



Date: May 5, 2015

To: Legislative Advisory Commission Members

Senator Thomas Bakk
Senator Richard Cohen
Senator David Tomassoni

Representative Kurt Daudt
Representative Jim Knoblach
Representative Rod Hamilton

From: Myron Frans 
Executive Secretary

Re: Legislative Advisory Commission (LAC) Federal Funds Reporting Required by the Laws of 2015, Chapter 12, Section 2.

This fulfills the reporting requirement to the LAC of anticipated federal funds to address avian influenza as required by the Laws of 2015, Chapter 12, Section 2. The amounts below reflect the most recent estimate of available USDA resources. The intended purposes are included in the attached documents.

<u>Anticipated Federal Funds</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>Total</u>
Department of Agriculture	\$555	\$ 610	\$1,165
Board of Animal Health	\$216	\$ 647	\$ 862
Total Anticipated Federal Funds	\$771	\$1,257	\$2,027

If additional information on the anticipated federal funds is needed, please contact Chris Zempel of my staff at chris.zempel@state.mn.us or 651-201-8214.

Attachments

cc: Bill Marx, House Fiscal Analysis Department
Eric Nauman, Senate Counsel, Research and Fiscal Analysis



Federal Funds Review Request

Please complete this form in accordance with the instructions.

Please check which review request you are submitting: <input type="checkbox"/> October 20-Day LAC Review <input checked="" type="checkbox"/> Urgent 10-Day LAC Review <input type="checkbox"/> 20-Day Session Federal Funds Review	
Department: Board of Animal Health	Cite the state legal authority to apply for and accept the award: 4.07 3
Title of federal award and federal legislation authorizing the grant: Highly Pathogenic Avian Influenza (HPAI) Emergency 15.AP.APHIS.04; emergency funding request for nationwide outbreaks of Notifiable Avian Influenza.	
CFDA # and federal agency: 10.025 Plant and Animal Disease, Pest Control, and Animal Care USDA Animal and Plant Health Inspection Service (APHIS)	Application status: <input type="checkbox"/> Pre-application <input checked="" type="checkbox"/> Application <input type="checkbox"/> Negotiation <input type="checkbox"/> Awarded
Start date: 03/05/2015 End date: 03/04/2016	Total federal award amount: \$862,001

Check one of the award types below and indicate amount requiring approval

<input checked="" type="checkbox"/> New Award		Indicate anticipated federal grant expenditures in the planning years (next biennium):
Amount requiring approval by fiscal year in the current biennium:		State FY: _____ \$ Amt.: _____
State FY: <u>2015</u>	\$ Amt.: <u>215,500</u>	State FY: _____ \$ Amt.: _____
State FY: <u>2016</u>	\$ Amt.: <u>646,500</u>	
<input type="checkbox"/> Continuation (can include renewals) When was the original approved?		Indicate anticipated federal grant expenditures in the planning years (next biennium):
Amount requiring approval by fiscal year in the current biennium:		State FY: _____ \$ Amt.: _____
State FY: _____	\$ Amt.: _____	State FY: _____ \$ Amt.: _____
State FY: _____	\$ Amt.: _____	
<input type="checkbox"/> Increase in award amount When was the original approved?		Indicate anticipated federal grant expenditures in the planning years (next biennium):
Incremental amount requiring approval by fiscal year in the current biennium:		State FY: _____ \$ Amt.: _____
State FY: _____	\$ Amt.: _____	State FY: _____ \$ Amt.: _____
State FY: _____	\$ Amt.: _____	
Original amount approved	Additional amount requiring approval	Total federal award amount
_____	+ _____	= _____

Other revision. Please explain the type of revision.

Grant description

Provide a narrative description of the federal award that includes the following:

- Purpose, goals and strategies
- Specific activities
- Partnerships – How does the program coordinate with existing programs?
- Describe the discretion or flexibility allowed by the federal agency in preparing the application.
- Rules – Indicate if the project/proposal will involve new rules or changes to existing rules.

Objective: Quickly diagnose, control, and prevent the spread of Highly Pathogenic Avian Influenza (HPAI) in Minnesota poultry flocks.

