	Expenditures	\$3	\$8
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Health

Long COVID

The Governor recommends an investment to understand the impact of long COVID in Minnesota and partner with long COVID survivors and communities disproportionately impacted by it. The department will raise awareness of long COVID; develop statewide consensus guidance for long COVID diagnosis, treatment, and care coordination; co-design tools and resources to support long COVID survivors, their families, primary care providers, public health practitioners, schools, employers, and local communities; and provide grants to communities, long COVID survivor organizations, media and communications, long COVID survey contractors, and the Minnesota Electronic Health Record Consortium.

General	Expenditures	\$2,669	\$7,412
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Health

Drug Overdose and Substance Abuse Prevention

The Governor recommends funding to address the drug overdose epidemic by implementing three strategies: the establishment of regional multidisciplinary overdose prevention teams to implement overdose prevention in local communities and local public health; the enhancement of supportive services for the homeless who are at-risk of overdose by providing emergency and short-term housing subsidies through the Homeless Overdose Prevention Hub; and the enhancement of employer resources to promote health and well-being of employees through the Recovery Friendly Work Place initiative.

General	Expenditures	\$5,042	\$10,084
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Disability as a Health Equity Issue

The Governor recommends funding to reduce health disparities among people with disabilities. These funds will support a multi-faceted, cross-agency, cross-sector approach to reduce disability related health disparities; create a health surveillance plan and implementation of community needs assessment; and provide community grants that support the establishment of inclusive, evidence-based chronic disease prevention and management services to address identified gaps and disparities.

General	Expenditures	\$1,575	\$3,170
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988 National Suicide Prevention Lifeline

The Governor recommends funding to transition Minnesota's current National Suicide Prevention Lifeline Centers (NSPL) phone number into the federally mandated 988 number. The 988 service will include phone, text, and chat capacity. The Governor recommends the imposition of a 12 cent 988-telecom surcharge on all wired, wireless, prepaid wireless, and voice over internet protocol (VOIP) lines. Of the total revenue collected from the monthly statewide 988 telecom surcharge, a portion will be provided in grants across Minnesota to fund local call center staff and keep the 988 lines in operation. The surcharge revenue will be deposited into a dedicated account for this purpose.

General	Expenditures	\$0	(\$2,642)
Restrict Misc Special Revenue	Revenues	\$10,014	\$20,028
Restrict Misc Special Revenue	Expenditures	\$8,671	\$20,028

Lead Remediation in Schools and Childcare Settings

The Governor recommends a grant program for projects targeting the reduction of lead in drinking water in public and private schools and childcare facilities. These grants will fund the remediation of plumbing and fixtures that are known to contain lead. Reductions in exposure to lead in water will improve the health and safety of Minnesota's children through enhanced brain development and increased lifetime productivity.

General	Expenditures	\$2,054	\$3,081
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Health

Community Health Workers

The Governor recommends expanding, strengthening, equipping, and evaluating the community health worker workforce in Minnesota to support the health and well-being of Minnesotans by partnering with the Community Health Worker Alliance to promote the profession and scope of practice, conduct program evaluation, and provide technical assistance. Specific activities include an awareness campaign, partnerships with employers, research and evaluation of Community Health Worker models, and a statewide infrastructure plan.

General	Expenditures	\$1,462	\$2,195
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Community Solutions

The Governor recommends the continued support of the Community Solutions for Healthy Child Development grant program. This recommendation expands and extends community solutions grants to improve outcomes related to the well-being of children of disadvantaged communities and their families, reduce racial disparities in children's health and development, and promote racial and geographic equity. The grant funds would be available to community-based organizations and tribal governments. Under current law, these activities will end on June 30, 2023.

General	Expenditures	\$10,000	\$20,000
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School Health

The Governor recommends a competitive grant process to expand and establish new Minnesota school-based health centers. These clinics are located within schools and provide quality health care to all students, including physical, dental, mental, and behavioral health care. Funds will be used to establish partnerships between schools and community health organizations, such as community health centers, hospitals, or local health departments to deliver health care services and dental care and education within a school-based clinic. School-based health centers are on the forefront of addressing the COVID-19 pandemic and its negative health and well-being impacts on young people. This recommendation builds upon the Centers for Disease Control and Prevention's COVID Workforce Grant for School Health that ends in June 2023 and is in collaboration with the Minnesota Department of Education's Full-Service Community Schools and wrap around services.

General	Expenditures	\$837	\$6,749
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Safety Improvements for Long-Term Care Facilities

The Governor recommends the establishment of a new competitive grant program that would provide support to state-licensed long-term care facilities for projects to reduce the transmission risk of COVID and other contagious respiratory conditions. The funding would be used for physical improvements, investments in communications technology to address social isolation, and other modifications to increase safety and well-being of residents and staff resulting from a contagious situation in the licensed entity.

General	Expenditures	\$5,500	\$8,200
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Health

Lead Service Line Inventory

The Governor recommends grant funding to community water systems to locate, verify, and inventory the materials used for water service lines and include that inventory in a broader asset management plan. These grants will help the community water systems meet the draft requirements for a lead service line inventory that is part of the U.S. Environmental Protection Agency's proposed Lead and Copper Rule revision as well as provide the public with information about the location of lead service lines.

General	Expenditures	\$4,029	\$4,169
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Community Healing

The Governor recommends the establishment of a grant program that will fund community-based organizations and local health departments to develop and implement community solutions for mental health resources and post-COVID recovery and healing for communities of focus who have been disproportionately impacted by COVID.

General	Expenditures	\$2,019	\$3,028
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Climate Resiliency

The Governor recommends an investment to increase the resiliency of Minnesota and its communities to extreme climate events, such as increasingly heavy precipitation, flooding, extreme heat, wildfire smoke, and invasive pests. Activities include a combination of financial and technical assistance and data analysis to implement, strengthen, evaluate, and track public health resiliency efforts in the face of climate change across the state, with a focus on private and public water systems. Grants would be available to local communities to facilitate planning and response actions, technical assistance, data analysis, and evaluation.

General	Expenditures	\$1,977	\$1,977
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Family Planning Special Projects

The Governor recommends an investment to increase access to voluntary family planning services throughout Minnesota through the existing Family Planning Special Projects grant program. These funds are essential to support continued statewide access to culturally appropriate, evidence-based family planning counseling and education, contraception services, preconception care, healthy pregnancies, and sexually transmitted infection screening and treatment. This increase in funding would allow grantees to lengthen clinic hours, reduce patient wait times, expand personalized family planning counseling services, increase testing and treatment of sexually transmitted infections, and meet the needs of many clients' delayed services due to the COVID-19 pandemic.

General	Expenditures	\$3,467	\$6,934
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Health

Mercury in Skin Lightening Products

The Governor recommends the reinstating of the Mercury in Skin Lightening Products grants program that was authorized with a one-time appropriation in 2019. The appropriation will be used to manage the grant program, track mercury testing results, and prepare public health education materials. Materials will focus on the potential exposure to mercury from skin lightening products; the dangers of exposure to mercury through dermal absorption, inhalation, hand-to-mouth contact, and through contact with individuals who have used these skin lightening products; the signs and symptoms of mercury poisoning; the health effects of mercury poisoning, including the permanent effects on the central nervous system and kidneys; the dangers of using these products or being exposed to these products during pregnancy and breastfeeding to the mother and to the infant; knowing how to identify products that contain mercury; and proper disposal of the product if the product contains mercury.

General	Expenditures	\$300	\$600
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Trauma System Fee Adjustment

The Governor recommends an increase to hospital license fees to adequately fund the designation of trauma hospitals and ensure an effective statewide trauma system. This recommendation ensures sufficient staff and technical resources are available to maintain trauma designations according to industry standards. It continues the state's ability to designate trauma hospitals at the required frequency and provides a coordinated health care infrastructure that is able to support Minnesota's communities by providing 24/7 emergency trauma/disaster care locally, regionally, and statewide.

General	Revenues	(\$354)	(\$708)
General	Expenditures	\$61	\$122
State Government Special Rev	Revenues	\$430	\$860
State Government Special Rev	Expenditures	\$430	\$860

Medical Education and Research Cost Fund Administration

The Governor recommends a redirection of \$150,000 in the general fund base appropriation for Medical Education and Research Costs (MERC) formula distribution, to support management of the program. The MERC fund was established in 1999 (Minnesota Statutes, section 62J.692) and is administered by the Minnesota Department of Health. The purpose of the MERC grant program is to support a robust health care workforce in Minnesota by providing funding to clinical training sites that train specific health care professions. This recommendation will help the department better use and target resources to promote preceptorship and improved clinical training, especially in the areas of primary care among rural and underserved populations.

General	Expenditures	\$0	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Health

Sentinel Event Reviews for Police-Involved Deadly Force Encounters

The Governor recommends the establishment of the infrastructure necessary to create a law enforcement-involved deadly force encounter sentinel event review committee in collaboration with nonprofit organizations and the Departments of Public Safety, Human Rights, and Human Services. The committee will be charged with identifying and analyzing the root causes of all law enforcement-involved deaths. This multidisciplinary committee will identify opportunities for prevention and make actionable recommendations to state policymakers.

General	Expenditures	\$494	\$988
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Public Health System Transformation - New

The Governor recommends an ongoing investment in the state, local, and tribal governmental public health system to fulfill foundational public health responsibilities. This recommendation would substantially enhance the public health system's ability to prevent and control infectious diseases, address environmental health threats, improve the health of communities, and improve access to health care services. This recommendation includes funding for local health departments, tribal health departments, an Office of American Indian Health, a Public Health AmeriCorps program, and agency staff.

General	Expenditures	\$23,531	\$47,062
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Assisted Living and Home Care

The Governor recommends increasing the administrative resources necessary to enforce health and safety requirements in assisted living facilities and home care licensure. Funding will be used to increase staffing levels to ensure the completion of required oversight and onsite inspections consistent with the timelines established in statute. This work ensures assisted living facilities and home care agencies in the state meet quality and safety requirements and therefore protects the health and safety of Minnesotans residing in these facilities or receiving home care services.

State Government Special Rev	Expenditures	\$4,167	\$8,334
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No Surprises Act Enforcement

The Governor recommends the implementation of a state-based enforcement of the newly enacted, federal No Surprises Act. This request expands the authority of the Department of Health to enforce federal No Surprises Act provisions on the health plans the department regulates as well as providers, facilities, and enrollees of those plans. Enforcement includes auditing health plans for compliance with federal reporting requirements for receiving and resolving complaints and enforcement of health plan/provider contract requirements in the law. The law provides sweeping reforms that protect enrollees in group and individual health insurance coverage from surprise medical bills.

General	Expenditures	\$964	\$1,520
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Health

Drinking Water and Wastewater Advisory Council

The Governor recommends reinstating the Water Supply Systems and Wastewater Treatment Facilities Advisory Council that expired on June 30, 2019. The council provided external review from the perspective of key stakeholders to the water supply and wastewater treatment programs at the Minnesota Department of Health and the Minnesota Pollution Control Agency. The external review serves to provide feedback on the regulatory activities by those who are regulated for rule changes related to water treatment certification.

State Government Special Rev	Expenditures	\$0	\$0
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Engineering Plan Review Fees

The Governor recommends increasing engineering plan review fees by 50% for nursing homes, hospitals, and other health care facility types to align with current costs and workload complexity. Fees increases range from a low of \$15 for construction costs between \$0 to \$10,000 to a high of \$2,400 for construction costs over \$1.5 million. The complexity and number of plan review requests are increasing with the expansion and modernization of nursing homes and hospitals. Plan review fees vary based on the expected cost of the construction project; plan review fees in the lowest tiers do not even cover the staff time required to read the technical documents submitted as part of an emailed request and prepare the documents for review.

State Government Special Rev	Revenues	\$170	\$340
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Home Visiting

The Governor recommends an increase in prevention-focused family home visiting services to families with children under age five. This investment will expand family home visiting services to pregnant women, families, mothers, fathers, and other caregivers of young children so that more families have service access. Currently, Minnesota is only serving approximately 10 percent of eligible families who would benefit from home visiting services. The proposal seeks to serve 38,275 families in Year 1, 66,670 families in Year 2, and 103,414 families in Year 3 through universal short-term home visiting services to all children born in Minnesota, focusing on home visiting to priority populations (homelessness, incarcerated families, and children and youth with special health needs) and expansion of long-term home visiting to families. Over 90 percent of the funds will be distributed to community health boards, tribal nations, and non-profits via grants for the delivery of home visiting services by qualified home visiting professionals.

General	Expenditures	\$126,700	\$524,100
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Revitalize Health Care Workforce

The Governor recommends a comprehensive workforce package to address the critical challenges in growing and revitalizing Minnesota's health care workforce to adequately serve our rural and urban underserved families and children. The COVID-19 pandemic has greatly exacerbated deficiencies within the health care workforce, leading to persistent shortages of health care workers. This package includes rural clinical training opportunities, immigrant international medical graduate training opportunities, site-based clinical training, increased capacity for mental health supervision, and research on the status and causes of workforce shortages.

Health Care Access	Expenditures	\$22,000	\$44,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Health

Address Growing Health Care Costs

The Governor recommends the implementation of a comprehensive approach to address rising health care costs. This recommendation includes four separate initiatives to improve health care affordability: the establishment of a health care spending target program; expansion of the prescription price transparency initiative; creation of an evidence base for the development of policy initiatives to constrain growth in spending; and assessing readiness of rural communities to participate in value-based payment arrangements.

General	Expenditures	\$3,375	\$8,350
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Health Care Provider Directory

The Governor recommends the development, management, and maintenance of a statewide shared health provider directory. This directory will be available to multiple state agencies (e.g., Department of Health, Department of Human Services, State Employee Group Insurance Plan, and MNsure), as well as health plans and health systems serving Minnesotans. This will build upon the provider directory under development at the Department of Human Services, will comply with federal and state rules and laws, and will create a single "source of truth" for health plans, providers, and consumers to identify health providers available to them based on their insurance coverage. This directory will also provide state agencies a tool to manage compliance with the new federal No Surprises Act, monitor network adequacy and provider coverage across state-run programs for regulatory purposes, and monitor trends in provider contracting, type, network configurations and access over time.

General	Expenditures	\$1,000	\$9,000
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Opioid Overdose Prevention and HIV Prevention for People Experiencing Homelessness

The Governor recommends an investment to expand access to harm reduction services and improve linkages to care to prevent drug overdoses, HIV/AIDS, hepatitis, and other infectious diseases for high-risk populations, including those experiencing homelessness or housing instability. This investment includes funds for maintaining existing and establishing new syringe service programs. Funds would be used to cover startup costs, coordination with homeless outreach and housing providers, coordination with existing infectious disease care providers, and traditional syringe service programs.

General	Expenditures	\$1,129	\$2,258
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Healthy Beginnings/Healthy Families

The Governor recommends an investment to address the significant disparities in early childhood outcomes. This recommendation would increase the number of children who are school ready through: establishing the Minnesota Collaborative to Prevent Infant Mortality; sustaining Help Me Connect; improving and increasing the reach of development and social-emotional screening and subsequent connection to services; and sustaining and expanding the Jail Model Practices Learning Community in Minnesota jails.

General	Expenditures	\$11,700	\$23,581
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Health

Medical Cannabis Patient Fees Reduction - New

The Governor recommends reducing annual patient fees from \$200 (non-Medical Assistance enrollees) or \$50 (Medical Assistance enrollees) per year to \$40 per year for all patients beginning in fiscal year 2023. This recommendation aligns the fee with other states' fees. Although the requested fee revenue will reduce overall revenue collections, the program will still be in balance as current revenue projections are expected to be greater than expenditures.

State Government Special Rev	Revenues	(\$5,610)	(\$15,885)
State Government Special Rev	Expenditures	\$4	\$0

Legalizing Adult-Use Cannabis - Revised

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for the Department of Health. A new Cannabis Management Office would be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. Recommended funding at the Department of Health is for youth cannabis use prevention, education for pregnant and breastfeeding women about the health effects of cannabis use, data collection on cannabis use rates in Minnesota, and new standards for contaminants found in cannabis and related products. The recommendation includes funding at the new agency for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$4.212 million in FY 2022-23 and \$10.186 million in FY 2024-25 due to the interaction with the new *Medical Cannabis Patient Fees Reduction* item and to account for the fees being deposited in the special revenue fund at the new Cannabis Management Office instead of in the state government special revenue fund at the Department of Health.

General	Expenditures	\$9,951	\$16,748
State Government Special Rev	Revenues	(\$2,872)	(\$10,186)
State Government Special Rev	Transfers Out	\$3,139	\$0
State Government Special Rev	Expenditures	\$0	(\$6,848)

MNsure

MNsure Technology Modernization

The Governor recommends a series of investments to upgrade and replace the IT technology that supports the state health care exchange. These investments will transform the health care application and eligibility determination system for Minnesotans enrolling through MNsure, add self-service functionality for consumers, introduce a fully-integrated portal for navigators and brokers, and upgrade the systems caseworkers use to access, maintain, and update consumer accounts. The investments will streamline and simplify the application and enrollment process and create a better user experience.

