



Date: June 12, 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

Senator Bruce Anderson, Chair
Veterans and Military Affairs Finance and Policy
Committee

Representative Rob Ecklund, Chair
Veterans and Military Affairs Finance and Policy
Division

From: Myron Frans, Secretary Legislative Advisory Commission

Subject: Urgent Review of Federal Funds

We are requesting your review and response on federal awards received by the Department of Human Services and the Department of Veterans Affairs so that these federal funds can be distributed as soon as possible to support community needs in order to avoid waiting ten days for distribution.

The Coronavirus Aid, Relief and Economic Security Act (CARES Act), as well as other coronavirus related federal legislation, included several specific grant increases and new grant programs that will be distributed through state government agencies. As state agencies receive notice of these awards, we would like to deploy these resources to support the community as quickly as possible.

These grants are separate from and in addition to the \$1.87 billion state award for the Coronavirus Relief Fund.

Today I am submitting two requests to the Legislative Advisory Commission (LAC) for federal review under the provisions of Minnesota Statute 3.3005, subdivisions 4 and 5. I have attached to this email for summary purposes a descriptive list of the two requests and the federal funds review request forms for each grant award.

Agency	Federal Grant Award	FY 2020	FY 2021
Human Services	Community Services Block Grant - Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	\$12,032,251	-
Veterans Affairs	Relief for Skilled Nursing Facilities - CARES Act	\$1,635,000	-

The LAC review forms provide information about the amount of the federal award, the timeline for spending, the proposed uses of the funds and the requirements associated with accepting the funding. Procedure for LAC review: We are requesting LAC members respond to the review request directly by email. Please identify the requests to which you are submitting your recommendations and if you are submitting your recommendation for all requests, please note that in your recommendation. If all LAC review recommendations are received immediately, we may proceed with the distribution instead of waiting the 10-day period.

cc: Bill Marx, House Fiscal Analysis Department
Eric Nauman, Senate Lead Fiscal Analyst
Dennis Albrecht, Senate Fiscal Analyst
Dan Mueller, Senate Fiscal Analyst

Federal Funds for Legislative Advisory Commission (LAC) Review

June 12, 2020

Human Services

Community Services Block Grant - Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Amount: FY 2020 - \$12,032,251

Urgency: Funds must be spent quickly to provide resources to local Community Action Agencies

Flexibility: Funds will be distributed to local Community Action Agencies as required by the formula outlined in Minnesota Statutes 256E.30.

Summary: The Community Services Block Grant is an existing federal grant program. This is a supplemental award authorized by the CARES Act. Funds will be allocated as required by the formula in law. Funds are to be used to organize a range of services related to the needs of low-income families and individuals, used to make use of innovative and effective community-based approaches to attacking the causes and effects of poverty, maximize participation of residents of low-income communities and members of the groups served by programs to empower such residents and members to respond to the unique problems and needs within their communities, and broaden the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for private, religious, charitable, and neighborhood-based organizations as well as individual citizens and business.

Veterans Affairs

Relief for Skilled Nursing Facilities – CARES Act

Amount: \$1,635,000

Urgency: Supports needs for caring for veterans at MDVA Veterans Homes.

Flexibility: Limited; MDVA will receive a fixed amount for each of its Veterans Homes, but this may be spent on any needs at those homes arising from the COVID outbreak.

Summary: The federal Department of Health and Human Services (HHS) is distributing COVID-19 relief funding to skilled nursing facilities on a per-facility and per-bed basis. The funds are to be used for nursing homes (including Veterans Homes) address needs such as labor, testing capacity, protective equipment, and other needs driven by the COVID outbreak.

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 Human Services

State Legal Authority: Minnesota Statute 4.07

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

CFDA#: 93.569

Federal Award Title:

Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Community Services Block Grant

Federal Legislation Authorizing the Grant:

Community Services Block Grant Act, 42 U.S.C. 9901 et seq; Coronavirus Aid, Relief, and Economic Security Act, 2020, Public Law 116-36; and Department of Health and Human Services Block Grant Regulations, 45 CFR Part 96

Application Status: Pre-Application Application Negotiation Award

Start Date: 04/01/2020 End Date: 09/30/2022 Total Federal Award Amount: \$ 12,032,251

Part Two – Award Type Information

New Award

Amount requiring approval in the current biennium:

State FY: 2020 Amt: \$ 12,032,251

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: Amt: \$

State FY: Amt: \$

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

State FY: Amt: \$

State FY: 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: Amt: \$

State FY: Amt: \$

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

State FY: Amt: \$

State FY: 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 State has been awarded Community Services Block Grant (CSBG) funds from HHS of \$12,032,251, as authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136. These CSBG funds to states, territories, and tribes authorized under the CSBG Act are intended to address the consequences of increasing unemployment and economic disruption as a result of COVID-19. These funds will complement current existing federal Community Services Block Grant Act (42 U.S.C. § 9901, et seq.), as amended by the Coats Human Services Reauthorization Act and Minnesota community Action Grant under MS 256.30-32 to enable the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient funds. Community action programs assist participants, including homeless individuals and families, migrant and seasonal farmworkers.

