

Subject State Government Finance and Elections Omnibus

Bill S.F. 2, First Unofficial Engrossment

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Overview

This act is the State Government Finance and Elections and Veterans and Military Affairs omnibus budget bill. It includes appropriations to the various constitutional offices, agencies, boards, and commissions subject to the jurisdiction of the State Government Finance and Elections Committee, as well as the Department of Veterans Affairs and the Department of Military Affairs. A series of policy articles on topics impacting these jurisdictions is also included.

Article 1: State Government Appropriations

Section Description – Article 1: State Government Appropriations

1 **State government appropriations.**

Establishes the fiscal years used for purposes of the appropriations provided in this act.

2-37 **Appropriations.**

Provides appropriations to the various constitutional offices, agencies, boards, and commissions subject to the jurisdiction of the State Government Finance and Elections Committee. Specific appropriation amounts are provided in the fiscal tracking spreadsheet.

38-40 **Fiscal cancellations.**

Provides cancellations of unspent funds from a number of appropriations and accounts, as detailed in the fiscal spreadsheet.

41 **Help America Vote Act account; local government grants.**

Directs the use of \$3,000,000 of the total amount appropriated to the secretary of state from the Help America Vote Act account for grants to political subdivisions.

Section	Description – Article 1: State Government Appropriations
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| 42 | Help America Vote Act transfers and appropriations; secretary of state.
Extends the availability of federal Help America Vote Act funds appropriated to the secretary of state in 2019. Under current law, these funds are required to be used by March 23, 2023. This section would instead make the funds available until March 23, 2027. |
| 43 | Availability of appropriations.
Extends the availability of federal Help America Vote Act funds appropriated to the legislature in 2020. Under current law, these funds are required to be used by December 21, 2024. This section would instead make the funds available until December 21, 2028. |

Article 2: State Government Policy

Section	Description – Article 2: State Government Policy
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| 1 | Legislative Commission on Cybersecurity.
Establishes the Legislative Commission on Cybersecurity. The commission is required to provide oversight related to the state's cybersecurity measures, including review of the policies and practices of state agencies, and recommending changes to protect against cyber threats. The commission is also permitted to develop recommendations and draft legislation to support and strengthen the state's cybersecurity infrastructure.

This section provides specific details regarding the commission's membership, duties, meeting requirements, and other details necessary for the commission to function. This section also provides that the commission expires December 31, 2028. |
| 2 | India Day.
Establishes August 15 of each year as India Day, to recognize the contributions of Minnesotans of Indian ancestry. |
| 3 | Option.
In certain types of rulemaking proceedings, reduces the number of requests that must be made in order to require a public hearing on the proposed rules. Current law requires at least 100 requests; this section reduces the requirement to 50 requests. |

Section Description – Article 2: State Government Policy

4 Audit of state's use of federal funds.

Directs the commissioner of management and budget to contract with a qualified auditor to conduct an annual audit of the state's use of federal grant funds.

This audit is required by federal law, and has been managed by the Office of the Legislative Auditor since 1983.

5 Virtual payments authorized.

Authorizes the commissioner of management and budget to establish a virtual payments program. The program would make it possible for the state to make payments to vendors through the distribution of an electronic credit, akin to a credit card, rather than providing payment through a more traditional-style check. To the extent the state receives a rebate for administering the program, the rebate would be deposited in the general fund, with certain exceptions. Among the exceptions is an allowance for the commissioner to retain a portion of each rebate for administration of the virtual payment program.

6 Electric vehicle charging.

Requires the commissioner of administration to collect an electric service fee from users of electric vehicle charging stations on the State Capitol complex. The fee must cover the cost of the electricity consumed by the vehicle as well as the administrative costs associated with providing the charging stations.

7 Capitol Area Building Account to address health, life safety, and security needs.

Establishes a Capitol Area Building Account in the state treasury. The purpose of the account is to fund capital expenditures that address identified critical health, life safety, and security needs of buildings on the Capitol complex that were constructed before 1940. A number of uses associated with that work are also authorized. The funds may be used for a renovation or rehabilitation project, but may not be used to demolish any existing buildings in their entirety.

The account would be funded by the proceeds resulting from the sale of lease revenue bonds or certificates of participation by the commissioner of management and budget. The sale of those bonds or certificates is authorized in subdivision 2 of this section. A number of additional subdivisions detailing the requirements, authority, and procedures associated with the debt sale follow in subdivisions 3 to 7.

Final plans and specifications for any authorized project may not be prepared until at least 60 days after the commissioner of administration submits the results of a needs assessment to the Capitol Area Architectural and Planning Board for review. The plans and specifications must address issues identified in the needs assessment, and require the approval of the affected building's primary tenant.

