



COVID-19 FLEXIBLE RESPONSE ACCOUNT

AMERICAN RESCUE PLAN STATE FISCAL RECOVERY FUND

Sept. 30, 2021

Minnesota Management and Budget
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As requested by Minnesota Statute 3.197: This report cost less than \$1,000 to prepare, including staff time, printing and mailing expenses.

Upon request, this material will be made available in an alternative format such as large print, Braille or audio recording.

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Executive Summary

- The COVID-19 Flexible Response Account was created to pay expenditures eligible under federal guidance for the state fiscal recovery federal fund. The fund was established on July 1, 2021 with a beginning balance of \$425 million.
- Money in the fund is appropriated to the Commissioner of Management and Budget to be disbursed or transferred to state agencies, as necessary.
- The Commissioner of Management and Budget may authorize expenditures of \$2.5 million or less. An expenditure request in excess of \$2.5 million must be submitted to the Legislative COVID-19 Response Commission for review and recommendation before it can be authorized.
- Funds in the COVID-19 Flexible Response Account may be allocated until June 30, 2022, pursuant to [Laws 2021 1st Special Session, Chapter 12](#). Allocated funds are available until June 30, 2023. Any money in the fund that remains unallocated on July 1, 2022 cancels back to the state fiscal recovery federal fund.
- As of Sept. 30, \$252 million remains unallocated in the fund. Legislative COVID-19 Response Commission authorizations total \$163.2 million. Additionally, \$9.9 million has been authorized as an expenditure of \$2.5 million or less.

Background

On June 30, 2021, the Legislature passed legislation creating the COVID-19 Flexible Response Account and appropriating \$425 million to the Commissioner of Management and Budget to be disbursed or transferred to state agencies, as necessary. The legislation also reestablished the Legislative COVID-19 Response Commission to review expenditures.

Members of the commission are the Senate majority and minority leaders, president, chair and ranking minority member of the Senate Finance Committee, House majority and minority leaders, speaker, and chair and ranking minority member of the House Ways and Means Committee.

Expenditure requests in excess of \$2.5 million must be submitted to the Legislative COVID-19 Response Commission for review and recommendation before they can be authorized. The commission has three days after submission 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 provide a negative recommendation on a proposed expenditure, the commissioner is 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 do not make a negative recommendation, or if the commission makes no recommendation, the commissioner may expend the money. The Commissioner of Management and Budget may authorize expenditures of \$2.5 million or less.

The Commissioner of Management and Budget must provide expenditure reports from the COVID-19 Flexible Response Account to the Legislative COVID-19 Response Commission on the last day of each month. The report must include the total amount of each expenditure, the purpose of each expenditure, and any additional information the Commissioner of Management and Budget determines is necessary to properly document each expenditure. This report includes accounting data through Sept. 30, 2021. Expenditures and commitments in SWIFT may lag the actual costs incurred due to delays in invoicing and payment processes with vendors.

Funds in the COVID-19 Flexible Response Account may be allocated until June 30, 2022, pursuant to [Laws 2021 1st Special Session, Chapter 12](#). Allocated funds are available until June 30, 2023. Any money in the fund that remains unallocated on July 1, 2022 cancels back to the state fiscal recovery federal fund.

Authorized Expenditures

Below is a summary of total authorized expenditures from the COVID-19 Flexible Response Account through Sept. 30, 2021. Table 1 highlights authorized expenditures in excess of \$2.5 million. Table 2 highlights authorized expenditures of \$2.5 million or less.

Table 1. Authorized Expenditures Over \$2.5 Million

(\$ in thousands)

Request #	Date	Agency	Description	Authorized	Expended
LCRC-1	8/4/2021	DPS	Violence Prevention Grants	\$ 16,800	\$ 6
LCRC-2	8/6/2021	MDH	Vaccine Incentives	\$ 13,800	\$ 5,934
LCRC-3	9/3/2021	Zoo	Continued Operations	\$ 11,495	-
LCRC-4	9/3/2021	DEED	Science Museum Operations	\$ 3,798	-
LCRC-5	9/3/2021	Admin	State Parking Facilities	\$ 3,000	-
LCRC-6	9/3/2021	Admin	Enterprise Planning	\$ 4,000	-
LCRC-7	9/3/2021	Admin	Workers Compensation	\$ 3,175	-
LCRC-8	9/3/2021	OHE	Workforce Stabilization	\$ 35,000	-
LCRC-9	9/3/2021	MDE	Education Partnerships	\$ 4,000	-
LCRC-10	9/3/2021	MDE	Pandemic Enrollment Aid	\$ 29,191	-
LCRC-11	9/3/2021	DHS	Sheltering I	\$ 10,000	-
LCRC-12	9/28/2021	MJB	Courts Backlog	\$ 9,961	-
LCRC-13	9/28/2021	BPD	Public Defense Backlog	\$ 3,945	-

Request #	Date	Agency	Description	Authorized	Expended
LCRC-14	9/28/2021	DHS	Sheltering II	\$ 15,000	-

Table 2. Authorized Expenditures of \$2.5 Million or Less

(\$ in thousands)