Specific Activities:

Investigate, quarantine, and depopulate infected flocks rapidly

Dispose of carcasses quickly to prevent the spread of disease

Identify all premises with poultry in the control and surveillance zones and educate producers and flock owners about HPAI and appropriate biosecurity measures

Test and monitor all flocks in the control zone in accordance with HPAI response plan

Conduct biosecurity audit on all commercial flocks in the control zone so they can move product during the quarantine period

Instruct producers regarding testing and biosecurity needs for controlled movement

Set up permitting system that allows these operations to move products and birds into and out of the zone as needed

Permit feed trucks delivering products to poultry operations in the control zone

Conduct epidemiological investigations and identify other risk factors. Implement additional mitigation control strategies as needed

Monitor testing and compliance

Coordinate efforts with state, federal, and industry partners

Partnerships: All efforts are coordinated with state, federal, and industry partners. This includes Minnesota Department of Agriculture, the Minnesota Department of Health, the Minnesota Department of Natural Resources, the University of Minnesota, USDA APHIS, and USDA Food Safety Inspection Services.

Limited flexibility due to the required emergency response.

No new rules or changes to existing rules.

If this is a 10-day urgent request, describe the nature of the urgency, including: deliverables, timeline, and implications if funds are not encumbered and/or spent before the next regular opportunity to submit a request to the legislature. Also, describe why the availability of federal funds could not have been anticipated and submitted during the last legislative session for review.

These funds will be used for the emergency response to HPAI in our Minnesota poultry flocks. Funds could not have been anticipated and submitted during the legislative session for review because the first case of HPAI was confirmed March 5, 2015, after the review deadline.

If the award is submitted for the 20-day review, describe any implications if the spending authorization is delayed.

Short and Long-term Commitments

Provide a narrative description of the state's short and long term commitments involved in meeting the

requirements of this award.

The short term commitment is quickly respond to HPAI in the Minnesota poultry flocks.
No long term commitment.

• **Maintenance of Effort (MOE)**

Does the award contain a maintenance of effort requirement? No Yes

If yes, please provide a narrative description of the MOE, which includes the following:

- Total amount of MOE required
- Account information (FY/Fund/FinDeptID/AppropID) and description of the of the program and budget activity from where the cash originates
- Length of MOE
- Consequences if the MOE is not met.

Match requirement

Is a hard (cash contributions) or soft (in-kind contributions) match required? No Yes

If so, estimate the total project amount by state fiscal year for each year of the award; also indicate what amount is cash contributions (hard match) and what amount is in-kind contributions (soft match). If the award runs longer than two years, include information for each additional year.

State FY	Federal portion	Hard match	Soft match	Total project amount

Provide the account information (FY/ Fund/ FinDeptID/AppropID) and a description of the program and budget activity from where cash contributions will originate.

• **FTEs**

How many FTE(s) are needed to carry out this project/proposal? 10 New Existing

Is the continuation of positions a condition of receiving the federal award? Yes No
If yes, please describe.

• **Indirect Costs**

Are indirect costs included in the proposal? Yes No

- If yes, indicate the rate. If this rate is different from the agency's approved rate, explain why.
- If no, provide justification and supporting documentation for not including it.
- To what base is the indirect cost rate applied?
- How much of the grant is indirect costs?

Current approved Federal Indirect Cost rate of 7.59% for FY15 based on modified total direct costs.
Rate is applied to entire award amount.

$$\$801,190 \times 7.59\% = \$60,810$$

Kristine Petrus

Agency Finance Director's Signature

4-21-15

Date

[Signature]

Department Head's Signature

4-21-15

Date

[Signature]

