

Summary *Fiscal Review*

Minnesota State Senate

2020 Session



A

Fiscal Summary

of the

2020 Legislative Sessions

**Prepared by Minnesota State Senate
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http://www.senate.leg.state.mn.us/departments/scr/freview/2020/fiscal_review.pdf

INTRODUCTION

The *Fiscal Review* is primarily an annual report of enacted budget and fiscal policy actions. This year, the report is a shorter *2020 Fiscal Summary*, as explained below. The report covers all budgetary funds (all funds), with special attention given to the General Fund. Under the Minnesota Constitution, the General Fund revenues and expenditures must be in balance at the close of each biennium. Budgetary funds reflect the operating budget for the state and exclude some state funds not budgeted for operations, such as pension funds, trust funds, and enterprise funds.

Minnesota operates on a biennial budget enacted in odd-year legislative sessions. A fiscal year begins on July 1 and ends on June 30. Biennial budget revisions and major capital investments tend to be the focus of even-year legislative sessions. While most revenue and expenditure amounts are presented as biennial amounts, in some cases annual amounts may provide a more complete understanding of the timing of revenue and appropriations. Additional detail is available by consulting legislative budget tracking sheets or by contacting the relevant Senate fiscal staff.

Detailed 2020 budget tracking sheets can be found here:
<https://www.senate.mn/departments/fiscalpol/tracking/index.html>

COVID-19

On March 18, 2020, the Minnesota Legislature ceased traditional in-person operations for several weeks due to the COVID-19 pandemic. Beginning on April 7, 2020, the Legislature returned and implemented remote working procedures to ensure social distancing protocols for legislators, staff, and the public. Senate and House of Representatives floor sessions were conducted in person, but members were allowed to vote remotely for the first time in state history. Senate and House committee hearings were conducted using videoconferencing. The Legislature used these procedures for the remainder of the 2020 regular session and during the first two special sessions in June and July.

In the early spring, as the scale of the pandemic became known and the large-scale reduction of economic activity throughout the nation became a reality, it was clear that the assumptions used to prepare the February 2020 forecast were no longer valid. In April, the Department of Management and Budget (MMB) prepared new estimates of major revenue categories, as well as estimates of smaller sources of revenue considered sensitive to the pandemic's economic effects. Additionally, the Department of Human Services (DHS) prepared an updated estimate of forecasted programs at DHS. No other spending areas were recalculated. On May 5, 2020, MMB released a "budget projection" which was a combination of February 2020 budget estimates and updated revenue and spending using data available in April 2020. The May 2020 budget projection numbers were used as the budget baseline for the balance of the regular session and for the first and second special sessions. Given the uncertainty of the pandemic's economic effects, MMB

only released estimates for FY 2020-21 in the projection. MMB subsequently released FY 2022-23 planning estimates on July 31, 2020, to coincide with Minnesota's planned August bond sale.

Minnesota Statutes section 12.31, subdivision 2, provides the Governor with the conditional authority to declare a peacetime emergency. The Governor initially declared a peacetime emergency on March 13, 2020, to respond to the COVID-19 pandemic. By statute, the Governor's declaration may continue for up to 30 days if the Executive Council adopts a resolution approving the extension. If a peacetime emergency is continued beyond 30 days, Minnesota Statutes section 12.31, subdivision 2, provides the Legislature with authority to terminate the emergency. If the Legislature is not in session at the time when a peacetime emergency is extended, the Governor must call it into session to permit the Legislature to consider termination of the peacetime emergency. On June 12 and July 13, the Governor extended the peacetime emergency and called the Legislature into a special session.

The COVID-19 pandemic has continued throughout the summer and, as of August 2020, it is anticipated that extensions of the peacetime emergency declarations will continue for the foreseeable future. With each extension the Legislature is called into session. While in session, the Legislature has considered and enacted a number of fiscal proposals. Because the Minnesota budget will remain uncertain for well beyond the typical publication date for this document, the *Fiscal Review* is presented as the *2020 Fiscal Summary*, which provides limited fiscal information without detailed narrative for all budget areas. The detail of the FY 2020-21 budget will be included in the *2021 Fiscal Review* after full implications of the changes to the current biennium's budget are known.

This year's document presents the state's fiscal information as of August 12, 2020, and includes tables that summarize the general fiscal picture of the state and reflect the fiscal actions from the first half of calendar year 2020. By necessity, the *2020 Fiscal Summary* represents a point-in-time analysis. As of the date of publication, the FY 2020-21 General Fund budget remains out of balance by \$2.3 billion. In the coming months there will be many changes to the existing budget. This document provides a mid-summer report and the *2021 Fiscal Review* will supplement this initial analysis with a complete review.

The *2020 Fiscal Summary* uses tables and charts to display changes enacted in the three legislative sessions through July 2020. Each table and chart are preceded with a short description of its contents and purpose. The document places particular emphasis on COVID-19 and provides tables that emphasize fiscal decisions that responded to the pandemic's effects. This includes tables that display COVID-19 appropriations enacted in 2020 (Table 10), COVID-19 Minnesota Fund allocations (Table 11), Coronavirus Relief Federal Fund allocations (Table 12), and a summary of all federal funds received in Minnesota for COVID-19 response (Table 13). The *2020 Fiscal Summary* also presents traditional summary tables for the General Fund and all funds.

Appropriations versus Spending

Amounts shown in the *2020 Fiscal Summary* for the current biennium (FY 2020-21) reflect appropriation levels enacted in the 2020 session, the 2020 first special session, and the 2020 second special session. Amounts shown for the next biennium, often referred to as

appropriation “tails” or planning estimates, reflect estimates of future biennial spending, assuming current law programs are carried forward for another two years. The *2020 Fiscal Summary* compares current biennial appropriations to budgeted spending in the previous biennium (FY 2018-19), as well as to the February 2020 budget forecast and the May 2020 budget projection published by MMB.

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TABLE NOTES AND DETAIL

General Fund Budget Discussion

On February 27, 2020, the Department of Management and Budget (MMB) released the February 2020 forecast which estimated a FY 2020-21 positive General Fund budgetary balance of \$1.5 billion. The forecast estimated a FY 2022-23 positive General Fund budgetary balance of \$2.3 billion. Within several weeks, as the pandemic's economic effects began to take hold throughout the nation, the assumptions of the February 2020 forecast were no longer valid. On May 5, 2020, MMB released the May 2020 budget projection. This projection estimated a significant change in the General Fund, compared to the February forecast. The FY 2020-21 budgetary balance was estimated to be -\$2.4 billion, and the FY 2022-23 billion budgetary balance was estimated to be -\$6.6 billion. The structural balance between revenues collected in FY 2022-23 and estimated spending in those years was forecasted to be -\$4.7 billion.

According to the May 2020 budget projection, the FY 2020-21 balance declined by \$3.9 billion and the FY 2022-23 balance declined by \$9 billion, compared to the February forecast. Because the FY 2022-23 budgetary balance includes carryforward balances, the decline in FY 2022-23 represented budget changes over three years. Most of the decline between the February 2020 forecast and the May 2020 budget projection resulted from estimated changes in state tax revenues. General Fund tax revenues declined by \$3.5 billion in FY 2020-21. Of that amount, individual income tax revenues decreased by \$1.7 billion and sales tax revenues decreased by \$1.4 billion. The May budget projection updated the forecast for six state tax types which were assumed to be sensitive to the COVID-19 economic slowdown. Most tax types were maintained at February forecast estimates.

The May 2020 budget projection also updated FY 2020-21 forecasted expenditures at the Department of Human Services (DHS). These FY 2020-21 projected General Fund expenditures declined by \$153.3 million, compared to the February forecast. Congress increased the federal medical assistance percentage (FMAP, discussed with Table 2), and this change in federal law reduced projected expenditures in Minnesota's medical assistance (MA) program by \$329.5 million. However, total projected General Fund expenditures for MA increased by \$147 million due to projected caseload increases assumed in the May budget projection and by \$54.2 million due to executive orders signed by the Governor. The budget projection also assumed projected caseload increases in economic assistance programs, which increased projected expenditures by \$11.9 million in FY 2020-21, compared to the February forecast.

The May 2020 budget projection increased FY 2020-21 net General Fund expenditures for nursing facilities by \$17.9 million compared to the February forecast. This change includes a \$41 million increase due to higher average costs for nursing facility services and a \$23.1 million reduction attributable to decreased demand for nursing facility services. The May projection also includes a FY 2020-21 reduction of \$42.6 million in the delivery of day services compared to the February forecast.

