



COVID-19 FLEXIBLE RESPONSE ACCOUNT

AMERICAN RESCUE PLAN STATE FISCAL RECOVERY FUND

Nov. 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 Nov. 30, \$150.1 million remains unauthorized in the fund. Legislative COVID-19 Response Commission authorizations total \$254.4 million. Additionally, \$20.5 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 Nov. 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 Nov. 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	\$ 33
LCRC-2	8/6/2021	MDH	Vaccine Incentives	\$ 13,800	\$ 6,019
LCRC-3	9/3/2021	Zoo	Continued Operations	\$ 11,495	-
LCRC-4	9/3/2021	DEED	Science Museum Operations	\$ 3,798	\$ 3,798
LCRC-5	9/3/2021	Admin	State Parking Facilities	\$ 3,000	\$ 628
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	\$ 33,500	-
LCRC-9	9/3/2021	MDE	Education Partnerships	\$ 4,000	\$ 46
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	\$ 233
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	-
LCRC-15	10/18/2021	MDH	Child & Youth Vaccine Incentives	\$ 12,200	-
LCRC-16	10/22/2021	MHFA	Emergency Rental Assistance Admin	\$ 7,000	-
LCRC-17	11/16/2021	AGO	COVID-19 Residual Work	\$ 3,571	-
LCRC-18	11/16/2021	MHFA	Exhausted Benefits	\$ 20,000	-
LCRC-19	11/23/2021	DHS	Emergency Nursing Facility Grants	\$ 50,000	-

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	\$ 315
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	\$ 6
MMB-6	9/17/2021	MMB	COVID-19 Response Accountability	\$ 2,016	\$ 173
MMB-7	9/17/2021	GOV	COVID-19 Response Staffing	\$ 900	\$ 62
MMB-8	10/13/2021	MNsure	ARPA Systems Implementation	\$ 1,969	-
MMB-9	10/18/2021	MDE	Early Learning	\$ 1,500	\$ 4

MMB-10	10/18/2021	MDE	Expanded Life Skills	\$ 1,000	-
MMB-11	10/27/2021	MDH	Emergency Staff Hospital Decompression	\$2,490	-
MMB-12	11/10/2021	MDHR	Enhanced COVID-19 Response	\$ 500	-
MMB-13	11/22/2021	OHE	Workforce Stabilization Grants Admin	\$ 1,500	-
MMB-14	11/24/2021	DMA	Emergency Training Costs	\$ 1,675	-

Appendix A: COVID-19 Flexible Response Account Detail

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

(\$ in thousands)

Initial Fund Balance	Authorized	Remaining Unauthorized	Expended	Committed	Uncommitted
\$ 425,000	\$ 274,946	\$ 150,054	\$ 13,817	\$ 24,660	\$236,468

COVID-19 Flexible Response Account Detail

(\$ in thousands)

Request #	Agency	Description	Authorized	Expended	Committed
LCRC-1	DPS	Violence Prevention Grants	\$ 16,800	\$ 33	-
LCRC-2	MDH	Vaccine Incentives	\$ 13,800	\$ 6,019	\$ 4,879
LCRC-3	Zoo	Continued Operations	\$ 11,495	-	-
LCRC-4	DEED	Science Museum	\$ 3,798	\$ 3,798	-
LCRC-5	Admin	State Parking Facilities	\$ 3,000	\$ 628	\$ 1,187
LCRC-6	Admin	Enterprise Planning	\$ 4,000	-	\$ 875
LCRC-7	Admin	Workers Compensation	\$ 3,175	-	-
LCRC-8	OHE	Workforce Stabilization	\$ 33,500	-	-
LCRC-9	MDE	Education Partnerships	\$ 4,000	\$ 46	\$ 1,930
LCRC-10	MDE	Pandemic Enrollment	\$ 29,191	-	-
LCRC-11	DHS	Sheltering I	\$ 10,000	-	\$ 10,000