Request #	Date	Agency	Description	Authorized	Expended
MMB-1	7/30/2021	MDH	Vaccine Incentives	\$ 2,500	\$ 2,500
MMB-2	8/30/2021	DNR	Timber Permit Relief	\$ 1,000	-
MMB-3	8/30/2021	ADM	Small Business Development	\$ 960	-
MMB-4	8/30/2021	MDE	Girl Scouts ConnectZ	\$ 1,000	-
MMB-5	9/10/2021	MMB	State Employee Testing	\$ 1,500	-
MMB-6	9/17/2021	MMB	COVID-19 Response Accountability	\$ 2,016	-
MMB-7	9/17/2021	GOV	COVID-19 Response Staffing	\$ 900	-

Appendix A: COVID-19 Flexible Response Account Detail

COVID-19 Flexible Response Account Overview, July 1 to Sept. 30, 2021

(\$ in thousands)

Initial Fund Balance	Authorized	Remaining Unauthorized	Expended	Committed	Uncommitted
\$ 425,000	\$ 173,041	\$ 251,959	\$ 8,440	\$ 3,545	\$ 161,056

COVID-19 Flexible Response Account Detail

(\$ in thousands)

Request #	Agency	Description	Authorized	Expended	Committed
LCRC-1	DPS	Violence Prevention Grants	\$ 16,800	\$ 6	-
LCRC-2	MDH	Vaccine Incentives	\$ 13,800	\$ 5,934	\$ 1,187
LCRC-3	Zoo	Continued Operations	\$ 11,495	-	-
LCRC-4	DEED	Science Museum	\$ 3,798	-	-
LCRC-5	Admin	State Parking Facilities	\$ 3,000	-	-
LCRC-6	Admin	Enterprise Planning	\$ 4,000	-	\$ 875
LCRC-7	Admin	Workers Compensation	\$ 3,175	-	-
LCRC-8	OHE	Workforce Stabilization	\$ 35,000	-	-
LCRC-9	MDE	Education Partnerships	\$ 4,000	-	\$ 238
LCRC-10	MDE	Pandemic Enrollment	\$ 29,191	-	-
LCRC-11	DHS	Sheltering I	\$ 10,000	-	-

Request #	Agency	Description	Authorized	Expended	Committed
LCRC-12	MJB	Courts Backlog	\$ 9,961	-	-
LCRC-13	BPD	Public Defense Backlog	\$ 3,945	-	-
LCRC-14	DHS	Sheltering II	\$ 15,000	-	-
MMB-1	MDH	Vaccine Incentives	\$ 2,500	\$ 2,500	-
MMB-2	DNR	Timber Permit Relief	\$ 1,000	-	-
MMB-3	ADM	Small Business Development	\$ 960	-	-
MMB-4	MDE	Girl Scouts ConnectZ	\$ 1,000	-	-
MMB-5	MMB	State Employee Testing	\$ 1,500	-	\$ 1,245
MMB-6	MMB	COVID-19 Response Accountability	\$ 2,016	-	-
MMB-7	GOV	COVID-19 Response Staffing	\$ 900	-	-

Appendix B: Request Forms

- LCRC-3 Zoo Continued Operations
- LCRC-4 DEED Science Museum
- LCRC-5 Admin State Parking Facilities
- LCRC-6 Admin Enterprise Planning
- LCRC-7 Admin Workers Compensation
- LCRC-8 OHE Workforce Stabilization
- LCRC-9 MDE Education Partnerships
- LCRC-10 MDE Pandemic Enrollment
- LCRC-11 DHS Sheltering I
- LCRC-12 MJB Courts Backlog
- LCRC-13 BPD Case Backlog
- LCRC-14 DHS Sheltering II
- MMB-5 MMB State Employee Testing
- MMB-6 MMB COVID-19 Response Accountability
- MMB-7 GOV COVID-19 Response Staffing

American Rescue Plan (ARP) State Fiscal Recovery Funds (SFRF) Request Form

Please complete this form in accordance with the process instructions.

Agency/Point of Contact: Minnesota Zoological Garden / John Frawley

Title of Request: Minnesota Zoo Recovery from COVID-19 Impact

Date: 8/17/2021 **Request Amount:** \$ 11,495,000

Expenditure Time Period: 9/1/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

An authorization of \$11,495,000 is requested to support the Minnesota Zoo's recovery from the impact of the COVID-19 pandemic. This appropriation was agreed to by Governor Walz and legislative leaders in creating a budget framework for the FY 2022-23 biennium.

To help limit the spread of COVID-19 throughout the state, the Minnesota Zoo closed its doors to the public for four months in the spring and summer of 2020, and then for another four weeks beginning in November 2020. COVID-driven capacity limits and safety measures dramatically reduced daily admissions; forced the cancellation of events, education programs, and facility rentals; and caused the Zoo's membership base to decline from 41,000 to 28,000 households. Revenues from admissions, membership, and programming are critically important, typically supporting two-thirds of the Zoo's annual operating budget.