Section Description – Article 2: State Government Policy

- The commissioner of administration is required to submit a report to the legislature no later than January 1, 2022, detailing the estimated cost and expected timeline for design, construction, and completion of necessary work to address identified critical needs. The authority to issue lease revenue bonds or certificates of participation expires December 31, 2023.
- 8 **Procurement of a pharmacy benefit manager and a platform technology vendor.**
Requires the commissioner of management and budget to contract for the services of a pharmacy benefit manager to administer the prescription drug benefit and pharmacy benefit management services for participants in the State Employee Group Insurance Program (SEGIP), effective January 1, 2023. A number of details regarding the method of awarding the contract, including the conduct of a reverse auction and the procurement of a technology platform vendor to assist with the bidding process, are required.
- 9 **Reports of state archaeologist.**
Requires the state archaeologist to provide reports to the State Historic Preservation Office of significant field archaeology and significant discoveries, and an annual report that details other activities of the archaeologist.
- 10 **School manager.**
Eliminates a requirement that the manager of a salon school be a cosmetologist.
- 11 **Racing meeting.**
Defines the term “racing meeting” for purposes of licensing and regulation activities of the Racing Commission.
- 12 **License suspension and revocation.**
Adds a cross-reference in existing law regarding the Racing Commission’s ability to power to revoke a class A license.
- 13 **Licenses nontransferable.**
Authorizes certain types of advance deposit wagering licenses to be transferred, subject to the prior approval of the Racing Commission.
- 14 **Payments to state.**
Authorizes fees deposited in the racing and card-playing regulation account to be used for reimbursement of certain commission costs, including costs for personnel.

Section	Description – Article 2: State Government Policy
15	Reimbursement. Permits, rather than requires, the Racing Commission to seek reimbursement from the racing and card-playing regulation account for increased expenses related to the use of upgraded drug testing technologies and procedures.
16	Fees. Updates phrasing related to the authority of the Racing Commission to establish certain fees or fee schedules by rule.
17	Limitation. Provides additional detail on the circumstances under which the Racing Commission may permit a licensee to operate a card club, even if a certain number of minimum days of live racing have not been conducted at the facility.
18	Taxpayer assistance grants. Modifies eligibility requirements governing grants to organizations that provide voluntary income tax preparation services to certain communities. The modification aligns with a standard provided in federal law for eligible organizations.
19	Counties. Updates a required transfer of funds related to costs associated with preparing local impact notes, reflecting the shift in that responsibility from the Department of Management and Budget to the Legislative Budget Office.
20	Standard of time. Recognizes advanced standard time as the standard of time year-round in Minnesota, effective as of the enactment of federal legislation permitting this change.
21	Legislative auditor; comprehensive review of COVID-19 response. Requests that the legislative auditor conduct a special review of the state's response to COVID-19. A number of details are provided. For programs, services, or activities determined not to have been efficiently or successfully implemented, the review may make recommendations for process improvements to facilitate the state's response to future infectious disease outbreaks.
22	First appointments and first meeting of Legislative Commission on Cybersecurity. Establishes initial standards for making appointments and convening the first meeting of the Legislative Commission on Cybersecurity. The commission is required to meet at least two times in calendar year 2021.

Section Description – Article 2: State Government Policy

23 Termination of peacetime emergency.

Terminates the COVID-19 peacetime emergency declared by Executive Order 20-01, issued March 13, 2020, effective upon presentment of this bill to the governor.

Article 3: Military and Veterans Policy

This article contains changes to statutes that relate to military and veterans affairs.

Section Description – Article 3: Military and Veterans Policy

1 Veterans Suicide Prevention and Awareness Day.

Renames Veterans Suicide Awareness Day as Veterans Suicide Prevention and Awareness Day. Directs the commissioner of veterans affairs to coordinate activities that raise awareness of, and promote the prevention of, veteran suicides.

2 Publicity representatives.

Authorizes the Department of Veterans Affairs to use funds to pay a publicity representative.

3 Appointment; qualifications; rank; term; vacancy.

Subd. 1. Qualifications. Dictates that the governor must appoint a replacement adjutant general (AG) within 120 days of the position becoming vacant. Removes the restriction that the AG come exclusively from the ranks of the Minnesota National Guard. Requires that the AG hold the rank of colonel or above.

Subd. 2. Rank. Dictates that the AG hold the rank of major general and be promoted to that rank upon appointment.

Subd. 3. Term. Specifies that the AG shall serve a single term of seven years.

Subd. 4. Vacancy; acting or temporary adjutant general. Establishes protocols for appointing an acting AG and provides that the deputy AG shall temporarily fill a vacancy if the governor does not appoint an acting AG.

