



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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Please check which review request you are submitting:	
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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

_____ + _____ = _____

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

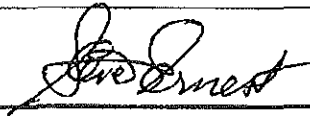
Is the continuation of positions a condition of receiving the federal award? Yes No
 If yes, please describe.

- 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

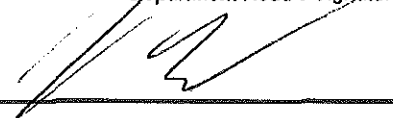
Date



Department Head's Signature

4/27/15

Date



Executive Budget Officer's Signature

5/15/15

Date