General	Expenditures	\$7,775	\$10,997
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Dietetics and Nutrition Practice, Board of

Family Health Insurance Impact

The Governor recommends funding an increase in staffing and health insurance costs due to a marginal increase in the number of employees. An increase in demand for dietitian and nutritionist licensing in long term care facilities, hospitals, and food service programs drives the need for this increase in staffing.

Health Related Boards	Expenditures	\$25	\$50
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Disability Council

MN Council on Disability Capacity Building

The Governor recommends additional operations funding, including to augment staffing to carry out the mission of the Council, which is to provide representation and address inequalities that Minnesotans with Disabilities face.

General	Expenditures	\$375	\$750
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Public Safety and Judiciary

Supreme Court

Maintain Core Justice Operations - Revised

The Governor recommends providing funding to increase the compensation of Supreme Court Judges and to provide a compensation pool increase for Supreme Court employees. This proposal would allow the Supreme Court to maintain current levels of service and reflects an operating increase of 6 percent, revised from 2.5 percent in the original Governor's recommendation, released January 2022. The cost of the proposal increased \$1.340 million in fiscal years 2022-2023 and \$2.680 million in fiscal years 2024-2025.

General	Expenditures	\$2,304	\$4,608
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Civil Legal Services - Salary

The Governor recommends providing funding to Civil Legal Services to increase the compensation of the organization's staff attorneys whose salaries remain significantly lower than their public sector counterparts. Increasing staff attorney salaries would assist the organization in retaining current employees, recruiting new employees, and continuing to provide legal services and assistance for vulnerable Minnesotans.

General	Expenditures	\$4,304	\$8,608
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Civil Legal Services - COVID Response

The Governor recommends funding for direct legal services and outreach to thousands of Minnesota households in need of legal help due to the COVID-19 pandemic. Civil Legal Services provides advice, representation, and other personalized legal services to resolve civil legal problems. Funding will help maintain and enhance mobile infrastructure that was set up to meet individual needs in their communities during the pandemic.

General	Expenditures	\$7,463	\$14,102
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Cyber Security Program - New

The Governor recommends providing funding to fund the continued development of the branch's cyber security program, which was launched in fiscal year 2021. This program mitigates the risk of major data breaches, data corruption, system outages, document and data loss, and cyber-attacks. The recent transition of Minnesota's Judicial Branch to a statewide electronic filing and document management system, as well as the branch's increased use of virtual hearings, increases the branch's dependence on its technology infrastructure.

General	Expenditures	\$1,750	\$3,500
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Supreme Court

Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for the Minnesota Supreme Court. A new Cannabis Management Office would be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation also includes funding for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis.

General	Expenditures	\$545	\$545
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Court of Appeals

Maintain Core Justice Operations - Revised

The Governor recommends providing funding to increase the compensation of Court of Appeals Judges and to provide a compensation pool increase for Court of Appeals employees. This proposal would allow the Court of Appeals to maintain current levels of service and reflects an operating increase of 6 percent, revised from 2.5 percent in the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$359,000 in fiscal years 2022-2023 and \$718,000 in fiscal years 2024-2025.

General	Expenditures	\$621	\$1,242
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District Courts

Maintain Core Justice Operations - Revised

The Governor recommends providing funding to increase the compensation of District Court Judges and to provide a compensation pool increase for District Court employees. This proposal would allow the District Courts to maintain current levels of service and reflects an operating increase of 6 percent, revised from 2.5 percent in the original Governor's recommendation released January 2022. The cost of the proposal increased by \$8.587 million in fiscal years 2022-2023 and \$17.174 million in fiscal years 2024-2025.

General	Expenditures	\$14,803	\$29,606
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Mandated Psychological Services - New

The Governor recommends providing funding to close the Judicial Branch's mandated psychological services budget deficit. The Judicial Branch is statutorily responsible for the cost of providing psychological examinations under Rule 20 of the Criminal Rules of Procedure and under Minnesota Statutes Chapter 253B. The costs of these examinations have significantly increased in the last several years, and the Judicial Branch will soon have to assume the additional cost of providing competency examinations, currently paid for by the Department of Human Services, on July 1, 2022.

General	Expenditures	\$1,996	\$3,992
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

District Courts

Interpreter Pay - New

The Governor recommends providing funding for the continuation of the current contract court interpreter hourly fee rate. In 2021, the legislature provided a one-time appropriation to increase interpreter hourly fees by eight percent for fiscal years 2022 and 2023. This request would make this funding increase permanent.

General	Expenditures	\$0	\$400
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Guardian ad Litem Board

Maintain Core Guardian ad Litem Operations - Revised

The Governor recommends providing funding to increase Guardian ad Litem Board employee compensation. This proposal would assist the board in maintaining existing staffing and reflects an operating increase of 6 percent, revised from 2.5 percent in the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$530,000 in fiscal years 2022-2023 and \$1.06 million in fiscal years 2024-2025.

General	Expenditures	\$909	\$1,818
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Public Defense, Board of

Electronic File Storage-Remote Hearings Access

The Governor recommends providing funding for the creation of an electronic file storage system for remote hearings. This system would include the necessary infrastructure, developer time, security, hardware, and software to provide for the acceptance and electronic filing of audio and video from police and prosecutors. The system would allow the Board to better assist vulnerable Minnesotan populations who have difficulty accessing the virtual justice system.

General	Expenditures	\$627	\$0
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Salary Equity

The Governor recommends providing funding to the Board of Public Defense to fund cost-of-living adjustments for staff. The funding would also be used to adjust salary scales on all job classes. This funding would assist the board in retaining skilled staff and attracting new prospective employees and would allow it to maintain current levels of service.

General	Expenditures	\$3,379	\$4,532
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Private Detectives & Protective Agents Board

Record Management System & Background Checks

The Governor recommends providing funding to allow the Private Detectives & Protective Agents Board to better monitor and enforce professional standards. Funding would be used to purchase and implement a record management system to track, monitor, and streamline the application, renewal, training, and investigations processes, including initial and ongoing licensing and support costs. The Board would also begin submitting licensee applicant fingerprints to the federal government if criminal convictions exist for the applicant, but this initiative would have a net zero fiscal impact because applicants would be charged a processing fee.

General	Revenues	\$2	\$2
General	Expenditures	\$98	\$36

Peace Officer Standards and Training Board

Public-facing Database for Public Records

The Governor recommends providing funding to the Peace Officer Standards and Training Board to develop a public facing licensee database. This database would allow any member of the public to find public information on all licensed peace officers in Minnesota, including any final discipline in the form of licensing sanctions that have been taken against a peace officer. This funding would be used to reimburse expenses incurred in the development of the database during the remainder of this fiscal year.

General	Expenditures	\$165	\$0
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Corrections

Statewide Public Safety Data Infrastructure

The Governor recommends funding to create a statewide public safety information sharing infrastructure, replacing deficient existing corrections data management systems, addressing concerns from the Office of Legislative Auditor report on Safety in Correctional Facilities, and connecting all 87 counties, the Judicial Branch, and law enforcement partners. This would allow information about system-involved individuals' risk level and supervision needs to be shared to reduce crime and promote informed public safety policy making. Currently, public safety systems do not speak to each other effectively or uniformly across the state, creating gaps in risk management and the delivery of system resources. The statewide system will help ensure the effective delivery of public safety resources and correctional supervision across the state and increase necessary communication and coordination between all impacted agencies and communities.

General	Expenditures	\$12,000	\$35,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Corrections

Correctional Supervision - Revised

The Governor recommends providing funding to reform the financing of county-level supervision in Minnesota. This proposal would provide funding for the Justice Reinvestment Initiative's recommendations to reform the state's county-level supervision system by increasing baseline funding for the state to meet its statutory obligations and allow counties to choose its preferred supervision system based on local needs. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022, and includes the increase for county grants and community-based rehabilitation grants requests that were included in the original Governor's recommendation. The cost of the proposal increased by \$22.546 million in fiscal years 2022-2023 and \$62.578 million in fiscal years 2024-2025.

General	Expenditures	\$26,239	\$77,578
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MN Rehabilitation and Reinvestment Act (MRRRA)

The Governor recommends incentivizing incarcerated individuals to meaningfully engage in rehabilitative programming and treatment during their period of incarceration, leading to an incrementally early release for those individuals. This is an evidence-based proposal, as those who engage in treatment and programming have a lower likelihood of reoffense once released to the community. Savings achieved through this program are reinvested into crime victim services, a Community Corrections Act subsidy for correctional supervision services, grants to develop and invest in community-based services, and the general fund.

General	Expenditures	\$0	\$0
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Healing House Model Project Planning and Design - Revised

The Governor recommends providing funding for a temporary project manager to advance the Healing House model, a program to assist Native American women who have been victims of trauma achieve long-term stability and reduce their involvement in the criminal justice system. The project manager would build partnerships with tribes, community partners, non-profits, the Missing and Murdered Indigenous Relatives Office at the Department of Public Safety, the Interagency Council on Homelessness, and the Department of Human Services in order to build a collaborative funding and service model to reduce cyclical criminal justice system involvement for these women and their families. This recommendation reflects a decreased cost of \$150,000 in fiscal years 2022-2023 and an increased cost of \$300,000 in fiscal years 2024-2025, relative to the Governor's recommendation, released January 2022.

General	Expenditures	\$150	\$300
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Family Support

The Governor recommends providing funding for three specialists to focus on family support and engagement for incarcerated persons and their families. These three specialists would spearhead the implementation of recommendations by the Ombudsperson for Corrections to develop and implement family support and coordination policies and programs within the department to strengthen ties of incarcerated individuals with their children and families, an evidence-based practice in reducing recidivism.

General	Expenditures	\$280	\$560
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Corrections

Maintaining Family Connections for Incarcerated Individuals

The Governor recommends providing funding to provide free video and phone calls for incarcerated persons to connect with their families. Currently, the department provides two free 15-minute phone calls per week, and incarcerated persons and their families pay for any additional phone or video calls after those are completed. Studies show that preserving and maintaining family relationships while incarcerated leads to stronger community ties, promotes rehabilitation and decreases recidivism.

General	Expenditures	\$1,500	\$3,000
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Expansion of Work Release for Education

The Governor recommends providing funding to increase the availability of educational programming to incarcerated individuals through existing work release authority and community-based transitional programming. This funding would be used to reimburse per diems and other expenses associated with housing incarcerated persons in transitional or halfway housing while they take advantage of these programs.

General	Expenditures	\$1,000	\$2,000
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Post-Secondary Education and Employment Partnerships

The Governor recommends providing funding to contract with Minnesota's institutions of higher education for instruction in state correctional facilities. Funding would also be used to create a public safety and economic opportunity unit to connect and partner with public and private employers, trades, and community colleges to provide sustained employment opportunities for those individuals leaving incarceration.

General	Expenditures	\$2,000	\$7,000
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Oak Park Heights Mental Health Unit Pilot Program - New

The Governor recommends providing funding to create a pilot program for counties to transfer incarcerated persons with serious mental health issues to the Department of Corrections' (DOC) Oak Park Heights mental health unit for treatment. Participation in this program would be voluntary and would be limited to five patients at any one time. Participating counties would reimburse DOC for the expenses of treating and housing these individuals.

Other Misc Special Revenue	Revenues	\$285	\$107
Other Misc Special Revenue	Expenditures	\$285	\$107

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Corrections

Project Management

The Governor recommends providing funding to add capacity to the DOC's project management office to focus on transformative services pre- and post-incarceration. New project managers would lead efforts reduce project backlog and coordinate collaborative work between department divisions and work areas. This funding would benefit department staff, incarcerated persons, and those under supervision by spearheading more effective and efficient process changes and improved outcomes in agency policies and programming.

General	Expenditures	\$230	\$460
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Body-worn Cameras

The Governor recommends providing funding to implement a body-worn camera program for all uniformed correctional security personnel and community-based intensive supervised release (ISR) agents. This funding would address concerns outlined in the Office of Legislative Auditor report on Safety in Correctional Facilities and would be used to purchase approximately 2,600 cameras. These cameras would be used to improve facility safety by better-assessing interactions between corrections officers and incarcerated persons, as well as improve COVID-19 contact tracing efforts.

General	Expenditures	\$1,500	\$2,000
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Indeterminate Sentence Release Board

The Governor recommends funding to establish a five-member Indeterminate Sentence Release Board within the Department of Corrections to review eligible cases and make release decisions for incarcerated persons serving indeterminate sentences. Currently, the Commissioner of Corrections has the sole authority and discretion to make these release decisions.

General	Expenditures	\$40	\$80
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Interstate Transport Reimbursement to Counties

The Governor recommends providing reimbursement to county sheriffs for the transport of individuals apprehended in other states. Such transportation is required under the Interstate Commission for Adult Offender Supervision, when a nationwide warrant is required for an adult sentenced in Minnesota and transferred to a noncontiguous state. The cost of this transport can be a significant burden on county budgets.

General	Expenditures	\$250	\$500
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Property Insurance

The Governor recommends providing funding to pay for increased property insurance premiums at correctional facilities. Property insurance premiums increased 54% in FY 2020 and have continued to increase in FY 2022. The agency prioritizes maintaining adequate insurance coverage to reduce financial risks to the state.

General	Expenditures	\$650	\$1,300
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Corrections

Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for the Department of Corrections. A new Cannabis Management Office would be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation also includes funding for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis.

General	Expenditures	(\$177)	(\$752)
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Ombudsperson for Corrections

Information Technology

The Governor recommends providing funding for one-time information technology and database transfer costs accrued when the office became an independent entity. These funds would also be used to pay for ongoing information technology costs associated with maintaining the office's information technology infrastructure and software.

General	Expenditures	\$33	\$24
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Public Safety - Public Safety

Office of Justice Program Investment

The Governor recommends making an increased, ongoing investment that will enable the Department of Public Safety to address service gaps and improve quality of services. This funding would strengthen the Office of Justice Programs by increasing available funds for grant administration and monitoring, evaluative and analytical work, housing services, and community outreach. The Department currently funds many of these initiatives through federal grant funding, but this investment would establish reliable, ongoing funding and allow the office to broaden the scope of its work beyond what is required by grants.

General	Expenditures	\$1,213	\$2,426
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Domestic Violence and Sexual Assault Intervention and Prevention

The Governor recommends investing in programs and services for victims of domestic violence, sexual assault, and child abuse. Funding would be used for competitive grants and for grant administration. This funding would backfill a temporary reduction in federal support for these programs and also enable the Department to expand programming to meet an increased need for these services created by the pandemic. With this funding, the Department estimates they can provide grants to up to 200 programs throughout the state that annually serve over 75,000 individuals.

General	Expenditures	\$12,500	\$17,500
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Public Safety - Public Safety

Violent Crime Reduction Support Initiative

The Governor recommends ongoing funding for additional programming and staff support to combat violent crime. Funding would be used to establish a Violent Crime Support Unit within the Bureau of Criminal Apprehension which would increase the capacity to conduct forensic and investigatory work including proactive analytics, providing additional staff support to the Department's forensic science and investigations divisions, and forming a violent crime investigative partnership program for local agencies across the state.

General	Expenditures	\$9,762	\$18,290
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Youth Development Grants

The Governor recommends funding for youth development programs, including after-school activities, tutoring, mentoring, workforce development, mental health services, and truancy prevention. Funding would be used for grants and to provide staff support for program administration.

General	Expenditures	\$3,000	\$6,000
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Prevention, Intervention, Enforcement Community Policing Grants

The Governor recommends providing funding for grants to support community policing initiatives. Grant awards would prioritize addressing violent crime and drug crime. The program would be modeled after a federal program to advance crime prevention and intervention strategies using social services and economic revitalization. This initiative would facilitate multiagency collaboration, including across public jurisdictions, the public and private sectors, and community members.

General	Expenditures	\$10,000	\$20,000
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Simulator Trailers

The Governor recommends purchasing mobile semi-trailers that contain law enforcement training simulators and providing funding to support staff to operate and administer the trainings across the state. These trailers would allow law enforcement agencies to provide immersive, dynamic training experiences that better imitate real world scenarios. Training would emphasize de-escalation tactics and skills when responding to crises, including implicit bias training.

General	Expenditures	\$4,000	\$1,000
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Retail Liquor License Enforcement

The Governor recommends increasing enforcement and monitoring efforts for retailers with liquor licenses by funding positions to increase retail liquor license enforcement, including quicker responses to enforcement complaints and re-establishing proactive inspections and educational visits. Recent staffing shortfalls have required that investigators process licenses and paperwork rather than conducting field work and enforcement.

General	Expenditures	\$510	\$1,020
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Public Safety - Public Safety

Youth Justice Staff

The Governor recommends funding new positions to support, complement, and expand youth justice initiatives. These positions would be dedicated to combatting racial and ethnic disparities, collecting and analyzing data, managing grants, and liaising with tribal and native communities.