- To manage this significant loss in revenue, the Zoo took immediate and drastic action to reduce expenses, including:
- * laying off 48 staff members and impacting 125 total positions by eliminating or reducing hours for many intermittent and seasonal positions
 - * canceling or delaying major projects and significantly cutting back on infrastructure investments, repairs, and maintenance; and
 - * reducing hours of operation, eliminating shows and animal encounters, and canceling all summer camps and education programming including the popular Zoomobile program.

While these measures helped reduce costs by nearly \$8 million in FY 2020-21, concern remains over the ability to perform routine care for the Zoo's animals and facilities. Given the deep cuts to staffing and maintenance budgets necessary to manage through the pandemic, the Zoo is in a critical position. At minimal staffing levels, with the animal dispositions we've made, the significant and growing maintenance backlog, and the loss of so many member households and a year's worth of event bookings, we face a major rebuilding process to restore the Zoo experience to what Minnesotans expect and to generate earned revenue at the level needed to balance future budgets.

This request is critical to support the Zoo's recovery amidst the uncertainty surrounding the Delta variant. As a major cultural institution serving school children, young families, and diverse people from all walks of life, our earned revenue remains at risk as the pandemic drags on. Without certainty about our funding level for the upcoming biennium, we cannot rebuild our reduced staffing and animal collection which is necessary to serve 1.3 million guests annually. We will not be able to welcome back the nearly 90,000 school children who visit our campus from approximately 1000 schools around the state, as we did pre-COVID. We will not be able to rebuild the on-site and off-site programming that attracts guests and members from all parts of Minnesota. We will not be able to address deferred maintenance or restart halted construction projects, and our \$226 million of annual economic impact to Minnesota will be drastically reduced.



Department Head Signature

8/17/2021

Date



American Rescue Plan (ARP) State Fiscal Recovery Funds (SFRF) Request Form

Please complete this form in accordance with the process instructions.

Agency/Point of Contact: Alison Rempel Brown, President & CEO

Title of Request: Science Museum of Minnesota COVID-19 Recovery Funding

Date: 8/17/2021 Request Amount: \$ 3,798,000

Expenditure Time Period: 9/1/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

The Science Museum of Minnesota respectfully requests \$3.798 million dollars in American Rescue Plan funding to support the institution's reinvestment in human capital and to aid in the recovery of its general operations and programming, which have been significantly impacted as a result of the COVID-19 pandemic.

The Science Museum of Minnesota projects an operating loss of \$15 million for the period covering March 2020 to March 2022. This loss is being realized despite significant cost-saving measures, which include the permanent loss of 158 of the Museum's 499 employees. FY22 revenue continues to be negatively impacted by the ongoing effects of the pandemic, with projected earned-revenue running 30% below pre-pandemic levels (FY19). The current surge in positive cases due to the Delta variant is only exacerbating this projected shortfall and the museum's ability to return to full operational capacity.

With the support of the American Rescue Plan funding, the Science Museum seeks to add staff roles in the coming fiscal year, across all facets of the institution, to bolster its operational, scientific, and programming capacity. As public health conditions improve and visitor confidence returns, the Museum is poised to serve as an economic driver, spurring increased tourism and visitation to our State and region. The Museum will regrow its capacity to serve the citizens and students of Minnesota as a leading provider of STEM education outreach and field trip programming, inspiring young minds and helping to develop Minnesota's next-generation STEM workforce.

Alison Rempel Brown Digitally signed by Alison Rempel Brown Date: 2021.08.17 12:26:41 -05'00'

Department Head Signature

8/17/2021

Date

**American Rescue Plan (ARP) State
Fiscal Recovery Funds (SFRF)
Request Form**

Please complete this form in accordance with
the process instructions.

Agency/Point of Contact: Administration/Ify Onyiah

Title of Request: Parking and Transit Revenue Shortfall

Date: 8/5/2021

Request Amount: \$ 3,000,000

Expenditure Time Period: 7/1/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

The Department of Administration's (Admin) Parking and Transit program is user-financed; expenses for parking facilities on the Capitol Complex are funded by user fees paid by state employees who contract to park and users of state parking meters. This request will fund maintenance, repairs, utilities, supplies, fees, and subsystem costs necessary for the continued operation of state parking facilities.

There has been a 25 percent decline in the number of parking contracts as well as a 75 percent decrease in parking meter revenue since the start of the pandemic. Admin has worked to control the expenses in this account through salary reductions, postponing repairs and general maintenance, and minimizing overtime expenses associated with snow and ice control; however, additional financial assistance is still needed in order for this account to pay ongoing operating expenses. Funding for this program is critical to the continuation of government operations as upkeep of parking facilities and transit program help to ensure that employees are able to access their workspaces and visitors can access government facilities.

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Date: 2021.08.16 10:40:02 -05'00'

Department Head Signature

8/16/2021

Date

**American Rescue Plan (ARP) State
Fiscal Recovery Funds (SFRF)
Request Form**

Please complete this form in accordance with
the process instructions.

Agency/Point of Contact: Department of Administration / Wayne Waslaski

Title of Request: Facilities Strategic Planning, Space Reconfiguration, State Agency Tenant Relocation

Date: 8/4/2021 **Request Amount:** \$ 4,000,000

Expenditure Time Period: 8/16/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

In March 2020, the state workforce began teleworking en masse in an effort to reduce the spread of COVID-19. As a result, agencies are considering what their physical workspaces will look like in the future by implementing best practices for a safe work environment and deciding to reduce, consolidate, or relocate their offices in response to changing ratios of on-site and remote work.

