

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 4563

(SENATE AUTHORS: ROSEN, Gazelka and Cohen)

DATE	D-PG	OFFICIAL STATUS
05/06/2020	6274	Introduction and first reading Referred to Finance
05/11/2020		Comm report: To pass as amended Second reading

1.1 A bill for an act

1.2 relating to state finances; changing the source of COVID-19 appropriations and

1.3 transfers to federal funds; canceling general fund appropriations and transfers;

1.4 appropriating money; amending Laws 2020, chapter 66, section 1; Laws 2020,

1.5 chapter 70, article 1, section 3; article 2, section 2; Laws 2020, chapter 71, article

1.6 1, sections 2, subdivision 9; 3; 4; 5; 6; 9; 10; 12; repealing Laws 2020, chapter 74,

1.7 article 1, section 3.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Laws 2020, chapter 66, section 1, is amended to read:

1.10 Section 1. **PUBLIC HEALTH RESPONSE; TRANSFER OF FUNDS.**

1.11 The commissioner of management and budget shall transfer \$20,889,000 in fiscal year

1.12 2020 from the ~~general~~ coronavirus relief account in the federal fund to the public health

1.13 response contingency account under Minnesota Statutes, section 144.4199, for a public

1.14 health response related to a potential outbreak of the SARS-CoV-2 virus and coronavirus

1.15 disease 2019 (COVID-19). This is a onetime transfer. Between the day of enactment of this

1.16 act and February 1, 2021, up to \$4,622,000 of the transfer in this section may be used by

1.17 the commissioner of health for any pandemic influenza or outbreak of a communicable or

1.18 infectious disease that requires a public health response, consistent with the use of funds

1.19 under Minnesota Statutes, section 144.4199. For the purposes of this transfer for the

1.20 SARS-CoV-2 virus and coronavirus disease 2019 (COVID-19), the determination criteria

1.21 in Minnesota Statutes, section 144.4199, subdivision 3, and the requirements in Minnesota

1.22 Statutes, section 144.4199, subdivision 5, paragraph (a), and subdivision 7, paragraph (a),

1.23 do not apply. ~~Notwithstanding Minnesota Statutes, section 144.4199, subdivision 1, any~~

1.24 ~~unobligated and unexpended amount in the contingency account over \$5,000,000 on February~~

2.1 ~~1, 2021, shall transfer to the general fund. Any amount remaining in the account after~~
 2.2 ~~February 1, 2021, is not subject to the restrictions provided in this section, with the exception~~
 2.3 ~~that, any amount received after February 1, 2021, under the requirement in Minnesota~~
 2.4 ~~Statutes, section 144.4199, subdivision 5, paragraph (b), attributable to this section shall be~~
 2.5 ~~transferred to the general fund.~~

2.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.7 Sec. 2. Laws 2020, chapter 70, article 1, section 3, is amended to read:

2.8 **Sec. 3. TRANSFER; PUBLIC HEALTH RESPONSE CONTINGENCY ACCOUNT.**

2.9 The commissioner of management and budget shall make a onetime transfer in fiscal
 2.10 year 2020 of \$50,000,000 from the ~~general~~ coronavirus relief account in the federal fund
 2.11 to the public health response contingency account under Minnesota Statutes, section
 2.12 144.4199, for the uses specified in Minnesota Statutes, section 144.4199, subdivision 4a,
 2.13 to plan for, prepare for, or respond to an outbreak of SARS-CoV-2 virus and coronavirus
 2.14 disease 2019 (COVID-19). For purposes of this transfer for the SARS-CoV-2 virus and
 2.15 coronavirus disease 2019 (COVID-19), the determination criteria in Minnesota Statutes,
 2.16 section 144.4199, subdivision 3, and the requirements in Minnesota Statutes, section
 2.17 144.4199, subdivision 5, paragraph (a), and subdivision 7, do not apply.

