



Date: March 31, 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, 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, April 10, 2020, 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 2020
Hospital Preparedness Program: U.S. Healthcare Systems Response to COVID-19	\$1,088,758
Public Health Emergency Preparedness/Public Health Crisis Response	\$11,165,000

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.

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: Minnesota Department of Health

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

 Federal Agency: U.S. Department of Health and Human Services

 CFDA#: 93.889; 93.817

Federal Award Title:

Hospital Preparedness Program: U.S. Healthcare Systems Response to COVID-19

Federal Legislation Authorizing the Grant:

Coronavirus Preparedness and Response Supplemental Appropriations Act 2020

 Application Status: Pre-Application Application Negotiation Award

 Start Date: 03/29/2020 End Date: 06/30/2021 Total Federal Award Amount: \$ 1,088,758
Part Two – Award Type Information
 New Award

 Amount requiring approval in the current biennium:
\$1,088,758

 State FY: 2020 Amt: \$ 1,088,758

 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: \$ _____

 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 Assistant Secretary for Preparedness and Response at the U.S. Department of Health and Human Services provided additional funding to states to prepare the health care systems for a surge in COVID-19 patients. The Minnesota Department of Health received \$1,088,758 via the Hospital Preparedness Program cooperative agreement mechanism. Nearly all of the funding is to be awarded as sub-grants/contracts to health care coalition entities in Minnesota designated as special pathogen treatment centers. The money will support planning, training, equipment, and response efforts for COVID-19.

Further reading:

U.S. Department of Health and Human Services. "HHS Provides \$100 Million to Help U.S. Healthcare Systems Prepare For COVID-19 Patients." *News*. March 24, 2020. Available:

<https://www.hhs.gov/about/news/2020/03/24/hhs-provides-100-million-to-help-us-healthcare-systems-prepare-for-covid-19-patients.html>

U.S. Department of Health and Human Services. "Hospital Preparedness Program (HPP)." *Office of the Assistant Secretary for Preparedness and Response*. March 4, 2019. Available:

<https://www.phe.gov/Preparedness/planning/hpp/Pages/default.aspx>

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

The World Health Organization has declared COVID-19 a global pandemic. The department is seeking approval to spend the new money 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 in Minnesota.

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.

The short-term commitments are to improve health care worker readiness, enhance physical infrastructure, and improve systems of care to address COVID-19. 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.

[Empty text area for description of program and budget activity]

FTE

How many FTE(s) are needed to carry out this project/proposal? 0 **New** TBD **Existing**

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

[Empty text area for describing conditions of receiving the federal award]

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: 2020.03.30 09:03:18 -05'00'

Agency Finance Director's Signature

03/30/2020
 Date

Margaret Kelly Digitally signed by Margaret Kelly
 Date: 2020.03.31 10:14:06 -05'00'

Department Head's Signature

03/31/2020
 Date

Char Kimber Digitally signed by Char Kimber
 Date: 2020.03.31 14:45:17 -05'00'

Executive Budget Officer's Signature

03/31/2020
 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, 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 Aid, Relief, and Economic Security (CARES) Act of 2020

Application Status: Pre-Application Application Negotiation Award

Start Date: _____ **End Date:** _____ **Total Federal Award Amount:** \$ 11,165,000

Part Two – Award Type Information

New Award

Amount requiring approval in the current biennium:
\$11,165,000

State FY: 2020 **Amt:** \$ 11,165,000

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:** \$ _____

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

Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 became federal law on March 27, 2020. The legislation provide emergency funding for the coronavirus outbreak, including \$1.5 billion for the Centers for Disease Control and Prevention (CDC) to enhance state response capabilities. The legislation states that states will receive “not less than 100 percent” of the amount they received in 2019 from the Public Health Emergency Preparedness grant.

The Minnesota Department of Health anticipates an award of \$11,165,000 in the coming days or weeks under the Public Health Crisis Response mechanism. Allowable uses of the funds will depend on the exact terms of the grant agreement, but will likely be for disease surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities.

Further reading:

H.R.748 - CARES Act (Public Law No: 116-136)

<https://www.congress.gov/bill/116th-congress/house-bill/748/text?format=txt&q=%7B%22search%22%3A%5B%22HR748%22%5D%7D&r=1&s=2>

Centers for Disease Control and Prevention, COVID-19 Funding

<https://www.cdc.gov/cpr/readiness/funding-covid.htm>

Centers for Disease Control and Prevention, Public Health Crisis Response NOFO

<https://www.cdc.gov/cpr/readiness/funding-crisis.htm>

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.

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.

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

[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.

[Empty text area for description of program and budget activity]

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.

[Empty text area for FTE description]

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.
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Part-Five – Signatures

Brian Awsumb Digitally signed by Brian Awsumb
Date: 2020.03.31 12:58:50 -05'00'

Agency Finance Director’s Signature

03/31/2020
Date

Margaret Kelly Digitally signed by Margaret Kelly
Date: 2020.03.31 13:09:57 -05'00'

Department Head’s Signature

03/31/2020
Date

Char Kimber Digitally signed by Char Kimber
Date: 2020.03.31 14:23:25 -05'00'

Executive Budget Officer’s Signature

03/31/2020
Date