Executive Budget Officer's Signature

5-5-15

Date



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Department: Agriculture	Cite the state legal authority to apply for and accept the award: 17.03.003
Title of federal award and federal legislation authorizing the grant: Highly Pathogenic Avian Influenza (HPAI) Emergency 15.AP.APHIS.04; Emergency Funding Request for Nationwide Outbreaks of Notifiable Avian Influenza	
CFDA # and federal agency: 10.025 Plant and Animal Disease, Pest Control, and Animal Care USDA Animal and Plant Health Inspection Service (APHIS)	Application status: <input type="checkbox"/> Pre-application <input checked="" type="checkbox"/> Application <input type="checkbox"/> Negotiation <input type="checkbox"/> Awarded
Start date: 03/05/2015 End date: 03/04/2016	Total federal award amount: \$1,165,126.00

Check one of the award types below and indicate amount requiring approval

<input checked="" type="checkbox"/> New Award Amount requiring approval by fiscal year in the current biennium: State FY: <u>2015</u> \$ Amt.: <u>555,223</u> State FY: <u>2016</u> \$ Amt.: <u>609,903</u>	Indicate anticipated federal grant expenditures in the planning years (next biennium): State FY: _____ \$ Amt.: _____ State FY: _____ \$ Amt.: _____
<input type="checkbox"/> Continuation (can include renewals) When was the original approved? Amount requiring approval by fiscal year in the current biennium: State FY: _____ \$ Amt.: _____ State FY: _____ \$ Amt.: _____	Indicate anticipated federal grant expenditures in the planning years (next biennium): State FY: _____ \$ Amt.: _____ State FY: _____ \$ Amt.: _____
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Original amount approved

Additional amount
requiring approval

Total federal award amount

_____ + _____ = _____

Other revision. Please explain the type of revision.

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No long term commitment.

- **Maintenance of Effort (MOE)**

Does the award contain a maintenance of effort requirement? No Yes

If yes, please provide a narrative description of the MOE, which includes the following:

- Total amount of MOE required
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State FY	Federal portion	Hard match	Soft match	Total project amount

Provide the account information (FY/ Fund/ FinDeptID/AppropID) and a description of the program and budget activity from where cash contributions will originate.

- FTEs**
 How many FTE(s) are needed to carry out this project/proposal? _____ New Existing

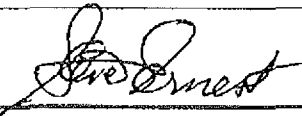
Is the continuation of positions a condition of receiving the federal award? Yes No
 If yes, please describe.

- Indirect Costs**
 Are indirect costs included in the proposal? Yes No

 - o If yes, indicate the rate. If this rate is different from the agency's approved rate, explain why.
 - o If no, provide justification and supporting documentation for not including it.
 - o To what base is the indirect cost rate applied?
 - o How much of the grant is indirect costs?

Current approved Federal Indirect Cost rate of 24.80% calculated on salary and fringe expense only.

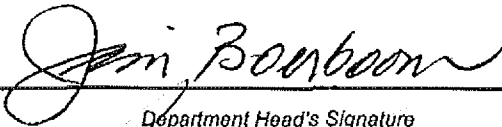
$\$896,736 \times 24.80\% = \$222,391$



Agency Finance Director's Signature

4-27-15

Date



Department Head's Signature

4/27/15

Date



Executive Budget Officer's Signature

5/15/15

Date

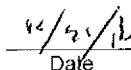
Legislative Advisory Commission - 20 Day Order

October 2014

The following request have been reviewed under the provision in Minnesota Statute 3.3005, subdivision 6 and having received no negative recommendations by members of the Legislative Advisory Commission (LAC) are hereby approved.