2.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.19 Sec. 3. Laws 2020, chapter 70, article 2, section 2, is amended to read:

2.20 **Sec. 2. TRANSFER; HEALTH CARE RESPONSE FUND.**

2.21 The commissioner of management and budget shall make a onetime transfer in fiscal
 2.22 year 2020 of \$150,000,000 from the ~~general~~ coronavirus relief account in the federal fund
 2.23 to the health care response fund under section 1, for the uses specified in section 1. ~~Any~~
 2.24 ~~unobligated and unexpended amount in the fund on February 1, 2021, shall transfer to the~~
 2.25 ~~general fund.~~

2.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.27 Sec. 4. Laws 2020, chapter 71, article 1, section 2, subdivision 9, is amended to read:

2.28 Subd. 9. **Appropriation.** (a) \$29,964,000 in fiscal year 2020 is appropriated from the
 2.29 ~~general~~ coronavirus relief account in the federal fund to the commissioner of human services

3.1 for grants under this section. Of this amount, up to \$450,000 is for Child Care Aware to
 3.2 administer the grants in accordance with subdivision 1.

3.3 (b) This is a onetime appropriation and is available until December ~~31~~ 30, 2020.

3.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.5 Sec. 5. Laws 2020, chapter 71, article 1, section 3, is amended to read:

3.6 Sec. 3. **MILITARY VETERANS COVID-19 RESPONSE ASSISTANCE.**

3.7 (a) \$6,200,000 in fiscal year 2020 is appropriated from the ~~general~~ coronavirus relief
 3.8 account in the federal fund to the commissioner of veterans affairs. The commissioner of
 3.9 veterans affairs must use the amount appropriated under this section to provide financial
 3.10 assistance to any veteran or a surviving spouse of a veteran in need of assistance as a result
 3.11 of COVID-19. The COVID-19-related assistance authorized under this section may be used
 3.12 for emergency financial relief, hospitalization assistance, medical care or treatment, or any
 3.13 other COVID-19-related assistance as determined by the commissioner.

3.14 (b) For purposes of this section, "veteran" means an individual who qualifies as a veteran
 3.15 under Minnesota Statutes, section 197.447, and who meets the residency requirements in
 3.16 Minnesota Statutes, section 197.05, paragraph (b).

3.17 (c) An individual's eligibility or level of assistance under this section shall not be limited
 3.18 because the individual has previously received assistance under the State Soldiers' Assistance
 3.19 Fund program.

3.20 (d) The amount appropriated under this section is available until ~~June 30, 2021~~ December
 3.21 30, 2020.

3.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.23 Sec. 6. Laws 2020, chapter 71, article 1, section 4, is amended to read:

3.24 Sec. 4. **APPROPRIATION; FOOD SHELF PROGRAMS.**

3.25 (a) \$9,000,000 in fiscal year 2020 is appropriated from the ~~general~~ coronavirus relief
 3.26 account in the federal fund to the commissioner of human services for food shelf programs
 3.27 under Minnesota Statutes, section 256E.34, to address food bank, food shelf, and
 3.28 transportation needs in responding to the COVID-19 pandemic. Hunger Solutions shall
 3.29 allocate funds to food banks, food shelves, and transportation organizations in accordance

4.1 with this section and report to the commissioner regarding distribution and use of funds.

4.2 Grant funds shall be used as follows:

4.3 (1) to support regional food banks to enable specialized responses to community needs;

4.4 (2) to allow food shelves to purchase food, diapers, toilet paper, and other necessary
4.5 supplies and to enable specialized responses to community needs; and

4.6 (3) to support a network of transportation organizations to assist in the distribution of
4.7 food and supplies from food banks and food shelves to persons affected by the COVID-19
4.8 pandemic.

4.9 (b) At least \$3,000,000 of this appropriation must be used for activities described in
4.10 paragraph (a), clause (1).

4.11 (c) This is a onetime appropriation and is available until ~~June 30, 2021~~ December 30,
4.12 2020.

