A bill for an act
relating to unemployment insurance; repaying unemployment insurance trust fund
loans; replenishing the unemployment insurance trust fund; freezing the base tax rate for employers; eliminating the additional assessment for calendar years 2022 and 2023; establishing a zero percent special assessment rate for calendar year 2022; eliminating a revenue replacement transfer; appropriating money; amending Minnesota Statutes 2020, sections 126C.43, subdivision 2; 268.085, subdivision 7; 268.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 2020, section 268.085, subdivision 8; Laws 2021, First Special Session chapter 12, article 5, section 3.

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

ARTICLE 1

UNEMPLOYMENT INSURANCE TRUST FUND

Section 1. APPROPRIATION; UNEMPLOYMENT INSURANCE TRUST FUND

LOAN REPAYMENT AND REPLENISHMENT.

Subdivision 1. Appropriation. $2,324,175,000 from the state fiscal recovery federal fund and $405,825,000 from the general fund in fiscal year 2022 are appropriated to the commissioner of employment and economic development for the purposes of this section.

Subd. 2. Repayment. Within ten days following enactment of this section, the commissioner must determine the sum of any outstanding loans and any interest accrued on the loans from the federal unemployment insurance trust fund, and issue payments to the federal unemployment trust fund equal to that sum.

Subd. 3. Replenishment. Following the full repayment of outstanding loans from the federal unemployment insurance trust fund, the commissioner must deposit into the unemployment insurance trust fund all the remaining money appropriated in this section.
2.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.2 **Sec. 2. UNEMPLOYMENT BASE TAX RATE AND ASSESSMENT FOR CALENDAR YEARS 2022 AND 2023.**

Subdivision 1. **Tax rate.** Notwithstanding Minnesota Statutes, section 268.051, subdivision 2, in calendar years 2022 and 2023, the base tax rate under Minnesota Statutes, section 268.051, subdivision 2, paragraph (b), is one-tenth of one percent.

Subd. 2. **Additional assessment.** Notwithstanding Minnesota Statutes, section 268.051, subdivision 2, in calendar years 2022 and 2023, the additional assessment under Minnesota Statutes, section 268.051, subdivision 2, paragraph (c), is zero percent.

Subd. 3. **Special assessment.** Notwithstanding Minnesota Statutes, sections 268.051, subdivision 8, and 268.194, subdivision 6, paragraph (c), in calendar year 2022, the special assessment under Minnesota Statutes, section 268.051, subdivision 8, is zero percent.

Subd. 4. **Employer credits, refunds.** Notwithstanding any law to the contrary, the commissioner of employment and economic development must credit or refund each taxing employer for:

1. any base tax rate amount assessed and paid in calendar year 2022 under Minnesota Statutes, section 268.051, subdivision 2, paragraph (b), that is greater than one-tenth of one percent;
2. any additional assessment amount assessed and paid in calendar year 2022 under Minnesota Statutes, section 268.051, subdivision 2; and
3. any special assessment amount assessed and paid in calendar year 2022 under Minnesota Statutes, section 268.051, subdivision 8.

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

2.24 **Sec. 3. REPEALER.**

Laws 2021, First Special Session chapter 12, article 5, section 3, is repealed.

**EFFECTIVE DATE.** This section is effective the day following final enactment.
ARTICLE 2
FRONTLINE WORKER PAYMENTS

Section 1. FRONTLINE WORKER PAYMENTS; PUBLIC PURPOSE.

This act is intended to provide payments to frontline workers whose work put them at risk of contracting COVID-19 during the peacetime emergency declared by the governor in Executive Order 20-01. The legislature finds that payments under this section specifically, and under the premium pay provisions of the American Rescue Plan Act of 2021 generally, have a public purpose and benefit the people of Minnesota by:

1. responding to the extraordinary circumstances of the COVID-19 pandemic which resulted in the peacetime emergency; and

2. compensating workers for working in conditions that, in many cases, exceeded what was originally contemplated in their employment agreement to ensure our state was able to continue functioning during the pandemic.

Sec. 2. FRONTLINE WORKER PAYMENTS.

Subdivision 1. Program established; payments authorized. To the extent feasible, the commissioner of revenue, in coordination with the commissioners of labor and industry and employment and economic development, must make payments to eligible frontline workers as provided in this section.