4 Veterans stable housing initiative; data.

Authorizes the commissioner of veterans affairs to establish a veterans stable housing initiative that would provide resources and support to assist veterans experiencing homelessness. The act also authorizes the Minnesota Department of Veterans Affairs to share or disclose a veteran's data to coordinate homelessness prevention efforts with Minnesota Interagency Council on Homelessness members

Section Description – Article 3: Military and Veterans Policy

and Homeless Veterans Registry partners to respond quickly to a veteran experiencing homelessness or at risk of homelessness.

5 Eligibility.

Corrects ambiguities in, and clarifies eligibility for benefits under, the Minnesota GI Bill, which provides qualified veterans with reimbursement for college expenses, approved on-the-job training (OJT) and apprenticeship programs, and professional licensure and certification costs.

6 Educational assistance amount.

Corrects ambiguities in, and clarifies eligibility for benefits under, the Minnesota GI Bill.

7 Apprenticeship and on-the-job training.

Corrects ambiguities in, and clarifies eligibility for benefits under, the Minnesota GI Bill.

8 Additional professional or educational benefits.

Corrects ambiguities in, and clarifies eligibility for benefits under, the Minnesota GI Bill.

9 Supplemental programs.

Explicitly authorizes the commissioner of veterans affairs to operate adult day care programs for veterans. With express authority to operate adult care programs, the commissioner will be empowered to develop and adopt the necessary rules, policies, and procedures to operate and manage the programs.

Authorizes the commissioner of veterans affairs to provide dental care services directly to residents of state veterans homes.

10 Cost of care.

Establishes requirements for the commissioner of veterans affairs to calculate the personal needs allowance for domiciliary residents.

11 Report on veterans homes.

Requires the commissioner of veterans affairs to submit a report to the legislature every other year on veterans homes.

12 Limits of sentences.

Contains a conforming change to reflect adoption of the Military Veterans Restorative Justice Act in the following section.

Section Description – Article 3: Military and Veterans Policy

- 13 **Military veteran offenders restorative justice sentence.**
Establishes a diversion sentencing option for veterans with certain service-connected conditions. Veterans must prove the service-connected condition lead them to commit the charged crime.
- Effective date.** August 1, 2021.
- 14 **Cost of care; temporary suspension of rule.**
Authorizes the commissioner of veterans affairs to suspend the administrative rule that requires the commissioner to annually calculate the cost of care for veterans homes. The authority to suspend the rule only applies in FY22.
- 15 **Revisor instruction.**
Contains a revisor instruction to implement changes in sections 5 to 8 of this article.

Article 4: Elections Administration

Section Description – Article 4: Elections Administration

- 1 **Instructions (voter registration applications).**
Updates grammar related to the requirement that a voter provide a valid Minnesota driver's license or identification card number, or the last four digits of their Social Security number, in order to register to vote.
- 2 **Postelection sampling.**
Establishes a deadline for county auditors to report information on undeliverable postal verification card data to the secretary of state. These data must be reported no later than February 15 of each year, and cover all elections conducted during the previous year. A report by the secretary of state on these data is currently due to the legislature by March 1 of each year. The legislative reporting structure is unchanged.
- 3 **Marking and return by voter.**
Authorizes a voter to leave a completed absentee ballot return envelope in a drop box. Standards for drop boxes are provided later in this article.
- 4 **Procedures on receipt of ballots.**
Requires absentee ballots returned to a county auditor or municipal clerk to be kept in a locked ballot container or other secured and locked space.

Section	Description – Article 4: Elections Administration
5	Absentee ballot drop boxes; security and integrity. Authorizes the placement of absentee ballot “drop boxes.” A number of minimum requirements for the locating, security, and monitoring of drop boxes are provided. A list of locations at which drop boxes will be located must be provided by the county auditor or municipal clerk no later than 40 days prior to the start of the absentee voting period at every regularly scheduled primary or general election. The list must be published on the website of the county or municipality, and on the website of the secretary of state. An updated list of locations must be provided no later than 20 days prior to the start of the absentee voting period. Electioneering activities are prohibited within 100 feet of an absentee ballot drop box.
6	Establishment; applicable laws. Updates and clarifies training requirements for members of an absentee ballot board.
7	Boundary changes; prohibitions; exception. Updates requirements for the designation of precinct polling places following redistricting.
8	Authority; location. Adds a conforming cross-reference to reflect the new requirements related to designation of precinct polling places following redistricting.
9	Booths; voting stations. Requires a jurisdiction providing election supplies to ensure a pen or other marking device suitable for the voting system being used is made available in each voting booth.
10	Ballots; election records and other materials; disposition; inspection of ballots. Requires election records and materials retained after an election to be stored in a locked container or other secured and locked space.
11	Marking ballots. Provides technical and organizational updates to a subdivision governing the process used by a voter to mark a ballot.
12	Constitutional amendment recount. Establishes standards for a manual recount of the votes on a proposed constitutional amendment. A recount would be required if the number of yes votes is within one-quarter percent of the number of all other ballots cast at the election.