General	Expenditures	\$400	\$800
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Cybersecurity Upgrades

The Governor recommends addressing cybersecurity vulnerabilities within the Bureau of Criminal Apprehension by funding upgrades to infrastructure, data storage, disaster recovery, and a new identity and access management system. Funding would be used for one-time implementation costs and ongoing operations, including staff support. The Bureau of Criminal Apprehension is responsible for maintaining and disseminating sensitive and confidential criminal justice information to federal, local, and state sources.

General	Expenditures	\$2,391	\$1,800
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First Responder Wellness Office

The Governor recommends establishing an office that provides leadership and resources for improving the mental health of first responders statewide. Funding would be used to staff the office and to administer grant funding for initiatives such as first responder peer-to-peer counseling, critical incident stress management, and co-responder programs.

General	Expenditures	\$2,000	\$2,000
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General Crime and Trauma Recovery Funding

The Governor recommends increasing funding for general crime response programs and trauma recovery centers that provide wraparound services for victims of crime who experience trauma. Services can include therapy, case management, legal advocacy, home visits, and referrals to other resources. Funding would also be used to increase emergency funds and fund staff support to oversee program implementation including to distribute funds for victims of general crimes, such as for replacement of property, safe housing, food, transportation, and moving expenses.

General	Expenditures	\$1,000	\$2,000
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Crossover/Dual-Status Youth Model Grants

The Governor recommends expanding programming that provides coordinated services for youth who are in both the child welfare and juvenile justice systems, and funding staff support to administer the expansion. Youth in both the welfare and justice systems have unique challenges and may have gaps in their services due to inefficiencies between the two systems. Grants ranging from \$100,000 to \$200,000 would be awarded to providers through a competitive process to provide intervention, prevention, diversion, education, and therapy services. The Department of Public Safety estimates they could provide services to up to 1,500 youth through this proposal.

General	Expenditures	\$1,000	\$2,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Public Safety - Public Safety

Alternatives to Juvenile Detention - Community Outpost

The Governor recommends funding to establish and maintain community outpost houses, which are home-bases to police officers that provide community services including basic health care, access to social services, youth programming, and a variety of classes to improve economic and familial well-being. Programming is particularly targeted towards reducing youth violence and improving juvenile justice outcomes. The Department of Public Safety estimates each house requires approximately \$1,000,000 annually.

General	Expenditures	\$2,000	\$4,000
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Domestic Violence Housing First

The Governor recommends funding a new program that provides resources for survivors of domestic violence and sexual assault to access safe and stable housing, which reduces homelessness and promotes stability, safety, and well-being of victims and their families. Funding would be used to provide grants ranging from \$30,000 to \$150,000 to service providers and for support staff that offer community engagement, advocacy, and expertise in housing resources. Providers may use funds to provide support such as rental assistance, security deposits, utility costs, transportation costs, and childcare expenses.

General	Expenditures	\$500	\$1,500
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Community-based Public Safety Grants

The Governor recommends ongoing funding for grants for a variety of community-based public safety programs, including those related to issues such as pretrial services, probation, truancy, elder abuse, youth intervention, neighborhood watch, and resident engagement. Funding would be used for grants and for staff support to administer and monitor these funds.

General	Expenditures	\$10,000	\$5,000
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Local Government Emergency Management Grants

The Governor recommends providing grant funding for local emergency management programs, to be equally distributed among all 87 counties, 11 tribes, and 4 cities of first class that apply for funding. The Department's Homeland Security and Emergency Management division would retain up to 1% for grant administration. Statutes require political subdivisions within the state to have a local organization for emergency management, but there is no dedicated state funding to help local governments meet those requirements. State funding cannot supplant local contributions.

General	Expenditures	\$3,000	\$0
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Alternatives to Juvenile Detention - Youth Conflict Resolution Centers

The Governor recommends funding additional youth conflict resolution centers, which are community spaces to facilitate conflict resolution including courses in community awareness, health and wellness, entrepreneurship, leadership, and mental health. These centers are primarily for African American youth and are intended to reduce youth violence. Each center requires approximately \$700,000 per year. There are currently two centers, one each in Saint Paul and Maplewood.

General	Expenditures	\$2,800	\$5,600
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Public Safety - Public Safety

Minnesota Heals Program

The Governor recommends funding a new program titled 'Minnesota Heals' to improve access to mental health services and equip communities to address trauma. The program would consist of three components: 1) a statewide community healing program that invests in trauma-informed mental health support; 2) statewide critical incident stress management services for first responders; and 3) grants for trauma services and burial costs following an officer-involved death. Funding would be used for grants, programming costs, and staff support for program administration.

General	Expenditures	\$4,200	\$8,400
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Transitional Supportive Housing for Survivors of Domestic and Sexual Violence

The Governor recommends funding transitional housing programming to provide medium-to-longer term housing (up to 24 months) and advocacy services for survivors of domestic and sexual violence to aid in their recovery and healing. Funding would be used to provide grants to 5-10 service providers and for staff support for program administration and implementation, including culturally specific transitional housing.

General	Expenditures	\$750	\$2,500
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Disparities Reduction and Delinquency Prevention Subawards

The Governor recommends expanding grant funding for disparities reduction and delinquency prevention programming in the juvenile justice system. The Department currently receives approximately \$900,000 annually in federal funds for these purposes.

General	Expenditures	\$900	\$1,800
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Commission on Accreditation for Law Enforcement Agencies (CALEA) Accreditation

The Governor recommends supporting the achievement and maintenance of an accreditation by the Commission on Accreditation for Law Enforcement Agencies for the Bureau of Criminal Apprehension. This accreditation promotes attainment of operational excellence in a variety of areas including written policies, use of evidence in decision making, reporting, preparedness, community relations, continuous pursuit of excellence, and through an independent review. Funding would be used for accreditation fees and to support a position to oversee and manage the accreditation process, including for related equipment, supplies, and training costs.

General	Expenditures	\$186	\$340
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Bomb Squad Deficiency and Allowable Reimbursements

The Governor recommends increasing funding for explosive security teams. The funding would be used to fill a budgetary shortfall for explosive security and to fund an expansion in the eligible activities for reimbursements to teams working under contract with the Department of Public Safety to include K-9 services, protective dignitary explosive sweeps, and explosive security at large events.

General	Expenditures	\$150	\$300
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Public Safety - Public Safety

Legalizing Adult-Use Cannabis - Revised

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for the Department of Public Safety. A new Cannabis Management Office would be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation also includes funding for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The revision increases expenditures for the Department of Public Safety by \$570,000 in FY 2022-23 and \$3.99 million in FY 2024-25 and decreases expenditures for the Cannabis Management Office by equivalent amounts.

General	Expenditures	\$3,583	\$8,962
Trunk Highway	Expenditures	\$3,621	\$2,886

Mutual Aid and Multi-agency Emergency Response Training - New

The Governor recommends funding training for mutual aid and multi-agency emergency response. Funding would be used to produce new training materials and products, as well as training instruction. Trainings are offered to several entities including the Minnesota Sheriffs' Association, Minnesota Chiefs of Police Association, Minnesota Police and Peace Officers Association, Association of Minnesota Emergency Managers, Association of Minnesota Counties, and League of Minnesota Cities.

General	Expenditures	\$500	\$0
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Prosecutor Training Fund - New

The Governor recommends increasing funding to the Prosecutor Training Fund managed by the Office of Justice Programs within the Department of Public Safety. This fund supports educational training for county prosecutors.

General	Expenditures	\$25	\$50
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Human Rights

Improve Investigative Caseload Processing

The Governor recommends funding to add capacity to the Department's investigative team in order to provide necessary resources to efficiently and effectively investigate charges of discrimination brought by Minnesotans.

General	Expenditures	\$492	\$922
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Human Rights

Bias and Discrimination Data Gathering and Reporting

The Governor recommends providing funding to hire additional staff to improve the department's ability to gather, analyze, and report on bias and hate incidents throughout Minnesota.

General	Expenditures	\$388	\$486
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Bias Response and Community Equity Outreach Team

The Governor recommends providing funding to establish the Bias Response & Community Equity Outreach Team. This team would provide culturally specific support to communities after they have experienced an act of hate, in addition to conducting ongoing proactive outreach to communities across the state. The team would collaborate with nonprofit organizations, local units of government, law enforcement agencies, schools, and the private sector to ensure that any outreach is culturally specific and responsive to local needs.

General	Expenditures	\$1,185	\$2,002
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Equity and Inclusion Strategic Compliance

The Governor recommends funding to add capacity to the Department's Office of Equity and Inclusion for Minnesota Businesses. This request would provide the department with needed capacity to help ensure more efficient and effective enforcement of the state's Workforce Certificates and Equal Pay Certificates. The Department's Equity & Inclusion team oversees large state contractors to ensure compliance through the Workforce and Equal Pay Certificate programs. Equal Pay Certificates ensure that men and women are compensated equally for equal work, and Workforce Certificates ensure that contractors are making good faith efforts to maintain inclusive and equitable workforces so that the companies' employees reflect Minnesota communities.

General	Expenditures	\$228	\$456
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Equity and Inclusion Strategic Compliance Data Consultant

The Governor recommends funding to contract with an expert to help strengthen the Department's data collection and analysis operations for the Office of Equity & Inclusion for Minnesota Businesses. The consultant would provide strategic expertise on how the Department can better utilize data and technology when evaluating compliance with the state's Workforce Certificates and Equal Pay Certificates.

General	Expenditures	\$250	\$0
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Prohibit Rental Discrimination Based on Public Housing Assistance Status

The Governor recommends providing funding to investigate charges of source of income discrimination in public housing. This request would also update public assistance status protections under the Minnesota Human Rights Act to ensure that renters who access housing choice vouchers ("Section 8") are treated equally to other renters.

General	Expenditures	\$383	\$766
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Cannabis Expungement Board

Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for the Cannabis Expungement Board. A new Cannabis Management Office would be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation also includes funding for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis.

General	Expenditures	\$921	\$1,688
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Transportation

Transportation

Multimodal Transportation Package - Revised

The Governor recommends providing funding to be used as the non-federal match on funds to be received through the federal Infrastructure Investment and Jobs Act (IIJA). A portion of the funding would be used as a match specifically for IIJA programs that fund state and local roads and bridges and the other portion would be used as a match for IIJA programs that fund other transportation needs, including transit, aeronautics, pedestrian and bicycling, electric vehicle infrastructure, and more. Funding would be used for programming costs and for support staff to administer and implement the increased programming. A portion of funding would be transferred to Metropolitan Council for transit-related programs, and a portion would be provided to small cities (population less than 5,000) that are otherwise not eligible for funding through the local state aid road funds. This recommendation reflects a revised fiscal impact from the original Governor's recommendations, released January 2022. The cost of the proposal increased by \$20 million in FY 2022-23 and \$20 million in FY 2024-25.

General	Transfers Out	\$200,000	\$293,322
General	Expenditures	\$100,000	\$100,000
Municipal State Aid Street	Transfers In	\$17,100	\$25,079
Municipal State Aid Street	Expenditures	\$17,100	\$25,079
County State Aid Highway	Transfers In	\$65,100	\$95,476
County State Aid Highway	Expenditures	\$65,100	\$95,476
Trunk Highway	Revenues	\$315,457	\$360,643
Trunk Highway	Transfers In	\$117,800	\$172,767
Trunk Highway	Expenditures	\$433,257	\$533,410
Highway Users Tax Distribution	Transfers In	\$200,000	\$293,322
Highway Users Tax Distribution	Transfers Out	\$200,000	\$293,322

Maximize Federal Transportation Climate Funding

The Governor recommends providing funding to fully leverage federal infrastructure funding opportunities through the Infrastructure Investment and Jobs Act that reduce greenhouse gas emissions or build resiliency to address climate change. Transportation is the leading source for greenhouse gas emissions in Minnesota since 2016. The Department of Transportation estimates receiving \$224 million over five years through guaranteed formula programs that target emission reductions or climate resiliency, in addition to funds awarded through competitive discretionary programs that often require at least a 20% non-federal match. Funds would also be used to support staff positions to apply for discretionary grants, navigate the administration of new federal programs, and expand related state programs.

General	Expenditures	\$2,000	\$4,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Transportation

Compensation Operating Impacts

The Governor recommends increasing the Department of Transportation’s operating appropriation to fund employee cost-of-living increases provided in labor contracts. Compensation costs have increased an average of about 3% each year over the last five years, and increasing employee costs inhibit the Department’s ability to fund transportation programs.

Trunk Highway	Expenditures	\$23,900	\$40,800
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Corridors of Commerce Project Scoring and Statute Clarification

The Governor recommends modifying the structure of the Corridors of Commerce program to improve clarity, public involvement, and cost-effectiveness, as well as creating a small programs category. The Corridors of Commerce program funds highway projects to foster economic growth. Modifications would amend processes to reduce the number of projects needed to be scored by advancing only the most competitive projects and therefore reducing administrative burden; clarify the definition of “regional balance” to mean funding would be evenly split between the eight counties in the metro district and the other counties that comprise Greater Minnesota; and create a “small programs” category for projects under \$10 million to allow funding for a greater number of projects, particularly in underserved rural areas.

Trunk Highway	Expenditures	\$0	\$0
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ARMER Radio Tower and Equipment Building Replacements

The Governor recommends funding for the replacement of Allied Radio Matrix for Emergency Response (ARMER) system backbone radio communication towers and equipment buildings. The ARMER system is a vital system for public safety communications in Minnesota, and is shared among various government jurisdictions including federal, tribal, state, and local agencies. The system supports over 80,000 active radios and facilitates over 8 million push-to-talks per month.

General	Expenditures	\$2,000	\$0
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Rail Grade Crossing Safety

The Governor recommends increasing ongoing, dedicated funding for safety improvements at rail crossings. There are on average 40 crashes and six deaths at rail crossings across the state each year. While these numbers have neither improved nor worsened over the last decade, the Department of Transportation has a goal of achieving zero transportation-related deaths.

Restrict Misc Special Revenue	Revenues	\$1,500	\$3,000
Restrict Misc Special Revenue	Expenditures	\$1,500	\$3,000
Trunk Highway	Revenues	(\$1,500)	(\$3,000)

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Transportation

Utility Aircraft Replacement

The Governor recommends replacing two utility aircrafts primarily used to transport Department of Transportation aeronautics employees that provide equipment maintenance across the state's nearly 500 airports, heliports, and seaplane bases. One aircraft was purchased in 1978 while the other was purchased in 2005, but both are experiencing increasing unreliability and have recently required significant repairs.

General	Expenditures	\$7,000	\$0
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Passenger Rail - 2nd Train Twin Cities to Chicago - New

The Governor recommends funding for operational costs related to adding a second daily passenger rail train from the Twin Cities to Chicago, which could be operational in 2023. The Federal Railroad Administration awarded a \$12.6 million grant in May 2020 to offset cost of operations for the first three years. Beginning in fiscal year 2026, the states are responsible for 100% of the operational costs, and the Department estimates Minnesota's share of annual operating costs at \$4.01 million

General	Expenditures	\$740	\$3,690
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Metropolitan Council - Transportation

Blue Line Light Rail Extension

The Governor recommends funding to extend the light rail transit Blue Line route from Minneapolis to the northwest suburbs. Metropolitan Council and Hennepin County are currently evaluating community-supported alignments and intend to announce a preferred route in Summer 2022. The extension is estimated to be completed in 2028. A portion of the funding would be used to support project staff such as engineers, project managers, and finance positions.

General	Expenditures	\$200,000	\$0
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Accelerating Zero Emissions Public Transit Bus Transition

The Governor recommends funding to purchase electric buses and associated charging infrastructure in lieu of diesel buses. Each electric bus requires \$800,000 more than the amounts already allocated for the diesel buses. The electric buses would accelerate Metropolitan Council's zero-emissions fleet transition and facilitate the achievement of the Council's Zero Emission Bus Transition Plan. The Council owns 848 diesel buses, 114 hybrid-electric buses, and 8 fully-electric buses, and has funding to purchase 8 electric buses in 2022, 70 in 2025, and 22 for when the Gold and Purple Lines of bus rapid transit begin.

General	Expenditures	\$3,200	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Public Safety - Transportation

Ongoing Capitol Protests - Revised

The Governor recommends one-time funding to cover costs associated with providing security for protests at the State Capitol. Security for protests is not generally factored into the State Patrol's budget. As a result, providing security at unexpected large-scale events can place pressure on the State Patrol's operating budget. The Department reports unexpected costs to provide security during civil unrest regarding a pipeline construction project in northern Minnesota, COVID-related grievances, and the trials of former law enforcement officers. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal increased by \$1.89 million in FY 2022-23.

General	Expenditures	\$3,780	\$0
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License Plate Mailing and Production Cost Deficiency

The Governor recommends one-time funding to address a Department of Public Safety funding deficiency because of increased costs of producing and mailing license plates due to changing consumer patterns. During the pandemic, the Department temporarily closed driver and vehicle service centers where individuals could receive new license plates, requiring individuals to request plates to be delivered through the mail which is more expensive for the Department compared to shipping plates in bulk to service centers. Without additional funding to correct this deficiency, the Department stated they may need to slow or delay online and mailing services.