Request #	Agency	Description	Authorized	Expended	Committed
LCRC-12	MJB	Courts Backlog	\$ 9,961	\$ 233	\$ 15
LCRC-13	BPD	Public Defense Backlog	\$ 3,945	-	-
LCRC-14	DHS	Sheltering II	\$ 15,000	-	-
LCRC-15	MDH	Child & Youth Vaccine Incentives	\$12,200	-	\$ 23
LCRC-16	MHFA	Emergency Rental Assistance Admin	\$ 7,000	-	-
LCRC-17	AGO	COVID-19 Residual Work	\$ 3,571	-	-
LCRC-18	MHFA	Exhausted Benefits	\$ 20,000	-	-
LCRC-19	DHS	Emergency Nursing Facility Grants	\$ 50,000	-	-
MMB-1	MDH	Vaccine Incentives	\$ 2,500	\$ 2,500	-
MMB-2	DNR	Timber Permit Relief	\$ 1,000	\$ 315	-
MMB-3	ADM	Small Business Development	\$ 960	-	-
MMB-4	MDE	Girl Scouts ConnectZ	\$ 1,000	-	-
MMB-5	MMB	State Employee Testing	\$ 1,500	\$ 6	\$ 1,345
MMB-6	MMB	COVID-19 Response Accountability	\$ 2,016	\$ 173	\$ 1
MMB-7	GOV	COVID-19 Response Staffing	\$ 900	\$ 62	-
MMB-8	MNsured	ARPA Systems Implementation	\$ 1,969	-	-
MMB-9	MDE	Early Learning	\$ 1,500	\$ 4	\$ 656

Request #	Agency	Description	Authorized	Expended	Committed
MMB-10	MDE	Expanded Life Skills	\$ 1,000	-	-
MMB-11	MDH	Emergency Staff – Hospital Decompression	\$2,490	-	\$ 2,325
MMB-12	MDHR	Enhanced COVID-19 Response	\$ 500	-	-
MMB-13	OHE	Workforce Stabilization Grants Admin	\$ 1,500	-	-
MMB-14	DMA	Emergency Training Costs	\$ 1,675	-	\$ 1,425

Appendix B: Request Forms

- LCRC-17 AGO COVID-19 Residual Work
- LCRC-18 MHFA Exhausted Benefits
- LCRC-19 DHS Emergency Nursing Facility Grants
- MMB-12 MDHR Enhanced COVID-19 Response
- MMB-13 OHE Workforce Stabilization Grants Admin
- MMB-14 DMA Emergency Training Costs



**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: Raymond Smith

Title of Request: MNAGO's COVID-19 Residual Work, Community Strengthening, and Recovery Project

Date: 11/5/2021

Request Amount: \$ 3,570,750

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 Attorney General's Office (AGO) requests additional funding to cover the estimated costs for targeted pandemic responses to rebuild a stronger, more equitable economy as Minnesota and the country continues to recover. This funding request focuses on three major areas of our COVID-19 response.

- COVID-19 related litigation and investigation costs
- Landlord tenant and outreach to disproportionately impacted communities
- PPE and other health protection measures

John C. Keller

Department Head Signature

Digitally signed by John C. Keller
Date: 2021.11.05 15:26:08 -05'00'

11/5/2021

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: Minnesota Housing

Title of Request: Emergency Rental Assistance - Exhausted Benefits

Date: 11/5/2021

Request Amount: \$ 20,000,000

Expenditure Time Period: 11/30/2021 to 12/31/2022 (no later than 6/30/2023)

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

Minnesota Housing is requesting \$20 million to provide emergency rental assistance to maintain housing stability for renters who have exhausted the benefits eligible under federal law. The federal program can provide up to 18 months of assistance per household. We are now 21 months into the pandemic. Rent is typically the largest payment households make every month and there are limited amounts of emergency rental assistance that are available to households outside of RentHelpMN. These households will be at greater risk of evictions and displacement as their assistance runs out. This assistance is generally paid directly to property owners and managers.