During the 2020 regular session and the first two special sessions in June and July, the Legislature increased FY 2020-21 General Fund spending by \$559.6 million compared to current law. Of that

amount, \$550.4 million was enacted between the February 2020 forecast and the May budget projection. Consequently, the May projection's budgetary balance includes these increased appropriations. Most of these enacted changes related to spending to assist the state's response to the COVID-19 pandemic.

General Fund Budget Tables

Table 1

Table 1 presents a General Fund budgetary balance analysis for FY 2018–FY 2023 as of the end of the 2020 second special session and shows the change from the February 2020 forecast.

Table 2

Table 2 provides a detailed General Fund budgetary balance for the FY 2020-21 biennium and includes changes from the May 2020 budget projection, enacted budget changes, and other fiscal assumptions that were recognized in July 2020. This table also adjusts the FY 2020-21 budgetary balance from the May 2020 budget projection to isolate budget changes enacted between the February 2020 forecast and the May 2020 budget projection from the revenue and spending changes estimated in the May projection.

During the summer of 2020, several fiscal changes occurred that were not enacted by legislation but resulted from current state law and federal law. Table 2 details these changes as well.

- Under current law, the assigned risk plan provides workers' compensation coverage to employers that are unable to obtain coverage through licensed workers' compensation companies. Every summer the Commissioner of Commerce releases an audit of the assigned risk plan. If the audit of the plan shows an excess surplus in the plan, the surplus is transferred to the General Fund budget reserve. In 2020, an excess surplus of \$18.6 million was recognized and transferred to the budget reserve in July.
- The federal government's Families First Coronavirus Response Act (Public Law 116-127) enacted a 6.2 percentage point enhanced federal medical assistance percentage (FMAP). The federal government uses the FMAP to provide funding to states for Medicaid (medical assistance program in Minnesota). The enhanced FMAP for COVID-19 is available for the duration of the federal public health emergency declared by the Secretary of Health and Human Services effective January 27, 2020, and is available for each calendar quarter that includes a month during which the federal public health emergency is in effect. The May 2020 budget projection assumed that the enhanced FMAP would be in effect in calendar year 2020 through June.

To receive the enhanced FMAP, states must ensure that individuals maintain Medicaid coverage during the COVID-19 public health emergency. Under the federal requirements,

the state (1) cannot establish eligibility criteria that are more restrictive than the requirements on January 1, 2020, (2) cannot increase premiums over those that existed on January 1, 2020, (3) cannot terminate enrollment except by request of the enrollee or if the enrollee moves out of the state, (4) must provide coverage for testing and medical services related to COVID-19, and (5) cannot increase the local government share of nonfederal Medicaid expenditures.

The enhanced FMAP reduced projected General Fund expenditures for medical assistance (MA) by \$329.5 million for the last two quarters of FY 2020, but to meet the requirements to receive the enhanced FMAP, projected MA expenditures increased by \$21 million. Therefore, the net reduction in projected General Fund expenditures for MA in FY 2020 was \$308.5 million for the provisions related to the enhanced FMAP.

The Secretary of Health and Human Services extended the federal public health emergency past July 1, 2020. This extension provided the enhanced FMAP for an additional quarter, and into the first three months of FY 2021. This reduced projected General Fund expenditures for MA by an additional \$258.7 million. The estimated FY 2021 expenditures to meet the continuous coverage requirements are \$145.2 million, resulting in a net reduction in projected FY 2021 General Fund expenditures of \$113.5 million for the provisions related to the enhanced FMAP. In July 2020 MMB recognized these FY 2021 savings and costs, and Table 2 includes these changes.

- Table 2 also adds \$21.3 million in additional expenditures associated with the Governor's peacetime emergency, which was extended through August 2020.

Table 3

Table 3 shows total General Fund revenues, spending, and reserves for the enacted FY 2020-21 budget compared to the February 2020 forecast. The enacted FY 2020-21 budget includes the May 2020 budget projection and recognizes the July 2020 fiscal changes.

Table 4

Table 4 summarizes the FY 2020-21 General Fund budget by budget jurisdiction. The enacted budget appropriated \$48.7 billion in FY 2020-21 from the General Fund. As described in Table 5, this was \$307.9 million more than projected in the February 2020 forecast.

All Funds Budget Tables

Table 5

Table 5 summarizes the FY 2020-21 biennial budget for all funds. The enacted budget totaled \$89.3 billion. This includes the two-year budget for the General Fund and all other state funds from which operating budget appropriations are made. The enacted FY 2020-21 budget includes the May 2020 budget projection and the July 2020 fiscal changes.

Table 6

Table 6 displays the state's all funds budget by major budget jurisdiction. The significant increases in the E-12 Education; Health and Human Services; Agriculture, Environment, and Natural Resources; Jobs, Commerce, and Energy; and State Government and Veterans budget jurisdictions are attributable to federal funds allocated to the state to respond to the COVID-19 pandemic. Most of these increases were allocated from the federal CARES Act (P.L. 116-136). See Table 13 for the details of all federal COVID-19 funding.

Table 7

Table 7 shows total state revenues by fund. The display separates the General Fund and other state funds.

Table 8

Table 8 presents a Health Care Access Fund (HCAF) budgetary balance as of the end of the 2020 second special session and shows the change from the February 2020 forecast.

The May 2020 budget projection reduced FY 2020-21 projected revenue in the HCAF by \$126.7 million and increased projected expenditures by \$34.5 million. The projection estimated a FY 2021 balance of \$402.9 million in the HCAF. This balance includes \$759,000 in appropriations from Chapter 73, the Alec Smith Insulin Affordability Act, enacted before the May projection. This appropriation provides funding to administer the program.

During the summer of 2020, several fiscal changes occurred that were not enacted by legislation but resulted from current state law and federal law. As described with Table 2, in July 2020 MMB began recognizing costs attributable to the Governor's executive orders. These costs increased FY 2020-21 HCAF expenditures by \$12.1 million for uninterrupted coverage expenses in the MinnesotaCare program during the Governor's peacetime emergency. (The changes recognized in July also reduced projected FY 2022-23 HCAF revenue by \$282.5 million and increased expenditures by \$85.1 million.) In total, these changes, combined with the laws enacted in the first half of calendar year 2020, result in a HCAF balance of \$390.8 million at the end of FY 2020-21 and a negative balance of \$128.3 million at the end of FY 2022-23. The HCAF balance is \$174.1

million lower at the end of FY 2020-21 and \$419.8 million lower at the end of FY 2022-23, compared to the February forecast.

Table 9

The May 2020 budget projection estimated an 11 percent reduction (-\$78.3 million) in FY 2020-21 revenues for the four Legacy Funds as a result of lower projected sales tax collections. This projected revenue reduction resulted in a FY 2021 deficit for three of the four Legacy Funds. As a result, the Governor implemented a temporary spending reduction for those funds, which will delay FY 2021 spending items and allow them to be spent in FY 2022. Table 9 shows the revenue reductions from the May budget projection and from the executive actions used to reduce expenditures to keep the Legacy Funds at a statutorily required five percent fund balance.

State and Federal Response to COVID-19 Tables

Table 10

The 2020 Legislature enacted a number of spending bills in response to the state health emergency due to the COVID-19 pandemic. Table 10 shows the money appropriated to various state agencies by fund. This table does not include all state and federal resources that have been allocated for COVID-19, but only spending that was enacted by the Legislature.

The noteworthy expenditures displayed in Table 10 include:

- Chapter 66 transferred \$20.9 million from the General Fund to the public health response contingency account for public health response activities related to a potential outbreak of COVID-19.
- Chapter 70 transferred \$50 million from the General Fund to the public health response contingency account to provide funding for medical providers to plan for, prepare for, or respond to an outbreak of COVID-19. This chapter also established the Health Care Response Fund and transferred \$150 million to the newly created fund from the General Fund to provide grants to medical providers to plan for, prepare for, or respond to an outbreak of COVID-19.
- Chapter 71 appropriated \$29.9 million to the Commissioner of Human Services for grants to childcare providers during the peacetime emergency declared by the Governor. The childcare grants ensured that childcare would be available to essential workers and stabilized the provider network so that childcare would be available when the immediate effects of the outbreak of COVID-19 subsided.
- Chapter 71 appropriated \$9 million to the Commissioner of Human Services for grants to food shelf providers for emergency distribution of food, diapers, toilet paper, and other supplies during the COVID-19 peacetime emergency. In addition, Chapter 71 appropriated \$26.5 million for emergency services grants for services for homeless populations. This appropriation included \$15.2 million for housing in hotels or motels for homeless

individuals to promote health and safety and for isolation of individuals who are exposed to COVID-19 or experiencing respiratory illness. The Legislature allocated \$5 million of the appropriation for shelter providers to purchase cleaning and sanitation supplies and personal protective equipment and \$6.2 million to meet additional staffing requirements related to the outbreak of COVID-19.