This request is for Department of Administration (Admin) - on behalf of the entire enterprise - for \$4 million to complete and implement a comprehensive Facilities Strategic Plan for agency space consolidation, reconfiguration and relocation. Funds will cover costs for planning, space reconfiguration, and relocation. Providing funds for agencies to downsize and reconfigure their space will allow flexibility to make the best choices for the state and the citizens they serve. This investment will allow the state to avoid costs as a way to keep spending down while providing the services that Minnesotans expect. This planning prepares the enterprise to provide critical services and information to Minnesotans while complying with safety protocols and promoting and protecting the health of employees and visitors.

Such an effort should be strategically planned to ensure that the efforts meet the long-term needs of the state and to provide coordination across agencies. The abrupt change in how work is being accomplished highlights the critical importance of having an up-to-date strategic plan for locating state agencies. This plan will help guide state agency location decisions that are most effective for Minnesota. M.S. 16B.24 requires the Commissioner of Administration to regularly update the Real Estate Strategic Plan. Even though this is an industry best practice, the most recent plan was completed in 1993 and an update is needed to inform decisions on locating state agencies. The plan assesses the current and projected needs of state agencies along with the capacity of existing state-owned facilities and infrastructure. It also establishes design and locational criteria. Critically, it identifies needs for agencies to share space or to be near one another. The plan additionally develops strategies for ownership and leasing and identifies objectives for transportation management. Completing the plan is critical to helping agencies make good decisions about their space configurations.

A significant number of state agencies are intending to complete space reconfiguration in their current locations to achieve space reductions. This work would be completed in state-owned and leased facilities. The following are potential components of space configuration: space planning, demolition and disposal (furniture, IT), design services and minor construction work, re-installation of furniture, minor parts for modular furniture modifications, new IT Installation, safety and security improvements, relocations, and finish work.

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Date: 2021.08.17 19:31:17 -05'00'

Department Head Signature

8/17/2021

Date

**American Rescue Plan (ARP) State
Fiscal Recovery Funds (SFRF)
Request Form**

Please complete this form in accordance with
the process instructions.

Agency/Point of Contact: Administration/Gary Westman

Title of Request: All Agencies COVID-19 Workers' Compensation Costs

Date: 8/5/2021

Request Amount: \$ 3,175,000

Expenditure Time Period: 3/4/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

Minnesota amended its workers' compensation laws, adding a presumption for certain occupations that COVID-19 was deemed a presumptive occupational disease and covered under workers' compensation laws for illnesses that occur prior to December 31, 2021. This request seeks additional funds that allow for payment of workers' compensation claims for the occupations that continue to be covered by this law.

Occupations covered include licensed peace officers, firefighters, paramedics or emergency medical technicians, nurses or health care providers and workers, assistive employees in health care settings and corrections officers. Included in this claim are occupations with job titles that might not appear to fit the general description above. For example, in Corrections there are occupations that involve direct inmate supervision; these are considered corrections officers for purposes of applying the law.

State agencies with employees covered under the COVID-19 presumption are Corrections, Human Services, Natural Resources, Public Safety and the Minnesota Veterans Homes. These funds allow Admin to pay claims directly when they meet the requirements of the law. This simplifies claim processing and limits the number of transactions required.

For claims prior to July 22, 2020, state agencies continued to pay employees covered by this legislation for workers' compensation full wage continuation under the enterprise's COVID-19 Paid Leave Policy. Since July 22, 2020, when the Paid COVID-19 Leave was revised, both medical expenses paid for health care services associated with employees' COVID-19 occupational disease and wage continuation provided by workers' compensation laws will be paid in coordination with the revised COVID-19 Paid Leave Policy.

In FY20, we received \$33,753.22 in Coronavirus Relief Fund (CRF) reimbursement; in FY21, we received \$1.5M in CRF reimbursement, which left an outstanding balance of approximately \$625,000 in workers' compensation costs for state agencies; in FY22, we anticipate \$1.7M in workers' compensation costs for state agencies; in FY23, we anticipate \$850K in workers' compensation costs for state agencies. These estimates are based on actual claim experience.

Due to a recent increase in COVID-19 cases as a result of new variants, the cost impact for future workers' compensation presumption claims is unknown. Admin will monitor and if additional funds are required, an updated request for funds will be prepared. There will also be additional claim costs after December 31, 2024. These costs will be for long-term COVID-19 claims that will involve claim payments into the future for 10+ years.

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Date: 2021.08.17 19:28:23 -05'00'

Department Head Signature

8/17/2021

Date

American Rescue Plan (ARP) State Fiscal Recovery Funds (SFRF) Request Form

Please complete this form in accordance with the process instructions.