Section	Description – Article 4: Elections Administration
13	Scope of recount. Adds a reference to recounts on a question to an existing law governing the scope of election recounts, to reflect the new possibility of a recount on a proposed constitutional amendment.

Article 5: Federal Funds

This article allocates federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA) aid for specified purposes.

Section	Description – Article 5: Federal Funds
1	Fund maximization. Authorizes MMB to use remaining CARES Act aid in place of appropriated general fund dollars when providing COVID-19 financial assistance to eligible businesses (e.g., restaurants, fitness centers, movie theaters, etc.) and unemployed workers under Laws 2020 Seventh Special Session, chapter 2. Effective date: This section is effective the day following final enactment.
2	COVID-19 flexible response account. Creates a discretionary account in the state treasury's state fiscal recovery federal fund and allocates \$450 million of ARPA state fiscal recovery fund dollars to the account. Appropriates money in the new account to MMB for activities that are eligible under federal ARPA law and guidance, as determined by the governor. The existing COVID-19 Legislative Oversight Commission will review, and can block, a proposed single expenditure of \$2.5 million or more. Any unallocated money remaining in the account on July 1, 2022, will cancel back to the state fiscal recovery federal fund in the state treasury. Subd. 1. Account created. Establishes and funds the new account and appropriates account dollars to MMB for eligible activities as determined by the governor. Authorizes MMB to transfer account dollars to other state agencies. Cancels any unallocated money effective July 1, 2022, and provides if MMB allocates funding before that date it remains available for expenditure until June 30, 2023. Subd. 2. Legislative COVID-19 Response Commission review. Requires MMB to submit any proposed expenditure of at least \$2.5 million to the existing Legislative COVID-19 Response Commission for review. Grants the commission three days to review proposed expenditures and authorizes the commission to

Section Description – Article 5: Federal Funds

make a positive or negative recommendation, or no recommendation at all. If a majority of the commission's house members and a majority of the commission's senate members make a negative recommendation, the executive branch would be prohibited from expending the money. Authorizes the commission to hold public meetings and, notwithstanding the legislative open meeting law, to conduct a meeting remotely. Allows commission members to approve or disapprove of proposed expenditures via written communication to MMB.

Subd. 3. Monthly expenditure report. Requires MMB to report account spending to the commission monthly and specifies information that MMB must include in the monthly reports.

Effective date: This section is effective the day following final enactment.

- 3 **Revenue replacement; American Rescue Plan Act state fiscal recovery federal fund.** This section requires MMB to use \$633,100,000 in fiscal year 2023 and \$555,000,000 in fiscal year 2024 of ARPA state fiscal recovery fund aid for one of two specified purposes.

Subd. 1. Transfer. Transfers the specified amounts from the state fiscal recovery federal fund to the general fund for the provision of government services during the FY 2022-2023 and FY 2024-2025 biennia. (This subdivision is consistent with the "revenue replacement" eligible use of state fiscal recovery fund aid.)

Subd. 2. State appropriation alternative. If MMB determines that the revenue-replacement transfers in subdivision 1 are not allowed under ARPA law and guidance, this subdivision authorizes MMB to instead use the \$633,100,000 to displace a comparable amount of general fund appropriations enacted by the legislature for the FY 2022-2023 biennium and \$550,000,000 to offset a comparable amount of forecasted general fund spending for the FY 2024-2025 biennium. Before implementing this subdivision, MMB must submit the proposed FY 2022-2023 appropriations and FY 2024-2025 planning estimate changes to the Legislative Advisory Commission (LAC) for review. Allows the LAC up to ten days to submit recommendations submitted by MMB under this subdivision.

Subd. 3. General fund restoration. Provides that the substitution of federal aid for general fund spending under this section is onetime only and requires MMB to restore the base general fund spending level for relevant budget activities in subsequent fiscal years.

Effective date: This section is effective the day following final enactment.

Section Description – Article 5: Federal Funds

- 4 **Suspension of statutory appropriation; ARPA state fiscal recovery federal fund.**
Provides that until June 15, 2022, \$1,150,000,000 of ARPA state fiscal recovery fund aid may only be spent as appropriated by the legislature in law. If the legislature cannot appropriate these dollars by law before June 15, 2022, this section appropriates the money to MMB who must submit proposed expenditures to the LAC consistent with the LAC urgent federal funds request process in law.

Effective date: Specifies that this section is effective retroactive to May 17, 2021, and the suspension of the statutory appropriation of these federal funds will expire June 15, 2022.



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