- Chapter 71 transferred \$200 million from the General Fund to the COVID-19 Minnesota Fund to enable the Governor to respond quickly to the COVID-19 pandemic, and to provide flexible state funds that can be used to respond to unforeseen effects of the pandemic. This fund is examined in greater detail in Table 11.
- Chapter 71 appropriated \$30 million from the newly created loan guarantee trust fund account in the Special Revenue Fund to the Commissioner of Employment and Economic Development for the small business loan program. Of this amount, \$2.5 million is allocated to the commissioner for administration of the program. The money for the appropriation was transferred to the new account from the Minnesota 21st Century Minerals Fund (\$20 million) and the Minnesota Investment Fund (\$10 million).

Table 11

Table 11 shows the allocations from the state's COVID-19 Minnesota Fund (C19M). Chapter 71 established the COVID-19 Minnesota Fund and transferred \$200 million from the General Fund to the C19M Fund for state expenses due to the COVID-19 pandemic. Chapter 71 appropriated the funds to the Commissioner of Management and Budget and provided the commissioner with authority to disperse or transfer money from the C19M Fund to respond to the COVID-19 pandemic and to maintain state operations during the peacetime emergency.

Chapter 71 established the Legislative COVID-19 Response Commission (LCRC) to provide oversight over the C19M Fund. The LCRC is composed of ten legislators from the House of Representatives and the Senate. The House's LCRC members include the Speaker, Majority Leader, Minority Leader, and Ways and Means Committee chair and ranking minority member. The Senate LCRC members include the Majority Leader, Senate President, Minority Leader, and Finance Committee chair and ranking minority member.

Chapter 71 requires the Commissioner of MMB to submit individual C19M Fund expenditures in excess of \$1 million to the LCRC for a one-day review. If three members of the House and three members of the Senate LCRC membership state a negative recommendation in response to a proposed expenditure during the review period, the commissioner may not spend the money. Otherwise, the commissioner has authority to spend the money. Proposed expenditures less than \$1 million are not required to be submitted to the LCRC for review.

Table 11 displays the allocations from the C19M Fund as of August 12, 2020. The table displays individual requests that exceeded \$1 million and required LCRC review. All submitted requests have been approved. Individual requests of less than \$1 million are summarized by type of expenditure. \$190.9 million of the original \$200 million C19M Fund money has been approved for expenditure, leaving a remaining fund balance of \$9.1 million.

Table 12

The state received an allocation of \$2.2 billion from the federal government in coronavirus relief funds. The funds are distributed to states based on each state's share of the national population. Table 12 displays the distribution of Minnesota's federal coronavirus relief funds to the agencies, constitutional officers, and other branches of government that received this money as of August 12, 2020.

Federal coronavirus relief money was allocated to states and local governments throughout the United States to help state and local governments respond to the public health and economic costs of the pandemic. The funds are relatively flexible and are to be used to directly respond to state and local government COVID-19 expenses. The funds may not be used to replace reduced state and local revenues. According to federal law (P.L. 116-136) and U.S. Treasury Department guidelines, states and local governments must use coronavirus relief money for COVID-19 related expenses, cannot be assumed in the existing state or local government budget, and must be for expenses incurred between March 1, 2020, and December 30, 2020.

The federal law also permits coronavirus relief funds to be distributed directly to a local government with a population in excess of 500,000 persons if the eligible local government applies for the funds from the U.S. Treasury Department. State governments receive the difference between the total state distribution and the amount allocated to eligible local governments. In Minnesota, Hennepin and Ramsey counties received allocations directly from the U.S. Treasury Department, totaling \$316.9 million. After the reduction for the counties, the state's allocation was \$1.9 billion. Minnesota established a state Coronavirus Relief Federal Fund (CRF) to receive the state's allocation.

Money from the CRF has been allocated for statewide COVID-19 expenses based largely upon recommendations of the executive branch. Throughout the summer of 2020, state agencies, constitutional officers, the Courts, and the Legislature have identified COVID-19 related costs, and MMB has submitted detailed requests for CRF expenditures for these costs to the Legislative Advisory Commission (LAC) for its review. Under the current law process for reviewing requests to spend federal funds, the LAC has ten days to review the recommended expenditures and may offer advice, but the LAC has no authority to stop a recommended expenditure of the funds.

As of August 12, 2020, 89.6 percent of the state's CRF allocation (\$1.7 billion) has been approved for expenditure, leaving a balance of \$195.2 million. There have been 69 separate requests to spend CRF funds on the COVID-19 response. Most individual requests have been for expenses at the Department of Health (17 requests) and the Department of Human Services (12 requests). Together, these requests represent 19.5 percent of Minnesota's state allocation. The three largest individual allocations of CRF money have been for local governments (\$841.5 million, 44.9 percent) through the Department of Revenue, for schools (\$255 million, 13.6 percent) through the Department of Education, and for housing assistance (\$100 million, 5.3 percent) through the Minnesota Housing Finance Agency.

Table 13

Table 13 shows all federal funds that have been allocated to Minnesota from the three major relief initiatives related to COVID-19. Table 13 shows the amounts that have been allocated to various state agencies and also amounts that have been allocated directly to non-state entities in Minnesota. The information for this table is from data reported by *Federal Funds Information for States* (FFIS).

Table 14

Table 14 lists all session laws enacted in 2020 that had fiscal implications or affected fiscal policy.

2020 FISCAL SUMMARY

Table 1
General Fund Summary Fund Balance Analysis, FY 2018-2023
(dollars in thousands)

| | <u>FY 2018-19</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2020-21</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>FY 2022-23</u> |
|--|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| February Forecast | | | | | | | |
| <u>Actual & Estimated Resources</u> | | | | | | | |
| Balance Forward | 3,333,262 | 3,971,359 | 3,782,376 | 3,971,359 | 4,351,156 | 4,415,452 | 4,351,156 |
| Current Resources | <u>46,039,475</u> | <u>23,740,480</u> | <u>25,011,892</u> | <u>48,752,372</u> | <u>25,370,361</u> | <u>26,130,880</u> | <u>51,501,241</u> |
| Total Resources | 49,372,737 | 27,711,839 | 28,794,268 | 52,723,731 | 29,721,517 | 30,546,332 | 55,852,397 |
| <u>Actual & Estimated Expenditures</u> | | | | | | | |
| Total Net Spending | 45,401,378 | 23,929,463 | 24,443,112 | 48,372,575 | 25,306,065 | 25,729,541 | 51,035,606 |
| Balance Before Reserves | 3,971,359 | 3,782,376 | 4,351,156 | 4,351,156 | 4,415,452 | 4,816,791 | 4,816,791 |
| Total Reserves | 2,550,786 | 2,786,926 | 2,838,412 | 2,838,412 | 2,408,838 | 2,480,037 | 2,480,037 |
| Budgetary Balance | 1,420,573 | 995,450 | 1,512,744 | 1,512,744 | 2,006,614 | 2,336,754 | 2,336,754 |
| May Projection, Enacted Budget and July Assumptions | | | | | | | |
| <u>Actual & Estimated Resources</u> | | | | | | | |
| Balance Forward | 3,333,262 | 3,971,359 | 2,910,781 | 3,971,359 | 450,869 | (2,136,208) | 450,869 |
| Current Resources | <u>46,039,475</u> | <u>23,129,928</u> | <u>22,030,032</u> | <u>45,159,960</u> | <u>22,912,066</u> | <u>23,734,959</u> | <u>46,647,025</u> |
| Total Resources | 49,372,737 | 27,101,287 | 24,940,813 | 49,131,319 | 23,362,935 | 21,598,751 | 47,097,894 |
| <u>Actual & Estimated Expenditures</u> | | | | | | | |
| Total Net Spending | 45,401,378 | 24,190,506 | 24,489,944 | 48,680,450 | 25,499,143 | 25,891,625 | 51,390,768 |
| Balance Before Reserves | 3,971,359 | 2,910,781 | 450,869 | 450,869 | (2,136,208) | (4,292,874) | (4,292,874) |
| <u>Reserves</u> | | | | | | | |
| Total Reserves | 2,550,786 | 2,764,750 | 2,793,574 | 2,793,574 | 2,316,777 | 2,336,892 | 2,336,892 |
| Budgetary Balance | 1,420,573 | 146,031 | (2,342,705) | (2,342,705) | (4,452,985) | (6,629,766) | (6,629,766) |
| Difference | | | | | | | |
| <u>Actual & Estimated Resources</u> | | | | | | | |
| Balance Forward | - | - | (871,595) | - | (3,900,287) | (6,551,660) | (3,900,287) |
| Current Resources | - | (610,552) | (2,981,860) | (3,592,412) | (2,458,295) | (2,395,921) | (4,854,216) |
| Total Resources | - | (610,552) | (3,853,455) | (3,592,412) | (6,358,582) | (8,947,581) | (8,754,503) |
| <u>Actual & Estimated Expenditures</u> | | | | | | | |
| Total Net Spending | - | 261,043 | 46,832 | 307,875 | 193,078 | 162,084 | 355,162 |
| Balance Before Reserves | - | (871,595) | (3,900,287) | (3,900,287) | (6,551,660) | (9,109,665) | (9,109,665) |
| <u>Reserves</u> | | | | | | | |
| Total Reserves | - | (22,176) | (44,838) | (44,838) | (92,061) | (143,145) | (143,145) |
| Budgetary Balance | - | (849,419) | (3,855,449) | (3,855,449) | (6,459,599) | (8,966,520) | (8,966,520) |