Agency/Point of Contact: Office of Higher Education

Title of Request: Workforce Stabilization Grants

Date: 7/30/2021 **Request Amount:** \$ 35,000,000

Expenditure Time Period: 8/15/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

The COVID-19 pandemic has significantly impacted Minnesota's economy. According to recent information from DEED (Appendix A), 786,617 Minnesotans filled for Unemployment Insurance from March 2020 to March 2021. Of those, 23% or over 180,000 Minnesotans have still not returned to the workforce. Those who have not returned to the workplace are disproportionately workers of color (Appendix B), low-wage workers, and workers in industries like retail, food service, and health career fields like home health aides and personal care aides.

These Minnesotans may be permanently displaced from prior positions or looking to re-skill for a new career in a higher paying or high-need career field. The pandemic has also resulted in shortages of qualified workers in critical industries, including health care, machine technology, IT, agricultural and food science technicians, and other career areas. These grants will provide economic benefit as the state recovers from the COVID-19 pandemic by increasing the number of Minnesotans with the credentials and training needed to stabilize our workforce while earning a family sustaining wage.

This last dollar financial aid program provides a tuition-free opportunity to attend a Minnesota public or tribal college or university to over 20,000 students who have been most impacted by COVID-19. These grants, which will be administered by the Office of Higher Education and awarded through partner colleges, will allow eligible Minnesota residents who have not yet earned a bachelor's degree and who are in an approved program access to the education and training needed to re-skill/re-launch their careers into one of Minnesota's high-need career areas.

These grants will benefit a wide range of Minnesotans from all regions of the state and our communities of color. This grant is an effective, equity-centered strategy to increase the prosperity and economic vitality for Minnesotans statewide, especially Minnesotans of color.

Implementation of this program will begin in August 2021, with first student awards applied in spring 2022. Award sizes will range from \$100- \$15,400 per academic year, depending on student need, cost of attendance, and availability of other aid. Awards will be renewable for up to five semesters, including summers, to provide extended financial aid support to those who have been most impacted by COVID-19.

Dennis W. Olson Digitally signed by Dennis W. Olson
Date: 2021.08.03 12:49:52 -05'00'
Department Head Signature

8/3/2021
Date

**American Rescue Plan (ARP) State
Fiscal Recovery Funds (SFRF)
Request Form**

Please complete this form in accordance with
the process instructions.

Agency/Point of Contact: MDE - Adosh Unni, Director of Government Relations

Title of Request: Education Partnerships Coalition

Date: 8/11/2021

Request Amount: \$ 4,000,000

Expenditure Time Period: 7/1/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

The Education Partnership Coalition (EPC) request would provide \$4 million for EPC members and other education partnerships to maintain, expand, or develop their coordination of community services. The collective allocation will provide \$500,000 each to the five EPC members in Greater Minnesota as well as Generation Next, \$250,000 each to Minneapolis Northside Achievement Zone and St. Paul Promise Neighborhood, and \$500,000 in competitive grant opportunities (up to \$100,000 each) for other partnership program locations not named for the purpose of initial planning and development.

The EPC is a statewide network of locally-controlled, data-driven public-private partnerships focused on eliminating Minnesota's opportunity gaps, which are among the worst in the nation. The eight members of the EPC include Austin Aspires, Rochester's Cradle 2 Career, Every Hand Joined in Red Wing, Generation Next, Northfield Promise, Minneapolis' Northside Achievement Zone, United Way of Central Minnesota in the St. Cloud area, and the Saint Paul Promise Neighborhood. Collectively, the EPC serves more than 120,000 Minnesota children annually. Additional communities have expressed interest in developing and establishing education partnerships.

During the last year the EPC served their communities through coordinated the distribution of hundreds devices and WiFi access to students for distance learning, thousands of boxes of food for families, and hundreds of thousands of dollars in emergency rental relief. The legislatively guaranteed funding for Greater Minnesota EPC members ended in fiscal year 2021, and despite the innovative work of this past year, families across the state continue to struggle. Without additional funding Greater Minnesota communities served by the EPC in particular will struggle.

This request will fund the five EPC members in Greater Minnesota (Austin Aspires, Rochester's Cradle 2 Career, Every Hand Joined in Red Wing, Northfield Promise, and United Way of Central Minnesota in the St. Cloud Area) and Generation Next so they can maintain the coordination of services they have been providing, as well as increase coordinated services and develop deeper partnerships with more families, will increase services in Minneapolis and St. Paul, and will provide opportunities for more partnerships statewide. MDE may use up to 5% for administrative expenses.

Heather Mueller Digitally signed by Heather Mueller
Date: 2021.08.11 17:05:51 -05'00'

Department Head Signature

Date

**American Rescue Plan (ARP) State
Fiscal Recovery Funds (SFRF)
Request Form**

Please complete this form in accordance with
the process instructions.

Agency/Point of Contact: MDE - Adosh Unni, Director of Government Relations

Title of Request: Pandemic Enrollment Loss

Date: 8/9/2021

Request Amount: \$ 29,191,000

Expenditure Time Period: 7/1/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

The Pandemic Enrollment Loss proposal will provide \$29.191 million in additional declining enrollment revenue for districts and charter schools to account for lost revenue due to enrollment losses for the 2020-2021 school year. Funds will support new, expanded, or enhanced early learning services, and evidenced-based practices addressing academic or student mental health needs.