	FY 2015
Economic Development	5,271,529
Employment and Economic Development	5,271,529
Disability Employment Initiative Grants	1,700,000
H1-B Ready to Work Partnership Grants	1,600,000
State Trade and Export Promotion	471,529
Workforce Innovation Fund Grant	1,500,000
Education	15,536,054
Education	15,536,054
Grants to States for School Emergency Management Program	226,685
Preschool Development Grants - Expansion Grants	15,000,000
School Climate Transformation Grant	309,369
Health and Human Services	7,919,879
Health	4,253,223
HIA for Improved Community Design in MN	121,000
Improving Risk Stratification for Colonoscopy Screening	75,000
State and Local Public Health Actions to Prevent Obesity, Diabetes, and Heart Disease and Stroke	4,000,000
The Sudden Death in the Young (SDY) Registry	57,223
Human Services	3,666,656
Alzheimer's Disease Initiative: Specialized Support Services Project	243,375
Childhood Hunger Research Demonstration Projects	525,000
Cooperative Agreements to Implement the National Strategy for Suicide Prevention	347,954
Evidence-Based Falls Prevention Programs	208,333
Now is the Time Healthy Transitions	750,000
Refugee and Entrant Assistance Discretionary Grants	372,494
Strategic Prevention Framework Partnerships for Success	1,219,500
Environment and Agriculture	1,881,189
Agriculture	505,261
Farm to School Grant	78,761
Minnesota Wolf Depredation and Livestock Compensation Program	50,000
Regional Conservation Partnership Program	180,000
Tools for Organic Transition: Financial Data and Educational Resources for Farmers and Agriculture	55,000
National Organic Certification Cost Share Program	141,500
Minnesota Zoo	20,000
U.S. Fish and Wildlife Service Funding Opportunity	20,000
Natural Resources	1,292,928
The Voluntary Public Access and Habitat Incentive Program (VPA-HIP)	651,668
Invasive Species Task Force	25,000
Port Security Grant Program	21,260
Upper Mississippi River System Long Term Resource Monitoring Program	100,000
Urban & Community Forestry	120,000
Forest Legacy Administrative Funds	30,000
Hazard Mitigation	75,000
Forest Health Management	20,000
State Fire Assistance	100,000
Volunteer Fire Assistance	150,000
Water and Soil Resources, Board of	63,000
Minnesota Wetland Banking Program-Federal/State Integration	63,000
State Government and Veterans	113,722
Veterans Affairs	113,722
State Veterans Homes Hiring and Retention Grant - Minneapolis	62,143
State Veterans Homes Hiring and Retention Grant - Silver Bay	51,579
Public Safety and Judiciary	1,481,144
Corrections	747,000
Statewide Recidivism Reduction Implementation Program	747,000
Public Safety	734,144
DNA Capacity Enhancement and Backlog Reduction	311,645
Internet Crimes Against Children	347,999
National Criminal History Improvement Program	74,500
Grand Total	32,203,517



 Jim Schowalter
 Executive Secretary


 Date

**Legislative Advisory Commission
20-Day Order
October 2013**

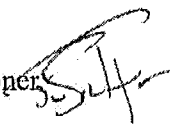
The following requests have been reviewed under the provision in Minnesota Statute 3.3005, subdivision 6 and having received no negative recommendations by members of the Legislative Advisory Commission (LAC) are hereby approved.

Bill Area/Agency/Grant	FY 2014	FY 2015
E-12 Education	8,465,176	-
Education	8,465,176	-
Advanced Placement Incentive Program	278,848	-
School Improvement Grants, Recovery Act	5,181,789	-
State Charter School Facilities Incentive Grants Program	832,633	-
Statewide Longitudinal Data System	2,171,906	-
Economic Development	24,937	314,213
Housing Finance	24,937	314,213
Section 811 Supportive Housing for Persons with Disabilities, Project Rental Assistance Demonstration Program	24,937	314,213
Environment	977,570	1,074,900
Natural Resources	606,570	683,900
2013 White-nose Syndrome Grants to States - Minnesota	10,970	10,000
Great Lakes Enforcement Task Force	-	-
Invasive Species Task Force/Fish & Wildlife Coordination Act	50,500	25,000
Food, Conservation, and Energy Act of 2008, Public Law 110-234	46,000	111,000
Forest Stewardship - Cooperative Forestry Assistance Act of 1978, Public Law 101-624 - Request one	35,000	-
Forest Stewardship - Cooperative Forestry Assistance Act of 1978, Public Law 101-624 - Request two	10,000	30,000
Forest Stewardship - Cooperative Forestry Assistance Act of 1978, Public Law 95-313 - Request one	454,100	198,000
Forest Stewardship - Cooperative Forestry Assistance Act of 1978, Public Law 95-313 - Request two	-	309,900
Agriculture	371,000	391,000
Cottonwood River Native Vegetation Water Quality	25,000	6,000
Bed Bug Outreach Prevention in Minnesota	31,000	45,000
Minnesota Wolf Depredation and Livestock Compensation Program	40,000	40,000
FDA Fern Microbiological Cooperative Agreement	225,000	250,000
Homeland Security Grant Program Fiscal Year 2013	50,000	50,000
Health and Human Services	8,128,186	13,666,062
Health	2,951,004	2,638,888
Grants to States to Support Health Insurance Rate Review, Level III	1,190,371	1,587,161
Improving Risk Stratification for Colonoscopy Screening	60,000	75,000
PPHF 2013: Immunization - Increasing Human Papillomavirus (HPV) Vaccination Coverage Rates among Adolescents	697,000	-
Reducing Exposure to Toxic Substances from Fish Consumption/Great Lakes Restoration Initiative	504,633	477,031
Specialized Services for Victims of Human Trafficking	199,000	199,696
State Implementation Grants for Improving Services for Children and Youth with Autism Spectrum Disorder (ASD) and other Developmental Disabilities (DD)	300,000	300,000