Table 2
FY 2020-21 General Fund Budgetary Balance and Change Detail
2020 Legislative Sessions
(dollars in thousands)

| | | |
|---|-----------------|--------------------|
| Projected Budgetary Balance, February 2020 Forecast | | 1,512,744 |
| <u>May Projection Revenue Change Items</u> | | |
| Individual Income Tax | | (1,659,300) |
| Corporate Income Tax | | (404,579) |
| Sales Tax | | (1,350,968) |
| Other Taxes | | (96,174) |
| Investment Income | | (100,000) |
| Subtotal, May Projection Revenue Changes | | (3,611,021) |
| <u>May Projection Expenditure & Budget Reserve Changes</u> | | |
| | <u>Agency</u> | |
| MA Reduction, Enhanced FMAP (56.2% match), January-June | DHS | (329,516) |
| Medical Assistance & Other DHS Forecasted Programs | DHS | 62,609 |
| Governor's Executive Orders Expenditures* | DHS | 107,354 |
| Stadium Reserve Recalculation | | (63,459) |
| Subtotal, May Projection Expenditure & Reserve Changes | | (223,012) |
| Adjusted May Projection Budgetary Balance (Excluding Previous Enactments) | | (1,875,265) |
| <i>Net Enactments Before May Projection (Chpts. 66-74)</i> | | <i>(550,370)</i> |
| Projected Budgetary Balance, May 5, 2020 | | (2,425,635) |
| <u>Enacted Revenue Change Items</u> | | |
| | <u>Agency</u> | |
| Ch. 106, Hairstyling and Makeup Services Exemption from Licensure, Fee Reduction | BdCosmetology | (12) |
| <u>Enacted Appropriations Changes</u> | | |
| | <u>Agency</u> | |
| Ch. 66, Transfer to Public Health Contingency Response Account, COVID-19 | MDH | 20,889 |
| Ch. 68, Transfer to Disaster Assistance Contingency Account | DPS | 30,000 |
| Ch. 70, Transfer to Public Health Response Contingency Account, COVID-19, Hospital: | MDH | 50,000 |
| Ch. 70, Transfer to Health Care Response Fund, COVID-19, Hospitals | MDH | 150,000 |
| Ch. 71, Peacetime Emergency Child Care Grants | DHS | 29,964 |
| Ch. 71, Food Shelf Grants | DHS | 9,000 |
| Ch. 71, Emergency Assistance for Homeless Populations | DHS | 26,537 |
| Ch. 71, Housing Support Rate Increase | DHS | 5,530 |
| Ch. 71, Small Business Guarantee Loan Program | DEED | 10,000 |
| Ch. 71, Special Emergency Grants | DVA | 6,200 |
| Ch. 71, Tribal Nations Grants | DOR | 11,000 |
| Ch. 71, Transfer to COVID-19 Minnesota Fund | MMB | 200,000 |
| Ch. 74, Second Harvest Food Bank Grants | DOA | 1,250 |
| Ch. 77, Transfer to HAVA Account, SRF | SecState | 1,478 |
| Ch. 77, Transfer to HAVA Account for CARES Act, SRF | SecState | 1,386 |
| Ch. 78, Prescription Drug Transparency Act, Agency Cost Adjustment | MDH | (655) |
| Ch. 106, Hairstyling and Makeup Services Exemption from Licensure, Bd Approp Redu | BdCosmetology | (12) |
| Ch. 116, Education Aid Adjustments | MDE | (267) |
| Ch. 116, Teacher Licensure IT System for Conditional Licenses | PESLB | 49 |
| 2nd Spec Sess, Ch. 1, Law Enforcement Incident Database | POST Board | 3,500 |
| 2nd Spec Sess, Ch. 1, Advisory Council, Database & Training | POST Board | 264 |
| 2nd Spec Sess, Ch. 1, Rulemaking and Staffing | Mediation Svces | 120 |
| 2nd Spec Sess, Ch. 1, BCA ,Special Investigations Unit & Autism Training | DPS | 3,373 |
| Subtotal; Enacted Appropriations Changes | | 559,606 |

Table 2
FY 2020-21 General Fund Budgetary Balance and Change Detail
2020 Legislative Sessions
(dollars in thousands)

| | |
|---|--------------------|
| Projected Budgetary Balance, End of Legislative Sessions (Adjusted May and End of Sessions) | (2,434,883) |
| <u>Recognized Revenue Changes, July 2020</u> | |
| Transfer in Assigned Risk Surplus | 18,621 |
| <u>Recognized Early Forecasted Expenditure Changes, July 2020</u> | |
| | <u>Agency</u> |
| MA Reduction, Enhanced FMAP (56.2% match), July-September | DHS (258,683) |
| MA Continuous Coverage Requirements for Enhanced FMAP, July-September | DHS 145,231 |
| Governor's Executive Orders Expenditures | DHS 21,274 |
| Subtotal: Recognized Early Forecasted Expenditure Changes | (92,178) |
| <u>Recognized Reserve Changes, July 2020</u> | |
| Transfer Assigned Risk Surplus to Budget Reserve | 18,621 |
| Revised Balance, FY 2020-21, (May Projection, End of Sessions, Recognized July Changes) | (2,342,705) |
| * This amount includes the cost to meet the medical continuous assistance coverage requirements for the state to receive enhanced FMAP funds from the federal government. | |

Table 3
FY 2020-21 General Fund Budget
Comparison of Enacted FY 2020-21 Budget to FY 2018-19 and to Forecast
(dollars in millions)

| | FY 2018-19 | FY 2020-21 Forecast Base * | FY 2020-21 May Proj/ Enacted ** | Change: Enacted - FY 2018-19 | Change: Enacted - Fcst Base |
|---|-------------------|---|--|---|--|
| Balance Forward (Including Reserves) | 3,333.3 | 3,971.4 | 3,971.4 | 638.1 | - |
| Current Revenues | 46,039.5 | 48,752.4 | 45,160.0 | (879.5) | (3,592.4) |
| Total Resources | 49,372.7 | 52,723.7 | 49,131.3 | (241.4) | (3,592.4) |
| Spending | 45,401.4 | 48,372.6 | 48,680.5 | 3,279.1 | 307.9 |
| Reserves | 2,550.8 | 2,838.4 | 2,793.6 | 242.8 | (44.8) |
| Budgetary Balance | 1,420.6 | 1,512.7 | (2,342.7) | (3,763.3) | (3,855.4) |
| * February 2020 Forecast | | | | | |
| ** Includes May Projection changes, 2020 Legislative Sessions enactments, and July 2020 budget recognitions | | | | | |