Restrict Misc Special Revenue	Expenditures	\$3,925	\$0
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Cancer and PTSD Benefits

The Governor recommends expanding the eligible circumstances for which families of first responders who die in the line of duty can receive death benefits to include cancer or post-traumatic stress disorder that is linked to their service. The benefit amount for a line of duty death was approximately \$167,000 in 2021.

General	Expenditures	\$1,000	\$2,000
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Race and Ethnicity Data - Driver's Licenses, Permits, and Identification Cards

The Governor recommends providing funding to implement the collection of self-identified race and ethnicity data with all applications for credentials issued by the Department of Public Safety's Driver and Vehicle Services, including licenses, permits, and identification cards. Collecting this data would allow the Department to analyze patterns in traffic stops and driving citations to identify and reduce disparities. Funding would be used for initial programming costs and to fund staff support to implement a statewide traffic safety equity program and to manage an anticipated increase in data requests. Racial and ethnic information would not display on credentials.

General	Expenditures	\$173	\$346
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Restrict Misc Special Revenue	Expenditures	\$241	\$136
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Public Safety - Transportation

Body Cameras

The Governor recommends providing funding to equip local law enforcement agencies with body-worn cameras, including initial acquisition costs and ongoing operating costs such as data storage. The Department of Public Safety estimates there are 9,000 officers statewide that are unequipped with body cameras. The cost to equip an officer is approximately \$1,000 per officer per year.

General	Expenditures	\$6,000	\$3,000
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Law Enforcement Recruitment

The Governor recommends ongoing funding to improve recruitment efforts for law enforcement positions. Funding would be used to employ recruiters, provide \$1,000 annual student loan payments to newly-hired police officers over a period of five years, develop a first responder career website, and develop and administer a recruitment advertising campaign.

General	Expenditures	\$1,975	\$3,950
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Increase Data Auditing Capacity

The Governor recommends increasing the Department of Public Safety's ability to audit entities with access to data maintained by their Driver and Vehicle Services Division. Funding would be used to provide additional staff support, including equipping the new positions with computers, software, and other supplies. The Department currently has one position responsible for auditing access to this data. Recent technological upgrades and improvements to the Department's data systems have increased the amount of data that is available and accessed by others.

Restrict Misc Special Revenue	Expenditures	\$181	\$354
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Security Cameras and Video Recording at Exam Station Hubs

The Governor recommends funding the installation of security cameras and recording equipment at all Department of Public Safety Driver and Vehicle Services exam sites across the state that are open five or more days per week, and the replacement of existing security cameras at the downtown Saint Paul location. Funding would be used for initial one-time costs including cameras, equipment, and installation, and for ongoing costs including information technology operations and staff costs. Personnel costs would include support to provide full-time monitoring of the system, consulting work, a project manager, and a security specialist. Funding would also be used for a grant matching program for Deputy Registrars and Drivers License Agents to access funding for the installation of cameras at their locations.

Restrict Misc Special Revenue	Expenditures	\$1,282	\$306
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Public Safety - Transportation

Pipeline Safety Federal Update

The Governor recommends modifying statutes related to civil penalties for pipeline violations to delete statutorily specified amounts and replace the language with references to federally-required regulations, standards, and maximum amounts. The Department of Public Safety reports that the federal government alerted the Department that existing civil penalty amounts are not commensurate with federal penalty provisions for violations by pipeline operators and that continued failure to correct the issue may result in a loss of grant funding. Increasing the maximum fine would likely not result in a fiscal impact to the state because the Department has not collected more than \$75,000 for a single violation since at least 1994 (the maximum state violation is currently \$1,000,000).

Restrict Misc Special Revenue	Revenues	\$0	\$0
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Traffic Safety - New

The Governor recommends ongoing funding to expand traffic safety public outreach, media, and education efforts to address rising traffic deaths. Funding would be used to provide staff support and equipment to manage and coordinate various programs, projects, grants, and contracts. Initiatives include creating a Traffic Safety Council to coordinate statewide traffic safety initiatives, assisting with the state's "Toward Zero Deaths" traffic safety initiative, and expanding the amount of grants provided to safe roads coalitions.

General	Expenditures	\$4,000	\$8,000
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State Patrol Aircraft Replacement - New

The Governor recommends funding to replace a State Patrol helicopter. The new helicopter would be safer and better equipped to conduct rescue operations. Funding includes the purchase of the helicopter, pilot training, and increased operating costs such as fuel and maintenance.

General	Expenditures	\$13,850	\$1,700
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Commercial Vehicle Enforcement - New

The Governor recommends funding to increase commercial vehicle enforcement efforts. This includes monitoring of weigh stations, lane enforcement, and school bus inspections.

Trunk Highway	Expenditures	\$5,064	\$10,128
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Bullet-Resistant Vests - New

The Governor recommends increasing funding for the reimbursement of purchases of bullet-resistant vests for law enforcement officers. Officers and law enforcement agencies who purchase vests may apply for reimbursement for the lesser of one-half of the purchase price or approximately \$839 (indexed annually to inflation).

General	Expenditures	\$605	\$410
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Environment

Pollution Control

Technical Assistance and Grant Funding for Wastewater Treatment Systems

The Governor recommends funding for two FTEs for technical assistance and grants to local governments to support greater Minnesota communities in their efforts to meet new pollutant limits and their community wastewater treatment. This funding will explore innovative permitting approaches, evaluate treatment system alternatives to construction, identify cost-effective solutions (including pollution source reduction and optimizing existing infrastructure), and develop engineering plans so municipalities may seamlessly apply for Clean Water State Revolving Fund dollars when construction is needed.

General	Expenditures	\$2,175	\$0
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Waste Prevention Recycling Grants and Loans

The Governor recommends funding for three temporary FTEs to provide technical assistance and grants to improve infrastructure for waste prevention, recycling, and composting projects. Priority areas for grant funding would focus on: prevention of wasted food and food rescue, recycling market facility development, composting/anaerobic digestion facility development and expansion, and sustainable building and materials management.

General	Expenditures	\$18,923	\$0
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PFAS Community Grants

The Governor recommends providing grants to public and private entities to reduce pollution from per- and polyfluoroalkyl substances (PFAS). The priorities are replacing PFAS firefighting foam, monitoring for PFAS conduits to the environment (municipally-owned landfills, wastewater treatment plants, and waste-to-energy plants), and supporting PFAS pollution prevention at public entities.

General	Expenditures	\$2,000	\$0
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Agency Operating Increase

The Governor recommends providing an operating increase to several divisions at MPCA to ensure the agency continues to meet its core statutory responsibilities, including monitoring, rule development, permitting, enforcement, outreach, and response to record requests.

General	Expenditures	\$38	\$76
Petroleum Tank Release Cleanup	Expenditures	\$854	\$1,708
Environmental	Expenditures	\$4,167	\$8,334
Remediation	Expenditures	\$543	\$1,086

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Pollution Control

Railroad Safety

The Governor recommends maintaining an FTE for oil and hazardous substance discharge preparedness and response for railroads with unit trains.

Remediation	Expenditures	\$133	\$266
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Accelerate Pollution Prevention at Small Businesses

The Governor recommends expanding the small business loan program to provide no-interest loans to more businesses for pollution prevention. The additional loans will focus on reduction of non-traditional pollution types, such as auto body paint and dry-cleaning chemicals.

General	Expenditures	\$2,000	\$0
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Solar Panel Recycling

The Governor recommends establishing a solar panel component product stewardship program to ensure waste is disposed of properly. Solar retailers will collect a fee at the point of sale and remit the proceeds to a product stewardship organization. The group will develop practices to reduce the amount of harmful waste generated by the solar panels.

Environmental	Revenues	\$100	\$200
Environmental	Expenditures	\$100	\$200

Restrict Cadmium and Lead in Certain Consumer Products

The Governor recommends funding half of an FTE and equipment to enforce restrictions on toxic lead and cadmium in certain consumer products.

Environmental	Expenditures	\$74	\$148
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PFAS Baseline Conditions Study

The Governor recommends funding to assess the levels of per- and polyfluoroalkyl substances (PFAS) throughout the state in water and soil. The funding will pay for PFAS analysis in water samples taken at existing pollutant load monitoring sites and for a contractor to sample and analyze soil around the state. The MPCA will use the data to support disposal guidelines for PFAS-containing materials.

General	Expenditures	\$500	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Pollution Control

Creating a Community-based Brownfield Grant Program

The Governor recommends creating a grant program to encourage redevelopment of contaminated sites in low-income and underserved communities. The grants will fund environmental assessments and clean up planning for local governments, community groups, nonprofits, and small businesses.

General	Expenditures	\$1,000	\$0
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St. Louis River Mercury TMDL Availability Extension

The Governor recommends extending the availability of a current onetime appropriation to complete a mercury total maximum daily load study for the St. Louis River from 2022 to 2024. The extension will allow MPCA to undertake additional stakeholder engagement on the project, including ensuring appropriate engagement on technical outputs such as modeling.

Environmental	Expenditures	\$0	\$0
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Increasing Capital Assistance Program Grants for Local Governments

The Governor recommends increasing the grant limit of the Capital Assistance Program from \$2 million to \$5 million per project and expanding the eligibility for the grants to include projects that reduce food waste and manage construction waste. The small cost for this recommendation will fund new rulemaking.

Environmental	Expenditures	\$17	\$0
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Expand Smart Salting Training

The Governor recommends continuing MPCA's smart salting training and certification program, funded by a fee from participating local governments.

Restrict Misc Special Revenue	Revenues	\$0	\$1,188
Restrict Misc Special Revenue	Expenditures	\$0	\$1,188

Uniform Tools for Brownfields Program

The Governor recommends creating a revolving fund to pay MPCA's administrative costs for its voluntary investigation and cleanup program. The revolving fund will receipt the program's annual revenues beyond the first \$350,000. This revolving fund would be appropriated to MPCA annually to administer the program.

Restrict Misc Special Revenue	Revenues	\$90	\$180
Remediation	Revenues	(\$90)	(\$180)

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Pollution Control

3M Reporting Changes

The Governor recommends decreasing the frequency that MPCA and DNR are required to submit their 3M settlement report to the legislature from twice per year to once per year. MPCA expects the single report will include a similar amount of information as the multiple reports but require less staff time.

Remediation	Expenditures	(\$2)	(\$2)
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Technical Assistance for Environmental Review

The Governor recommends onetime funding for a contractor for the Environmental Quality Board to develop Minnesota-based tools and resources that will assist local governments with estimating greenhouse gas emissions for projects that require environmental review. This will reduce the complexity and uncertainty, and increase accuracy, in developing greenhouse gas assessments, and ease the burden on local governments and project proposers in preparing environmental review documents.

General	Expenditures	\$600	\$0
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Adaptation Action Grants and Water Storage

The Governor recommends providing grants to local and tribal governments to assist communities with mitigating increased stormwater flows from frequent and heavy rainfalls. Under this proposal, more Minnesota local governments and tribes will be able to successfully invest in upgrading their local infrastructure, critical facilities, and green space assets to reduce risks of localized flooding and urban heat impacts on residents. Stormwater water projects will address localized flooding that can interrupt critical services during severe weather, inadequate stormwater storage capacity, safety concerns caused by undersized stormwater systems, and environmental damage caused by weather extremes. Water storage funding will support local government efforts to control water volume and rates to protect infrastructure, improve water quality, and mitigate the effects of climate change.

General	Expenditures	\$54,000	\$666
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Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota. Funds provided to the Minnesota Pollution Control Agency would be used for the adoption of rules related to the establishment of water, energy, odor, and solid waste environmental standards for cannabis businesses.

General	Expenditures	\$538	\$580
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Natural Resources

Climate Adaptation for Natural Lands and Waters

The Governor recommends modernizing and enhancing DNR-managed facilities and infrastructure and restoring climate-impacted streams to mitigate and adapt to climate change. This includes 1) improving public water accesses, 2) rehabilitating roads and trails to enhance access to public lands and facilities, 3) modernizing state fish hatcheries, and 4) restoring and improving streams, culverts, and water control structures. These funds are available through 2026.

General	Expenditures	\$42,000	\$0
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Increase Capacity for Broadband Licensing

The Governor recommends funding for two FTEs for three years to accelerate broadband permitting and licensing. DNR reviews license applications for broadband infrastructure that crosses state land, including public waters.

General	Expenditures	\$246	\$492
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Public Safety Response - New

The Governor recommends additional funding to address a deficiency in the Enforcement Division's budget due to the costs of public safety efforts.

General	Expenditures	\$1,730	\$0
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Ensure Aggregate Mapping for Local Governments - New

The Governor recommends funding to provide aggregate resource maps for local governments. This investment supports counties and townships with data and technical assistance that informs local land use decisions as it relates to the environment and local economies.

General	Expenditures	\$300	\$600
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Lands Bill

The Governor recommends passage of DNR's annual lands bill, which includes land sales and provides DNR the flexibility to waive some applicant costs and fees when a land transaction benefits the state's land management interest.

Land Acquisition	Revenues	\$0	\$0
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Minnesota DNR Drought Response—Resolve Well Interferences

The Governor recommends reimbursing well owners and municipalities for costs associated with resolving DNR-confirmed well interferences that occurred from May 1 to December 30, 2021.

General	Expenditures	\$300	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Natural Resources

Minnesota DNR Drought Response—Water Efficiency Grants

The Governor recommends providing grants to municipal, township and tribal governments that operate public water supplies to increase water efficiency. This includes repairing pipes, meters, hydrants, and treatment plants; installing water-saving devices and water-efficient equipment; and rebates to residents who replace inefficient water-using devices with more efficient devices. These funds are available through 2026.

General	Expenditures	\$3,000	\$0
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Minnesota DNR Drought Response—ReLeaf Minnesota

The Governor recommends providing grants to local and tribal governments to remove and plant shade trees impacted by drought and provide communities with watering equipment to maintain newly planted trees to help increase survivability. Many trees were harmed by the 2021 drought, and removing and replacing these trees will support a more resilient, climate-adapted community tree canopy. These funds are available through 2027.

General	Expenditures	\$4,500	\$0
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Minnesota DNR Drought Response—Replacing Drought-Killed Tree Seedlings

The Governor recommends a onetime appropriation to replace seedlings killed by drought on DNR-managed lands and to provide grants to tribal, county, and private forestland owners to replant drought-killed seedlings on their land. These funds are available through 2027.

General	Expenditures	\$5,550	\$0
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Enhanced Forest Management Assistance to Private Woodland Owners

The Governor recommends providing planning assistance and cost-share funding to assist private woodland owners to manage their lands for climate mitigation and adaptation. These funds are available through 2027.

General	Expenditures	\$5,500	\$0
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Restoring Grasslands and Wetlands on WMAs for Carbon Capture and Resiliency

The Governor recommends enhancing grasslands and restoring wetlands on existing state-owned wildlife management areas to sequester more carbon and enhance climate resiliency, while also providing better pollinator and wildlife habitat. These funds are available through 2026.

General	Expenditures	\$10,000	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Natural Resources

Acquisition of Public Lands

The Governor recommends acquiring new public lands to support recreation and conservation with the goal of decreasing the state's net greenhouse gas emissions. These funds are available through 2026.

General	Expenditures	\$24,000	\$0
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Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota. Funds provided to the Department of Natural Resources are for training of DNR Enforcement Officers relating to the new cannabis regulatory system and requirements and for the enforcement of environmental standards.

General	Expenditures	\$299	\$0
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Water and Soil Resources, Board of

Support for Tribal Liaison

The Governor recommends funding for an FTE to serve as the Board of Water and Soil Resources' tribal relations liaison in accordance with Minnesota statute section 10.65. The position will engage the governing bodies of Minnesota's Tribal governments to discuss policy and budget proposals, cooperate on program implementation, and guide the agency's work.

General	Expenditures	\$125	\$262
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COVID Unreimbursed Costs

The Governor recommends funding to offset costs caused by the COVID pandemic, including for sanitation and safety supplies, single occupancy vehicle travel, equipment, and staff time. The recommendation also includes adding 1.5 temporary FTEs and contracts to accelerate BWSR projects that had design and construction delayed by the pandemic.

General	Expenditures	\$595	\$0
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Adaptation Action Grants and Water Storage

The Governor recommends providing grants to local and tribal governments to assist communities with mitigating increased stormwater flows from frequent and heavy rainfalls. Under this proposal, more Minnesota local governments and tribes will be able to successfully invest in upgrading their local infrastructure, critical facilities, and green space assets to reduce risks of localized flooding and urban heat impacts on residents. Stormwater water projects will address localized flooding that can interrupt critical services during severe weather, inadequate stormwater storage capacity, safety concerns caused by undersized stormwater systems, and environmental damage caused by weather extremes. Water storage funding will support local government efforts to control water volume and rates to protect infrastructure, improve water quality, and mitigate the effects of climate change.

