

May 9, 2022

The Honorable Mary Kiffmeyer, Chair
Senate State Government Finance and Policy
and Elections Committee
3103 Minnesota Senate Building
Saint Paul, MN 55155

The Honorable Mike Nelson, Chair
House State Government Finance and Elections
Committee
585 State Office Building
Saint Paul, MN 55155

Subject: HF4293 Omnibus State Government Supplemental Budget Bill Conference Committee

Dear Chairs Kiffmeyer and Nelson,

As conference committee commences, I would like to highlight several provisions critical to the Department of Administration's (Admin) ability to provide effective and efficient services to its public and private partners. Minnesota's historic budget surplus affords us the unique opportunity to invest in those vital services that support our communities.

Admin provides a wide range of services that benefit the public and ensure that state agencies can deliver their statutorily mandated services. The House and Senate versions of the State Government Omnibus bill offer starkly contrasting approaches to meeting those obligations. The House's legislation includes the majority of Governor Walz's recommendations that fund previous legislative commitments, as well as bolster key, cost effective services that will benefit direct services to the public. Unfortunately, the Senate's legislation does not include any of those investments.

I want to highlight a few of our most critical requests that were included in the House bill:

- **PTAC** - Fully funding the 35% state match to the U.S. Department of Defense funds for the Procurement Technical Assistance Center (PTAC) is imperative. PTAC offers free counseling, education, training, and guidance for all Minnesota businesses who wish to sell their products and services to local, state, and federal governments. The state's current use of staff time from the Office of State Procurement is not a sustainable solution. Adequately funding the state's match would also support greater statewide coverage by PTAC counselors. PTAC's director was recently recognized by the U.S. Small Business Administration as the "Minnesota Veterans' Champion of the Year".
- **COVID-19 Workers' Compensation** - Earlier this session, legislation passed extending the presumption that certain occupations were infected with COVID-19 on the job. These costs must be covered, and Admin's proposal will limit the adverse impacts on agencies with occupations covered by the presumption clause, simplify the claim processing, and reduce the number of transactions required.
- **SmART and Admin Services** - Admin's Small Agency Resource Team (SmART) provides key human resources and financial services to small agencies much more economically than they ever could provide on their own. Since 2019, the number of SmART partners that Admin serves has doubled from 19 to 38 partners. Admin's proposal funds a study to assess service delivery to

small agencies to ensure they receive the support they need in the most effective manner. It also enhances Admin operations in the areas of staff retention and accounting services.

- **OCDR** - The Office of Collaboration and Dispute Resolution (OCDR) assists communities and public entities to forge wise and durable solutions to seemingly insurmountable issues. Recent work of OCDR includes facilitating sign-on from all necessary parties for the opioid settlement and the necessary statutory changes around the opioid funding agreement. OCDR currently receives more requests for service than the office can accommodate, and the volume of requests steadily increases each year. Admin's proposed increase would support additional capacity to help OCDR to meet the current demand for services from state agencies, local governments, and the legislature.
- **Fleet** - Admin's Fleet Services Division is experiencing temporary changes in fleet usage and sales cycles due to increased telework, virtual meetings, and global supply chain issues. This will result in Admin collecting lower revenues than are necessary to fund operating expenses. Admin's request stabilizes the fund while we continue improving the fleet with lower life-cycle costs and greater fuel efficiency.
- **Private Cemeteries Act** – Minnesota's statutes regarding archeological processes are outdated and do not recognize the sovereignty of the tribal nations that share our borders. The Governor's proposal begins to update the Private Cemeteries Act to reflect federal law, modernize terminology, clarify authority over cemetery assessments, and codify the Minnesota Indian Affairs Council's authority over condition assessments of cemeteries deemed to be American Indian. The proposal provides the necessary capacity for the Office of the State Archaeologist to coordinate this work.
- **Office of Enterprise Translations** - The ability to consistently and efficiently provide information is a challenge that state government must meet in order to effectively serve all Minnesotans. For many programs that receive federal funding, providing translated materials is mandatory, yet the state is not addressing these requirements at an enterprise level. This proposed office would translate written materials for state agencies in Spanish, Hmong, and Somali in a timely manner.

Admin's other budget requests, that are included in the House bill, strive to support enhanced state government services that will better serve Minnesotans. These include:

- Statutorily required procurement disparities study;
- Improving grants administration oversight; and
- Eliminating fees for Open Meeting Law advisory opinion requests and streamlining data challenge appeals

I want to also note that Admin would be the fiscal agent for the additional funding for public television block grants in the House bill. Since this is a significant increase to the grants that we administer to public television stations, we anticipate we'd need up to 3% to administer the \$2 million in the bill. Additionally, the House bill includes Admin's technical and policy language changes. These are good governance measures with no fiscal impact that help Admin improve state operations by streamlining our work and correcting obsolete statutes.

While the Senate version of the bill does not include any of the Governor's budget recommendations for Admin, we do appreciate the inclusion of flexibility for buildings subject to the Sustainable Building 2030 requirements to use renewable energy generated onsite. However, Admin's proposed changes to this

statute that are included in the House's Omnibus Jobs, Energy, and Commerce bill (SF4091) would improve these provisions by providing additional options for projects.

We also recognize the changes made to the Senate's new requirements related to grants oversight. While these changes ease the burden of the one-person Office of Grants Management in implementing new requirements, Admin still has concerns with the proposed changes in the Senate bill.

Again, thank you to the conference committee for your consideration and to the House for their inclusion of the Governor's budget and policy recommendations. We look forward to working with you through the conference committee process.

Sincerely,

A handwritten signature in black ink that reads "ARobertsDavis". The signature is written in a cursive, flowing style.

Alice Roberts-Davis
Commissioner

CC: Representative Melissa Hortman, Speaker
Senator Jeremy Miller, Majority Leader