Subd. 2. Frontline sector defined. "Frontline sector" means the following sectors:

1. long-term care and home care;

2. health care;

3. emergency responders;

4. public health, social service, and regulatory service;

5. courts and corrections;

6. child care;

7. schools, including charter schools, state schools, and higher education;

8. food service, including production, processing, preparation, sale, and delivery;

9. retail, including sales, fulfillment, distribution, and delivery;

10. temporary shelters and hotels;
(11) building services, including maintenance, janitorial, and security;

(12) public transit;

(13) ground and air transportation services;

(14) manufacturing; and

(15) vocational rehabilitation.

Subd. 3. Eligible frontline workers. (a) An individual is eligible to receive a payment under this section if the individual:

(1) was employed for at least 120 hours in Minnesota in one or more frontline sectors during the time period beginning March 15, 2020, and ending June 30, 2021;

(2) for the hours worked under clause (1), was not able to telework due to the nature of the individual's work and worked in close proximity to individuals outside of the individual's household;

(3) meets the income requirement in paragraph (b); and

(4) did not receive an unemployment insurance benefit payment or serve a nonpayable week under Minnesota Statutes, section 268.085, subdivision 1, clause (6), for more than 20 weeks on a cumulative basis for weeks between March 15, 2020, and June 26, 2021. An unemployment insurance benefit payment shall include payments made by the state of Minnesota under Minnesota Statutes, sections 268.001 to 268.23, pandemic emergency unemployment compensation, extended benefits, pandemic unemployment assistance, federal pandemic unemployment compensation, lost wages assistance, mixed earnings unemployment compensation, and trade readjustment allowance. Unemployment insurance benefit payments shall include the amounts withheld from an unemployment insurance benefit payment for income tax, deducted for a child support obligation or an offset from unemployment benefits under Minnesota Statutes, section 268.18, subdivision 3a. Unemployment insurance benefit payments shall include amounts found to be overpaid under Minnesota Statutes, section 268.18. The calculations under this clause shall be made based exclusively on data held by DEED as of the effective date of this act.

(b) To qualify for a payment, an individual's adjusted gross income, as defined in Minnesota Statutes, section 290.01, subdivision 21a, must be less than the following amounts for at least one of the taxable years beginning after December 31, 2019, and before January 1, 2022:
Subd. 4. Application; verification of eligibility. (a) To qualify for a payment under this section, an individual must apply to the commissioner of labor and industry in the form and manner specified by the commissioner. As part of the application, an individual must certify to the commissioner of labor and industry that the individual meets the eligibility requirements in subdivision 3.

(b) As soon as practicable after final enactment of this act, the commissioner of labor and industry must establish a process for accepting applications for payments under this section and begin accepting applications. The commissioner must not accept an application submitted more than 45 days after opening the application period.

(c) The commissioner of labor and industry must assist applicants in submitting an application under this section, including but not limited to:

(1) establishing a multilingual temporary help line for applicants; and

(2) offering multilingual applications and multilingual instructions.

(d) To the extent possible, the commissioners of revenue, employment and economic development, and labor and industry must verify applicant eligibility for a payment under this section. If the commissioners lack the information to verify an applicant's eligibility in a timely fashion, the commissioner of labor and industry must accept the applicant's self-certification of eligibility in the absence of contrary information.

(e) An applicant for a payment under this section may appeal a denial of eligibility under this subdivision to the commissioner of labor and industry within 15 days of notice of denial. The commissioner of labor and industry's decision on an appeal is final.

(f) The commissioner of labor and industry may contract with a third party to implement part or all of the application process and assistance required under this subdivision.

Subd. 5. Eligibility; payments. (a) After the deadline for applications under subdivision 4 has elapsed, the commissioner of revenue must determine the payment amount based on available appropriations and the number of applications received from eligible frontline workers. The payment amount must be the same for each eligible frontline worker and must not exceed $1,500.
(b) As soon as practicable, the commissioner of revenue must make payments of the
amount determined under paragraph (a) to all eligible frontline workers who applied in
accordance with subdivision 4.

(c) The commissioner of revenue may contract with a third party to implement part or
all of the payment process required under this subdivision.

