



**Date:** August 7, 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 Eric Pratt, Chair  
Jobs and Economic Growth Finance and Policy  
Committee

Representative Tim Mahoney, Chair  
Jobs and Economic Development Finance  
Division

**From:** Myron Frans, Secretary Legislative Advisory Commission 

**Subject:** Urgent Review of Federal Funds

We are requesting your review and response on a federal award received by the Department of Employment and Economic Development 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.

This grant is separate from and in addition to the \$1.87 billion state award for the Coronavirus Relief Fund.

Today I am submitting a request 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 request and the federal funds review request form for the grant award.

Agency	Federal Grant Award	FY 2021
Employment and Economic Development	National Dislocated Worker Grant Program/COVID-19-MN-Disaster Recovery	\$1,267,900

The LAC review form provides 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: LAC members have until Monday, August 17, to provide a recommendation. To expedite the LAC review process, LAC members may respond to this review request directly by email, recommending their approval or request for further review. If all LAC review recommendations are received immediately, we may proceed with the distribution instead of waiting the 10-day period. The Department of Employment and Economic Development has notified their committee chairs about the federal grant award.

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

## **Federal Funds for Legislative Advisory Commission (LAC) Review August 7, 2020**

### **Employment and Economic Development**

National Dislocated Worker Grant Program/COVID-19-MN-Disaster Recovery

**Amount:** FY 2021 – \$1,267,900; FY 2022 - \$1,267,895

**Urgency:** The agency can begin spending these funds once approved.

**Flexibility:** Funding must be used to address the workforce-related impacts of the public health emergency related to the coronavirus pandemic. Disaster Recovery Dislocated Worker Grants (DWGs) may only be used to provide eligible participants disaster-relief employment to address coronavirus impacts within their communities, as well as employment and training activities. Funding may also be used to provide reemployment services to eligible individuals affected by mass layoffs.

**Summary:** Supported by the Workforce Innovation and Opportunity Act (WIOA), DWGs temporarily expand the service capacity of dislocated worker training and employment programs at the state and local levels by providing funding assistance in response to large, unexpected economic events that cause significant job losses.

## 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 Employment and Economic Development (DEED)

State Legal Authority: MN Statute 116J.035, 116J.401

Federal Agency: Department of Employment and Economic Development

CFDA#: 17.277

Federal Award Title:

National Dislocated Worker Grant Program/COVID-19-MN-Disaster Recovery

Federal Legislation Authorizing the Grant:

Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128, WIOA Sec 170

Application Status:  Pre-Application  Application  Negotiation  Award

Start Date: 06/01/2020 End Date: 06/30/2022 Total Federal Award Amount: \$ 2,535,795

## Part Two – Award Type Information

### New Award

Amount requiring approval in the current biennium:

State FY: \_\_\_\_\_ Amt: \$ \_\_\_\_\_

State FY: 2021 Amt: \$ 1,267,900

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

State FY: 2022 Amt: \$ 1,267,895

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

Before eligible customers are connected with the following employment opportunities, they will receive career and training services provided by the local DW provider of their choice. In fact, a portion of the customers, expected to be 800, will only receive career and training services of this nature. These services will occur 1:1 with the customer and an assigned DW Counselor in a safe manner regarding the global pandemic. The customers served will share their experience and needs. The DW Counselor will administer skills and interest assessments and help the customer analyze the results. Together, both parties will develop an individualized employment plan. Individual employment plans will help the customers pursue training, or employment related to this grant in the positions shown below, or employment in other jobs or any combination of these general categories. Labor market information will also be provided to the customers by DW Counselors to help the customer forge a robust path forward.

Along the way customers may need supportive services in order to: initially meet with a DW Counselor; continue their meeting with their DW Counselor to receive services; participate in Employment Plan related activities; and to participate in employment. For example, for those that find suitable employment their first paycheck will not be received until after the first two weeks most likely. During that time, they will still need to pay their bills and secure transportation. It will be appropriate for a customer in this situation to receive supportive services to fuel their vehicle or safely access public transit to attend work.

Customers need the services described above due to negative economic impacts caused by the local COVID-19 pandemic; nearly 12.8% of Minnesotans have lost their jobs and sources of income.

Similarly, amidst the global COVID-19 pandemic, it is critical that DW providers and customers receive PPE to safely engage in services and Employment Plan related activities which is why a portion of the requested funding amount includes those costs.

Lastly, while all of the job titles shown below will be connected to these grant funds there is a sub-group of humanitarian-based jobs that relates to the global pandemic and the disaster recovery tenets therein.

Humanitarian jobs may be included in this grant in order to: save lives; alleviate suffering; and maintain human dignity.

MN is proposing the following humanitarian jobs:

To save lives

- Contact Tracers
- PPE Manufacturers
- PPE Delivery Assistants
- Mental Health Crisis Line Workers

Alleviate suffering

- Food Shelf Workers
- Community Resources Navigators
- Community Resources Interpreters
- Health Care Appointment Schedulers

Maintain human dignity

- Homeless Shelter Wellness Assistants
- Homeless Shelter Custodians
- Homeless Shelter Laundry Workers
- Personal Care Attendants

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

The grant start date is 6/1/2020. There is an immediate need to help with job placement and/or training of eligible participants to get them back in the workplace as soon as possible. COVID-19 created thousands of unexpected unemployment which turned into permanent unemployment for many Minnesotans.

**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.**

This is a National Emergency Grant in response to the COVID-19 Pandemic. A majority of the funds will be used to put people into short term humanitarian work experiences or On the Job Training opportunities. The goal is partially subsidize displaced workers salaries, and provide a service to the community.

It is expected the employers will continue to employ these workers after the funding has terminated.

**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 box for description of program and budget activity]

**FTE**

How many FTE(s) are needed to carry out this project/proposal? 1 **New** 3 **Existing**

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

Yes for the existing staff, as they will be responsible for the contracting, fiscal and monitoring of the grant.

**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?

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

1. 2021 approved indirect rate is 17.46%  
 2. n/a  
 3. Indirect will be applied to a base of \$103,500  
 4. Indirect costs of \$18,000

**Part-Five – Signatures**

**Colleen C Hazel** Digitally signed by Colleen C Hazel  
 Date: 2020.07.23 18:28:33 -05'00'

Agency Finance Director's Signature

\_\_\_\_\_  
 Date

**Julie Freeman** Digitally signed by Julie Freeman  
 Date: 2020.07.24 08:53:41 -05'00'

Department Head's Signature

07/24/2020  
 Date

**Kwesi Pasley** Digitally signed by Kwesi Pasley  
 Date: 2020.08.03 11:22:59 -05'00'

Executive Budget Officer's Signature

\_\_\_\_\_  
 Date