4.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.14 Sec. 7. Laws 2020, chapter 71, article 1, section 5, is amended to read:

4.15 Sec. 5. **APPROPRIATION; HOUSING SUPPORT.**

4.16 (a) \$5,530,000 in fiscal year 2020 is appropriated from the ~~general~~ coronavirus relief
4.17 account in the federal fund to the commissioner of human services to increase room and
4.18 board limits and rates and supplementary service limits and rates under Minnesota Statutes,
4.19 section 256I.05, subdivisions 1 and 1a, by 15 percent for three consecutive months for
4.20 purposes of maintaining access to room and board from March 1, 2020, through May 31,
4.21 2020, including activities necessary to comply with federal and state health and safety
4.22 guidance, in response to the COVID-19 pandemic. This is a onetime appropriation.

4.23 (b) Prior to October 1, 2020, providers must submit documentation demonstrating
4.24 increased funding was used for needs related to COVID-19 for the time period from March
4.25 1, 2020, through May 31, 2020.

4.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.1 Sec. 8. Laws 2020, chapter 71, article 1, section 6, is amended to read:

5.2 Sec. 6. **APPROPRIATION; EMERGENCY SERVICES GRANTS.**

5.3 (a) \$26,537,000 in fiscal year 2020 is appropriated from the ~~general~~ coronavirus relief
5.4 account in the federal fund to the commissioner of human services for emergency services
5.5 grants under Minnesota Statutes, section 256E.36. Of this amount:

5.6 (1) \$15,206,000 is for providing additional shelter space; for purchasing vouchers for
5.7 the cost of a motel or hotel room; or for funding other housing options, in order to provide
5.8 housing that promotes health and safety, or to isolate homeless individuals exposed to
5.9 COVID-19 or who are experiencing respiratory illness. Vouchers for the cost of a motel or
5.10 hotel room may not be issued to motels or hotels that receive funding from another source
5.11 for the cost of the same motel or hotel room for the same date;

5.12 (2) \$5,000,000 is for purchasing hygiene, sanitation, and cleaning supplies to support
5.13 compliance with Centers for Disease Control and Prevention guidance on sanitation and
5.14 personal protective equipment; and

5.15 (3) \$6,331,000 is for hiring staff necessary to protect the health and wellness of program
5.16 recipients, for increasing the number of persons served, or for providing staffing when
5.17 workers are quarantined or cannot work because they are caring for someone with COVID-19.

5.18 (b) The commissioner may transfer funds among the activities in paragraph (a), clauses
5.19 (1) to (3), as the commissioner determines necessary. The commissioner must report to the
5.20 chairs and ranking minority members of the legislative committees with jurisdiction over
5.21 human services on any transfer of funds among the activities in paragraph (a), clauses (1)
5.22 to (3), and whether grant applicants are requesting funds for activities other than those listed
5.23 in paragraph (a), clauses (1) to (3).

5.24 (c) Notwithstanding any other law or rule to the contrary, the commissioner may allocate
5.25 funds to programs, providers, and organizations providing or seeking to provide services
5.26 to individuals experiencing homelessness through a single fiscal agent chosen by the
5.27 commissioner.

5.28 (d) Grant applicants must describe how they intend to use grant funds for the purposes
5.29 listed in paragraph (a), clauses (1) to (3). Grant funds may be used by grant recipients for
5.30 the activities listed in paragraph (a), clauses (1) to (3).

5.31 (e) If a grant recipient receives funds from a nonstate source, other than a local unit of
5.32 government or a tribe, for activities listed in paragraph (a), clauses (1) to (3), the grant
5.33 recipient must notify the commissioner of the amount received from the nonstate source.

6.1 If the commissioner determines that the total amount the grant recipient received under this
 6.2 section and from the nonstate source exceeds the grant recipient's costs for the activities in
 6.3 paragraph (a), clauses (1) to (3), the grant recipient must pay the commissioner the amount
 6.4 that exceeds the costs, up to the amount of funding provided under this section. All money
 6.5 paid to the commissioner under this section must be deposited in the ~~general~~ coronavirus
 6.6 relief account in the federal fund.