Subd. 6. Data practices. (a) Data collected or created by the commissioners of revenue,
labor and industry, and employment and economic development because an individual has
sought information about, applied for, been denied, or received a payment under this section
are classified as nonpublic data or private data on individuals, as defined in Minnesota
Statutes, section 13.02, subdivisions 9 and 12.

(b) Data classified as nonpublic data or private data on individuals, including return
information, as defined in Minnesota Statutes, section 270B.01, subdivision 3, may be
shared or disclosed between the commissioners of revenue, employment and economic
development, and labor and industry, and any third-party vendor contracted with under
subdivision 4, to the extent necessary to verify eligibility and administer payments under
this section.

Subd. 7. Notice requirement. (a) No later than 15 days after the application period is
opened under subdivision 4, employers in a frontline sector must provide notice, in a form
approved by the commissioner of labor and industry, advising all current workers who may
be eligible for payments under this section of the assistance potentially available to them
and how to apply for benefits. An employer must provide notice using the same means the
employer uses to provide other work-related notices to employees.

(b) Notice provided under paragraph (a) must be at least as conspicuous as:

(1) posting a copy of the notice at each work site where workers work and where the
notice may be readily observed and reviewed by all workers working at the site; or

(2) providing a paper or electronic copy of the notice to all workers.

(c) The commissioner of labor and industry may exercise the commissioner of labor and
industry's authority under Minnesota Statutes, section 177.27, subdivision 7, to enforce the
notice requirement in this subdivision.

Subd. 8. Payments not to be considered income. (a) For the purposes of this subdivision,
"subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision
1, and the rules in that subdivision apply for this subdivision. The definitions in Minnesota
Statutes, section 290.01, apply to this subdivision.
(b) The amount of frontline worker payments received under this section is a subtraction.

c) Frontline worker payments under this section are excluded from income, as defined in Minnesota Statutes, sections 290.0674, subdivision 2a, and 290A.03, subdivision 3.

d) Notwithstanding any law to the contrary, payments under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

1. child care assistance programs under Minnesota Statutes, chapter 119B;
2. general assistance, Minnesota supplemental aid, and food support under Minnesota Statutes, chapter 256D;
3. housing support under Minnesota Statutes, chapter 256I;
4. Minnesota family investment program and diversionary work program under Minnesota Statutes, chapter 256J; and
5. economic assistance programs under Minnesota Statutes, chapter 256P.

e) The commissioner of human services must not consider frontline worker payments under this section as income or assets under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a); 3; or 3c, or for persons with eligibility determined under Minnesota Statutes, section 256B.057, subdivision 3, 3a, or 3b.

Subd. 9. **Report.** No later than 90 days following the end of the payments to eligible frontline workers under subdivision 5, the commissioners of revenue and labor and industry shall report to the legislative committees with jurisdiction over economic development policy and finance about the program established under this section. The report must include:

1. the number of eligible frontline workers who applied, including the number in each sector and county, and the payment each worker received;
2. if the initial payment to frontline workers under subdivision 5 was less than $1,500, the additional appropriation needed to provide an additional payment equal to the difference between $1,500 and the payment amount under subdivision 5; and
3. the number of applications that were denied and the reason for denial.

Subd. 10. **Procurement.** The commissioners of labor and industry and revenue are exempt from the requirements of Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; 16B.98, subdivisions 5, 7, and 8; and chapter 16C, and any other state procurement laws and procedures in administering the program under this section.
8.1 Subd. 11. Appropriations. (a) $1,000,000,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of revenue for payments under this section. This is a onetime appropriation.

8.2 (b) $11,650,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of labor and industry for administrative costs to implement the payments under this section.

8.3 (c) The commissioner of labor and industry may transfer money from this appropriation to the commissioner of revenue or the commissioner of employment and economic development for administrative costs to implement the program and payments under this section.

8.4 (d) $756,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of labor and industry for a grant to the Minnesota Training Partnership to promote the availability of payments under this section to frontline workers, which may include subcontracts with other community organizations with experience with frontline workers. Up to ten percent of the total of any subcontracts may be used for contract administration.

8.5 (e) The appropriations in this subdivision are available until June 30, 2023.

8.6 Subd. 12. Audit. The Office of the Legislative Auditor may begin work on an audit of the use of all funds appropriated under subdivision 11 no later than February 1, 2023.