2020 FISCAL SUMMARY

Table 4
General Fund Biennial Budget by Budget Area
Comparison of Enacted FY 2020-21 Budget to 2018-19 and to Forecast
(dollars in millions)

| | FY 2018-19 | FY 2020-21 Forecast Base * | FY 2020-21 May Proj/ Enacted ** | Change: Enacted - FY 2018-19 | Change: Enacted - Fcst Base |
|---------------------------------------|-------------------|---|--|---|--|
| E-12 Education | 18,820.9 | 19,998.9 | 19,998.7 | 1,177.8 | (0.2) |
| Higher Education | 3,293.6 | 3,406.2 | 3,406.2 | 112.5 | - |
| Property Tax Aids and Credits | 3,650.5 | 3,872.2 | 3,883.2 | 232.7 | 11.0 |
| Health and Human Services | 13,298.2 | 14,682.0 | 14,721.6 | 1,423.4 | 39.5 |
| Agric, Env & Natural Resources | 482.6 | 469.3 | 470.5 | (12.1) | 1.3 |
| Jobs, Commerce and Energy | 533.0 | 492.9 | 503.0 | (30.0) | 10.1 |
| Judiciary and Public Safety | 2,356.6 | 2,513.9 | 2,551.1 | 194.5 | 37.1 |
| Transportation and Public Safety | 362.6 | 348.6 | 348.6 | (13.9) | - |
| State Government and Veterans | 1,196.4 | 1,206.6 | 1,415.7 | 219.3 | 209.1 |
| Debt Service, Cap. Projects and Other | 1,407.0 | 1,402.0 | 1,402.0 | (5.1) | - |
| Cancellations and Other | - | (20.0) | (20.0) | (20.0) | - |
| Total Spending | 45,401.3 | 48,372.6 | 48,680.5 | 3,279.1 | 307.9 |

* February 2020 Forecast

** Includes May Projection changes, 2020 Legislative Sessions enactments, and July 2020 budget recognitions

Table 5
All Funds Biennial Budget -- FY 2020-21, By Fund
Comparison of Enacted FY 2020-21 Budget to FY 2018-19 and to Forecast
(dollars in millions)

| | FY 2018-19 | FY 2020-21 Forecast Base * | FY 2020-21 May Proj/ Enacted ** | Change: Enacted - FY 2018-19 | Change: Enacted - Fest Base |
|------------------------------------|-------------------|---|--|---|--|
| General Fund | 45,401.3 | 48,372.6 | 48,680.5 | 3,279.1 | 307.9 |
| General Fund Transfer Out | (3,986.1) | (3,861.2) | (4,323.1) | (337.0) | (461.9) |
| Health Care Access Fund | 1,072.9 | 1,511.1 | 1,558.5 | 485.6 | 47.4 |
| Federal Funds | 22,546.2 | 25,707.4 | 26,326.4 | 3,780.2 | 619.0 |
| Coronavirus Relief Federal Fund*** | - | - | 1,678.2 | 1,678.2 | 1,678.2 |
| Other Funds | 14,611.2 | 15,016.2 | 15,359.2 | 747.9 | 343.0 |
| All Funds Total | 79,645.6 | 86,746.1 | 89,279.7 | 9,634.1 | 2,533.5 |

* February 2020 Forecast

** Includes May Projection changes, 2020 Legislative Sessions enactments, and July 2020 budget recognitions

*** Includes all appropriations from the Coronavirus Relief Fund (CRF) enacted by law, and all proposed allocations from the CRF submitted to the Legislative Advisory Commission (LAC) as of August 12, 2020. See Table 12 for detailed expenditures and available fund balance.

Table 6
All Funds Biennial Budget -- FY 2020-21, By Budget Area
Comparison of Enacted FY 2020-21 Budget to FY 2018-19 and to Forecast
(dollars in millions)

| | FY 2018-19 | FY 2020-21 Forecast Base * | FY 2020-21 May Proj/ Enacted ** | Change: Enacted - FY 2018-19 | Change: Enacted - Fest Base |
|-----------------------------------|-------------------|---|--|---|--|
| E-12 Education | 20,477.2 | 21,953.3 | 22,371.7 | 1,894.5 | 418.4 |
| Higher Education | 3,396.3 | 3,496.3 | 3,496.3 | 99.9 | - |
| Property Tax Aids and Credits | 3,667.6 | 3,873.2 | 3,884.2 | 216.7 | 11.0 |
| Health and Human Services | 35,489.4 | 39,127.8 | 40,173.1 | 4,683.7 | 1,045.3 |
| Agric, Env, and Natural Resources | 2,136.6 | 2,426.2 | 2,545.4 | 408.8 | 119.2 |
| Jobs, Commerce, and Energy | 1,921.6 | 2,307.2 | 2,530.2 | 608.7 | 223.0 |
| Judiciary and Public Safety | 2,789.6 | 2,874.0 | 2,936.7 | 147.0 | 62.6 |
| Transportation and Public Safety | 7,723.3 | 8,695.0 | 8,725.9 | 1,002.6 | 30.9 |
| State Government and Veterans | 2,367.2 | 2,656.5 | 3,741.4 | 1,374.2 | 1,084.9 |
| Debt Service and Capital Projects | 3,662.8 | 3,217.9 | 3,217.9 | (445.0) | - |
| Cancellations and Other | (3,986.1) | (3,881.2) | (4,343.1) | (357.0) | (461.9) |
| Total for Budget Area | 79,645.6 | 86,746.1 | 89,279.7 | 9,634.1 | 2,533.5 |

* February 2020 Forecast

** Includes May Projection changes, 2020 Legislative Sessions enactments, and July 2020 budget recognitions

Table 7
All Funds Biennial Revenues -- FY 2020-21, By Fund
Comparison of Enacted FY 2020-21 Budget to FY 2018-19 and to Forecast
(dollars in millions)

| | FY 2018-19 | FY 2020-21 Forecast Base * | FY 2020-21 May Proj/ Enacted ** | Change: Enacted - FY 2018-19 | Change: Enacted - Fcst Base |
|---|-----------------|----------------------------------|---------------------------------------|------------------------------------|-----------------------------------|
| General Fund | 46,039.5 | 48,752.4 | 45,160.0 | (879.5) | (3,592.4) |
| Nongeneral Funds | | | | | |
| Health Care Access Fund | 1,666.2 | 1,704.5 | 1,577.8 | (88.4) | (126.7) |
| Transit Assistance | 706.8 | 770.0 | 653.0 | (53.8) | (117.0) |
| Highway User Tax | 4,583.8 | 5,052.9 | 4,656.4 | 72.6 | (396.5) |
| Legacy Funds (four funds total) | 669.7 | 734.0 | 655.8 | (13.9) | (78.2) |
| Federal Funds | 22,095.7 | 25,187.6 | 25,804.6 | 3,708.9 | 617.0 |
| Coronavirus Relief Federal Fund | - | - | 1,873.4 | 1,873.4 | 1,873.4 |
| Other (Incl Transfers & Prior Yr Adjustments) | 17,773.8 | 18,060.3 | 18,041.1 | 267.3 | (19.2) |
| Subtotal, Nongeneral Funds | 47,496.0 | 51,509.3 | 53,262.0 | 5,766.0 | 1,752.7 |
| Total Revenues | 93,535.5 | 100,261.7 | 98,422.0 | 4,886.5 | (1,839.7) |
| * February 2020 Forecast | | | | | |
| ** Includes May Projection changes, 2020 Legislative Sessions enactments, and July 2020 budget recognitions | | | | | |

2020 FISCAL SUMMARY

Table 8
Health Care Access Fund Summary Analysis, FY 2018-2023
End of 2020 Legislative Sessions
(dollars in thousands)

| | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| February 2020 Forecast | | | | | | |
| Actual & Estimated Resources | | | | | | |
| Carryforward | 713,973 | 690,957 | 636,130 | 636,189 | 564,900 | 375,142 |
| Prior Year Adjustments | - | 1,517 | - | - | - | - |
| Revenue | 816,246 | 849,905 | 857,237 | 847,273 | 886,132 | 928,907 |
| Transfers In | - | - | 7,200 | - | - | - |
| Total Resources | 1,530,219 | 1,542,379 | 1,500,567 | 1,483,462 | 1,451,032 | 1,304,049 |
| Actual & Estimated Uses | | | | | | |
| Expenditures | 503,246 | 569,668 | 728,480 | 782,664 | 939,992 | 876,723 |
| Transfers Out | 336,016 | 336,581 | 135,898 | 135,898 | 135,898 | 135,898 |
| Total Uses | 839,262 | 906,249 | 864,378 | 918,562 | 1,075,890 | 1,012,621 |
| Balance | 690,957 | 636,130 | 636,189 | 564,900 | 375,142 | 291,428 |
| May Projection and Enacted Budget | | | | | | |
| Actual & Estimated Resources | | | | | | |
| Carryforward | 713,973 | 690,957 | 636,130 | 621,042 | 390,807 | 12,851 |
| Prior Year Adjustments | - | 1,517 | - | - | - | - |
| Revenue | 816,246 | 849,905 | 840,455 | 737,315 | 756,726 | 775,765 |
| Transfers In | - | - | 7,200 | - | - | - |
| Total Resources | 1,530,219 | 1,542,379 | 1,483,785 | 1,358,357 | 1,147,533 | 788,616 |
| Actual & Estimated Uses | | | | | | |
| Expenditures | 503,246 | 569,668 | 726,298 | 819,341 | 998,628 | 902,976 |
| <i>Enacted Changes:</i> | | | | | | |
| Alec Smith Insulin Affordability Act | - | - | 547 | 212 | 156 | 76 |
| <i>Executive Orders and Administrative Actions</i> | | | | | | |
| Continuous Coverage in MinnesotaCare | - | - | - | 12,099 | - | - |
| Total Expenditures | 503,246 | 569,668 | 726,845 | 831,652 | 998,784 | 903,052 |
| Transfers Out | 336,016 | 336,581 | 135,898 | 135,898 | 135,898 | 13,898 |
| Total Transfers Out | 336,016 | 336,581 | 135,898 | 135,898 | 135,898 | 13,898 |
| Total Uses | 839,262 | 906,249 | 862,743 | 967,550 | 1,134,682 | 916,950 |
| Balance | 690,957 | 636,130 | 621,042 | 390,807 | 12,851 | (128,334) |
| Difference | | | | | | |
| Actual & Estimated Resources | | | | | | |
| Carryforward | - | - | - | (15,147) | (174,093) | (362,291) |
| Prior Year Adjustments | - | - | - | - | - | - |
| Revenue | - | - | (16,782) | (109,958) | (129,406) | (153,142) |
| Transfers Out | - | - | - | - | - | - |
| Total Resources | - | - | (16,782) | (125,105) | (303,499) | (515,433) |
| Actual & Estimated Uses | | | | | | |
| Expenditures | - | - | (1,635) | 48,988 | 58,792 | 26,329 |
| Transfers Out | - | - | - | - | - | (122,000) |
| Total Uses | - | - | (1,635) | 48,988 | 58,792 | (95,671) |
| Balance | - | - | (15,147) | (174,093) | (362,291) | (419,762) |

2020 FISCAL SUMMARY

Table 9
FY 2020-21 Legacy Funds
(dollars in thousands)

| | 2020 Feb Forecast <u>FY2020-21</u> | 2020 May Projection <u>FY2020-21</u> | Change from February Forecast | 2020 Activity <u>FY2020-21</u> | Change from May Projection | |
|--|---|---|--|---|---|------------------|
| Total Revenue | | | | | | |
| Outdoor Heritage Fund | 247,348 | 221,510 | (25,838) | 221,510 | - | |
| Clean Water Fund | 241,846 | 216,008 | (25,838) | 216,008 | - | |
| Parks & Trails Fund | 103,389 | 92,232 | (11,157) | 92,232 | - | |
| <u>Arts & Cultural Heritage Fund</u> | <u>141,549</u> | <u>126,091</u> | <u>(15,458)</u> | <u>126,091</u> | <u>-</u> | |
| Total Revenue | 734,132 | 655,841 | (78,291) | 655,841 | - | |
| Expenditures/Actuals | | | | | | |
| Outdoor Heritage Fund | 217,542 | 217,542 | - | 335,457 | 117,915 | Chpt. 104 |
| Clean Water Fund | 325,442 | 325,442 | - | 307,809 | (17,633) | Executive action |
| Parks & Trails Fund | 123,334 | 123,334 | - | 116,776 | (6,558) | Executive action |
| <u>Arts & Cultural Heritage Fund</u> | <u>141,672</u> | <u>141,672</u> | <u>-</u> | <u>132,037</u> | <u>(9,635)</u> | Executive action |
| Total Expenditures | 807,990 | 807,990 | - | 892,079 | 84,089 | |
| Fund Balances | | | | | | |
| Outdoor Heritage Fund | 120.2% | 119.4% | | 5.00% | | |
| Clean Water Fund | 11.0% | -12.9% | | 5.02% | | |
| Parks & Trails Fund | 13.0% | -10.4% | | 4.99% | | |
| Arts & Cultural Heritage Fund | 12.3% | -11.3% | | 5.03% | | |

* In order to maintain a statutorily required five percent fund balance within the Legacy Funds, the Governor used executive action to delay the expenditure of a portion of some appropriations that were originally to be spent in FY 2021 to be spent in FY 2022.

2020 FISCAL SUMMARY

Table 10
FY 2020-21 COVID-19 Enactments
2020 Legislative Sessions (as of August 12, 2020)
(dollars in thousands)

| Agency/Item | Fund | FY 2020 | FY 2021 | FY 2020-21 | Chapter | Bill |
|--|----------|----------------|--------------|----------------|------------|---------|
| <u>Appropriations</u> | | | | | | |
| Health | | | | | | |
| COVID-19 Public Health Response | SRF | 20,889 | - | 20,889 | 66 | SF 3813 |
| COVID-19 Public Health Response | SRF | 50,000 | - | 50,000 | 70 | SF 4334 |
| Health Care Response Provider Grants | HCRF | 150,000 | - | 150,000 | 70 | SF 4334 |
| Human Services | | | | | | |
| Peacetime Emergency Care Grants | General | 29,964 | - | 29,964 | 71 | HF 4531 |
| Food Shelf Program | General | 9,000 | - | 9,000 | 71 | HF 4531 |
| Emergency Assistance for Homeless Populations | General | 26,537 | - | 26,537 | 71 | HF 4531 |
| Housing Support Rate Increase | General | 5,530 | - | 5,530 | 71 | HF 4531 |
| Modification to Housing Support Temporary Absence Policy | CRF | - | 1,135 | 1,135 | 7 (1st SS) | HF 105 |
| Employment and Economic Development | | | | | | |
| Small Business Loan Guarantee Program | General | 10,000 | - | 10,000 | 71 | HF 4531 |
| Small Business Emergency Loan Program | SRF | 27,500 | - | 27,500 | 71 | HF 4531 |
| Agency Administration Small Business Loan Program | SRF | 2,500 | - | 2,500 | 1 (1st SS) | HF 5 |
| Small Business Relief Grants | CRF | 60,000 | - | 60,000 | 1 (1st SS) | HF 5 |
| Management and Budget | | | | | | |
| COVID-19 Expenses Throughout Minnesota | COVID-19 | 200,000 | - | 200,000 | 71 | HF 4531 |
| Veterans Affairs | | | | | | |
| Special Emergency Grants | General | 6,200 | - | 6,200 | 71 | HF 4531 |
| Revenue | | | | | | |
| Tribal Nations Grants | General | 11,000 | - | 11,000 | 71 | HF 4531 |
| Public Safety | | | | | | |
| Driver's License Processing | SRF | 2,400 | - | 2,400 | 71 | HF 4531 |
| Secretary of State | | | | | | |
| Election Safety | HAVA | 6,931 | 1,386 | 8,317 | 77 | HF 3429 |
| Agriculture | | | | | | |
| Grants to Second Harvest Heartland | General | 1,250 | - | 1,250 | 74 | HF 4556 |
| Grants to farmers for farm loan origination fees | CRF | 175 | - | 175 | 101 | HF 4490 |
| Farm Advocate Services in response to COVID-19 crisis | CRF | 60 | - | 60 | 101 | HF 4490 |
| Grants to retail food handlers | CRF | 125 | - | 125 | 101 | HF 4490 |
| Grants to meat and poultry processors | CRF | 100 | - | 100 | 101 | HF 4490 |
| Community Outreach on farms and rural mental health services | CRF | 40 | - | 40 | 101 | HF 4490 |
| Assistance to farmers and ag businesses | CRF | 100 | - | 100 | 101 | HF 4490 |
| Education | | | | | | |
| Achievement and Integration Aid | General | (708) | 630 | (78) | 116 | HF 4415 |
| Developmental Screening Aid | General | (10) | 1 | (9) | 116 | HF 4415 |
| Statewide Testing and Reporting System | General | (180) | - | (180) | 116 | HF 4415 |
| PELSB - Teacher Licensure System IT | General | - | 49 | 49 | 116 | HF 4415 |
| Total Appropriations | | 619,403 | 3,201 | 622,604 | | |