6.7 (f) This is a onetime appropriation and is available until ~~February 1, 2021~~ December 30,
 6.8 2020, or until 60 days after expiration of the peacetime emergency declared by the governor
 6.9 in an executive order that relates to the infectious disease known as COVID-19, whichever
 6.10 occurs earlier. Any unobligated or unexpended amounts cancel on ~~February 1, 2021~~
 6.11 December 30, 2020, or 60 days after expiration of the peacetime emergency declared by
 6.12 the governor in an executive order that relates to the infectious disease known as COVID-19,
 6.13 whichever occurs earlier.

6.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.15 Sec. 9. Laws 2020, chapter 71, article 1, section 9, is amended to read:

6.16 Sec. 9. **TRANSFER.**

6.17 \$200,000,000 in fiscal year 2020 is transferred from the ~~general~~ coronavirus relief
 6.18 account in the federal fund to the COVID-19 Minnesota fund under section 7. This is a
 6.19 onetime transfer.

6.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.21 Sec. 10. Laws 2020, chapter 71, article 1, section 10, is amended to read:

6.22 Sec. 10. **TRIBAL NATIONS GRANTS.**

6.23 (a) \$11,000,000 in fiscal year 2020 is appropriated from the ~~general~~ coronavirus relief
 6.24 account in the federal fund to the commissioner of revenue for grants to fund emergency
 6.25 response activities in response to the infectious disease known as COVID-19. The
 6.26 commissioner of revenue may provide grants under this section of up to \$1,000,000 to the
 6.27 governing body of the:

6.28 (1) Fond du Lac Band;

6.29 (2) Grand Portage Band;

6.30 (3) Mille Lacs Band;

7.1 (4) White Earth Band;

7.2 (5) Bois Fort Nett Lake Band;

7.3 (6) Leech Lake Band;

7.4 (7) Red Lake Nation;

7.5 (8) Upper Sioux Community;

7.6 (9) Lower Sioux Community;

7.7 (10) Shakopee-Mdewakanton Sioux Community; and

7.8 (11) Prairie Island Mdewakanton Dakota Community.

7.9 (b) Each tribal nation must use the grant received under paragraph (a) for activities that
7.10 mitigate the immediate health and economic impacts of COVID-19. These activities include
7.11 but are not limited to (1) reimbursable activities under the Robert T. Stafford Disaster Relief
7.12 and Emergency Assistance Act, as amended, and (2) securing basic needs, including but
7.13 not limited to food and shelter, for tribal members.

7.14 (c) To receive a grant a tribe must apply to the commissioner of revenue by April 1,
7.15 2020. The grant application must state the amount of the request up to a maximum of
7.16 \$1,000,000. As part of the application the tribe must agree to spend the grant money for
7.17 activities that mitigate the immediate health and economic impacts of COVID-19.

7.18 (d) Any portion of the \$11,000,000 appropriated under this section that is not applied
7.19 for by April 1, 2020, must be paid in equal share to all tribes that have timely applied for a
7.20 grant.

7.21 (e) The commissioner of revenue must distribute the grant payments on or before April
7.22 8, 2020.

7.23 (f) By April 14, 2020, a recipient of a grant under this section must provide a report to
7.24 the commissioner of revenue in the form prescribed by the commissioner of revenue. The
7.25 commissioner of revenue must compile and provide the reports to the chairs and ranking
7.26 minority members of the legislative committees with jurisdiction over taxes.

7.27 (g) The appropriation under this section is onetime.

7.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

8.1 Sec. 11. Laws 2020, chapter 71, article 1, section 12, is amended to read:

8.2 Sec. 12. **APPROPRIATION; SMALL BUSINESS LOAN GUARANTEE PROGRAM.**

8.3 \$10,000,000 in fiscal year 2020 is appropriated from the ~~general~~ coronavirus relief
 8.4 account in the federal fund to the commissioner of employment and economic development
 8.5 for the small business loan guarantee program under Minnesota Statutes, section 116J.881.
 8.6 This is a onetime appropriation and is available until December ~~31, 2021~~ 30, 2020.