8.7 EFFECTIVE DATE. (a) Unless otherwise specified, this section is effective the day following final enactment.

8.8 (b) Subdivision 8, paragraphs (a), (b), and (c), are effective for taxable years beginning after December 31, 2021, and before January 1, 2024, for property tax refunds based on rent paid in 2021 or 2022, and for property tax refunds based on property taxes payable in 2022 or 2023. Subdivision 8, paragraphs (d) and (e), are effective the day following final enactment, except for a program for which federal approval is required, changes affecting the program are effective upon federal approval.

8.9 Sec. 3. APPROPRIATIONS GIVEN EFFECT ONCE. If an appropriation in this act is enacted more than once during the 2022 regular session, the appropriation is to be given effect only once.

8.10 EFFECTIVE DATE. This section is effective the day following final enactment.
ARTICLE 3

UNEMPLOYMENT INSURANCE FOR HOURLY SCHOOL WORKERS AND USE OF DATA

Section 1. Minnesota Statutes 2020, section 126C.43, subdivision 2, is amended to read:

Subd. 2. Payment to unemployment insurance program trust fund by state and political subdivisions. (a) A district may levy the amount necessary (1) to pay the district's obligations under section 268.052, subdivision 1, and (2) to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.085 for the fiscal year the levy is certified.

(b) Districts with a balance remaining in their reserve for reemployment as of June 30, 2003, may not expend the reserved funds for future reemployment expenditures. Each year a levy reduction must be made to return these funds to taxpayers. The amount of the levy reduction must be equal to the lesser of: (1) the remaining reserved balance for reemployment, or (2) the amount of the district's current levy under paragraph (a).

(c) The amount in paragraph (a) must be reduced by any amount received by the district from the account established under section 268.193.

Sec. 2. Minnesota Statutes 2020, section 268.085, subdivision 7, is amended to read:

Subd. 7. School employees; between terms denial. (a) Wage credits from employment with an educational institution or institutions may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for an educational institution or institutions in the following academic year or term.

This paragraph applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess. This paragraph also applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.
This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

(b) Paragraph (a) does not apply to:

(1) an applicant who, at the end of the prior academic year or term, had an agreement for a definite period of employment between academic years or terms in other than an instructional, research, or principal administrative capacity and the educational institution or institutions failed to provide that employment; or

(2) an applicant in a position for which no license is required by the Professional Educator Licensing and Standards Board or the Board of School Administrators whose last employment was with an employer defined in section 123A.24, subdivision 2, or 123A.55.

(c) If unemployment benefits are denied to any applicant under paragraph (a) who was employed in the prior academic year or term in other than an instructional, research, or principal administrative capacity and who was not offered an opportunity to perform the employment in the following academic year or term, the applicant is entitled to retroactive unemployment benefits for each week during the period between academic years or terms that the applicant filed a timely continued request for unemployment benefits, but unemployment benefits were denied solely because of paragraph (a).

(d) This subdivision applies to employment with an educational service agency if the applicant performed the services at an educational institution or institutions. "Educational service agency" means a governmental entity established and operated for the purpose of providing services to one or more educational institutions.

(e) This subdivision applies to employment with Minnesota, a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

(f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable assurance of employment.

(g) Employment and a reasonable assurance with multiple education institutions must be aggregated for purposes of application of this subdivision.

(h) If all of the applicant's employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or
institutions for the following academic year or term, it is not considered substantially less favorable employment.

(i) A "reasonable assurance" may be written, oral, implied, or established by custom or practice.

(j) An "educational institution" is a school, college, university, or other educational entity operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit organization.

(k) An "instructional, research, or principal administrative capacity" does not include an educational assistant.

Sec. 3. Minnesota Statutes 2020, section 268.19, subdivision 1, is amended to read:

Subdivision 1. Use of data. (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 256.978;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;
(8) the Department of Labor and Industry and the Commerce Fraud Bureau in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(10) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the supplemental nutrition assistance program, and the supplemental nutrition assistance program employment and training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(11) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(12) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(13) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(14) the Department of Health for the purposes of epidemiologic investigations;

(15) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

(16) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201; and
(17) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System; 

(18) the Department of Education for the purposes of reimbursement under section 268.193; and

(19) the attorney general for the purpose of conducting an investigation pursuant to section 177.45 or 181.1721.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 4. [268.193] SCHOOL REIMBURSEMENT ACCOUNT.