General	Expenditures	\$15,000	\$334
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Water and Soil Resources, Board of

Healthy Soil Program

The Governor recommends providing grants and technical assistance to landowners, local governments, and other organizations to plant cover crops, enroll conservation tillage, purchase equipment, purchase seed and amendments, or implement other field-scale conservation practices.

General	Expenditures	\$17,000	\$9,000
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Metropolitan Council - Environment

Mapping Infrastructure Climate Risk & Resiliency Opportunities

The Governor recommends funding a project to develop resources to better identify infrastructure risks and resiliency opportunities in response to a changing climate. Funding would be used to develop a decision-making support toolset that utilizes Minnesota-specific climate, utility infrastructure, and demographic data to quantify potential risks and systematically prioritize equitable funding to mitigate those risks. This toolset would be made available to other regional partners.

General	Expenditures	\$5,000	\$0
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Explore Minnesota Tourism

Additional Administrative Capacity - New

The Governor recommends adding 3 FTEs at Explore Minnesota Tourism to build additional administrative capacity. These new FTEs will provide support in the areas of brand strategy, communications, and industry relations.

General	Expenditures	\$215	\$430
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Economic Development, Energy, Ag and Housing

Agriculture

Livestock Processing Facilities Grants

The Governor recommends increasing the state's livestock processing capacity by providing grants to processors to purchase equipment and expand their facilities.

General	Expenditures	\$3,000	\$0
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Expand New Markets Cost Share (E-Commerce)

The Governor recommends increasing cost-share limits and expanding eligibility for MDA's AGRI New Markets Program. The expanded grants will help small food manufacturers and value-added farm producers develop food safety plans, obtain licensing, and purchase e-commerce platforms.

General	Expenditures	\$250	\$250
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Hunger Relief

The Governor recommends increasing grants to food banks for food purchases to support families facing hunger and increase purchases from Minnesota producers and processors.

General	Expenditures	\$3,000	\$2,000
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Meat Processing Employee Recruitment and Retention Incentives

The Governor recommends providing grants to economic development organizations to offer sign-on bonuses, moving packages, retention bonuses, childcare stipends, and training to employees of small- and medium-sized meat processors.

General	Expenditures	\$1,500	\$1,500
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Food Retailer Improvement Assistance

The Governor recommends providing technical assistance and grants to grocery stores, corner stores, and farmers markets to improve infrastructure and expand operations.

General	Expenditures	\$1,000	\$500
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Services to Immigrant and BIPOC Producers and Businesses

The Governor recommends a new FTE, grants, and supplies to translate important industry electronic and print documents for non-English speaking agricultural producers and businesses. The materials include grant application forms and marketing documents. MDA will distribute the grants to organizations that provide technical assistance and advice to emerging farmers and non-English speakers.

General	Expenditures	\$2,000	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Agriculture

Farmers Market and Direct Marketing Support

The Governor recommends providing pass-through grants to the Minnesota Farmers Market Association and other direct marketing farms. The grants will purchase hand-washing stations, signs, sheds, internet, and hauling equipment at about 350 farmers markets and at farms selling directly to consumers.

General	Expenditures	\$1,500	\$0
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Information Technology Modernization

The Governor recommends replacing MDA's information technology entity management system to improve the ease of customer transactions and improve information security. This system manages licenses, permits, payments, and MDA data.

General	Expenditures	\$2,000	\$0
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Ag Innovation Campus Administration - New

The Governor recommends increasing funding for the Ag Innovation Campus (AIC) that is being constructed in Crookston, MN. In fiscal year 2021, the state appropriated \$5 million for the research facility. When MDA originally contracted with the AIC, the estimated total cost of the project was \$5.8 million. Since work started in September 2020, costs have increased, and the new total project cost estimate is about \$12 million. This nonprofit, cutting edge facility allows growers to maximize the value of their crops, increase hiring, and take advantage of current markets in biodiesel, soybean oil, soybean meal, and glycerin.

General	Expenditures	\$1,500	\$0
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Beginning Farmer Tax Credit Infrastructure - New

The Governor recommends increasing funding at MDA to administer the beginning farmer tax credit.

General	Expenditures	\$141	\$56
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Noxious Weed Grants

The Governor recommends providing grants to local units of governments and tribal nations for noxious weed detection, control, and management.

General	Expenditures	\$1,000	\$0
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Increased Resources for USDA Equivalent Meat Testing

The Governor recommends increasing the appropriation for MDA's food laboratory to maintain staff and cover supplies for the Minnesota Meat and Poultry Inspection Program. The program provides inspection services to small and niche processors to meet state requirements.

General	Expenditures	\$100	\$100
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Agriculture

Minnesota Copacking Grants

The Governor recommends establishing a new competitive grant program for manufacturers that copack, manage commercial kitchens, or provide cold-chain and other infrastructure.

General	Expenditures	\$250	\$250
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Animal Disease Preparedness and Response

The Governor recommends increasing the balance of the Agriculture Emergency Fund to prepare for and respond to an outbreak of the African Swine Fever. MDA will use the funds to develop new technologies for depopulation and disposal, improve communication within the industry, inform the public, improve detection, and increase surveillance.

General	Transfers Out	\$1,500	\$0
Agriculture	Transfers In	\$1,500	\$0
Agriculture	Expenditures	\$1,500	\$0

Agricultural Mental Health Specialists - New

The Governor recommends broadening the eligibility for the agricultural mental health program to include counseling for agricultural workers and support for professional agricultural advisers who often interact with farmers and ranchers in stress. The recommendation also changes the recipient of an existing pass-through grant for mental health services from Minnesota State Colleges and Universities to the Region Five Economic Development Commission.

General	Expenditures	\$22	\$44
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Waste Prevention and Sustainable Packaging Financial Assistance

The Governor recommends providing grants to farmers, processors, and organizations to replace single-use packaging with reusable alternatives, adopt sustainable packaging technology, and research new packaging options.

General	Expenditures	\$150	\$0
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Grain Indemnity Fund

The Governor recommends establishing a grain indemnity fund to reimburse producers that suffer losses when grain buyers or warehouses become financially insolvent. The onetime appropriation will establish the fund, which will be replenished indefinitely through fees on grain sales.

General	Transfers Out	\$5,000	\$0
Agriculture	Revenues	\$10,150	\$793
Agriculture	Transfers In	\$5,000	\$0
Agriculture	Expenditures	\$1,429	\$2,858

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Agriculture

Drought Relief: Funding for the Rural Finance Authority

The Governor recommends increasing the Rural Finance Authority's revolving fund loan account and modifying eligibility of the program to better meet the demand for disaster loans related to drought, including from small and beginning farms.

General	Expenditures	\$5,000	\$0
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Meat Processing Technical Program

The Governor recommends providing grants to Central Lakes College and Ridgewater College to establish meat-cutting and butchery programs. The grants will pay for equipment, facility rental, scholarships, and electric, water, and sewer infrastructure.

General	Expenditures	\$2,000	\$500
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The Good Acre LEAFF Program

The Governor recommends a pass-through grant to The Good Acre organization to expand its Local Emergency Assistance Farmer Fund. This fund pays farmers for excess crops and donates the crops to local hunger relief organizations. It also works with partners to reduce food waste and improve food safety, packing standards, and wholesale delivery.

General	Expenditures	\$1,000	\$500
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Drought Relief: Rapid Response Grants

The Governor recommends providing non-competitive grants and cost-share payments to livestock and specialty crop producers impacted by drought. The financial assistance would be available to producers of all livestock species, but focused on grazing animals including beef, dairy, goat, sheep, bison, and horses, as well as specialty crop producers growing fruits, vegetables, and nursery crops.

General	Expenditures	\$5,000	\$0
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Farm Business Management

The Governor recommends providing scholarships for agriculture workers involved in mediation and urban and specialty crops. The recommendation also includes an appropriation for MDA's administrative costs and support services, including translation and outreach.

General	Expenditures	\$300	\$200
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Agriculture

Food and Agriculture Systems Planning Grants

The Governor recommends providing grants to local governments, regional planning organizations, and tribes to implement agriculture economic development plans, such as amendments to zoning ordinances, adding co-packing and community kitchens, and providing land to disadvantaged farmers.

General	Expenditures	\$500	\$500
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Food System Resiliency - Forever Green Initiative

The Governor recommends increasing the appropriation for the Forever Green Initiative at the University of Minnesota to develop supply chains for year-round crops, such as Kernza. In particular, it will fund four pilot programs to establish supply chains for the crops, which will include risk management, post-production, processing, distribution, and marketing.

General	Expenditures	\$3,000	\$0
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Oriented Strand Board Production Incentive Amendments to Rider Language

The Governor recommends amending a previous MDA appropriation providing incentives to producers of oriented strand board to allocate 6.5 percent to MDA for administration.

General	Expenditures	\$0	\$0
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Livestock Investment Grant Statute Changes

The Governor recommends modifying MDA's existing appropriation for the Livestock Investment Grant program to decrease the annual expenditure cap from \$500,000 to \$250,000, eliminate the \$50,000 per recipient lifetime cap, and eliminate the waitlist provision.

General	Expenditures	\$0	\$0
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Farm Safety Grants Amendment

The Governor recommends allowing unused funds from MDA's appropriation for farm safety grants to carry forward from fiscal year 2022 to fiscal year 2023.

General	Expenditures	\$0	\$0
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Agriculture Cooperative Grant Reinstatement

The Governor recommends reinstating the agricultural cooperative grants statute, which would allow MDA to receive federal funds to assist farmers in the formation of producer-owned cooperatives. Emerging farmers are expressing interest in forming cooperatives, and these funds could pay some of the costs of launching cooperatives, operating processing facilities, or marketing.

General	Expenditures	\$0	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Agriculture

Agricultural Best Management Practices Eligibility Expansion

The Governor recommends expanding the eligible uses of the AgBMP loan program to include surface water intake projects. The change will improve human and livestock access to safe drinking water.

Rural Finance Administration	Net Loan Activity	\$8	\$0
Rural Finance Administration	Expenditures	\$8	\$0

Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for the Department of Agriculture. A new Cannabis Management Office would be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation also includes funding for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis.

General	Expenditures	\$935	\$3,262
Agriculture	Revenues	\$141	\$1,912
Agriculture	Expenditures	\$40	\$2,911

Healthy Soil Program

The Governor recommends providing grants and technical assistance to landowners, local governments, and other organizations to plant cover crops, enroll conservation tillage, purchase equipment, purchase seed and amendments, or implement other field-scale conservation practices.

General	Expenditures	\$10,000	\$2,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Cannabis Management Office

Legalizing Adult-Use Cannabis - Revised

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota. A new Cannabis Management Office would be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation also includes funding for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis. This recommendation reflects a revised fiscal impact from the original Governor’s recommendation, released January 2022. The revision increases expenditures for the Department of Public Safety by \$570,000 in FY 2022-23 and \$3.99 million in FY 2024-25 and decreases expenditures for the Cannabis Management Office by equivalent amounts.

General	Revenues	\$0	\$1,963
General	Expenditures	\$7,595	\$15,054
Other Misc Special Revenue	Revenues	\$2,872	\$10,186
Other Misc Special Revenue	Transfers In	\$3,139	\$0
Other Misc Special Revenue	Expenditures	\$6,011	\$10,186

Housing Finance

Community Stabilization

The Governor recommends a one-time increase in funding to preserve and improve existing housing commonly referred to as Naturally Occurring Affordable Housing (NOAH). Investing in existing housing is an important and cost-effective way to maintain housing that is currently affordable to low-income households. In recent years the affordability of housing throughout the state has been eroded as older apartments and single-family homes are purchased and upscaled, leading to increased rents or home values. Community Stabilization is a new program, and the resources will be used to acquire, rehabilitate, and preserve existing rental and homeownership housing so that it remains affordable for current and future households. With this investment, an estimated 2,850 homes will be preserved.

General	Transfers Out	\$100,000	\$0
Housing Finance Agency	Transfers In	\$100,000	\$0
Housing Finance Agency	Expenditures	\$100,000	\$0

Workforce and Affordable Homeownership

The Governor recommends an increase in funding to increase the supply of single-family homes across the state. The Workforce and Affordable Homeownership Program finances homeownership development grants to cities, tribal governments, non-profit organizations, cooperatives and community land trusts for development of workforce and affordable homeownership projects. Funds can be used for development costs, rehabilitation, land development and manufactured home park infrastructure. This recommendation will create an estimated 900 homes.

General	Transfers Out	\$12,000	\$24,000
Housing Finance Agency	Transfers In	\$12,000	\$24,000
Housing Finance Agency	Expenditures	\$12,000	\$24,000

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Housing Finance

Housing Trust Fund - Rental Assistance

The Governor recommends an increase in funding for the Housing Trust Fund program to provide rental assistance for individuals and families. The state’s rental assistance program helps meet the overall need in the state that is not met through federal programs. Only one out of every four individuals/families that is income-qualified for federal rent assistance receives it. The new funding will provide assistance to an estimated 1,500 households each year.

General	Transfers Out	\$10,000	\$25,000
Housing Finance Agency	Transfers In	\$10,000	\$25,000
Housing Finance Agency	Expenditures	\$10,000	\$25,000

Economic Development and Housing Challenge Program

The Governor recommends an increase in funding for the Economic Development and Housing Challenge program to produce more new housing opportunities across the state. Many employers across the state are hiring more people, but often the limited supply of housing is impacting business expansion. The priority for the funding will be on increasing rental and homeownership housing opportunities in communities where the lack of housing is impacting job growth, as well as providing downpayment assistance to first-time homebuyers through community-based nonprofit organizations and local units of government. This recommendation will create an estimated 1,225 housing opportunities across the state over three years.

General	Transfers Out	\$25,000	\$30,000
Housing Finance Agency	Transfers In	\$25,000	\$30,000
Housing Finance Agency	Expenditures	\$25,000	\$30,000

Family Homelessness Prevention and Assistance Program (FHPAP)

The Governor recommends an increase in funding for the Family Homelessness Prevention and Assistance Program (FHPAP). Significant one-time federal resources, including the COVID-19 Emergency Rental Assistance program, will run out in 2022, leaving many renters one life incident away from losing their housing without adequate homelessness prevention resources. The priority for funding will be on direct assistance, but the funds may also be used to better coordinate access to prevention services and funding. The housing assistance is typically paid to the housing provider or property owner. We estimate that the new funding will serve an estimated 19,250 households over three years.

General	Transfers Out	\$19,500	\$19,000
Housing Finance Agency	Transfers In	\$19,500	\$19,000
Housing Finance Agency	Expenditures	\$19,500	\$19,000

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Housing Finance

Strengthen the Supportive Housing Model

The Governor recommends an increase in funding to strengthen supportive housing for individuals and families who are at-risk of or have experienced homelessness. Certain costs—such as front desk and security costs— are needed for permanent supportive housing developments to operate effectively; however, many do not have a reliable or coordinated source of funding. This creates up-front and ongoing challenges to building and maintaining this critical type of housing. The funding may be used to create partnerships with the health care sector to demonstrate more sustainable ways to provide services for supportive housing residents, improve access to health care, and reduce use of expensive emergency and institutional care.

General	Transfers Out	\$12,000	\$30,000
Housing Finance Agency	Transfers In	\$12,000	\$30,000
Housing Finance Agency	Expenditures	\$12,000	\$30,000

Homework Starts With Home

The Governor recommends additional funding to expand the Homework Starts with Home program. On any given day, around 8,000 school-age children are identified as homeless or highly mobile in school districts across the state. This impacts more than 1,400 schools in 300 school districts that cover 77 of Minnesota's 87 counties. Priority for the new funding will be to serve younger children and pregnant families experiencing, or at-risk, of homelessness. An estimated 5,000 young children not yet in school, are identified as being at-risk or experiencing homelessness, when they access certain state early childhood programs. The funding will provide rent and other housing assistance to families with or expecting children that lack housing stability. The funding will provide housing assistance for an estimated 1,425 families each year.

General	Transfers Out	\$10,000	\$20,000
Housing Finance Agency	Transfers In	\$10,000	\$20,000
Housing Finance Agency	Expenditures	\$10,000	\$20,000

Greater Minnesota Workforce Housing

The Governor recommends an increase in funding for the Greater Minnesota Workforce Housing Development program. This program builds new rental housing in Greater Minnesota, typically in cities and towns with populations under 5,000. While many communities have had increased jobs in the region, the market has not added adequate new housing. The development of new housing in all regions of Greater Minnesota is critical for economic growth and job creation. The additional funding will create an estimated 865 new units of housing in Greater Minnesota over three years.

General	Transfers Out	\$10,000	\$16,000
Housing Finance Agency	Transfers In	\$10,000	\$16,000
Housing Finance Agency	Expenditures	\$10,000	\$16,000

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Housing Finance

Downpayment Assistance

The Governor recommends an increase in funding for additional downpayment and closing cost assistance. Minnesota has one of the nation's highest rates of homeownership (more than 70%), and also has one of the largest disparities in homeownership rates between white households and Black, Indigenous, and households of color. There are an estimated 179,000 renter households between the ages of 25 and 44 who are potentially income-ready to buy a home. With home prices increasing significantly in recent years and interest rates on the rise, the need for additional downpayment and closing cost assistance is critical to address the wealth needed to become a first-time homebuyer. This recommendation will help an estimated 2,667 households become first-time homebuyers.