2020 FISCAL SUMMARY

Table 10
FY 2020-21 COVID-19 Enactments
2020 Legislative Sessions (as of August 12, 2020)
(dollars in thousands)

| Agency/Item | Fund | FY 2020 | FY 2021 | FY 2020-21 | Chapter | Bill |
|---|----------|----------------|--------------|----------------|---------|---------|
| <u>Transfers</u> | | | | | | |
| Health | | | | | | |
| Transfer Out to Public Health Response Contingency Acct | General | (20,889) | - | (20,889) | 66 | SF 3813 |
| Transfer In from General Fund | SRF | 20,889 | - | 20,889 | 66 | SF 3813 |
| Transfer Out to Public Health Response Contingency Acct | General | (50,000) | - | (50,000) | 70 | SF 4334 |
| Transfer Out to Health Care Response Fund | General | (150,000) | - | (150,000) | 70 | SF 4334 |
| Transfer In from General Fund | SRF | 50,000 | - | 50,000 | 70 | SF 4334 |
| Transfer In from General Fund | HCRF | 150,000 | - | 150,000 | 70 | SF 4334 |
| Employment and Economic Development | | | | | | |
| Transfer Out to Small Business Loan Account | M21CF | (20,000) | - | (20,000) | 71 | HF 4531 |
| Transfer Out to Small Business Loan Account | MIF | (10,000) | - | (10,000) | 71 | HF 4531 |
| Transfer In from Minnesota 21st Century Fund | SRF | 20,000 | - | 20,000 | 71 | HF 4531 |
| Transfer In from Minnesota Investment Fund | SRF | 10,000 | - | 10,000 | 71 | HF 4531 |
| Management and Budget | | | | | | |
| Transfer Out to COVID-19 Minnesota Fund | General | (200,000) | - | (200,000) | 71 | HF 4531 |
| Transfer In from General Fund | COVID-19 | 200,000 | - | 200,000 | 71 | HF 4531 |
| Secretary of State | | | | | | |
| Transfer Out to Help America Vote Act Account | General | - | (1,386) | (1,386) | 77 | HF 3429 |
| Transfer In from General Fund | HAVA | - | 1,386 | 1,386 | 77 | HF 3429 |
| Total Net Transfers | | - | - | - | | |
| NET: GRAND TOTAL | | 619,403 | 3,201 | 622,604 | | |
| <u>Summary: Change by Fund</u> | | | | | | |
| General Fund | General | 519,472 | 2,066 | 521,538 | | |
| Special Revenue Fund | SRF | 2,400 | - | 2,400 | | |
| Health Care Response Fund | HCRF | - | - | - | | |
| COVID-19 Minnesota Fund | COVID-19 | - | - | - | | |
| Minnesota 21st Century Fund | M21CF | 20,000 | - | 20,000 | | |
| Minnesota Investment Fund | MIF | 10,000 | - | 10,000 | | |
| Help America Vote Act Account | HAVA | 6,931 | - | 6,931 | | |
| Coronavirus Relief Fund | CRF | 60,600 | 1,135 | 61,735 | | |

2020 FISCAL SUMMARY

Table 11
COVID-19 Minnesota Fund Spending Allocations
As of August 12, 2020
Dollars in 000s

| <u>Action Order No.</u> | <u>Agency</u> | <u>Item</u> | FY 2020-21 Tracking |
|---|---------------|---|----------------------------|
| Resources | | | |
| Chapter 71, Transfer In from General Fund | | | 200,000 |
| Total Resources | | | 200,000 |
| Uses | | | |
| <u>Uses Submitted to Legislative COVID-19 Response Commission*</u> | | | |
| LCRC-1 | MDH | Ventilators | 31,500 |
| LCRC-2 | MDH | N95 Respirators | 4,000 |
| LCRC-3 | MDH | Amend LCRC-2 to \$16M | 12,000 |
| LCRC-4 | MDH | PPE-Gowns | 8,000 |
| LCRC-5 | MDH | PPE-Gowns | 7,000 |
| LCRC-6 | MDH | PPE-Surgical Masks | 5,400 |
| LCRC-7 | DOC | Manage COVID-19 Related Demands for March/April | 2,255 |
| LCRC-8 | MDH | Amend LCRC Requests #1-6 for Critical Supply Needs | - |
| LCRC-9 | MDH | Rapid and Widespread Testing for COVID-19 | 36,000 |
| LCRC-10 | MDH | Preparation of Community Alternative Care Site | 1,840 |
| LCRC-11 | Agr | Euthanasia for Pork | 10,952 |
| LCRC-12 | MDH | Community Engagement and Outreach | 2,250 |
| LCRC-13 | Adm | Storage Facility for Human Remains | 6,900 |
| LCRC-14 | MDH | Gown Purchase, Flexibility for Critical Care Supplies | 21,550 |
| LCRC-15 | DHS | Isolation Space for Individuals Experiencing Homelessness | 7,200 |
| LCRC-16 | MDH | Regional Mobile Testing Strike Teams for Priority Settings | 3,000 |
| LCRC-17 | MDH | PPE-Gowns, Washable | 8,500 |
| LCRC-18 | MDH | Nasopharyngeal 3D Printed Swabs | 4,359 |
| LCRC-19 | MDH | PPE-Gloves, Flexible Funds Use | 2,557 |
| LCRC-20 | MNZoo | Maintain Minnesota Zoo Operations During COVID-19 Pandemic | 6,000 |
| Subtotal | | | 181,264 |
| <u>Summary of Individual Requests Valued at Less Than \$1M Each *</u> | | | |
| | MDH | Personal Protective Equipment (16 requests) | 4,357 |
| | MDH | Respirators and Other Medical Equipment (5 requests) | 1,083 |
| | MDH | Testing Equipment (4 requests) | 2,740 |
| | MDH | Patient and Equipment Tracking System Software (2 requests) | 150 |
| | MDH | Hand Sanitizer | 455 |
| | DHS | Direct Food Assistance to Tribal Nations | 386 |
| | MDH | Care Sites and Other Professional Contracts (2 requests) | 448 |
| Subtotal | | | 9,619 |
| Total Uses | | | 190,883 |
| Summary | | | |
| Total Resources | | | 200,000 |
| Total Uses | | | 190,883 |
| Balance | | | 9,117 |

* The Commissioner of Management and Budget may authorize expenditures of \$1 million or less. An expenditure request in excess of \$1 million must be submitted to the Legislative COVID-19 Response Commission for review and recommendation before it can be authorized.

| Table 12 | | |
|--|--------------------------------|--------------------------------|
| Coronavirus Relief Federal Fund Enactments and Allocations by Agency | | |
| As of August 12, 2020 * | | |
| <i>Dollars in 000s</i> | | |
| | FY 2020-21 Tracking | % of Total MN Alloc |
| Total Federal Resources | | |
| <u>Minnesota State Distribution</u> | 2,186,827 | |
| Local Government Direct Allocations | | |
| -- Hennepin County | (220,880) | |
| -- Ramsey County | (96,027) | |
| Subtotal, Local Government Direct Allocations | (316,907) | |
| Interest Earned on CRF Funds | 3,437 | |
| State of Minnesota Allocation + Interest | 1,873,357 | |
| Uses By Agency/Branch of Government | | |
| <u>Executive Branch Agencies</u> | | |
| Board on Aging | 11,300 | 0.6% |
| Department of Administration | 402 | 0.0% |
| Department of Agriculture | 6,600 | 0.4% |
| Department of Corrections | 9,090 | 0.5% |
| Department of Education | 255,123 | 13.6% |
| Department of Employment and Economic Development | 60,149 | 3.2% |
| Department of Health | 211,905 | 11.3% |
| Department of Human Services | 153,050 | 8.2% |
| Department of Management and Budget | 969 | 0.1% |
| Department of Natural Resources | 590 | 0.0% |
| Department of Public Safety | 9,576 | 0.5% |
| Department of Revenue | 841,464 | 44.9% |
| Department of Transportation | 750 | 0.0% |
| Department of Veterans Affairs | 2,149 | 0.1% |
| Guardian ad litem | 13 | 0.0% |
| Metropolitan Council | 511 | 0.0% |
| Minnesota Housing Finance Agency | 100,000 | 5.3% |
| MN.IT | 6,856 | 0.4% |
| MNsure | 728 | 0.0% |
| Office of Administrative Hearings | 6 | 0.0% |
| Unallocated Agency Expenses | 5,034 | 0.3% |
| <u>Constitutional Officers & Other Branches of Government</u> | | |
| Judicial Branch | 518 | 0.0% |
| Governor's Office | 290 | 0.0% |
| Attorney General | 994 | 0.1% |
| House of Representatives | 118 | 0.0% |
| Senate | 19 | 0.0% |
| Total Allocated | 1,678,205 | 89.6% |
| Balance Unallocated | 195,152 | 10.4% |
| * Includes all appropriations from the Coronavirus Relief Fund (CRF) enacted by law, and all proposed allocations from the CRF submitted to the Legislative Advisory Commission (LAC) as of August 12, 2020. The table includes 10 separate proposed expenditures (totaling \$383.3 million) submitted to the LAC, but for which the ten-day review period has not yet been completed. | | |