Minnesota Housing has received two federal rounds of Emergency Rental Assistance, including \$300 million in December 2020 (ERA1) and \$228 million in March's American Rescue Plan (ERA2). The agency still has sufficient federal resources to pay every eligible application received to-date; however, some households are beginning to exhaust the benefits allowed under federal law. Federal law limits the months of assistance to 15 months for ERA1, and three additional months for a total of 18 months, for ERA2.

Since April 2020, RentHelpMN has been accepting applications for emergency rental assistance. The program is paying unpaid rent and utility bills going back to March 2020. Over 56,000 applications have been submitted requesting over \$350 million in assistance and as of November 4 over \$210 million has been paid. Payments have increased from \$18 million in August to \$53 million in September to over \$100 million in October.

Based on our analysis of renters that have applied for the program, we estimate that over 7,000 households will exhaust, or are at-risk of exhausting, their 18 months of assistance allowed under federal law on or before March 2022. Using an estimate of \$1,000 per month, \$18 million would provide additional benefits to about 6,000 households for three additional months. Staff will identify households who are exhausting the 18-month limit and provide the assistance as needed for additional housing stability. The assistance will generally be paid to landlords and property owners to satisfy rental obligations of eligible households. Payments are verified by the landlord or property owner. The proposal includes an estimate of \$2 million to be used for implementation and operating costs. If less is needed for administration, the resources will be used to assist more households or additional months of benefits.

The demographics and attributes of RentHelpMN applicants are: 1) 86% make less than 50% of AMI; 2) the average income is \$21,100; 3) nearly 66% of applicants earn less than \$25,000 annually; 4) 66% identify as Black, Indigenous and People of Color; 5) 15% identify as having a disability; 6) 39% have experienced recent unemployment; 7) 80% of responding unemployed applicants unemployed 90+ days; and 8) 50% of applications for RentHelpMN indicate they have minor children.

Jennifer Ho

Department Head Signature

Digitally signed by Jennifer Ho
DN: cn=Jennifer Ho, o=Minnesota Housing, ou=Commissioner,
email=jennifer.ho@state.mn.us, c=US
Date: 2021.11.05 11:39:58 -05'00'

11/5/2021

Date

Please complete this form in accordance with
the process instructions.

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

Agency/Point of Contact: Dan Pollock, DHS Assistant Commissioner, 651-325-1505

Title of Request: Nursing Facility Emergency Grants for Additional Staffing (through January 2022)

Date: 12/1/2021

Request Amount: \$ 50,000,000

Expenditure Time Period: 12/1/2021 to 6/30/2023

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

DHS requests \$50 million in funding from the State Fiscal Relief Fund (ARPA) to administer emergency grants to nursing facilities that agree to use at least 90 percent of the new funding for hiring and retention bonuses to hire or retain existing employees.

DHS would allow for advanced payments as lump sum via a gross adjustment through the MMIS claim system. Providers would need to submit follow up documentation showing how the funds were spent and complete a settle up.

To expedite the processing of the payments, DHS will allocate eligible funds across nursing facilities in proportion to their number of reported Medicaid "days". Facilities with higher Medicaid utilization received less federal money, as some of those federal distributions were based on Medicare days. Higher proportion Medicaid facilities are more likely to be serving diverse populations, are more rural, and may have a harder time maintaining operations during a staffing-related crisis. Using a grant to pay for unprecedented bonuses in this way is unusual and will require additional administrative expenses. Up to \$100,000 may be used by DHS for administrative costs.

Nursing facilities can use these funds for: costs hiring and retention bonuses provided to eligible employees and; increased costs for FICA, Medicare taxes, worker's compensation premiums, and federal and state unemployment insurance associated with bonuses. Providers will complete documentation for the emergency grant with DHS through an attestation form and be subject to post-grant activity audit review.

This is authorized under 2021 Session Laws, First Special Session, Chapter 12, Article 5, Section 2, which establishes the COVID-19 flexible response account within the state treasury to pay expenditures eligible under federal guidance for the state fiscal recovery fund. Prevention activities in nursing facilities are a permissible use of ARPA funds. Additional authority is in Minn. Stat., section 256.01, subds. 2(a)(6) and 25.