General	Transfers Out	\$12,000	\$20,000
Housing Finance Agency	Transfers In	\$12,000	\$20,000
Housing Finance Agency	Expenditures	\$12,000	\$20,000

Landlord Risk Mitigation Fund

The Governor recommends an increase in funding to expand the Landlord Risk Mitigation Fund program. The purpose of the program is to provide a financial guarantee, and case management services, to incentivize rental housing owners to rent to tenants they would otherwise not likely rent to. With a tight rental market, it can be challenging for any renter to find housing and people with felony records, multiple evictions, behavioral health challenges, and long-term or chronic homelessness face significant challenges in finding stable housing and meeting the rental screening criteria. The funding will help an estimated 2,000 households find stable housing.

General	Transfers Out	\$5,000	\$0
Housing Finance Agency	Transfers In	\$5,000	\$0
Housing Finance Agency	Expenditures	\$5,000	\$0

Flexible Financing for Capital Costs

The Governor recommends an increase in funding for a Flexible Financing for Capital Costs program to fund financing gaps in housing development. The program will provide deferred loans or grants to developments that need additional financing due to either ineligible costs from a specific funding source or to help with unanticipated gaps in financing due to changing market conditions. For example, the costs of construction materials increased 17% last year compared to the previous year. This funding will assist around 333 units of rental housing.

General	Transfers Out	\$10,000	\$0
Housing Finance Agency	Transfers In	\$10,000	\$0
Housing Finance Agency	Expenditures	\$10,000	\$0

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Housing Finance

Task Force on State and Local Government Roles and Response to Homelessness - New

The Governor recommends a one-time increase in funding to support the development and work of a legislatively chartered task force of stakeholders, to develop and report to the legislature on recommendations for the roles and responsibilities that should be borne by different levels of government for responding to homelessness. This task force would include representatives of people who have experienced homelessness; Tribal, local, regional, and state government agencies, and homeless service providers. The task force would have one year, beginning September 2022, to complete their recommendations.

General	Transfers Out	\$200	\$0
Housing Finance Agency	Transfers In	\$200	\$0
Housing Finance Agency	Expenditures	\$200	\$0

Commerce

Future of Minnesota Premium Security Plan - Revised

The Governor recommends an extension of the Premium Security Plan financed through an assessment on the fully insured market. This extension is contingent upon the federal government holding the MinnesotaCare program harmless from any potential lost Basic Health Plan revenue resulting from this extension. This assessment will be determined annually by Minnesota Comprehensive Health Association (MCHA) to fund the state’s share of the reinsurance program. This assessment revenue will also be directly received by the MCHA board. The cost of this recommendation reflects appropriations of \$2.1 million to MNsure in FY2022-23, and \$8.849 million in FY 2024-25 and additional funding in FY2026 through FY2028 to replace revenue lost because of the extension of the reinsurance program, and \$216,000 for administrative costs to commerce to manage reporting and extensions of the federal 1332 waiver.

This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The general fund cost of the proposal increased by \$108,000 in FY 2022-23. The premium security plan account cost of this proposal decreased by \$2.684 million in FY2022-23, and \$719,000 in FY 2024-25.

General	Expenditures	\$108	\$0
Other Misc Special Revenue	Expenditures	\$2,316	\$9,281

Weatherization Assistance Program Pandemic Relief

The Governor recommends additional funding to supplement the Weatherization Assistance Program (WAP) by offering relief to income-eligible households throughout Minnesota. This proposal also expands into services that cannot be covered by existing federal funding including pre-weatherization works that prevent structures from qualifying for weatherization services. These funds will help reduce the possibility of a service cliff caused by a significant increase in funding by the Low-Income Home Energy Assistance Program (LIHEAP) that will end in September 2022.

General	Expenditures	\$34,500	\$24,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Commerce

Decarbonization Technology Capital Fund

The Governor recommends an increase in funding to create a 10-year Decarbonization Technology Investment Fund to: (1) stimulate research and development of renewable electric energy technologies; (2) encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and (3) stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility. The fund's investments will be directed by an investment committee made up of Commerce, the Department of Employment and Economic Development (DEED), utilities, research institutions, and private investors. An advisory committee made up of research institutions, labor, and other stakeholders will establish the specific uses of the fund.

General	Expenditures	\$35,000	\$0
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Senior Fraud Prevention Program

The Governor recommends an increase in funding to hire an additional staff member for the Department's senior fraud prevention program, as well as an additional Commerce Fraud Bureau Special Agent. This proposal would also amend Minnesota Statutes § 45.0135, to add investigations into financial fraud as an allowable activity of the Commerce Fraud Bureau (CFB), in addition to insurance related fraud.

General	Expenditures	\$301	\$602
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Insurance Division Staffing

The Governor recommends increased staffing capacity in two insurance-related divisions within the Department. Two investigators and a new analyst position will be added to the Department of Commerce's Market Conduct team to allow the Department to conduct more examinations in-house and lessen the Department's reliance on external contractors. Also adds one senior manager position within Commerce's Insurance Division to oversee the property and casualty filings and proposed rates.

General	Expenditures	\$525	\$1,050
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Financial Institutions Assessment Equity

The Governor recommends statutory changes to extend the assessment authority of the Financial Institutions Division to include all regulated financial institutions. In addition, this proposal would shift financial institutions fee revenue, deposited into the general fund as non-dedicated revenue, to the Financial Institutions Division's account in the special revenue fund. This proposal would not increase the total amount of the assessment currently being collected by the Department. Additional industries that are regulated by the Department would be assessed, so that chartered banks and credit unions are no longer paying the cost of supervision and licensing of non-depository institutions.

General	Revenues	(\$783)	(\$1,566)
Restrict Misc Special Revenue	Revenues	\$783	\$1,566
Restrict Misc Special Revenue	Expenditures	\$783	\$1,566

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Commerce

Free Primary Care Expanded Form and Rate

The Governor recommends one-time funding to conduct a feasibility study on a proposal to offer free primary care to Minnesotans. This study will provide guidance on how the proposal could be structured and will include: (1) an actuarial analysis evaluating the impact of the proposal on Minnesotan's benefits; (2) an evaluation of how the proposal would impact provider billing and reimbursement, including a review of the impact the changes would have on supply issues; (3) an evaluation of how the proposal would interact with existing state and federal laws; (4) an assessment of how this proposal would impact Minnesota's existing goals to improve access to health care; and (5) an estimated cost impact for administration of the program.

General	Expenditures	\$500	\$0
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State Competitiveness Fund

The Governor recommends one-time funding to: (1) provide required state matching funds that are required for energy-related competitive and formula federal grant opportunities through the Infrastructure Investment and Jobs Act (IIJA); and (2) provide the minimum staffing capacity needed to apply for and implement the programs resulting from new federal funding.

General	Expenditures	\$20,000	\$0
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Green Bank (C-PACE)

The Governor recommends one-time funding to establish a quasi-public Green Bank to enable deployment of cleaner, less expensive, and more reliable sources of energy. Additionally, this proposal would lower greenhouse gas emissions, create jobs, and support local economic development. The Green Bank would provide loans where conventional financing is unavailable and would leverage additional funding from private and public investors. The Bank would also be established as an independent, non-profit corporation, with its function and governance established by statute. After this initial investment, the bank would be wholly responsible for identifying sources for its ongoing administrative and capital costs.

General	Expenditures	\$34,000	\$0
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Wastewater & Drinking Water Energy Feasibility

The Governor recommends one-time funding to fund up to 100 feasibility studies related to heat and power (CHP), energy efficiency, renewable energy (EERE), and energy storage. This proposal would also fund portions of renewable energy projects that are not eligible for, or that complement Public Facilities Authority (PFA) funding. The Department would administer the funding for the studies and projects and would coordinate with relevant agencies.

General	Expenditures	\$18,000	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Commerce

Solar for Schools

The Governor recommends one-time additional funding for the Solar for Schools statewide program. Initial interest for the Solar for Schools program, outside of the Xcel Energy service territory, has been significant. Establishing additional 40kW systems at schools statewide all allow for more equitable distribution of funding, allowing more time for under-resourced schools to apply after funds are tied up by those school already prepared to apply. The Department estimates that up to 45 more schools can be served with this investment.

General	Expenditures	\$3,000	\$0
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Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for the Department of Commerce. Commercial scale requirements and inspections are needed to facilitate accurate statewide monitoring as cannabis moves through the marketplace. The scales used to determine those weights will be regulated by the Department’s Weights and Measures Division. This funding will support increased staffing and equipment for the Division to support this work.

General	Expenditures	\$63	\$682
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Grants for Renewable Integration & Demonstration (GRID)

The Governor recommends an increase in funding for a renewable integration and demonstration grant program. The grant program would: (1) stimulate research and development of renewable electric energy technologies; (2) encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and (3) simulate other innovative projects that reduce demand and increase system efficiency and flexibility.

Renewable Development	Expenditures	\$5,000	\$10,000
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Transfer from Premium Security Plan to HCAF - Repriced

The Governor recommends delaying the transfer of the balance of the Premium Security Plan Account (PSPA) from FY 2024 to FY 2025. Under current law, the balance of the PSPA would be transferred to the Health Care Access Fund in FY 2024. This funding would be used to support other health care priorities in the Governor's budget.

Other Misc Special Revenue	Transfers Out	\$0	\$67,953
Health Care Access	Transfers In	\$0	\$67,953

Money Transmission Modernization Act - New

The Governor recommends adoption of the Money Transmission Modernization Act as approved by the Conference of State Bank Supervisors (CSBS). The Money Transmission Model Act is a key tool for states to maintain authority over money transmission. This Model Act contains uniform standards that will empower states to use technology, apply data analytics and share resources together as a networked system of state supervision.

General	Revenues	\$12	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Employment and Economic Development

Broadband Development

The Governor recommends one-time funding for the State's Border-to-Border Broadband Grant program. This funding would continue the work of the program, which is a competitive matching-fund grant program, designed to act as a catalyst to public and private investments in broadband infrastructure in unserved and underserved areas of the state. The Department expects that this funding, combined with federal funding, will allow the state to realize its 2026 goal for all Minnesotans to have broadband service capable of delivering 100Mbps/20Mbps.

General	Transfers Out	\$170,000	\$0
Other Misc Special Revenue	Transfers In	\$170,000	\$0
Other Misc Special Revenue	Expenditures	\$170,000	\$0

Equitable Economy – Workforce

The Governor recommends funding to expand services for the state's workforce and modernize the state's digital workforce delivery system. This funding is intended to target BIPOC youth and adults, as well as women in the tech sector. This funding will prepare workers to attain high paying careers in Minnesota's growing tech sector. Additionally, this funding will help close the gap on racial and gender disparities while also meeting tech labor demands.

General	Expenditures	\$43,000	\$35,060
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Unemployment Insurance Trust Fund

The Governor recommends one-time funding to replenish the Unemployment Insurance Trust Fund, which will prevent pandemic-related tax increases for businesses. Minnesota businesses, especially small businesses and their workers, were negatively impacted by COVID-19. This investment ensures that businesses across the state are held harmless from the effects of the pandemic; that future UI tax rates for employers will not be impacted by the pandemic, and protects workers and ensures a strong response to any future economic downturn.

General	Expenditures	\$2,730,000	\$0
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Launch Minnesota

The Governor recommends one-time funding for Launch Minnesota to invest in the startup ecosystem in the state. Launch Minnesota is comprised of a collection of grant programs, education and training, and a statewide network to connect and grow Minnesota's startup community. Staff will engage businesses, higher education institutions, investors, and communities to create industry focused accelerators that provide resources and technical assistance to help businesses grow.

General	Expenditures	\$5,000	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Employment and Economic Development

Electric Vehicle and Charging Infrastructure Grant Program

The Governor recommends one-time funding to provide grants to businesses to upgrade their fleets and purchase light-duty electric vehicles and charging infrastructure. By providing grants, the Department will be able to reach more businesses to invest in electric vehicles. Funds will be granted up to \$150,000 per business at a maximum of \$10,000 per vehicle, and/or for installing charging infrastructure.

General	Expenditures	\$20,000	\$0
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Energy Transition Grant Program

The Governor recommends one-time funding to help communities recover from a declining tax base or job loss due to a planned power plant closure. Funds will go to communities who have coal or nuclear power plants that are to be closed within the next 15 years. Funds could be used for site readiness, land use studies, economic planning, impact studies, or Alternative Urban Areawide Reviews (AUARs).

General	Expenditures	\$2,500	\$0
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Clean Tech Workforce Training Program

The Governor recommends one-time funding to create a statewide, competitive clean tech training initiative for nonprofits, local workforce areas, and tech training companies to train, retrain, and upskill workers to meet the growing needs of the transportation industry. The transportation sector is the largest source of greenhouse gases in Minnesota. The implementation of clean car standards will give consumers more options, support new economic growth, and help improve our climate. The funding covers the cost of outreach and recruitment, occupational skills training, and trainee supportive services and will train between 145 and 185 participants.

General	Expenditures	\$8,000	\$0
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Office for New Americans

The Governor recommends an increase in funding to create an Office for New Americans. The Office would create and implement a statewide strategy to support immigrant and refugee integration in Minnesota. This work would include creating improved access to state services, reducing employment barriers, and improving connections between employers and immigrant job seekers. The Department currently receives foundation support for 1 individual to carry out this work, but the funding will no longer be available in FY 2023.

General	Expenditures	\$470	\$940
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Employment and Economic Development

Paid Family and Medical Leave Insurance

The Governor recommends \$11.748 million from the general fund in FY 2023 only and applying a 0.6% employer premium rate to employee wages beginning in calendar year 2024 to establish a Paid Family and Medical Leave Insurance program. The Governor recommends allowing employees to pay for one-half of the premium rate. In FY 2024 only, DEED recommends a transfer of \$11.748 million from the Paid Family and Medical Leave fund to the general fund to reimburse agencies' startup costs.

- \$11.153 million in FY 2023 and \$77.817 million in FY 2024-25 for DEED will support premium collection and benefit payment systems, user interface development, and program administration.
- \$5.657 million in FY 2024-25 will be provided to MMB Non-Operating to offset employer-paid premium costs in the general fund for executive and judicial branch agencies
- \$28,000 in FY 2023 and \$36,000 in FY 2024-25 for Minnesota Management and Budget will fund state executive branch employee workplace notice costs as well as upgrades to the state's payroll system necessary for the collection of premiums.
- \$536,000 in FY 2023 and \$995,000 in FY 2024-25 for DLI will fund oversight and compliance costs, as well as IT systems upgrades.
- \$20,000 in FY 2023 for the Supreme Court will fund a onetime update to the existing case management system that would calculate interest on judgments against employers.
- \$11,000 in FY 2023 for the Legislature-LCC to support payroll system updates.
- \$1.065 million in FY 2024 for the Department of Human Services to make systems modifications necessary for the implementation of the program. Income generated by individuals through participation in the family and medical leave program will be considered in eligibility determinations for MFIP, DWP, SNAP, Housing Support, MSA, GA, RCA, MA, MinnesotaCare, and CCAP.

General	Transfers In	\$0	\$11,748
General	Expenditures	\$11,748	\$5,657
Paid Family Medical Leave	Revenues	\$0	\$1,308,968
Paid Family Medical Leave	Transfers Out	\$0	\$11,748
Paid Family Medical Leave	Expenditures	\$0	\$860,482

Nonprofit Resiliency & Recovery Fund

The Governor recommends one-time funding to create the Nonprofit Resiliency and Recovery Fund, to provide financial support to nonprofits because of the COVID-19 pandemic. Funds would be distributed through a randomized selection process, and nonprofits that provide essential health and human services would be prioritized, alongside carveouts of \$10 million each for culturally specific organizations and small nonprofits located in Greater Minnesota. To be eligible, nonprofits must be located within the state of Minnesota and must have been adversely impacted due to COVID-19.

General	Expenditures	\$50,000	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Employment and Economic Development

Building Agency Capacity

The Governor recommends one-time funding to support a Minnesota marketing campaign aimed at attracting investment and talent to the state. The Minnesota Marketing Campaign will contract through an RFP with a vendor who can build a world-wide marketing campaign, that shares the opportunities that the state presents for living or doing business.

General	Expenditures	\$4,530	\$0
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Ombudsperson for Agricultural and Food Processing Workers

The Governor recommends an increase in funding to establish an Office of Ombudsperson for Safety, Health, and Wellbeing of Agricultural and Food Processing Workers. This funding would support 2 FTEs in this new office including an Ombudsperson and an office support professional. The Office of Ombudsperson would be tasked with addressing some of the long-standing problems faced by migrant, food processing, and meatpacking agricultural workers. The Office would have a centralized and independent role to assist in coordination and communication among State agencies and other stakeholders. The Ombudsperson would assist in determining options to help resolve conflicts, problematic issues, or concerns.

