



Date: February 9, 2021

To: Legislative Advisory Commission Members

Senator Paul Gazelka
Senate Majority Leader

Representative Melissa Hortman
Speaker of the House

Senator Julie Rosen, Chair
Senate Finance Committee

Representative Rena Moran, Chair
Ways and Means Committee

Senator Michelle Benson, Chair
Health and Human Services Finance and Policy
Committee

Representative Tina Liebling, Chair
Health Finance and Policy Division

From: Jim Schowalter, Secretary Legislative Advisory Commission 

RE: Request for 10-Day Review of Federal Funds

Under the provisions of Laws 2020, Chapter 66, Section 2 and Minnesota Statutes 3.3005, subdivision 4, the Department of Health is submitting to the Legislative Advisory Commission (LAC) two federal grants for a 10-day review.

If no request for further review is received from the six LAC members by Friday, February 19, 2021, I will approve the request for spending. To expedite the LAC review process during this critical time, LAC members may respond to this review request directly, recommending their approval or request for further review, instead of waiting the 10-day period.

Attached to this memo are the details for the Department of Health federal fund review requests:

Federal Fund Review Request	FY 2021
Funding to Support Expanded COVID-19 Activities: Vaccination	\$50,958,885
Epidemiology and Laboratory Capacity for Infectious Disease (ELC) – Funding to Support Expanded COVID-19: Testing	\$324,608,098

If you require additional information about these requests, please contact Margaret Kelly at the Minnesota Department of Health, margaret.kelly@state.mn.us 651-201-5005.

cc: Bill Marx, House Chief Fiscal Analyst
Eric Nauman, Senate Lead Fiscal Analyst
Nancy Conley, House Ways and Means Committee Administrator
Dallas Fischer, Senate Finance Committee Administrator

Federal Funds for Legislative Advisory Commission (LAC) Review February 9, 2021

Department of Health

Funding to Support Expanded COVID-19 Activities: Vaccination

Amount: FY 2021 – \$50,958,885

Urgency: Funds must be spent immediately and in coming months to provide infrastructure and supports to facilitate the distribution of COVID-19 vaccines as soon as they are available from the federal government.

Flexibility: Funds may be spent on a variety of COVID-19 vaccination efforts, in addition to other requirements and goals of the federal grant related to public health infrastructure.

Summary: Funding is planned to be expended on grants to tribal and local public health agencies to support their ability to offer vaccines, to set up and equip mass vaccination sites, to fund community vaccinators and coordinators, to fund public education campaigns, and other supporting expenditures.

Epidemiology and Laboratory Capacity for Infections Disease (ELC) – Funding to Support Expanded COVID-19 Testing

Amount: FY 2021 - \$324,608,098

Urgency: This funding is for COVID-19 testing activities currently underway, and for expected costs in the coming months.

Flexibility: Funds may be spent on a variety of activities related to COVID-19 testing efforts, in addition to other requirements and goals of the federal grant related to public health infrastructure.

Summary: Funding is planned to be expended on test processing capacity in long term care, K-12 schools, and communities more broadly, to set up and administer community testing sites, long term care supports including the nurse triage line and swabbing teams, contact tracing and other MDH staffing, and other supporting expenditures.

Part One – Basic Federal Award Information

Review Request Type: Fall 20-Day Review 20-Day Session Review Urgent 10-Day Review

State Agency: Minnesota Department of Health

State Legal Authority: Minnesota Statutes, section 144.074

Federal Agency: Centers for Disease Control and Prevention (CDC)

CFDA#: 93.268

Federal Award Title:

Funding to Support Expanded COVID-19 Activities: Vaccination

Federal Legislation Authorizing the Grant:

Consolidated Appropriations Act, 2021, that became Public Law 116-260 on December 27, 2020; Sections 317, 317(k)(2) of the Public Health Service Act (42 U.S.C. Sections 247b, 247b(k)(2) and 247c), as amended

Application Status: Pre-Application Application Negotiation Award

Start Date: 07/01/2020 End Date: 06/30/2024 Total Federal Award Amount: \$ 50,958,885

Part Two – Award Type Information

New Award

Amount requiring approval in the current biennium:
50,958,885

State FY: 2020 Amt: \$

State FY: 2021 Amt: \$ 50,958,885

Anticipated federal grant expenditures in the
planning years (next biennium)

State FY: 2022 Amt: \$

State FY: 2023 Amt: \$

Increase in Award Amount (includes continuation and increase in award amount)

Date the current biennium amount was originally approved?