In response to changing learning models offered by schools and safety concerns due to the pandemic, many school districts and charter schools experienced large enrollment losses in the 2020-2021 school year as families chose nonpublic and home school options and delayed kindergarten starts. This created a financial hardship for schools as districts anticipated less revenue than they had budgeted for. This ultimately affected students who have remained, since education services and personnel may have been reduced or offered less frequently to make up for budget losses.

Pandemic Enrollment Loss was part of the Governor's recommended budget to provide additional fiscal year 2021 funding for school districts, charter schools, and tribal contract schools. That proposal would have increased the percentage of the formula allowance used to calculate declining enrollment revenue from 28 to 48.5 percent of the basic formula allowance for fiscal year 2021, which in turn would have increased the declining enrollment allowance by \$1,346.24 per declining pupil, from \$1,838.76 to \$3,185.00. The additional state aid would have supported general operations of schools and soften the impact of this unanticipated enrollment loss on school budgets.

This federally funded Pandemic Enrollment Loss proposal would provide a similar increase at 20.5 percent of the basic formula allowance for the enrollment loss last year. The funding would support services for students that may have been foregone last year due to the budget losses in accordance with federal guidance on addressing education disparities and mitigating the impacts of the pandemic, including learning loss.

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Date: 2021.08.11 17:08:07 -05'00'

Department Head Signature

Date

**American Rescue Plan (ARP) State
Fiscal Recovery Funds (SFRF)
Request Form**

Please complete this form in accordance with
the process instructions.

Agency/Point of Contact: Andrea Simonett, DHS, andrea.simonett@state.mn.us, 612-275-6569

Title of Request: Federal Recovery Funds for Shelter

Date: 8/23/2021

Request Amount: \$ 10,000,000

Expenditure Time Period: 9/15/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

Among people who contract COVID-19, people experiencing homelessness residing in shelters are four and a half times more likely to end up hospitalized and three times more likely to require intensive care. People living outside are nine times more likely to be hospitalized and eight times more likely to require intensive care. These disparities are the results of the high prevalence of underlying health conditions and vulnerability, coupled with living in settings that heighten the risks of exposure and make prevention or mitigation efforts difficult or impossible. Minnesota faces a dual challenge: responding immediately to high-risk congregate settings and better equipping those settings for short and longer-term safe operations in the midst of infectious diseases (in the next few months and years). The At Risk Populations work group, the Interagency Council on Homelessness (ICH), and DHS propose a two-part allocation of Fiscal Recovery Funds to address these needs.

Creation of a homeless shelter emergency response team at DHS to provide the overall leadership for Minnesota's homeless shelter COVID-19 response. Specific guidance for emergency response will take place through an identified inter-disciplinary and organizationally flexible team including staff from the ICH, MDH, DPS, MN Housing and DHS. Activities include communication, coordination and mobilization of resources to address mitigation, response, and recovery.

Approximately \$10 million of the total request would cover targeted, immediate response activities to mitigate or prevent outbreaks in congregate settings serving people experiencing homelessness, including survivors of domestic violence. These funds will cover additional staffing and hazard pay to keep shelters operating with the needed complement of personnel (who may need to be replaced or supplemented as staff contract COVID or must quarantine); room leasing costs to establish additional shelter capacity to de-concentrate shelters or create protective or isolation options for people experiencing homelessness (such as hotel rooms where people exposed, at high risk, or who have tested positive can reside), and other costs for supplies needed to sustain congregate shelter operations (e.g., air filtration, PPE, or food for people residing in isolation space). Once approved, these funds would be deployed through a rapid request process initiated by organizations operating congregate shelters or as directed by the Department of Health. All services and recipients would be eligible through the Emergency Services Program (ESP) MS 256E.36. Grantees would be permitted to use up to 1 percent of grant funding for administrative costs.

Additional funding will be needed for the recovery phase for shelter modifications for traffic flow especially in high-traffic areas, or creating of new shelter space that has been designed to operate effectively for staff and guests in the context of an infectious disease. This request is being targeted to the immediate, crisis needs congregate shelter settings are faced with today.

Jodi Harpstead

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Department Head Signature

Date

American Rescue Plan (ARP) State Fiscal Recovery Funds (SFRF) Request Form

Please complete this form in accordance with the process instructions.

Agency/Point of Contact: Minnesota Judicial Branch

Title of Request: Court Backlog

Date: 8/25/2021 **Request Amount:** \$ 9,961,000

Expenditure Time Period: 7/1/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

The Minnesota Judicial Branch is requesting \$9.961 million to help our courts with staffing and related costs needed to reduce the significant case backlog that has resulted from the COVID-19 pandemic.

During the COVID-19 pandemic, the Minnesota Judicial Branch has taken unprecedented steps to protect the health and wellbeing of court users and personnel, while maintaining access to justice.

These steps included temporarily limiting physical access to the state's courthouses, delaying trials, and conducting most court hearings in on-line courtrooms. As a result of these steps, the case backlog in Minnesota's district courts has grown significantly since the start of the pandemic.