General	Expenditures	\$255	\$510
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Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota. Funds provided to the Department of Employment and Economic Development would be used to establish cannabis industry navigation, training, and startup financing grant programs.

General	Expenditures	\$6,229	\$10,938
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Agricultural Worker Wellness Committee (AWWC)

The Governor recommends an increase in funding to support the Agricultural Worker Wellness Committee (AWCC). The AWWC, a diverse stakeholder committee, was created to respond to challenges faced by agricultural and food processing and meatpacking plant workers, particularly with respect to workplace safety and employment protections, access to safe housing and transportation, and critical public health care needs. This recommendation provides support for 2 FTEs, as well as other operating expenditures, such as travel expenses, office supplies, and IT services.

General	Expenditures	\$252	\$504
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Employment and Economic Development

State Small Business Credit Initiative Investment Changes

The Governor recommends statutory changes to allow the Department to take equity positions in businesses. Currently, the Department is prohibited from taking equity positions in businesses except under the 21st Century Fund for a community development venture capital fund. This proposal would allow DEED to co-invest in businesses along with angel and venture capital firms using federal resources. While the U.S. Department of Treasury has to approve all programs, the Department's terms and exits would be designed to meet business needs and could change with Treasury's guidance. This proposal would also exempt DEED from business subsidy law, which already exists for certain monies received from the U.S. Department of Commerce and Economic Development Administration, by adding the U.S. Department of Treasury.

Federal	Revenues	\$0	\$3,000
Federal	Expenditures	\$0	\$3,000

Main Street Economic Revitalization Program - New

The Governor recommends an increase in one-time funding for the Main Street Economic Revitalization Program to support unmet needs. This program drives substantial private investment into these redevelopment projects, multiplying the public investment. The Main Street Revitalization program awards funding to nonprofit and foundation partners, giving them a unique opportunity to lead redevelopment efforts in their communities. These investments will create jobs and energize economic revitalization across Minnesota.

General	Expenditures	\$20,000	\$0
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Small Business Partnership Grants - New

The Governor recommends an increase in funding for small business partnership grants. This program will allow nonprofits to provide business development and technical assistance services to more BIPOC business owners and entrepreneurs throughout the state.

General	Expenditures	\$5,000	\$10,000
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Frontline Worker Pay

The Governor recommends resources from the state fiscal recovery fund to provide one-time payments of \$1,500 per person to frontline workers of the COVID-19 pandemic. The recommendation includes general fund appropriations for administering the payments at the Departments of Labor and Industry, Revenue and Employment and Economic Development.

General	Expenditures	\$0	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Labor and Industry

Youth Skills Training

The Governor recommends an increase in funding for the Youth Skills Training (YST) program to provide additional workforce partnerships across the state. The YST program supports workforce development through experiential learning opportunities for students 16 years of age and older. Programs include both classroom instruction and paid employment, and are approved and monitored by the Department. The demand for program funding continues to exceed available resources. The Department estimates that this funding will help secure at least 5 additional partnerships, for a total of 15.

General	Expenditures	\$747	\$1,528
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Combative Sports Health and Safety Improvements

The Governor recommends statutory changes to allow the Office of Combative Sports (OCS) to better protect combatant health and safety. Proposed changes improve OCS oversight of combative sports contests, clarify grievance procedures, address inconsistencies in statutory language, and close regulatory loopholes that put combatants' health and safety at risk.

General	Expenditures	\$150	\$300
Restrict Misc Special Revenue	Revenues	\$14	\$28
Restrict Misc Special Revenue	Expenditures	\$14	\$28

Expand and Strengthen Fair Labor Standards for Agricultural and Food Processing Workers

The Governor recommends additional funding to strengthen existing workplace protections for agricultural and food processing workers so a greater number of these workers are protected and aware of their workplace rights. This recommendation is among those made by the Committee for the Safety, Health, and Wellbeing of Agricultural and Food Processing Workers (also known as the Agricultural Worker Wellness Committee) to improve housing, safety and labor standards for agricultural and food processing workers.

General	Expenditures	\$196	\$292
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Prevailing Wage Education and Compliance

The Governor recommends an increase in funding for prevailing wage education and compliance initiatives. Minnesota is estimated to receive more than \$6 billion in federal funding during the coming years, much of which will be used for public infrastructure projects covered by prevailing-wage laws. Prevailing-wage laws exist in Minnesota to ensure projects funded with public money be constructed and maintained by the best means and highest quality of labor reasonably available, and that persons working on public works be compensated according to the real value of the services they perform. This proposal would fully fund the current prevailing-wage staff employed by the department, as well as additional staff members necessary to provide education and enforcement.

General	Revenues	\$16	\$45
Workforce Development	Expenditures	\$1,758	\$3,516

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Labor and Industry

Earned Sick and Safe Time

The Governor recommends statutory changes to require employers to provide employees one hour of earned sick and safe time for every 30 hours worked up to a maximum of 48 hours per year. This earned sick and safe time could be used for the employee's own health condition or to care for an ill family member, or for certain absences due to domestic abuse, sexual assault, or stalking.

General	Revenues	\$104	\$414
General	Expenditures	\$1,367	\$3,724

Legalizing Adult-Use Cannabis

The Governor recommends an increase in funding for the safe and responsible legalization of cannabis for adults in Minnesota. Funds provided to the Department of Labor and Industry would be used to support employers in the legal cannabis industry to build their own dual-training programs, which combines structured on-the-job training with formal related education, in the statutorily allowed industries within DLI's Minnesota Dual-Training Pipeline.

General	Expenditures	\$121	\$242
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Safe Housing for the Elderly and Vulnerable Adults

The Governor recommends statutory changes to include assisted living and assisted living with dementia care facilities, as licensed by the Minnesota Department of Health (MDH), to the list of State Licensed Facilities under the Department's Construction Codes and Licensing Division (CCLD) jurisdiction. Assisted Living is the only remaining type of housing in Minnesota serving vulnerable adults not under CCLD jurisdiction. By adding assisted living facilities and assisted living facilities with dementia care, the workload for the CCLD Building Plan Review Unit and CCLD Building Service Inspections Unit will grow from 5% of annual work to 9%, and the workload for the CCLD Plumbing Plan Review Unit and Plumbing Inspections Unit will grow from 2% of annual work to 6%. The additional plan review and inspection work will require additional staff.

Construction Code	Revenues	\$160	\$727
Construction Code	Expenditures	\$160	\$727

Increasing Equity in Apprenticeship

The Governor recommends an increase in funding for the Labor Education and Advancement Program (LEAP). LEAP helps to better facilitate the participation and retention of women, people of color and Indigenous people in registered apprenticeship programs and employment in careers that pay a family-sustaining wage. Current grantees have expressed that the funding is insufficient to establish meaningful programming to support women, people of color, and Indigenous people in registered apprenticeship programs. By increasing funding and broadening eligibility, the agency will award larger grants to more organizations, expanding LEAP's reach across the state. Funding will enable community-based and non-profit organizations to implement services, supports, and programming to improve participation, retention, and completion of women, people of color, and Indigenous people in high-wage registered apprenticeship career opportunities.

Workforce Development	Expenditures	\$1,375	\$2,750
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Labor and Industry

MN OSHA Federal Penalty Conformity

The Governor recommends statutory changes to raise maximum penalties for willful, repeat, serious, nonserious, failure to correct, and posting violations of workplace safety standards to conform to federal law. It also would tie future penalties to the Minneapolis-St. Paul-Bloomington, MN-WI, Consumer Price Index for All Urban Consumers (CPI-U). Penalties assessed by Minnesota Occupational Safety and Health Administration (MNOSHA) Compliance are deposited as nondedicated revenue in the Workers' Compensation Fund. The increase in total penalties will vary from year to year, but on average the change represents a 2% increase in OSHA Penalty revenue.

Workers Compensation	Revenues	\$121	\$251
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Commercial Energy Code Improvements

The Governor recommends an increase in funding to adopt a framework for the statewide commercial building energy code that ensures that all new commercial and large multifamily construction is net-zero by 2036. This proposal includes costs for rulemaking and studies to determine necessary energy efficiency performance requirements.

Construction Code	Expenditures	\$145	\$0
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Building and Trade License Fee Holiday - New

The Governor recommends a 2-year fee holiday for building and construction trade license fees charged by the Construction Codes and Licensing Division (CCLD). The purpose of this fee holiday is to provide economic relief to about 79,000 construction related licensees who renew or obtain a new professional license with the Department. This proposal backfills lost revenues to the Construction Codes Fund as a result of the fee holiday.

General	Transfers Out	\$3,357	\$4,477
Construction Code	Revenues	(\$3,357)	(\$4,477)
Construction Code	Transfers In	\$3,357	\$4,477

Frontline Worker Pay

The Governor recommends resources from the state fiscal recovery fund to provide one-time payments of \$1,500 per person to frontline workers of the COVID-19 pandemic. The recommendation includes general fund appropriations for administering the payments at the Departments of Labor and Industry, Revenue and Employment and Economic Development.

General	Expenditures	\$2,480	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Mediation Services, Bureau of

Additional Funding for PERB

The Governor recommends an increase in funding for the Public Employment Relations Board (PERB) for costs to handle unfair labor practice complaints brought by public employees. While the Board has not accepted any new unfair labor practice complaints due to a statutory suspension, current operating funding for PERB is insufficient to handle the remaining cases before the Board. This additional funding will help resolve those cases, as well as support the agency after its statutory suspension has ended. This proposal would also restore PERB's jurisdiction over unfair labor practice charges in FY 2023.

General	Expenditures	\$400	\$1,050
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Workers' Compensation Court of Appeals

Operating Adjustment

The Governor recommends an operating adjustment for the Workers' Compensation Court of Appeals to avoid a budget shortfall in FY 2023. Currently, the agency does not have adequate resources to meet its statutory mandates, with 99% of the Court's resources encumbered for salaries, rent, and MN.IT costs. The salaries of the judges are non-negotiable and are tied to the salaries of District Court Judges under Minnesota Statutes 15A.083, subdivisions 6a and 7. In June 2021, District Court judges received an unanticipated increase that was not accounted for in the Court's budget. This recommendation also includes funding for the Court to integrate its systems with the Claims Access and Management Platform User System (CAMPUS) at the Department of Labor and Industry, and with C-Track at the Office of Administrative Hearings.

Workers Compensation	Expenditures	\$200	\$400
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Rulemaking

The Governor recommends a one-time increase in funding for rulemaking. The Department of Labor and Industry launched the Claims Access and Management Platform User System (CAMPUS) to replace its existing IT infrastructure. CAMPUS includes an online filing function to allow litigants to file and serve documents electronically. The Court's procedural rules require modifications to permit electronic filing, and the Court does not currently have a budget for the cost of rulemaking. The Court was authorized to adopt rules through the expedited process in recent legislation.

Workers Compensation	Expenditures	\$100	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

State Government and Veterans

Attorney General

Operating Adjustment - Revised

The Governor recommends an operating adjustment and additional operational support for the Attorney General's Office (AGO). This will allow AGO to cover operations cost increases due to inflation and to meet salary requirements necessary to maintain the current level of service. The funding, in addition to covering these cost increases, will also add additional employees in human resources, information technology, policy, communications, and outreach to allow the administrative side of the office to keep pace with needs. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. Funding for FY 2002 was removed, resulting in a decrease in the cost of the proposal by \$1.344 million in FY 2022-23.

General	Expenditures	\$2,335	\$4,670
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Enhanced Criminal Enforcement and Initiatives - Revised

The Governor recommends enhancing the ability of the Attorney General's Office (AGO) to provide legal services to rural county attorneys to assist in prosecuting violent crimes and crimes that harm consumers and businesses. This proposal includes additional personnel to perform this work. Small county attorneys' offices in greater Minnesota often lack the capacity to take on complex cases and the AGO currently has insufficient resources dedicated to providing assistance to meet the needs of those counties. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. Funding for FY 2002 was removed, resulting in a decrease in the cost of the proposal by \$1.821 million in FY 2022-23.

General	Expenditures	\$1,821	\$3,642
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Secretary of State

Chief Information Officer

The Governor recommends the creation of a full-time Chief Information Officer (CIO) for the Office of Secretary of State (OSS). The CIO would provide a whole-of-office approach to IT across all divisions within OSS, including Elections, Safe at Home, Business Services, and Official Documents and Open Appointments. The OSS has periodically had a CIO during the past 20 years, though the position was eliminated during the prior administration.

General	Expenditures	\$210	\$420
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Civic Engagement and Youth Outreach

The Governor recommends the creation of permanent civic engagement and youth outreach program within the Office of the Secretary of State. This program will expand the Office's youth-focused civic and voter education to happen throughout the biennium rather than be limited to the few months prior to an election. The funding would provide personnel as well as outreach materials and educational resources.

General	Expenditures	\$100	\$200
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Secretary of State

State Match for Federal Election Security Funding - New

The Governor recommends the state match required to secure at least \$1 million of federal funds under the Help America Vote Act to improve election security. This federal grant was made available in the federal FY 2022 Omnibus Appropriations Bill passed by Congress in March 2022.

General	Expenditures	\$200	\$0
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Information Technology Services (MNIT)

Cybersecurity Grant Program State Match

The Governor recommends allocating the state funding necessary to receive federal cyber-security funding available through the federal Infrastructure Investment and Jobs Act (IIJA). It is expected that 80% of the total funding would be used on projects supporting cybersecurity improvements for local government while the remaining 20% would be available to MNIT for use toward state cybersecurity initiatives.

General	Expenditures	\$1,794	\$2,331
Federal	Revenues	\$10,759	\$7,173
Federal	Expenditures	\$10,759	\$7,173

Advancing Application Accessibility

The Governor recommends improving the accessibility of state technology for Minnesotans with a disability by conducting an evaluation of the accessibility of executive branch software applications and online services, and by identifying opportunities to enhance accessibility. The information from these evaluations will provide the State with information and data to improve technology accessibility in existing applications where customers, partners, and citizens interact with the state government through online software and web-based applications and services.

General	Expenditures	\$256	\$393
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Enterprise Cloud Transformation

The Governor recommends improving the resilience of state technology and enabling more rapid innovation of state services by supporting a transformation from on-premises, custom toolsets to cloud-based services and infrastructure. This proposal enables the state to move to an agile, modern cloud-based service model for IT applications and infrastructure, as well as enabling state agencies to implement new IT solutions using modern commercially-available platforms with enhanced security and recovery capabilities. This investment will reduce the risk of successful cyber-attacks and IT service disruptions by providing funding for additional workforce, professional and technical assistance, and required software and cloud services.

General	Expenditures	\$12,400	\$2,100
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Information Technology Services (MNIT)

Targeted Application Modernization

The Governor recommends funding to address the State's significant technology debt and cybersecurity risk through the targeted modernization of applications via cloud service platforms. This proposal would provide funding to modernize at-risk and aging applications among the State's approximately 2,800-application portfolio – addressing application vulnerabilities that contribute to the State's cybersecurity risk level and enabling the redesign and modernization of government service delivery.

General	Expenditures	\$5,250	\$14,625
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Supporting Accessible Technology in State Government

The Governor recommends providing additional funding for MNIT's Office of Accessibility. This proposal would provide ongoing support to efforts enhancing accessible government for all Minnesotans. The recommended funding would allow the office to continue current services in an environment of increasing expenses for personnel and other expenses.

Restrict Misc Special Revenue	Expenditures	\$150	\$300
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Advanced Cybersecurity Tools - New

The Governor recommends investment in additional sophisticated cybersecurity defense layers that would enable the State of Minnesota to better guard against increasing and evolving cyber threats stemming from geopolitical events or other malicious actors. This request would fund a transition to a modern identity access management solution, expanded deployment of web application firewall capabilities to protect applications used by Minnesotans, and provide advanced detection and response capabilities to guard against techniques used in well-known cyber-attacks stemming from comprised accounts through phishing or stolen identities.

General	Expenditures	\$9,185	\$12,185
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Childrens Cabinet IT Innovation

The Governor recommends creating a dedicated funding source for interagency IT initiatives that create efficiencies and innovations across agencies to better serve Minnesota children and are prioritized through the Children's Cabinet. The proposed funding would be used to implement these initiatives through IT costs, accompanying government or contract staff, and IT-related project costs. The funding is estimated to be able to support multiple projects per year, depending on the cost of each project.

General	Expenditures	\$1,000	\$2,000
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Administration

AMPERS Community Radio Service

The Governor recommends providing assistance to the Association of Minnesota Public Educational Radio Stations (AMPERS) in launching a statewide diverse community radio news service. The community news project will share the voices and stories of Minnesota's BIPOC, rural, and disability communities, and will provide newscasts in Hmong, Somali, Spanish, and English.

General	Expenditures	\$773	\$0
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Addressing Revenue Loss in Fleet Fund

The Governor recommends funds to address the pandemic driven revenue losses in the Fleet Fund. Decreases in fleet usage due to increased telework and virtual meetings are expected to result in lower vehicle lease revenues in the Fleet Fund.

