



Date: March 16, 2020

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 Lyndon Carlson, Sr., Chair
Ways and Means Committee

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

Representative Tina Liebling, Chair
Health and Human Services Finance Division

From: Myron Frans, Secretary Legislative Advisory Commission 

RE: Request for 10-Day Review of Federal Funds

Under the provisions of Laws 2020, Chapter 66 and Minnesota Statute 3.3005, subdivision 4 the Department of Health is submitting for a 10-day Legislative Advisory Commission (LAC) review of anticipated federal funds for Public Health Emergency Preparedness/Public Health Crisis Response in the amount of \$10,048,124.

The LAC has ten days to review and make a recommendation for further review of this request. If no request for further review is received by Friday, March 26, 2020, I will approve the request for spending.

If you require additional information about this request, please contact Margaret Kelly at the Minnesota Department of Health margaret.kelly@state.mn.us 651-201-5005 or Angela Vogt at Minnesota Management and Budget angela.vogt@state.mn.us 651-201-8036.

cc: Bill Marx, House Fiscal Analysis Department
Eric Nauman, Senate Counsel, Research and Fiscal Analysis

Part One – Basic Federal Award Information

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

State Agency: Department of Health

State Legal Authority: Minnesota Statutes, chapter 144, section 74

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

CFDA#: To be determined, possibly 93.354 or 93.069

Federal Award Title:

Public Health Emergency Preparedness/Public Health Crisis Response

Federal Legislation Authorizing the Grant:

Section 319 of the Public Health Service (PHS) Act, as amended; Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020

Application Status: Pre-Application Application Negotiation Award

Start Date: 03/06/2020 **End Date:** 12/31/2021 **Total Federal Award Amount:** \$ 10,048,124

Part Two – Award Type Information

New Award

Amount requiring approval in the current biennium:

State FY: 2020 **Amt:** \$ 10,048,124

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

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:** \$ 0

State FY: 2021 **Amt:** \$ 0

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 biennium amount
 for the current biennium \$ 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 biennium amount
 for the current biennium \$ 0

Part Three – Grant Description

Narrative Description of the Federal Award

The Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 became federal law on March 6, 2020. The legislation provide \$8.3 billion in emergency funding for the coronavirus outbreak. Of the total appropriated, \$560 million is for the Centers for Disease Control and Prevention (CDC) to enhance state response capabilities. The legislation states that states will receive “not less than 90 percent” of the amount they received in 2019 from the Public Health Emergency Preparedness grant.

The Minnesota Department of Health anticipates an award of \$10,048,123.80 in the coming days. Allowable uses of the funds, according to the legislation, are for disease surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities. The additional money will enable broader support to local public health. At the local level, additional resources may pay for preparedness and response activities, mitigation as needed, communication with internal and external stakeholders, and for provisions of essential services for cases, as needed.

Further reading:

H.R.6074 - Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020
<https://www.congress.gov/bill/116th-congress/house-bill/6074>

CDC to Award Over \$560 Million to State & Local Jurisdictions in Support of COVID-19 Response
<https://www.hhs.gov/about/news/2020/03/11/cdc-to-award-over-560-million-to-state-local-jurisdictions-in-support-of-covid-19-response.html?deliveryName=DM22627>

CDC Funding Information (March 11, 2020)
<https://www.hhs.gov/about/news/2020/03/11/cdc-funding-information.html>

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

The department is seeking approval under the Laws of 2020, chapter 66, section 2, and Minnesota Statutes, chapter 3.3005, subdivision 4. The supplemental appropriation is intended to accelerate COVID-19 planning, operational preparedness, and response. On March 11, 2020, CDC notified state health officials of distributions plans so states could prepare for rapid distribution of award money via a crisis response cooperative agreement mechanism. The department anticipates the notice-of-award letter in the coming days or week.

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

Part Four – Short and Long-Term Commitments

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

CDC will award funds to states via a formal notice of award. The short-term commitments will be to fulfill requirements of a work plan and meet the terms of the grant. There are no long-term commitments beyond the project period.

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

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? TBD **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.

The department's indirect rate of 21.78% is applied to relevant expenses such as salary, supplies, and operating costs. Indirect costs are not applied to the portion of contracts and grants above \$25,000 and equipment with a value of \$5,000 and a useful life of longer than one year. Indirect costs will depend on the approved budget plan.

Part-Five – Signatures

Brian Awsumb Digitally signed by Brian Awsumb
Date: 2020.03.09 13:22:12 -05'00'

Agency Finance Director's Signature

03/09/2020
Date

Margaret Kelly Digitally signed by Margaret Kelly
Date: 2020.03.16 16:32:54 -05'00'

Department Head's Signature

03/16/2020
Date

Char Kimber Digitally signed by Char Kimber
Date: 2020.03.16 16:59:11 -05'00'

Executive Budget Officer's Signature

03/16/2020
Date