Incremental amount requiring approval in the current biennium

State FY: 2020 Amt: \$

State FY: 2021 Amt: \$

Anticipated federal grant expenditures in the
planning years (next biennium):

State FY: 2022 Amt: \$

State FY: 2023 Amt: \$

Amount originally approved + Incremental amount requested = New total current
for the current biennium biennium amount
 =
\$ 0

Change in Fiscal Years Spending Authority Only

Date the current biennium amount was originally approved?

Incremental amount requiring approval in the current biennium

State FY: 2020 Amt: \$

State FY: 2021 Amt: \$

Anticipated federal grant expenditures in the
planning years (next biennium):

State FY: 2022 Amt: \$

State FY: 2023 Amt: \$

Amount originally approved + Incremental amount requested = New total current
for the current biennium biennium amount
 =
\$ 0

Part Three – Grant Description

Narrative Description of the Federal Award

The Consolidated Appropriation Act, 2021, established \$1.4 trillion in appropriations for the federal 2021 budget period and \$900 billion for response and relief to the COVID-19 pandemic. President Donald Trump signed the bill on December 27, 2020. It is the fifth federal COVID relief legislation. The Minnesota Department of Health (MDH) received the notice of award from Centers for Disease Control and Prevention (CDC) on January 15, 2021. The new supplemental money will be awarded through established Immunization and Vaccines for Children cooperative agreement mechanism between CDC and MDH.

Vaccines for Children (CFDA: 93.268) - Supplement This component will support a range of COVID-19 vaccination activities. Funds may be used for obligations prior to enactment related to vaccine promotion, preparedness, tracking, and distribution. Funds may also be used for construction, alteration, or renovation of non-federal facilities to improve preparedness and response at the state and local levels. Total: \$50,958,885 for vaccine-related activities.

MDH may use these funds across a range of vaccination-related activities, including working with partners to administer vaccine, standing up mass vaccination clinics, public education activities, temporary safe storage and shipping costs, and other efforts that may be needed to vaccinate Minnesotans as quickly as possible.

Based on MDH's current plans, it is anticipated the \$50.9M funding will be spent as follows:

- \$24.39M on grants to tribal and local public health agencies as well as health care coalitions to support their ability to offer vaccines
- \$4.5M to set up and equip mass vaccination sites. Although most Minnesotans will receive their vaccinations through health care systems, some Minnesotans – especially those without an established health care provider and/or are uninsured – may be more likely to obtain a vaccination if offered at a community site.
- \$8.86M to fund contracts with Community Vaccinators.
- \$250,000 to fund IT staffing and software costs to support and track the vaccination process.
- \$500,000 for costs related to tracking immunizations in the State's Immunization Registry.
- \$3.5M to fund a multi-faceted public education campaign and media buys to help Minnesotans understand that vaccines are safe and effective. This effort will include web content, social media, and direct outreach to share information about who can be vaccinated, when, and what may be coming next with respect to the State's vaccination efforts. Existing relationships with partner and community organizations will be leveraged to help reach key audiences with information about COVID-19 vaccine.
- \$5.0M to pay for COVID immunization community coordinators.
- \$400,000 for costs related to additional PPE to be used as part of the vaccination process.
- \$2.5M to pay for the cost of leasing Warehouse space for initial receipt of vaccines from the federal government when they are first delivered to the State as well as shipping costs to promptly send vaccines to partners across the state to administer as quickly as possible.
- \$1.0M in indirect costs to pay for State administrative costs to support the myriad activities described above.

Please note actual spending may vary across the above categories as the state's vaccination campaign progresses. It is anticipated that the majority of funding will be expended within calendar year 2021 (well into FY 2022), dependent upon the number of vaccine doses made available to Minnesota. However, a number of the mandatory performance elements under this cooperative agreement may continue through June 2024.

10-Day Urgent Request – Describe the nature of the urgency.

The department is seeking approval under Minnesota Laws of 2020, chapter 66, and Minnesota Statutes, section 3.3005, subdivision 4. The supplemental appropriation is intended to accelerate COVID-19 planning, operational preparedness, and response, particularly around COVID-19 vaccine distribution. The supplemental award is for the July 1, 2020 through June 30, 2021 budget period, but recipients have until June 30, 2024 to expend all funds. MDH is seeking urgent approval of this request due to the Department’s need to move forward on multiple vaccination-related activities in the immediate future. These activities are essential to ensure as many Minnesotans can get vaccinated as quickly as possible, commensurate with increased vaccine supply from the federal government.