General	Transfers Out	\$630	\$0
Fleet Services	Transfers In	\$630	\$0
Fleet Services	Expenditures	\$630	\$0

State Procurement Innovation and Participation

The Governor recommends a study on vendor disparities in government procurement. This study would examine whether there is evidence of discrimination that affects minority and women-owned businesses in the marketplace and assess measures to address any such discrimination. The Governor also recommends funding for the Procurement Technical Assistance Center (PTAC), which provides technical and marketing assistance to all Minnesota businesses interested in selling their products and services to government agencies. This proposal includes the 35 percent state funding match required by the federal Department of Defense, which funds 65 percent of the program through a cooperative agreement. The State portion will cover staffing in both the Twin Cities Metro Area and Greater Minnesota.

General	Expenditures	\$1,900	\$800
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Improving Human Resources and Financial Services

The Governor recommends enhancing staff resources in the Department of Administration's human resources office to improve equitable hiring and retention practices. This proposal would fund a new Equity Coordinator who would promote a culture of inclusion within state government. The Governor also recommends an additional position in Financial Management and Reporting for the Small Agency Resource Team (SmART) to address the growing number of small agencies served by this unit, as well as a study on the potential development of an Office of Small Agencies to help ensure state boards and commissions have the support needed.

General	Expenditures	\$301	\$396
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Administration

Improving Grants Administration Oversight

The Governor recommends a new initiative in the Office of Grants Management to strengthen the Office's efforts in training, policy guidance, data collection, and data analysis. The funding would provide staffing and funds necessary to focus on diversity, equity, and inclusion in the grant-making process.

General	Expenditures	\$400	\$800
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Eliminating Open Meeting Law Fees

The Governor recommends eliminating the \$200 fee for Open Meeting Law (OML) formal advisory opinions, currently stipulated in M.S. 13.072. This would create parity with the process for obtaining formal advisory opinions on data practices, for which there is no charge. The cost reflects the anticipated loss of revenue from the fee.

General	Revenues	(\$1)	(\$2)
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Enterprise Language Access Services

The Governor recommends providing translation services for state agencies through a newly established Office of Enterprise Translations within the Department of Administration. The Office would provide in-house translation services for written material. The Governor also recommends the creation of an enterprise fund that agencies could access for additional translation needs and the provision of language-specific online content to connect non-English speaking Minnesotans to relevant information.

General	Transfers Out	\$250	\$500
General	Expenditures	\$1,056	\$1,818
Restrict Misc Special Revenue	Transfers In	\$250	\$500
Restrict Misc Special Revenue	Expenditures	\$250	\$500

Minnesota Field Archaeology and Private Cemeteries Acts Update

The Governor recommends an update to the Minnesota Field Archaeology and Private Cemeteries Acts, to modernize terminology, clarify authority over cemetery assessments, and require the Office of State Archaeologist (OSA) to maintain a database of cemetery locations. The update would also clarify the authority for condition assessments on non-American Indian and American Indian cemeteries. Implementation of this proposal will require an additional archeologist to handle the increased condition assessments and coordination between entities along with technology implementation expenses.

General	Expenditures	\$200	\$400
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Administration

COVID Workers Compensation Costs Related to Chapter 32 - New

The Governor recommends additional funding to cover agency costs related extending workplace presumption of COVID for workers compensation claims that were enacted in Chapter 32 of this legislative session. This legislation continues the presumption that eligible front line workers who test positive for COVID contracted the virus from their employment activities for the purposes of determining eligibility for workers compensation benefits. This extension runs from February 22, 2022 through January 14, 2023.

General	Expenditures	\$2,547	\$650
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COVID Workers Compensation Costs - New

The Governor recommends funding to cover agency costs related to workers compensation claims occurring prior to March 4, 2021. Claims for costs incurred prior to March 4, 2021 continue to be submitted due to insurance claim/review delays but COVID Relief Fund (CRF) dollars are no longer available to pay these costs. Absent funding to cover these claims, agencies will be required to absorb the costs.

General	Expenditures	\$1,000	\$0
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Fostering Collaboration and Resolving Disputes

The Governor recommends funding to supplement existing services at the Office of Collaboration and Dispute Resolution's (OCDR). The OCDR cannot meet the current demand and there are a limited number of private vendors qualified to provide these services. This funding will add an alternative dispute resolution specialist. This additional staffing capacity will allow OCDR to facilitate more projects on behalf of state agencies, the legislature, and local governments. Additionally, the new staff will be able to assist other entities in building greater local capacity.

General	Expenditures	\$150	\$300
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Management and Budget

Stabilize and Sustain the State's ERP Systems

The Governor recommends stabilizing and sustaining the state's enterprise resource planning (ERP) systems, which are owned by MMB and used by all state agencies. ERP systems funding supports the maintenance and operations of the state's accounting and procurement system (SWIFT), human resources, payroll, benefits, and recruiting system (SEMA4), the Enterprise Learning Management system (ELM) and the data warehouse reporting system. The proposal eliminates the current technical debt of deferred maintenance on the state's ERP systems and sustains the ongoing operations and maintenance of the systems through the next biennium. The Governor also recommends removing the statutory cap of \$10 million per year on interagency billings for the Statewide Systems Account established in Minnesota Statutes Section 16A.1286. This change will provide a sustainable funding source for the state's ERP systems costs.

General	Expenditures	\$6,285	\$17,881
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Management and Budget

Cross-Agency Coordination - Children's Cabinet

The Governor recommends providing dedicated funding for the Children's Cabinet to align the funding model with the practices of other states and to provide coordination among agencies and engagement with Minnesotans on issues impacting children, including: education strategies from birth onward; early education and child care; mental health; older youth, parent, family, and community supports; and workforce strategies in child-settings.

General	Expenditures	\$1,000	\$2,000
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Capital Budget Outreach and Assistance

The Governor recommends increasing MMB's capacity to provide technical assistance to communities and non-profits that have traditionally not participated in the state capital budget process. Further, this recommendation will allow MMB to proactively raise awareness about the capital budget and the requirements associated with applying for and receiving capital budget funding.

General	Expenditures	\$314	\$628
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Earned Sick and Safe Time

The Governor recommends statutory changes to require employers to provide employees one hour of earned sick and safe time for every 30 hours worked up to a maximum of 48 hours per year. This earned sick and safe time could be used for the employee's own health condition or to care for an ill family member, or for certain absences due to domestic abuse, sexual assault, or stalking.

General	Expenditures	\$3	\$0
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Evaluating the Impact of State Investments

The Governor recommends creating capacity at MMB to evaluate and understand the efficacy of new or expanded state programs. The recommended funding would provide the personnel necessary to conduct rigorous evaluations of innovative projects and help determine whether they are effective in achieving desirable outcomes and for whom. In conducting these evaluations, the team would work with stakeholders to identify projects, design program delivery, set up data collection procedures, complete the evaluations, and inform future decision-making.

General	Expenditures	\$300	\$900
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Revenue

Governor's Tax Bill Administration

The Governor recommends operating resources for the Department of Revenue to administer the tax bill. The recommendation includes funding to contract with a third party vendor to administer one time payments. The recommendation also includes ongoing resources for administering other tax law changes.

General	Expenditures	\$8,573	\$771
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Revenue

Legalizing Adult-Use Cannabis

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota, which will include a fiscal impact for the Department of Revenue. The Department of Revenue will be responsible for collecting and administering the new gross receipts tax on these products. The administrative costs include system programming, additional enforcement, and a new space to allow for collection of cash tax payments.

General	Expenditures	\$4,294	\$8,042
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Frontline Worker Pay - Revised

The Governor recommends resources from the state fiscal recovery fund to provide one-time payments of \$1,500 per person to frontline workers of the COVID-19 pandemic. The recommendation includes general fund appropriations for administering the payments for the Departments of Labor and Industry, Revenue, and Employment and Economic Development. This recommendation reflects a revised fiscal impact from the original Governor's recommendation, released January 2022. The cost of the proposal decreased by \$57,000 in FY 2022-23.

General	Expenditures	\$1,992	\$0
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Historical Society

Operating Adjustment

The Governor recommends an operating adjustment for the Minnesota Historical Society. This proposal would provide salary and benefit increases help maintain the current level of service delivery as compensation and other costs increase.

General	Expenditures	\$500	\$1,000
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Operational Support for MNHS Statewide Reopening

The Governor recommends funding to further support the re-opening of statewide historic sites and museums operated by MNHS and to restart and enhance MNHS programs. This funding represents bridge funding to replace lost earned income from admission fees and other revenue while MNHS continues the process of restarting programs and rebuilding attendance through reopening. Specifically, the funding would be used to expand hours and programming at reopening sites and to re-open in-person school programs.

General	Expenditures	\$750	\$0
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Humanities Center

Operating Adjustment

The Governor recommends an operating adjustment for the Minnesota Humanities Center. The increased funding would be used to provide cost-of-living increases for the Center's staff and to upgrade the Center's IT infrastructure. The IT improvements would be geared toward improving access for staff and improving citizen access to educational and equity programs.

General	Expenditures	\$22	\$44
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Veterans Affairs

Service Bonus to Minnesota's Post-9/11 Veterans

The Governor recommends additional funding for the Minnesota Department of Veterans Affairs (MDVA) to provide service bonuses to post-9/11 Veterans and Gold Star families, who currently don't receive these bonuses. Historically, the Minnesota Legislature has recognized veterans' service in major wars, including WWI, WWII, the Korean War, Vietnam War and the Persian Gulf War. In each of the five major wars noted above, recognition has primarily been in the form of a monetary bonus to qualifying individuals.

General	Expenditures	\$40,000	\$0
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Updates to State Grants to Veterans Service Organizations

The Governor recommends increasing funding for the Minnesota Department of Veterans Affairs (MDVA) to increase the annual grant to veterans service organizations.

General	Expenditures	\$147	\$294
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Fargo VA Medical Center Fisher House Construction

The Governor recommends funding the Minnesota Department of Veterans Affairs (MDVA) using American Rescue Plan funding contribute to the building of a Fisher House by the Fargo VA Medical Center. The Fisher House program provides temporary lodging to Veterans and their families while they receive medical care for injuries or illnesses they incurred while on active duty. This Fargo facility would offer this support to Veterans living in Minnesota.

General	Expenditures	\$500	\$0
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Redwood Falls State Veterans Cemetery Operating Funding

The Governor recommends additional funding for the Minnesota Department of Veterans Affairs (MDVA) to staff and operate a fourth State Veterans Cemetery in Redwood Falls. This cemetery is expected to open in late 2022.

General	Expenditures	\$830	\$1,660
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Veterans Affairs

Changes to County Veterans Service Officer (CVSO) grants

The Governor recommends increasing the annual County Veterans Service Office (CVSO) and the Minnesota Association of County Veterans Service Officers (MACVSO) grant programs within the Minnesota Department of Veterans Affairs (MDVA).

General	Expenditures	\$450	\$900
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Tenancy Supports and Landlord Engagement Activities

The Governor recommends increased funding for the Minnesota Department of Veterans Affairs (MDVA) Homes for Veterans program, creating additional incentives provided to landlords who are renting units to Veterans experiencing homelessness. This program will create additional staffing for tenancy support services and landlord engagement services and will create a Flex Fund to remove housing barriers.

General	Expenditures	\$1,100	\$1,950
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Low-barrier, Permanent Supportive Housing for Veterans

The Governor recommends establishing permanent supportive housing options for Minnesota veterans. These housing options will have no barriers to entry and will support the goal of ending chronic and long-term homelessness among Veterans. This proposal is intended to construct 50 Accessory Dwelling Units (ADUs) throughout Minnesota and convert or construct a Safe Haven for 50 Veterans in the 7-county metro area. These housing options will have permanent supportive services available.

General	Expenditures	\$8,800	\$5,400
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Increase Engagement and Outreach Activities

The Governor recommends additional funding for the hotel and outreach program for Minnesota Veterans. This proposal is intended to reduce chronic and long-term homelessness and disparities within the response system. Hotel rooms that have been provided to Veterans experiencing homelessness throughout the pandemic have proven successful in increasing engagement and housing outcomes, and reducing average days to housing. Additional outreach in encampments and shelters, and peer supports are needed to engage with individuals in the precontemplative stage of change. This proposal will provide continued support for the hotel program and increase outreach capacity throughout Minnesota. This proposal will also provide additional staffing for outreach efforts.

General	Expenditures	\$1,714	\$3,428
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

Military Affairs

Holistic Health and Fitness Program

The Governor recommends additional funding of an extension bonus designed to retain the trained and ready members of the Minnesota National Guard. The unprecedented mobilization of the Minnesota National Guard in support of State and Federal missions in recent years has created a need to incentivize continued service. The goal of the Minnesota National Guard retention program is to reenlist, on a long-term basis, sufficient numbers of eligible Soldiers and Airmen in order to support end-strength and readiness requirements. A monetary incentive acknowledges the value to the organization of trained and ready members as well as providing a benefit to the members for continued service.

General	Expenditures	\$765	\$1,484
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Enlistment/Reenlistment Bonuses - New

The Governor recommends the funding of an extension bonus designed to recruit and retain the trained and ready members of the Minnesota National Guard. The unprecedented mobilization of the Minnesota National Guard in support of State and Federal missions in recent years has created a need to incentivize new and continued service. The goal of the Minnesota National Guard retention program is to reenlist, on a long-term basis, sufficient numbers of eligible Soldiers and Airmen in order to support end-strength and readiness requirements. A monetary incentive acknowledges the value to the organization of trained and ready members as well as providing a benefit to the members for continued service.

General	Expenditures	\$2,000	\$5,000
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Accountancy, Board of

Licensing & Enforcement Programs Support

The Governor recommends increasing the staffing complement of the Board of Accountancy. This additional position would be dedicated to oversight, improvements, innovations, and training in connection with the Board's licensing responsibilities. It would also ensure that procedures, rules, and statutes are followed; that procedures are updated to reflect current rules and statutes; and that processes keep up with current technologies.

General	Expenditures	\$120	\$240
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2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

MMB Non-operating

Governor's 2022 Capital Budget Debt Service and Cash Capital Costs - Revised

The Governor recommends the cash capital, debt service, and other costs associated with the recommendations in the Governor's 2022 capital budget. This recommendation reflects the February Forecast's repriced fiscal impact for the original Governor's recommendations, released January 2022, and also reflects the Governor's revised 2022 capital budget recommendations, released in March 2022. With these updates, the cost of the recommendations increased by \$20.984 million in FY 2022-23 and decreased by \$1.346 million in FY 2024-25 in the general fund. In the trunk highway fund, the cost of the recommendations decreased by \$284,000 in FY 2022-23 and increased by \$58,000 in FY 2024-25.

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General	Transfers Out	\$302,920	\$151,265
Restrict Misc Special Revenue	Transfers Out	(\$1,085)	(\$2,170)
Trunk Highway	Transfers Out	\$1,227	\$17,870
Trunk Highway	Expenditures	\$7,200	\$0
General Projects	Transfers In	\$284,394	\$0
General Projects	Expenditures	\$284,394	\$0
Debt Service	Transfers In	\$18,668	\$156,965
Debt Service	Expenditures	\$18,668	\$156,965
Housing Finance Agency	Transfers In	\$0	\$10,000
Housing Finance Agency	Expenditures	\$0	\$10,000

Calendar Year 2023 Cost of Living Adjustment Increase for Retirees - New

The Governor recommends designating general fund resources for a one-time non-compounded cost of living adjustment (COLA) increase for retirees in the Minnesota State Retirement System (MSRS), Teacher's Retirement Association (TRA), Public Employees Retirement Association (PERA), and St. Paul Teachers Retirement Fund Association (SPTRFA). Recommended funding is intended to respond to inflationary pressures and provide necessary one-time increases so all retirees receive a 2.5% COLA adjustment in calendar year 2023.

General	Transfers Out	\$71,610	\$0
General	Expenditures	\$1,817	\$0

COVID-19 Emergency Response

The Governor recommends an account be established for emergency response efforts related to the COVID-19 pandemic. This flexible account provides funding for the state to quickly and appropriately respond to changing conditions and allows for the allocation of resources when and where they are most needed. This recommendation mirrors the COVID-19 Flexible Response Account established in July 2021, which has provided resources for testing, vaccine incentives, emergency hospital staffing, and other urgent needs related to the COVID-19 pandemic.

General	Expenditures	\$358,925	\$0
ARP-State Fiscal Recovery	Expenditures	\$141,075	\$0

2022 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2022-23 FY 2024-25

MMB Non-operating

Earned Sick and Safe Time

The Governor recommends statutory changes to require employers to provide employees one hour of earned sick and safe time for every 30 hours worked up to a maximum of 48 hours per year. This earned sick and safe time could be used for the employee's own health condition or to care for an ill family member, or for certain absences due to domestic abuse, sexual assault, or stalking.

General

Expenditures

\$51

\$204