The following activities are provided by grantees under Community Services Block Grant and Minnesota Community Grant to: (1) Strengthen community capabilities for planning and coordinating the use of a broad range of resources related to the elimination of poverty; (2) Organize a range of services related to the needs of low-income families and individuals, help families and individuals achieve self-sufficiency; (3) Make use of innovative and effective community-based approaches to attacking the causes and effects of poverty; and (4) Maximize participation of residents of low-income communities and members of the groups served by programs to empower such residents and members to respond to the unique problems and needs within their communities; (5) Broaden the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for private, religious, charitable, and neighborhood-based organizations as well as individual citizens and business.

Community Services Block Grant under The CARES Act is funded for the same activities as the current federal Community Services Block Grant Act (42 U.S.C. § 9901, et seq.), as amended by the Coats Human Services Reauthorization Act to enable the reduction of poverty, the revitalization of low-income communities and the empowerment of low-income families and individuals in rural and urban area become fully self-sufficient. Therefore, the State plans to use these funds for the same purposes as the current Federal CSBG funds.

The State will pass through 90% of its CSBG CARES Act allocation to grantees. 5% of the CSBG CARES Act allocation will be used for the State's administrative expenses and 5% for discretionary grant to support activities consistent with the CSBG Act. The grant amount, for each grantee will be determined by the state formula identified in [M.S. 256E.30](#). See attached spreadsheet for funding sub recipients entities.

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

CARES CSBG funds need to be distributed quickly. Because HHS-OCS regulation requires that these funds be awarded to sub-recipients within 30 days of the award date.

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.

Short and long-term commitment of receiving CSBG CARES Act funds include:

- 2. Make grant awards to sub-recipients within 30 days of receiving the award agreement.
- 3. Monitor sub-recipients for compliance.

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? _____ New ⁴ _____ 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.

Indirect rate is 10%. \$60,161 of the State's portion of the grant is indirect cost.

Part-Five – Signatures

David Greeman

Digitally signed by David Greeman
 Date: 2020.05.29 16:08:15 -05'00'

Agency Finance Director's Signature

Date



Digitally signed by Ahna Minge
 Date: 2020.05.29 16:14:08 -05'00'

Department Head's Signature

Date

Joshua Riesen

Digitally signed by Joshua Riesen
 Date: 2020.06.02 21:27:35 -05'00'

Executive Budget Officer's Signature

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 VETERANS AFFAIRS

State Legal Authority: M.S. 198.34

Federal Agency: U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES

CFDA#: _____

Federal Award Title:

FEDERAL CARES RELIEF ACT - RELIEF FOR SKILLED NURSING FACILITIES

Federal Legislation Authorizing the Grant:

Pub. L. 116-136

Application Status: Pre-Application Application Negotiation Award

Start Date: 05/22/2020 End Date: 12/31/2020 Total Federal Award Amount: \$ 1,635,000

Part Two – Award Type Information

New Award

Amount requiring approval in the current biennium:

State FY: 2020 Amt: \$ 1,635,000

State FY: _____ Amt: \$ _____

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

State FY: _____ Amt: \$ _____

State FY: _____ 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: _____ Amt: \$ _____

State FY: _____ Amt: \$ _____

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

State FY: _____ Amt: \$ _____

State FY: _____ Amt: \$ _____

Amount originally approved + Incremental amount requested = New total current 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: _____ Amt: \$ _____

State FY: _____ Amt: \$ _____

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

State FY: _____ Amt: \$ _____

State FY: _____ Amt: \$ _____

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

Part Three – Grant Description

Narrative Description of the Federal Award

The U.S. Department of Health and Human Services (HHS) is announcing it has begun distributing billions in additional relief funds to skilled nursing facilities (SNFs) to help them combat the devastating effects of this pandemic.

HHS will make relief fund distributions to SNFs based on both a fixed basis and variable basis. Each SNF will receive a fixed distribution of \$50,000, plus a distribution of \$2,500 per bed. All certified SNFs with six or more certified beds are eligible for this targeted distribution.

These additional funds may help nursing homes address critical needs such as labor, scaling up their testing capacity, acquiring personal protective equipment and a range of other expenses directly linked to this pandemic.

Distribution Methodology

Vet Home	# of Beds	
Fergus Falls	106	
Luverne	85	
Mpls	300	
Silver Bay	83	
Total Beds	574	
	\$2,500 Per Bed	
	\$1,435,000	
	\$200,000	\$50,000 per Facility
	\$1,635,000	

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

COVID-19 Revenue losses and Expenditures in Veterans Home

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.

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? _____ **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**

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.

Part-Five – Signatures

JOHN S POWERS Digitally signed by JOHN S POWERS
Date: 2020.06.01 13:12:53 -05'00'

Agency Finance Director's Signature

06/01/2020

Date

Larry Herke Digitally signed by Larry Herke
Date: 2020.06.01 18:12:24 -05'00'

Department Head's Signature

06/01/2020

Date

Brian Hornbecker Digitally signed by Brian Hornbecker
Date: 2020.06.02 13:45:54 -05'00'

Executive Budget Officer's Signature

06/02/2020

Date