8.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

8.8 Sec. 12. **SECOND HARVEST FOOD BANK GRANTS.**

8.9 (a) \$1,250,000 is appropriated in fiscal year 2020 from the coronavirus relief account
 8.10 in the federal fund to the commissioner of agriculture for grants to Second Harvest Heartland
 8.11 on behalf of Minnesota's six Feeding America food banks. This is a onetime appropriation.

8.12 (b) The appropriation under paragraph (a) must be used for the following:

8.13 (1) to purchase milk for distribution to Minnesota's food shelves and other charitable
 8.14 organizations that are eligible to receive food from the food banks. Milk purchased under
 8.15 the grants must be acquired from Minnesota milk processors and based on low-cost bids.
 8.16 The milk must be allocated to each Feeding America food bank serving Minnesota according
 8.17 to the formula used in the distribution of United States Department of Agriculture
 8.18 commodities under the federal Emergency Food Assistance Program. Second Harvest
 8.19 Heartland may enter into contracts or agreements with food banks for shared funding or
 8.20 reimbursement of the direct purchase of milk. Each food bank that receives funding under
 8.21 this clause may use up to two percent for administrative expenses; or

8.22 (2) to purchase and distribute protein products, which must be surplus products when
 8.23 practicable, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs
 8.24 to Minnesota's food shelves and other charitable organizations that are eligible to receive
 8.25 food from the food banks. Second Harvest Heartland may use up to two percent of each
 8.26 grant awarded under this clause for administrative expenses. To the extent practicable,
 8.27 protein products purchased under the grants must be acquired from Minnesota processors
 8.28 and producers and based on low-cost bids.

8.29 (c) This appropriation is available until December 30, 2020.

8.30 (d) Second Harvest Heartland must submit quarterly reports required under Laws 2019,
 8.31 First Special Session chapter 1, article 1, subdivision 5, to the chairs and ranking minority
 8.32 members of the legislative committees with jurisdiction over agriculture finance.

9.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.2 Sec. 13. **CANCELLATION; GENERAL FUND.**

9.3 All appropriations and transfers in Laws 2020, chapters 66, 70, 71, and 74, from the
9.4 general fund that are amended in this act to be appropriations and transfers from the
9.5 coronavirus relief account in the federal fund are canceled to the general fund.

9.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.7 Sec. 14. **REPEALER.**

9.8 Laws 2020, chapter 74, article 1, section 3, is repealed.

9.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

Laws 2020, chapter 74, article 1, section 3

Sec. 3. Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 5, is amended to read:

	7,510,000	
Subd. 5. Administration and Financial Assistance	<u>8,760,000</u>	7,508,000

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$2,000 the first year is for a grant to the Minnesota State Poultry Association. This is a onetime appropriation, and is available until June 30, 2021.

(c) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association. These are onetime appropriations.

(d) \$47,000 the first year and \$47,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment. These are onetime appropriations.

(e) \$267,000 the first year and \$267,000 the second year are for farm advocate services.

(f) \$17,000 the first year and \$17,000 the second year are for grants to the Minnesota Horticultural Society. These are onetime appropriations.

(g) \$250,000 the first year and \$250,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators through the Minnesota State Agricultural Centers of Excellence. South Central College and Central Lakes College shall serve as the fiscal agents. The base amount for this appropriation in fiscal year 2022 and later is \$238,000.

(h) ~~\$1,700,000~~ \$2,950,000 the first year and \$1,700,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following:

(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of

Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses; ~~and~~

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, which must be surplus products when practicable, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. To the extent practicable, protein products purchased under the grants must be acquired from Minnesota processors and producers and based on low-cost bids.

Of the amount appropriated under this paragraph, at least \$600,000 each year must be allocated under clause (1); and \$1,250,000 of the onetime money appropriated in the first year must be allocated under clause (1) or (3). Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed. The base for this appropriation is \$1,650,000 in fiscal year 2022 and \$1,650,000 in fiscal year 2023.

(i) \$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development. These are onetime appropriations.

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(j) \$250,000 the first year and \$250,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(k) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

EFFECTIVE DATE. This section is effective the day following final enactment.