20-Day Review - Describe any implications if the spending authorization is delayed.

[Empty text area for 20-Day Review]

Part Four – Short and Long-Term Commitments

Provide a narrative description of the short and long-term commitments.

MDH must submit a revised budget plan to CDC with 45 days of the notice of award. As an award recipient, and as per other COVID-19 federal awards from CDC, MDH must agree to comply with existing and/or future directives and guidance from the U.S. HHS Secretary regarding control of the spread of COVID-19 and report on award usage and report per the CARES Act.

Maintenance of Effort (MOE)

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

If yes, please provide the following:

FY	FUND	AppropID	FinDeptID	Amount

Narrative description of MOE including the program and budget activity from where cash originates, **length of MOE, and consequences if MOE is not met**

[Empty text area for MOE narrative description]

Match requirement:

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

If yes, please provide the following:

1. An estimate of 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
				\$ 0
				\$ 0
				\$ 0
				\$ 0

2. Account information: FY _____ FUND _____ AppropID _____ FinDeptID _____
 FY _____ FUND _____ AppropID _____ FinDeptID _____
 FY _____ FUND _____ AppropID _____ FinDeptID _____

3. Description of the program and budget activity from where cash contributions will originate.

FTE

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

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

Please use the space below to respond to the questions above as they apply to your proposal.

MDH will not collect the total of allowable indirect costs on this award due to both the need to move as many resources as possible to COVID-19 related efforts in the next months and it would not be possible to expend a proportional amount of indirect to direct expenses in a short period of time. This pandemic-related action of waiving a portion of indirect costs is not a practice that MDH will pursue in the future.

Part-Five – Signatures

Joshua Bunker Digitally signed by Joshua Bunker
 Date: 2021.01.15 19:33:09 -06'00'

Agency Finance Director's Signature

 Date

Margaret Kelly Digitally signed by Margaret Kelly
 Date: 2021.02.02 09:17:47 -06'00'

Department Head's Signature

 Date

Lindsay Dean Digitally signed by Lindsay Dean
 Date: 2021.02.05 09:08:34 -06'00'

Executive Budget Officer's Signature

02/05/2021
 Date

Part One – Basic Federal Award Information

Review Request Type: Fall 20-Day Review 20-Day Session Review Urgent 10-Day Review

State Agency: Minnesota Department of Health

State Legal Authority: Minnesota Statutes, section 144.074

Federal Agency: Centers for Disease Control and Prevention (CDC)

CFDA#: 93.323

Federal Award Title:

Epidemiology and Laboratory Capacity for Infectious Disease (ELC) - Funding to Support Expanded COVID-19: Testing

Federal Legislation Authorizing the Grant:

Consolidated Appropriations Act, 2021, that became Public Law 116-260 on December 27, 2020

Application Status: Pre-Application Application Negotiation Award

Start Date: 01/19/2021 **End Date:** 07/31/2023 **Total Federal Award Amount:** \$ 324,608,098

Part Two – Award Type Information

New Award

Amount requiring approval in the current biennium:
\$324,608,098

State FY: 2020 **Amt:** \$ 0

State FY: 2021 **Amt:** \$ 324,608,098

Anticipated federal grant expenditures in the
planning years (next biennium)

State FY: 2022 **Amt:** \$

State FY: 2023 **Amt:** \$

Increase in Award Amount (includes continuation and increase in award amount)

Date the current biennium amount was originally approved?

Incremental amount requiring approval in the current biennium

State FY: 2020 **Amt:** \$

State FY: 2021 **Amt:** \$

Anticipated federal grant expenditures in the
planning years (next biennium):

State FY: 2022 **Amt:** \$

State FY: 2023 **Amt:** \$

Amount originally approved + Incremental amount requested = New total current
for the current biennium biennium amount
\$ 0

Change in Fiscal Years Spending Authority Only

Date the current biennium amount was originally approved?

Incremental amount requiring approval in the current biennium

State FY: 2020 **Amt:** \$

State FY: 2021 **Amt:** \$

Anticipated federal grant expenditures in the
planning years (next biennium):

State FY: 2022 **Amt:** \$

State FY: 2023 **Amt:** \$

Amount originally approved + Incremental amount requested = New total current
for the current biennium biennium amount
\$ 0

Part Three – Grant Description

Narrative Description of the Federal Award

MDH may use these funds across a range of activities that align with the mandatory elements of this federal cooperative agreement for “Emerging Issues Funding for the Enhanced Detection, Response, Surveillance, and Prevention of COVID-19.” And as such, not only COVID testing-related activities, but efforts to support the establishment of modernized, real-time public health surveillance and health information systems efforts are required under this award.