It is estimated that it will take approximately 41,946 hours of judicial officer work time to address the current pandemic-related backlog. Major Criminal (more complicated) cases make up a majority (38,679) of our current backlog. Costs are calculated as follows: Major Criminal Case Hours (38,679) multiplied by hourly rate of judicial unit (Judicial Officer, Court Reporter, Law Clerk, and two Court Operations Associates) of \$257.55.

This requested funding would allow the Judicial Branch to leverage the expertise of senior (retired) judicial officers and temporary Referees to begin addressing this substantial backlog, cover other related staffing needs and supporting costs.

As you know, on June 23, 2021, the U.S. Treasury updated its guidance on ARPA/Coronavirus State and Local Fiscal Recovery Funds. The Treasury's FAQ now specifically cites case backlogs as an eligible use.

Shorba, Jeff

Department Head Signature

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9/3/2021

Date



American Rescue Plan (ARP) State Fiscal Recovery Funds (SFRF) Request Form

Please complete this form in accordance with the process instructions.

Agency/Point of Contact: Board of Public Defense

Title of Request: COVID-19 Caseload Backlog

Date: 9/3/2021 Request Amount: \$ 3,945,000

Expenditure Time Period: 10/1/2021 to 6/30/2023 (no later than 6/30/2023)

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

The Board of Public Defense is requesting \$3.945 million to hire contract attorneys to address the significant case backlog that has resulted from the COVID-19 pandemic and to meet the speedy trial demands of the public defender clients.

In February of 2021, The Minnesota Judicial Council reported that between March 19,2020 and January 31st, 2021 there were over 14,000+ felony and gross misdemeanor cases pending due to the courts having to shut down or reduce services during the COVID-19 pandemic. The Court has in the past and intends to hire retired judges to staff civil and criminal calendars and at the same time address the backlog of cases. This will free up existing judges to conduct trials and contested hearings.

The BOPD simply does not have the attorneys to staff these calendars while these trials and contested hearings will be going on. The BOPD is operating with approximately 75% of the Assistant Public Defender staff called for by the state's Weighted Caseload Standards.

In June of 2021, the Judicial Council reported a "judge need" of 38,679 hours to resolve the backlog of major criminal cases. Public defenders represent 85-90% of clients in serious criminal cases. Taking the Court's estimated hours, assuming 85% of those hours would be related to public defender cases and including an additional hour of out of court time needed to prepare for the cases, this would mean an additional need for 65,754 hours of attorney time to address this backlog. The current rate for contractors is \$60 per hour, which equates to \$3,945,000.

Kevin Kajer

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Department Head Signature

9/3/2021

Date

**American Rescue Plan (ARP) State
Fiscal Recovery Funds (SFRF)
Request Form**

Please complete this form in accordance with
the process instructions.

Agency/Point of Contact: Andrea Simonett, DHS, andrea.simonett@state.mn.us, 612-275-6569

Title of Request: Federal Recovery Funds for Shelter

Date: 8/23/2021

Request Amount: \$ 15,000,000

Expenditure Time Period: 10/15/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

Among people who contract COVID-19, people experiencing homelessness residing in shelters are four and a half times more likely to end up hospitalized and three times more likely to require intensive care. People living outside are nine times more likely to be hospitalized and eight times more likely to require intensive care. These disparities are the results of prevalence of underlying health conditions, coupled with a living setting that heightens the of exposure and makes prevention or mitigation efforts difficult.

Minnesota faces a dual challenge: responding immediately to high-risk congregate settings and better equipping those settings for short and longer-term safe operations. This request represents the second proposal for State Fiscal Recovery Funds by the At-Risk Populations work group, the Interagency Council on Homelessness (ICH), and DHS to address these needs. A previous request focused on targeted activities to mitigate or respond to outbreaks in congregate settings serving people experiencing homelessness.

This request is for funds for programs, settings and services eligible under the Emergency Services Program (ESP) to help them operate safely over the long-term while preventing transmission of COVID-19. These awards will prioritize investments that help congregate shelter settings prevent transmission of infectious diseases, including physical modifications to spaces to reduce transmission risks or increase physical separation of shelter guests, changes to ventilation or air filtration systems, modifications for traffic flow especially in high-traffic areas, or creation/acquisition of new shelter space that has been designed to operate effectively in the context of an infectious disease. Demand for these resources will significantly exceed this request; as such, we will prioritize this funding for acquisition and renovation projects that minimize COVID risks in congregate settings and can be completed most quickly. Additional funding requests (including proposals for legislative consideration) are anticipated to meet emerging and intermediate-term needs for shelters as they continue to respond and recover from the pandemic. DHS will follow recommendations from the MMB COVID Response Accountability Office to comply with requirements for spending federal Fiscal Recovery Funds (FRF) allocated to states as part of the American Rescue Plan Act. Previous funding the Department received through the Coronavirus Relief Fund has not been subject to any audit findings.

Without these investments, it is likely that Minnesota's shelter system will remain in a cycle of continuous crisis as settings contend with outbreaks of current or future infectious diseases that compromise their ability to operate effectively. To the greatest practical extent possible, these investments will be structured to leverage investments from other levels of government. All services and recipients would be eligible per the Emergency Services Program (MS 256E.36).