Table 13
Federal Funds Allocated to Minnesota for COVID-19
(dollars in thousands)

| BUDGET AREA AND PROGRAM | Total to State of MN | Total to Non-state Entities in MN |
|---|---------------------------------|--|
| E-12 Education | | |
| Child Nutrition (Through School Nutrition Program) | 160,263 | - |
| Elementary and Secondary School Emergency Relief (ESSER) Fund | 140,137 | - |
| Governor's Emergency Education Relief (GEER) Fund | 38,127 | - |
| Institute of Museum and Library Services | 510 | - |
| Head Start | - | 8,974 |
| Subtotal - E-12 Education | 339,037 | 8,974 |
| Health and Human Services | | |
| Child Care Development Block Grant | 48,146 | - |
| Community Services Grants | 12,032 | - |
| Child Welfare | 720 | - |
| Runaway and Homeless Youth | 1,106 | - |
| Supportive Services | 3,293 | - |
| Sexual Violence Prevention | 59 | - |
| Suicide Prevention & ACEs | 174 | - |
| Crisis Counseling Intermediate Services Program | 538 | - |
| Congregate & Home Delivered Meals | 11,854 | - |
| Family Care Givers | 1,612 | - |
| Vulnerable Adults (LTC Ombudsman) | 329 | - |
| Aging and Disability Resource Centers | 755 | - |
| Department of Health | 24,363 | - |
| Poison Control Centers | - | 109 |
| Community Health Centers | - | 13,431 |
| Community Health Centers-Testing Capacity for COVID-19 | - | 4,311 |
| Department of Health-Testing Capacity for COVID-19 | 132,795 | - |
| Rural Health Clinics-COVID 19 Testing Capacity | - | 4,897 |
| Health Center Look-Alikes-Testing Capacity for COVID-19 | - | 217 |
| Small Rural Hospital Improvement Program | 7,251 | - |
| Emergency Food Assistance | 11,362 | - |
| Women, Infants, and Children (WIC) | 6,929 | - |
| Child Nutrition (Through SNAP) | 113,750 | - |
| Supplemental Nutrition Assistance Program | TBD | - |
| Hospital Preparedness Program | - | 7,173 |
| Provider Relief Funds (General) | - | 472,206 |
| Provider Relief Funds (High Impact) | - | 182,845 |
| Provider Relief Funds (Rural Providers) | - | 417,757 |
| Provider Relief Funds (Skilled Nursing Facilities) | - | 78,435 |
| Provider Relief Funds (Safety Net Hospitals) | - | 162,945 |
| Ryan White HIV/AIDS | 197 | 548 |
| Emergency Solutions Grants (Homelessness) | 22,843 | 31,105 |
| Enhanced FMAP for COVID-19 (Expenditure Reduction) | 329,500 | - |
| Subtotal - Health and Human Services | 729,608 | 1,375,979 |

Table 13
Federal Funds Allocated to Minnesota for COVID-19
(dollars in thousands)

| BUDGET AREA AND PROGRAM | Total to State of MN | Total to Non-state Entities in MN |
|---|---------------------------------|--|
| Higher Education | | |
| Governor's Emergency Education Relief (GEER) Fund | 5,300 | - |
| Higher Education Emergency Relief (HEER) Fund ¹ | - | 195,078 |
| Subtotal - Higher Education | 5,300 | 195,078 |
| Jobs and Economic Growth, Commerce and Consumer Protection, Energy and Utilities | | |
| Low Income Home Energy Assistance Program (LIHEAP) | 8,998 | - |
| Unemployment Insurance Administration | 19,626 | - |
| Short-Time Compensation Administration | 1,958 | - |
| Paycheck Protection Program | - | 11,027,540 |
| Economic Injury Disaster Loans | - | 781,624 |
| Public Housing Operating Fund | - | 8,190 |
| Tenant-Based Rental Assistance | - | 4,653 |
| Supportive Housing for Persons with Disabilities | - | 2,448 |
| Housing Opportunities for Persons with AIDS | 36 | 253 |
| Subtotal - Jobs, Commerce and Energy | 30,618 | 11,824,708 |
| Judiciary and Public Safety | | |
| Justice Assistance Grants - State Agencies | 8,145 | - |
| Justice Assistance Grants - Local Government Grants | - | 3,652 |
| Emergency Performance Grants | 1,770 | - |
| Family Violence and Prevention Services Grants | 589 | - |
| Subtotal - Judiciary and Public Safety | 10,504 | 3,652 |
| State Government and Veterans and Military Affairs | | |
| Coronavirus Relief Fund (see Table 12 for detail) | 1,869,120 | 316,907 |
| Election Security Grants | 6,931 | - |
| National Endowment for the Arts Grant | 464 | - |
| National Endowment for the Humanities Grant | - | 530 |
| Subtotal - State Government and Veterans and Military Affairs | 1,876,515 | 317,437 |
| Transportation and Public Safety | | |
| Federal Transit Administration Grants | 54,432 | 253,769 |
| Federal Aviation Administration Airport Improvement Grants | 158,379 | - |
| Subtotal - Transportation and Public Safety | 212,811 | 253,769 |
| Total - All Budget Areas | 3,204,393 | 13,979,597 |

¹ The HEER fund allocated money directly to Minnesota institutions. The University of Minnesota system received \$35.8 million, the Minnesota State Colleges and Universities system received \$94.8 million, private colleges and universities received \$58.4 million, and tribal colleges and universities not included in the Minnesota State system received \$6.1 million.

Table 14
2020 Laws Supplementing the FY 2020-21 Budget

| Chapter Number | File Number | Description |
|-----------------------|--------------------|--|
| 66 | SF3813 | Planning and Preparation for Coronavirus (COVID-19) |
| 67 | HF2959 | Rural Finance Authority Bonds |
| 68 | SF3564 | Transferring Money to the Disaster Assistance Contingency Account |
| 69 | SF3878 | Expand Transportation Loan Pilot Program for Nicollet County |
| 70 | SF4334 | Establishing the Health Care Response Fund |
| 71 | HF4531 | Establishing the COVID-19 Minnesota Fund |
| 72 | HF4537 | Making COVID-19 Eligible for Worker's Compensation Claims |
| 73 | HF3100 | Alec Smith Insulin Affordability Act |
| 74 | HF4556 | COVID-19 Related Policy Changes and Appropriations |
| 77 | HF3429 | Help America Vote Act Appropriations |
| 78 | SF1098 | Prescription Drug Transparency Act |
| 79 | SF2939 | Removes Criminal Background Check Fee for Certain Health Licenses |
| 81 | HF1883 | Extending the Expiration of the COVID-19 Minnesota Fund to Dec. 31, 2020 |
| 88 | HF331 | Increases the Legal Age for Tobacco Purchase to Age 21 |
| 89 | HF4285 | Agriculture Policy and Seed Law Changes |
| 101 | HF4490 | Supplemental Agricultural Appropriations |
| 104 | HF2682 | Outdoor Heritage Fund Appropriations |
| 106 | SF2898 | Board of Cosmetology Licensing Changes |
| 109 | SF3683 | Office of Higher Education Policy Changes |
| 111 | HF4597 | Modifying Horse Racing Provisions |
| 113 | HF4601 | Awarding Grants from the Opiate Epidemic Response Account |
| 116 | HF4415 | Forecast Adjustments for K-12 Education Aids |
| 118 | HF1842 | Modifying the Solar Energy Incentive Program |
| 1 SpS, 1 | HF5 | Appropriations for Small Business Loans and Grants |
| 1 SpS, 2 | HF11 | Department of Human Services Policy Changes |
| 1 SpS, 3 | HF65 | Establishing Fees for Replacement License Plates |
| 1 SpS, 4 | HF37 | Providing for Certain Solid Waste Tax Exemptions |
| 1 SpS, 6 | HF45 | Temporary Adjustments to Gambling Control Laws as a COVID-19 Response |
| 1 SpS, 7 | HF105 | Extension of COVID-19 Program Waivers and Modifications |
| 1 SpS, 8 | HF33 | E-12 Education Policy Changes |
| 1 SpS, 9 | HF41 | Child Care Assistance Provider Rate Modifications |
| 2 SpS, 1 | HF1 | Peace Officer Oversight and Training |
| 2 SpS, 2 | SF4 | On-Line Driver's License Testing |

Note: All chapter and file numbers are 2020 Regular Session unless indicated.



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