



COVID-19 MINNESOTA FUND EXPENDITURE REPORT

July 15, 2021

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Executive Summary

- The COVID-19 Minnesota fund was created to pay expenditures associated with the peacetime emergency declared by the Governor in executive order 20-01 related to COVID-19. The fund was established on March 28, 2020 with a starting balance of \$200 million.
- Money in the fund is appropriated to the Commissioner of Management and Budget to be disbursed or transferred to state agencies, as necessary, to:
 1. Protect Minnesota citizens from the COVID-19 outbreak, and;
 2. Maintain state government operations throughout the duration of the peacetime emergency.
- The Commissioner of Management and Budget may authorize expenditures of \$1 million or less. An expenditure request in excess of \$1 million must be submitted to the Legislative COVID-19 Response Commission for review and recommendation before it can be authorized.
- The COVID-19 Minnesota fund expired December 31, 2020, pursuant to [Laws 2020, Chapter 81](#). Upon expiration, any money in the fund that remains unobligated will transfer back to the general fund.
- \$215.913 million was authorized by the Legislative COVID-19 Response Commission and \$7.824 million was authorized as an expenditure of \$1 million or less. The \$223.737 million authorized remains the same as it was on December 30, 2020. This amount incorporates amounts previously authorized but cancelled or received as FEMA reimbursement (\$4.253 million as of December 30, 2020 and \$6.002 million as of July 15, 2021) and payments from Mayo and the University of Minnesota collected from payers as part of the contractual arrangement to provide COVID-19 test processing on behalf of Minnesotans (\$19.484 million as of December 30, 2020 and July 15, 2021).
- A final report will be prepared after the fiscal year 2021 hard close. This report will reflect expenditures and cancellations by authorization and the amount returned to the general fund.

Background

The COVID-19 pandemic presented an unprecedented challenge to our State. On March 19, 2020, in a letter to the leaders of the Minnesota Senate and House of Representatives, Governor Walz and Lt. Governor Flanagan asked the Legislature to create a fund that would give the Administration the flexibility to deploy resources necessary to respond to the needs of Minnesotans in real time.

On March 28, 2020, the Legislature passed legislation creating the COVID-19 Minnesota fund, transferring to it \$200 million from the general fund, and appropriating all money to the Commissioner of Management and Budget to be disbursed or transferred to state agencies, as necessary, to:

1. Protect Minnesota citizens from the COVID-19 outbreak, and;
2. Maintain state government operations throughout the duration of the peacetime emergency.

The legislation also established the Legislative COVID-19 Response Commission to review expenditures. Members of the Commission are: Senate President, Senate Majority Leader, Senate Minority Leader, Senate Finance Committee Chair, Ranking Minority Member of Senate Finance Committee, Speaker of the House, House Majority Leader, House Minority Leader, House of Representatives Ways and Means Committee Chair, and Ranking Minority Member of House of Representatives Ways and Means Committee.

The Commissioner of Management and Budget could authorize expenditures of \$1 million or less. However, the process for approving these requests adopted by the Administration required additional approval from the Commissioner of Health and the Governor's Chief of Staff.

An expenditure request in excess of \$1 million was required to be submitted to the Legislative COVID-19 Response Commission for review and recommendation before it could be authorized. Upon submission, the Commission had 24 hours to review a request and provide a positive recommendation, a negative recommendation, or no recommendation. If a majority of commission members from the Senate and a majority of commission members from the House of Representatives provided a negative recommendation on a proposed expenditure, the commissioner was prohibited from expending the money. If a majority of the commission members from the senate or a majority of the commission members from the house of representatives did not make a negative recommendation, or if the commission made no recommendation, the commissioner could expend the money.

The Commissioner of Management and Budget provided reports on the spending from the COVID-19 Minnesota fund to the Legislative COVID-19 Response Commission on the 15th and last day of each month through December 31, 2020. The report included the total amount of each expenditure, the purpose of each expenditure, and any additional information the commissioner of management and budget determines necessary to properly document each expenditure. This July 15, 2021 expenditure report date was also set in session law.

The COVID-19 Minnesota fund expired December 31, 2020, pursuant [Laws 2020, Chapter 81](#). Upon expiration, any money in the fund that remains unobligated transfers back to the general fund.