Jodi Harpstead

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Department Head Signature

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American Rescue Plan (ARP) State Fiscal Recovery Funds (SFRF) Request Form

Please complete this form in accordance with the process instructions.

Agency/Point of Contact: Minnesota Management & Budget - Kristin Batson and Britta Reitan

Title of Request: State Employee COVID Testing Site - St. Paul

Date: 9/9/2021 **Request Amount:** \$ 1,500,000

Expenditure Time Period: 9/8/2021 to 6/30/2023 (no later than 6/30/2023)

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

This request is to pay for a testing facility in the St. Paul area to provide weekly COVID-19 testing of state employees that are required to work on-site and are unable or unwilling to attest to being fully vaccinated against COVID-19. Staff who access the workplace or provide public service outside of their homes on behalf of an agency without vaccination pose a particular risk of COVID-19 exposure to themselves, their colleagues, and to members of the public. Additionally, ongoing community transmission of the more transmissible Delta variant of COVID-19 in Minnesota, especially among unvaccinated individuals, presents a continuous risk of infection.

To protect, to the extent reasonably possible, the health and safety of our employees and our customers from the direct threat resulting from the spread of COVID-19 in the workplace and to members of the public, agency staff who are assigned to work at the workplace (rather than at-home telework), wish to access the workplace for more than 10 minutes, or otherwise provide agency services outside of their home must provide proof of their COVID-19 vaccination status. All agency staff who are assigned to work at the workplace (rather than at-home telework) or who otherwise provide agency services outside of their home and do not submit proof of full COVID-19 vaccination must undergo mandatory COVID-19 testing at least weekly.

The requested funding will cover the cost of administering testing to approximately 1400 employees weekly. This site will be available for state employees in the metro area. Beyond the cost of testing, other costs associated with this site include but are not limited to: additional staff support at the testing site, leasing of the testing space, and IT related costs including laptops, WAN/LAN network, and licensing.

This up front funding will provide for approximately eight weeks of testing. We anticipate that many of these costs are eligible for FEMA reimbursement and MMB will be actively be seeking reimbursement as well as expedited FEMA funding for these testing costs into the future.

Britta Reitan

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Department Head Signature

Date

**American Rescue Plan (ARP) State
Fiscal Recovery Funds (SFRF)
Request Form**

Please complete this form in accordance with
the process instructions.

Agency/Point of Contact: Amy Jorgenson

Title of Request: COVID-19 Response Accountability Office Funding

Date: 8/26/2021

Request Amount: \$ 2,016,430

Expenditure Time Period: 7/1/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

Minnesota Management and Budget (MMB) requests \$2,016,430 for FY 22 and FY 23 from the American Rescue Plan (ARP) to continue the operations of the COVID-19 Response Accountability Office. The office provides critical auditing, reporting, internal controls, and financial management functions to ensure state and local government agencies are accountable for the COVID-19 funds they receive and that Minnesota meets federal reporting requirements.

The COVID-19 Response Accountability Office:

Monitors COVID related state appropriations and federal funds: The office plays the lead role in monitoring and maintaining an inventory of federal funding sources related to addressing the COVID-19 pandemic, including intended/allowable uses, amount of funds that Minnesota is expected to receive, any constraints on the use of those funds, and the associated documentation, reporting, and auditing requirements.

Maximize the use of federal funding resources in collaboration with various federal, state, and local government officials: While the office plays different roles depending on the funding source, one of its primary functions is to track the spending proposals and their progress through the review process as well as the subsequent decisions that are made on each.

Coordinate budgeting, accounting, and internal controls activities for COVID-19 related funding: Once funding has been authorized by MMB, the Governor's office, and the Legislature, the office coordinates with MMB Budget, Accounting and Internal Controls Divisions as well as state agencies to administer COVID-19 funding.

Establish and maintain a system of reporting COVID-19 related expenditures and results: The office's role of ensuring that the state complies with the various reporting requirements is based on the type of funding source. For non-federal funds, agencies are expected to monitor, understand, and meet the documentation and reporting requirements of the funds directly allocated to them. For the ARP the office will play the lead role in ensuring that the state and its subrecipients meet documentation and reporting requirements.

Britta Reitan

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Department Head Signature

Date

**American Rescue Plan (ARP) State
Fiscal Recovery Funds (SFRF)
Request Form**

Please complete this form in accordance with
the process instructions.

Agency/Point of Contact: Governor's Office/ Amanda Simpson

Title of Request: COVID 19 response staffing

Date: 9/3/2021

Request Amount: \$ 900,000

Expenditure Time Period: 7/1/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

The Office of Governor Tim Walz and Lt. Governor Peggy Flanagan is seeking additional funding for staff dedicated to the continued management of the State's response to COVID-19. We have retained staff who work with agencies, the legislature, business leaders and civic leaders on our response to COVID-19.

We have four full-time staff dedicated to this work, supported by 20 other staff members who regularly work on COVID related issues. Based on hours tracked on COVID-related work from July 1, 2021 to August 31, 2021, we are requesting \$900,000 in additional funding.



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Department Head Signature

9/9/2021

Date