Based on MDH's current plans and early negotiation with the CDC on an approvable work plan, it is anticipated the \$324.6M in funding will be spent as follows:

\$83.62M on testing for K-12 schools and childcare settings through Vault

\$59.53M on community testing sites through Vault

\$95.97M on long-term care testing through Mayo and the University of MN

\$9.617M for other long-term care testing

\$7.615M to pay for mobile testing and testing supplies

\$2.57M to pay for costs of non-MDH state staff who have been redeployed to help operationalize the State's testing strategy

\$2.8M to fund costs associated with paying for testing MDH staff who work on site in long-term care settings

\$1.98M in MN.IT costs to support testing activities

\$6.85M to pay for case investigation and intake work associated with reaching out to those who tested positive for COVID-19

\$2.69M to fund costs associated with appropriate Warehouse storage needed as part of the State's COVID-19 response

\$51.4M in non-testing federal requirements of this grant.

The non-testing federal requirements of the grant include activities that by CDC requirements may span the entire length of the award through January 2023, including the CDC's mandatory “goal areas” of: enhancing laboratory, surveillance, informatics and workforce capacity; strengthening PHL testing; Advancing electronic data exchange at public health labs; Improving surveillance and reporting of electronic health data; data enhancements to public health systems for investigation, response and prevention; and, investment in public health partnerships to improve their capacity.

Actual spending may vary across the above categories as the pandemic evolves, vaccination rates increase (both of which will impact the State's testing needs) and negotiation with the CDC on an approved work plan continue. MDH will continue to adapt to changing circumstances and testing strategies, and to public health system modernization requirements over the life of this award through July 2023.

10-Day Urgent Request – Describe the nature of the urgency.

The department is seeking approval under Minnesota Laws of 2020, chapter 66, and Minnesota Statutes, section 3.3005, subdivision 4. The supplemental appropriation is intended to accelerate COVID-19 planning, operational preparedness, and response, particularly around COVID-19 testing and vaccine distribution. MDH is seeking urgent approval of this request due to the Department’s immediate need to continue implementation of the state’s multi-faceted COVID-19 testing strategy. Robust testing is still necessary to ensure prompt detection of COVID-19 across Minnesota. Testing is needed across a range of settings, include K-12 schools, childcare settings, long-term care settings and other congregate living situations, mobile testing, and community testing sites.

20-Day Review - Describe any implications if the spending authorization is delayed.

[Empty text area for 20-Day Review]

Part Four – Short and Long-Term Commitments

Provide a narrative description of the short and long-term commitments.

Grantees must update their testing plans within 60 days of receipt of awards. The short-term commitments will be to fulfill the terms of the federal notice of award. The long-term commitments will be to report on activities per federal rules and guidelines.

Maintenance of Effort (MOE)

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

If yes, please provide the following:

FY	FUND	AppropID	FinDeptID	Amount

Narrative description of MOE including the program and budget activity from where cash originates, **length of MOE, and** consequences if MOE is not met

[Empty text area for MOE narrative description]

Match requirement:

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

If yes, please provide the following:

1. An estimate of 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
				\$ 0
				\$ 0
				\$ 0
				\$ 0

2. Account information: FY _____ FUND _____ AppropID _____ FinDeptID _____
 FY _____ FUND _____ AppropID _____ FinDeptID _____
 FY _____ FUND _____ AppropID _____ FinDeptID _____

3. Description of the program and budget activity from where cash contributions will originate.

FTE

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

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

Please use the space below to respond to the questions above as they apply to your proposal.

MDH will not collect the total of allowable indirect costs on this award due to both the need to move as many resources as possible to COVID-19 related efforts in the next months and it would not be possible to expend a proportional amount of indirect to direct expenses in a short period of time. This pandemic-related action of waiving a portion of indirect costs is not a practice that MDH will pursue in the future.

Part-Five – Signatures

Joshua Bunker

Digitally signed by Joshua Bunker
Date: 2021.01.15 19:37:34 -06'00'

Agency Finance Director's Signature

Margaret Kelly

Digitally signed by Margaret Kelly
Date: 2021.02.02 09:16:43 -06'00'

Department Head's Signature

Lindsay Dean

Digitally signed by Lindsay Dean
Date: 2021.02.05 09:09:18 -06'00'

Executive Budget Officer's Signature

	Date
	Date
02/05/2021	Date