Jodi Harpstead

Department Head Signature

Digitally signed by Jodi Harpstead
Date: 2021.11.18 12:23:00 -06'00'

11/18/2021

Date



Please complete this form in accordance with the process instructions.

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

Agency/Point of Contact: Minnesota Department of Human Rights/Scott Beutel, Assistant Commissioner

Title of Request: Enhanced COVID-19 Response

Date: 11/3/2021

Request Amount: \$ 500,000

Expenditure Time Period: 11/15/2021 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)

Minnesota Department of Human Rights (MDHR) submits this American Request Plan (ARP) Fiscal Recovery Funds request totaling \$500,000 to support its COVID-19 response.

MDHR requests \$500,000 to upgrade technological infrastructure (OnBase), including to track intake calls especially as it relates to bias, discrimination, hate, and other COVID-related issues. Additionally, this request would support the department's efforts to track demographics to better understand who is being impacted by COVID related disability discrimination, and ensure the overall technological infrastructure is in place for these investigations.

Rebecca Lucero

Digitally signed by Rebecca Lucero
Date: 2021.10.15 14:48:54 -05'00'

Department Head Signature

11/3/2021

Date



Please complete this form in accordance with the process instructions.

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

Agency/Point of Contact: Office of Higher Education

Title of Request: Workforce Stabilization Technical Change

Date: 11/17/2021

Request Amount: \$ 1,500,000

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)

This last dollar financial aid program, that was approved by the LCRC in August, 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 has already begun, with first students receiving awards in spring 2022.

This specific request is a technical change that moves the funds to administer the program out of the existing appropriation into a separate appropriation to make tracking the federal funds for the purposes of auditing easier across time. The amount of the funds being used to administer the program is not changing under this request. The total administrative funds for the program remains at \$750k per year.

As a reminder, the annual administrative funds will be used to hire staff to administer the program (\$125k), fund the IT costs associated with adding the new program to our existing financial aid system and on-going maintenance and support (\$275k), funding for the University of Minnesota, Minnesota State, and the Tribal Colleges to offset some of their administrative costs in assisting with the program and to support local community efforts (\$200k), and funding to advertise and communicate the program to students, their families, and workers (\$150k). Enrollments are down across Minnesota's postsecondary system, and Minnesota State has been hit especially hard. This program could play a meaningful role in incentivizing students to return to pursue their postsecondary credentials and address some of Minnesota's critical workforce shortages.

Dennis W. Olson

Digitally signed by Dennis W. Olson
Date: 2021.11.17 19:48:22 -06'00'

Department Head Signature

11/17/2021

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: Department of Military Affairs - MAJ Eric Athman, eric.c.athman.mil@army.mil

Title of Request: Emergency Training Costs for Certified Nursing Assistant (CNA)

Date: 11/18/2021

Request Amount: \$ 1,675,000

Expenditure Time Period: 11/23/2021 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 Minnesota Department of Military Affairs (DMA) and Minnesota National Guard (MNNG) is in the process of activating 1,000 service members (SMs) to augment critical health care areas of need is identified by the Minnesota Department of Health.

The critical need area is for Certified Nursing Assistants (CNA). DMA and the MNNG have been tasked to provide CNAs to support of Long Term Care Facilities (LTCF), Transitional Care Facilities (TCF), and anticipate augmenting other health care service organizations.

The funding request is to fund the training and relevant licensure of SMs so that they can provide critical care functions back to the State of Minnesota during the COVID-19 pandemic.

The current request amount was estimated as follows:

SMs Requested	1,000
Estimated Cost for CNA Training/SM:	x \$1,425.00
(includes testing cost of \$225)	
sub-total	\$1,425,000.00

PPE (Scrubs/Masks/etc.):	\$150,000.00
Additional Supplies for CNAs:	\$100,000.00

Total Request: \$1,675,000.00

KERR.DONALD.JOHN.1138993198 Digitally signed by KERR.DONALD.JOHN.1138993198
Date: 2021.11.23 08:36:23 -06'00'

Department Head Signature

11/23/2021

Date