

April 4, 2022

Senator Kiffmeyer, Chair
State Government Finance and Policy and Elections Committee
3103 Minnesota Senate Building
Saint Paul, MN 55155

Subject: SF3975 Omnibus State Government Supplemental Budget Bill

Dear Senator Kiffmeyer,

Minnesota's historic budget surplus affords us the unique opportunity to invest in our communities and ensure that key support services are available to serve Minnesotans as our economy returns to normal. Unfortunately, the Senate Omnibus State Government Supplemental Budget bill includes almost none of Governor Walz's recommendations that serve small businesses, communities, or public entities.

Governor Walz made several recommendations for the Department of Administration (Admin) to fund previous legislative commitments, as well as to adequately fund services that Minnesotans expect. Additionally, the department had several proposals that did not have fiscal impact yet would have provided greater opportunities for small businesses throughout the state and fix obsolete statutes. Most critical of the recommendations include:

- **PTAC** - Fully funding the 35% state match to the U.S. Department of Defense funds for the Procurement Technical Assistance Center (PTAC) is imperative. PTAC offers free counseling, education, training, and guidance for all Minnesota businesses who wish to sell their products and services to local, state, and federal governments. The state's current use of staff time from the Office of State Procurement is not a sustainable solution. Adequately funding the state's match would also support greater statewide coverage by PTAC counselors.
- **SmART and Admin Services** - Admin's Small Agency Resource Team (SmART) provides key human resources and financial services to small agencies much more economically than they ever could provide on their own. Since 2019, the number of SmART partners served has doubled from 19 to 38 partners. Admin's proposal funds a study to assess service delivery to small agencies to ensure they receive the support they need in the most effective manner. It also enhances Admin operations in the areas of staff retention and accounting services.
- **OCDR** - The Office of Collaboration and Dispute Resolution (OCDR) assists communities and public entities to forge wise and durable solutions to seemingly intractable issues. OCDR currently receives more requests for service than the office can accommodate, and the volume of requests steadily increases each year. Admin's proposed increase would support additional capacity to help OCDR to meet the current demand for services from state agencies, local governments, and the legislature.
- **Fleet** - Admin's Fleet Services Division is experiencing temporary changes in fleet usage and sales cycles due to increased telework, virtual meetings and global supply chain issues. This will result in Admin collecting lower revenues than are necessary to fund operating expenses.

Admin's request stabilizes the fund while we continue improving the fleet with lower life-cycle costs and greater fuel efficiency.

- **Private Cemeteries Act** – Minnesota's statutes regarding archeological processes are outdated and do not recognize the sovereignty of the tribal nations that share our borders. The Governor's proposal begins to update the Private Cemeteries Act to reflect federal law, modernize terminology, clarify authority over cemetery assessments, and codify the Minnesota Indian Affairs Council's authority over condition assessments of cemeteries deemed to be American Indian. The proposal provides the necessary capacity for the Office of the State Archaeologist to coordinate this work.
- **COVID-19 Workers' Compensation** - Earlier this session, legislation passed extending the presumption that certain occupations were infected with COVID-19 on the job. These costs must be covered, and Admin's proposal will simplify the claim processing, reduce the number of transactions required, and limit the adverse impacts on agencies with occupations covered by the presumption clause.
- **Office of Enterprise Translations** - The ability to consistently and efficiently provide information is a challenge that state government must meet in order to effectively serve all Minnesotans. For many programs that receive federal funding, providing translated materials is mandatory, yet the state is not addressing these requirements at an enterprise level. This proposed office would translate written materials for state agencies in Spanish, Hmong, and Somali in a timely manner.

Admin's other budget requests strive to support enhanced state government services that will better serve Minnesotans. These include:

- Constitutionally required procurement disparities study;
- Improving grants administration oversight; and
- Eliminating fees for Open Meeting Law advisory opinion requests and streamlining Data Practices challenge appeals

I appreciate the inclusion of flexibility for buildings subject to the Sustainable Building 2030 requirements to use renewable energy generated onsite. The language in S.F. 3655 would complement these provisions by providing additional options for projects.

Finally, the omnibus bill draft includes significant requirements for Admin related to grant oversight. While the department is committed to working towards language that can be effectively implemented, the bill provides no funding to support the additional required duties. The oversight envisioned in the language cannot be effectively administered without additional capacity in the one-person Office of Grants Management.

Again, thank you for your consideration and I look forward to working with you throughout the committee bill process.

Sincerely,



Alice Roberts-Davis
Commissioner