Authorized Expenditures

(\$ in thousands)

Below is a summary of total authorized expenditures from the COVID-19 Minnesota fund. The first chart provides an overview of the fund. The second chart highlights authorized expenditures in excess of \$1 million. The third chart highlights authorized expenditures of \$1 million or less.

| Initial Fund Balance | Cancellations | Testing Insurance Reimbursement | Approved Spending Authority | Remaining Unauthorized | Expended / Committed | Not Committed |
|----------------------|---------------|---------------------------------|-----------------------------|------------------------|----------------------|---------------|
| \$200,000 | \$6,002 | \$19,484 | \$223,737 | \$1,749 | \$174,373 | \$49,364 |

For details on appropriation cancellations see [Appendix A](#) and for details on reimbursements see [Appendix B](#).

Authorized Expenditures in Excess of \$1 Million

(\$ in thousands)

* Amounts below are inclusive of authorization adjustment provided on 12/30/2020 per LCRC Order #26.

| Request # | Date | Agency | Description | Authorized 12/30 | Expended | Committed | Cancelled |
|-------------------------|-------------|--------|---|------------------|----------|-----------|-----------|
| LCRC-1 | 03/30/2020 | MDH | Ventilators (Amended into LCRC #8) | ~ | | | |
| LCRC-2 | 03/30/2020 | MDH | N95 Respirators (Amended into LCRC #8) | ~ | | | |
| LCRC-3 | 04/02/2020 | MDH | Amend LCRC Request #2 from \$4 million to \$16 million (Amended into LCRC #8) | ~ | | | |
| LCRC-4 | 04/02/2020 | MDH | PPE – Gowns (Amended into LCRC #8) | ~ | | | |
| LCRC-5 | 04/02/2020 | MDH | PPE – Gloves (Amended into LCRC #8) | ~ | | | |
| LCRC-6 | 04/03/2020 | MDH | PPE – Surgical Masks (Amended into LCRC #8) | ~ | | | |
| LCRC-7 | 04/09/2020* | DOC | Manage COVID-19 Related Demands for March/April | \$1,225 | \$1,176 | \$7 | \$42 |
| LCRC-8 | 04/14/2020* | MDH | Amend LCRC Requests #1-6 for Critical Supply Needs | \$39,942 | \$29,316 | \$140 | \$0 |
| LCRC-9 | 4/22/2020* | MDH | Rapid and Widespread Testing for COVID-19 | \$32,300 | \$32,300 | \$0 | \$0 |
| LCRC-10 | 4/28/2020* | MDH | Preparation of a Community Alternative Care Site | \$1,386 | \$0 | \$0 | \$0 |
| LCRC-11 | 5/4/2020* | MDA | Animal Carcass Disposal | \$10 | \$10 | \$0 | \$0 |
| LCRC-12 | 5/6/2020* | MDH | Community Engagement and Outreach | \$2,115 | \$1,544 | \$157 | \$0 |

| Request # | Date | Agency | Description | Authorized 12/30 | Expended | Committed | Cancelled |
|-------------------------|------------|--------|---|------------------|-------------------|-----------------|----------------|
| LCRC-13 | 5/7/2020* | ADM | Storage Facility | \$5,524 | \$508 | \$79 | \$4,936 |
| LCRC-14 | 5/9/2020* | MDH | Gown Purchase; Flexibility for Critical Care Supplies | \$15,227 | \$15,198 | \$0 | \$29 |
| LCRC-15 | 5/10/2020 | DHS | Isolation Space for Individuals Experiencing Homelessness | \$1,632 | \$513 | \$866 | \$253 |
| LCRC-16 | 5/13/2020 | MDH | Regional Mobile Testing Teams: Long Term Care | \$3,000 | \$541 | \$390 | \$0 |
| LCRC-17 | 5/13/2020* | MDH | Washable Gowns Purchase | \$5,991 | \$5,929 | \$0 | \$62 |
| LCRC-18 | 5/14/2020* | MDH | Purchase of Testing Supplies – Swabs | \$129 | \$0 | \$129 | \$0 |
| LCRC-19 | 5/21/2020* | MDH | Glove Purchase; Flexibility for Critical Care Supplies | \$2,266 | \$1,060 | \$0 | \$0 |
| LCRC-20 | 6/30/2020 | MNZOO | Maintain Zoo operations during COVID-19 Pandemic | \$6,000 | \$5,294 | \$705 | \$0 |
| LCRC-21 | 9/28/2020 | DHS | Homeless COVID Response Winter Shelter Capacity | \$2,000 | \$1,614 | \$386 | \$0 |
| LCRC-21 | 9/28/2020 | DHS | Amend LCRC-15 from \$7,200 to \$1,632 | ~ | ~ | ~ | ~ |
| LCRC-22 | 10/12/2020 | MDA | Amend LCRC-11 from \$10,952 to \$4,202 | ~ | ~ | ~ | ~ |
| LCRC-23 | 11/25/2020 | DHS | Fund Additional Winter Shelter | \$2,400 | \$0 | \$2,400 | \$0 |
| LCRC-24 | 12/2/2020 | MDH | Redeployment of state employees for COVID response | \$4,200 | \$2,183 | \$2,017 | \$0 |
| LCRC-25 | 12/2/2020 | MDH | SEOC Staffing Support | \$2,200 | \$1,088 | \$1,112 | \$0 |
| LCRC-26 | 12/29/2020 | MMB | Adjust COVID-19 Minnesota Fund Authorizations for Refinancing and Underspending | ~ | ~ | ~ | ~ |
| LCRC-27 | 12/29/2020 | DHS | Sustain COVID homeless response and isolation space activities through March 2021 | \$8,900 | \$8,199 | \$301 | \$0 |
| LCRC-28 | 12/29/2020 | MDH | COVID-19 Testing Strategy and Response | \$39,758 | \$25,218 | \$9,862 | \$0 |
| LCRC-29 | 12/29/2020 | MDH | COVID-19 Vaccination Strategy and Response | \$39,758 | \$8,483 | \$10,344 | \$0 |
| | | | | \$215,962 | \$140,174 | \$28,893 | \$5,322 |
| | | | Insurance Reimbursements | | (\$19,484) | | |
| | | | TOTAL Requests in Excess of \$1 Million | \$215,962 | \$120,690 | \$28,893 | \$5,322 |