Human Services	5,177,182	5,027,755
Adult Medicaid Quality Grants Measuring & Improving the Quality of Care in Medicaid	1,433,966	454,539
Money Follows the Person Rebalancing Demonstration Grant: Tribal Initiative	600,000	1,000,000
Planning & Demonstration Grant for Testing Experience & Functional Tools in Community-Based Long Term Services & Supports	660,000	1,000,000
Planning Grant: Addressing Homelessness of Child Welfare	270,000	360,000
Safe Schools/Healthy Students State Planning, Local Education Agency, & Local Community Cooperative Agreements	2,213,216	2,213,216
MNSure		5,999,419
Cooperative Agreement to Support Establishment of the Affordable Care Act Health Insurance Exchange		5,999,419
Public Safety	5,949,204	7,495,684
Corrections	755,233	949,484
Adult Reentry Demonstration Program	360,275	480,366
Demonstration Projects to Establish Zero Tolerance	113,760	111,660
Juvenile Reentry Program Planning	37,500	12,500
Reentry for Adults with Co-Occurring Disorders	186,278	325,815
Statewide Adult Recidivism Reduction and Planning	57,420	19,143
Human Rights	1,400	1,400
EEOC Expense Reimbursement for Required Training	1,400	1,400
Public Safety - Public Safety	5,192,571	6,544,800
2013 DNA Backlog Reduction	324,363	324,362
National Crime History Improvement Program	71,655	23,885
State and Community Highway Safety	4,000,000	5,400,000
State and Local Implementation Program	796,553	796,553
State Government	2,285,150	1,790,150
Veterans Affairs	2,285,150	1,790,150
FAI 27-046 Veterans Homes Ceiling Lifts	682,500	682,500
MN State Veterans Cemetery Little Falls Columbarium	495,000	-
New Veterans Cemetery/SE-MN	1,107,650	1,107,650
Transportation Bill Area	5,360,700	7,211,410
Public Safety - Transportation	-	100,000
Motor Carrier Safety Assistance Program	-	100,000
Transportation	5,360,700	7,111,410
Flash Flood Vulnerability and Adaption Assessment in NE and SE MN	100,000	-
FY 2012 Disaster Relief Opportunity	300,000	1,700,000
FY 2014 New Entrant Grant	647,500	69,960
Red Dye Fuel Monitoring Program	200,000	140,000
TIGER Grant for Rural Intersections Conflict Warning System	1,350,000	101,450
Transportation Alternatives	-	5,000,000
Truck Parking Availability/SmartPark 4 Trucks	1,263,200	-
USDOT FHWA STP Formula funds for Enterprise Asset Management Software	1,500,000	100,000
Grand Total	31,190,923	31,552,419
 <hr/> Jim Schowalter Executive Secretary		10-22-13 <hr/> Date



Office Memorandum

Date: October 15, 2013
To: Governor Mark Dayton
From: Jim Schowalter, Commissioner 
Subject: Request for Authorization to Use Contingent Funds for Payment of Attorney's Fees in the Litigation of Swanson, et. al. v. Dayton, et. al.