Authorized Expenditures of \$1 Million or Less

(\$ in thousands)

* Amounts below are inclusive of authorization adjustment provided on 12/30/2020 per LCRC Order #26.

| Request # | Date | Agency | Description | Authorized 12/30 | Expended | Committed | Cancelled |
|-----------|-------------|--------|--|------------------|----------|-----------|-----------|
| MMB-1 | 03/30/2020 | MDH | [Removed] | \$0 | \$0 | \$0 | \$0 |
| MMB-2 | 03/31/2020* | MDH | Cloth Masks | \$202 | \$0 | \$0 | \$202 |
| MMB-3 | 03/31/2020* | MDH | Face Shields | \$37 | \$37 | \$0 | \$0 |
| MMB-4 | 04/01/2020* | MDH | Cloth Masks | \$113 | \$113 | \$0 | \$0 |
| MMB-5 | 04/01/2020* | MDH | Gloves | \$177 | \$177 | \$0 | \$0 |
| MMB-6 | 04/01/2020* | MDH | Nasal Cannula | \$67 | \$0 | \$0 | \$0 |
| MMB-7 | 04/06/2020* | MDH | Face Shields | \$165 | \$165 | \$0 | \$0 |
| MMB-8 | 04/07/2020* | MDH | Reusable Respirators | \$52 | \$52 | \$0 | \$0 |
| MMB-9 | 04/07/2020 | MDH | [Removed] | \$0 | \$0 | \$0 | \$0 |
| MMB-10 | 04/07/2020* | MDH | Reusable, Washable Gowns | \$47 | \$47 | \$0 | \$0 |
| MMB-11 | 04/07/2020* | MDH | Safety Glasses | \$0 | \$0 | \$0 | \$0 |
| MMB-12 | 04/08/2020* | MDH | Gloves | \$0 | \$0 | \$0 | \$0 |
| MMB-13 | 04/08/2020 | MDH | Patient and Equipment Tracking System Software | \$64 | \$36 | \$0 | \$0 |
| MMB-14 | 04/08/2020* | MDH | Water Resistant, Washable Gowns | \$26 | \$26 | \$0 | \$0 |
| MMB-15 | 04/09/2020* | MDH | Simple Surgical Masks | \$27 | \$27 | \$0 | \$0 |
| MMB-16 | 04/09/2020* | MDH | Hand Sanitizer | \$92 | \$92 | \$0 | \$0 |
| MMB-17 | 04/09/2020* | MDH | Simple Surgical Masks | \$197 | \$197 | \$0 | \$0 |
| MMB-18 | 04/09/2020 | MDH | Alternate Care Sites Medical Supplies | \$180 | \$165 | \$0 | \$0 |