Attached for your signature is the 2014-15 Legislative Advisory Commission (LAC) Order authorizing a transfer from the General Fund Contingent Account authorized in Laws of 2013, Regular Session, Chapter 142, Article 1, Section 27.

Transfers from the General Fund Contingent Account exceeding \$10,000 require LAC review under Minnesota Statute 3.30. This review process is advisory only. The request was sent to all appropriate LAC members on October 7, 2013 for their review and recommendation, using the round-robin review process. Six members responded affirmatively, approving the recommendation.

I recommend that you authorize this transfer to settle this matter.

The LAC order authorizes the following:

The expenditure of funds in the amount of \$60,000 from the FY 2014 general fund contingent account to allow for payments of attorney's fees related to the settlement of all matters in the litigation of Swanson, et. al. v. Dayton, et. al.

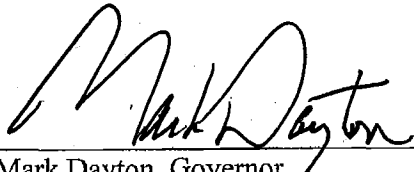
Please return the signed order to Tara Barenok, of my staff, for distribution.

**Legislative Advisory Commission Action
Order**

For Transfer of Funds
From
State General Fund Contingent Account – FY 2014-15

Pursuant to Minnesota Statutes 3.30, Subdivision 1(c), there is hereby transferred from the General Fund Contingent Account as appropriated by the Laws of 2013, Regular Session, Chapter 142, Article 1, Section 27, a total of \$60,000 to the Bureau of Mediation Services to pay for attorney's fees related to the litigation of Swanson, et. al. v. Dayton, et. al. The funding should be transferred to the Bureau of Mediation Services settlement account (G456000).

October 17, 2013
Date


Mark Dayton, Governor



August 5, 2013

Senate Majority Leader Thomas M. Bakk
226 Capitol

House Speaker Paul Thissen
463 State Office Building

Senator Richard Cohen
121 Capitol

Representative Lyndon Carlson, Sr.
479 State Office Building

Senator Tom Saxhaug
328 Capitol

Representative Mary Murphy
443 State Office Building

RE: Notification of FY 2013 Proposed Retained Savings under the State Agency Value Initiative (SAVI) program (M.S. § 15.76)

Dear Legislators,

The state established the State Agency Value Initiative (SAVI) during the 2012 legislative session. It authorizes state agencies to carry forward and retain half of the savings created through unanticipated innovations, efficiencies or creative cost savings. This is the first year that this new language is in effect.

The law, as amended in the 2013 legislative session, requires MMB to submit any approved initiatives to the Legislative Advisory Commission for review and comment.

Attached please find a proposal from the Department of Administration to retain FY 2013 savings under the SAVI program.

The Department of Administration identified savings of \$150,000 due to:

- Completion of a Lean Kaizen event redesigning and streamlining agency processes;
- Modification of agency hiring practices to emphasize entry level placements, where appropriate.

I have verified these savings and approve spending \$75,000 to support Administration's Enterprise Lean program as outlined in Part 2 of the proposal.

Please review the proposal and return any comments to Tara Barenok, Minnesota Management and Budget, 400 Centennial Office Building, or via email at Tara.Barenok@state.mn.us.

Should you have any questions on this request, please contact Micah Intermill, Executive Budget Officer at MMB, at Micah.Intermill@state.mn.us or (651) 201-8044.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Schowalter", is written over a light blue horizontal line.

Jim Schowalter
Commissioner

c: Senate Minority Leader David Hann
House Minority Leader Kurt Daudt
Commissioner Spencer Cronk, Administration
Margaret Kelly, MMB
Bill Marx, House Fiscal Analysis
Eric Nauman, Senate Research & Fiscal Analysis

Mike Roelofs, MMB
Micah Intermill, MMB
Tara Barenok, MMB