| Request # | Date | Agency | Description | Authorized 12/30 | Expended | Committed | Cancelled |
|--|-------------|--------|--|------------------|----------------|----------------|--------------|
| MMB-19 | 04/10/2020* | MDH | Simple Surgical Masks | \$664 | \$664 | \$0 | \$0 |
| MMB-20 | 04/10/2020* | MDH | Shoe Covers | \$1 | \$1 | \$0 | \$0 |
| MMB-21 | 04/13/2020* | MDH | Surgical Masks | \$220 | \$220 | \$0 | \$0 |
| MMB-22 | 04/13/2020* | MDH | BiPAP Machines and Equipment | \$310 | \$0 | \$0 | \$140 |
| MMB-23 | 04/13/2020* | MDH | Surgical Masks | \$636 | \$636 | \$0 | \$0 |
| MMB-24 | 04/13/2020* | MDH | Gloves | \$1 | \$1 | \$0 | \$0 |
| MMB-25 | 04/20/2020* | MDH | Alternative Care Sites - Professional/Technical Contract | \$149 | \$0 | \$0 | \$0 |
| MMB-26 | 5/2/2020 | DHS | Direct Food Assistance to Tribal Nations | \$386 | \$46 | \$2 | \$338 |
| MMB-27 | 5/5/2020 | MDH | Health Care Surge Work Group – software purchase | \$86 | \$86 | \$0 | \$0 |
| MMB-28 | 5/15/2020* | MDH | Swab Kits | \$261 | \$0 | \$34 | \$0 |
| MMB-29 | 5/16/2020 | MDH | Testing | \$897 | \$0 | \$0 | \$0 |
| MMB-30 | 5/22/2020* | MDH | Testing Supplies – Swabs and Collection Kits | \$500 | \$0 | \$499 | \$0 |
| MMB-31 | 6/4/2020 | MDH | Alt. Care Site - Building System Startup | \$250 | \$250 | \$0 | \$0 |
| MMB-32 | 9/14/2020 | MDH | Emergency Response Staffing | \$707 | \$438 | \$269 | \$0 |
| MMB-33 | 11/3/2020 | MDH | Vaccination Effort | \$200 | \$154 | \$2 | \$0 |
| MMB-34 | 11/20/2020 | MDH | Extend lease Alt. Care Site Langton Place, Roseville | \$481 | \$276 | \$19 | \$0 |
| MMB-35 | 12/1/20 | MDH | Support Healthcare Medical Patient Placement Center | \$526 | \$0 | \$525 | \$0 |
| MMB-36 | 12/1/20 | DPS | Conduct Seasonal COVID Screening for Exam Customers | \$52 | \$49 | \$0 | \$0 |
| TOTAL Requests of \$1 Million or Less | | | | \$7,775 | \$3,955 | \$1,351 | \$680 |

Commentary on Authorized Expenditures

There were no new authorized expenditures from the COVID-19 Minnesota fund after December 30, 2020.

Appendix A: Cancellations

The following are cancellations from previously approved COVID-19 Minnesota Fund authorizations.
 (\$ in thousands)

| Row Number | Agency | Authorization | Description | Cancellation Amount |
|------------|--------|-------------------------|--|---------------------|
| 1 | DOC | LCRC-7 | Manage COVID-19 Related Demands for March/April | (\$42) |
| 2 | MDH | LCRC-14 | Gown Purchase; Flexibility for Critical Care Supplies | (\$29) |
| 3 | MDA | LCRC-13 | Storage Facility (FEMA Reimbursement) | (\$4,936) |
| 4 | DHS | LCRC-15 | Isolation Space for Individuals Experiencing Homelessness (FEMA Reimbursement) | (\$253) |
| 5 | MDH | LCRC-17 | Gown Purchase | (\$62) |
| 6 | MDH | MMB-2 | Cloth Masks (FEMA Reimbursement) | (\$202) |
| 7 | MDH | MMB-22 | BiPAP Machines and Equipment (FEMA Reimbursement) | (\$140) |
| 8 | DHS | MMB-26 | Direct Food Assistance to Tribal Nations (FEMA Reimbursement) | \$(338) |
| | | | Cancellations Total | (\$6,002) |

Appendix B: Reimbursements

The following are reimbursements from previously spent COVID-19 Minnesota Fund authorizations.
(*\$ in thousands*)

| Row Number | Agency | Description | Reimbursement Amount |
|------------|--------|--|----------------------|
| 1 | MDH | Insurance Reimbursement from Mayo | (\$11,541) |
| 2 | MDH | Insurance Reimbursement from University of Minnesota | (\$6,899) |
| 3 | MDH | Insurance Reimbursement from Mayo | (\$1,043) |
| | | Reimbursements Total | (\$19,484) |