Subdivision 1. Definitions. For the purposes of this section only, the following terms have the meanings given:

(1) "educational institution" means a: 

(i) school district; 

(ii) charter school; or 

(iii) school cooperative, as defined in section 123A.24, subdivision 2; and

(2) "qualifying unemployment benefits" means unemployment benefits charged to an educational institution under section 268.047 for an applicant who is in a position for which no license is required by the Professional Educator Licensing and Standards Board or the Board of School Administrators and whose last employment was with an employer defined in section 123A.24, subdivision 2, or 123A.55.

Subd. 2. School reimbursement account. (a) There is created in the special revenue fund an account to be known as the "school reimbursement account" that does not lapse nor revert to any other fund or account. This account consists of all money appropriated for the purposes of this section, unless otherwise appropriated by law. Funds appropriated for the
purposes of reimbursement under this section must be transferred to the school reimbursement account in the special revenue fund.

(b) Money in the account is appropriated to the commissioner of education to reimburse educational institutions for payments of qualifying unemployment benefits as provided under subdivision 3.

c) The commissioner of education may spend up to one percent of the amount appropriated to the school reimbursement account for costs associated with administering and monitoring payments under this section.

Subd. 3. Reimbursement administered. (a) The commissioner of employment and economic development shall compute and certify the total qualifying unemployment benefit payments credited to the reimbursable account of an educational institution under section 268.045 each calendar quarter and share and transmit that certified amount to the commissioner of education for the purpose of reimbursement under this subdivision.

(b) The commissioner of education shall issue payment of the reimbursement amounts certified under paragraph (a) to each educational institution on or before the last day of the month following the end of the next calendar quarter, as provided under this subdivision.

c) The commissioner of education shall use money deposited in the school reimbursement account to reimburse educational institutions for the qualifying unemployment benefits certified under this subdivision.

d) If the certified reimbursement amounts under this subdivision exceed the money available in the school reimbursement account, reimbursement amounts shall be dispersed to educational institutions on a pro rata basis.

Sec. 5. APPROPRIATION.

(a) $161,743,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of education for the purposes of reimbursement to educational institutions as provided under Minnesota Statutes, section 268.193. This is a onetime appropriation and is available until expended.

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 268.193.

Sec. 6. REPEALER.

Minnesota Statutes 2020, section 268.085, subdivision 8, is repealed.

Article 3 Sec. 6
268.085 ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT BENEFITS.

Subd. 8. Services for school contractors. (a) Wage credits from an employer are subject to subdivision 7, if:

(1) the employment was provided under a contract between the employer and an elementary or secondary school; and

(2) the contract was for services that the elementary or secondary school could have had performed by its employees.

(b) Wage credits from an employer are not subject to subdivision 7 if:

(1) those wage credits were earned by an employee of a private employer performing work under a contract between the employer and an elementary or secondary school; and

(2) the employment was related to food services provided to the school by the employer.
Sec. 3. REVENUE REPLACEMENT: AMERICAN RESCUE PLAN ACT STATE FISCAL RECOVERY FEDERAL FUND.

Subdivision 1. Transfer. $633,100,000 in fiscal year 2023 and $550,000,000 in fiscal year 2024 are transferred from the state fiscal recovery federal fund to the general fund for the provision of government services. The fiscal year 2024 transfer must occur prior to December 15, 2024. The transfers in this subdivision are onetime.

Subd. 2. State appropriation alternative. (a) If the commissioner of management and budget determines that the transfers in subdivision 1 are ineligible uses of the state fiscal recovery federal fund, the transfers in subdivision 1 are canceled, and $633,100,000 is appropriated from the state fiscal recovery federal fund in fiscal year 2022 to the commissioner of management and budget to replace eligible general fund appropriations in the biennium beginning July 1, 2021. Money appropriated to the commissioner of management and budget is available in either year of the biennium and may be disbursed or transferred to state agencies as necessary. The general fund appropriations being replaced are canceled. The commissioner of management and budget must determine eligible appropriations consistent with Public Law 117-2, and its corresponding guidance for use of the state fiscal recovery federal fund. For purposes of this subdivision, an ineligible use includes one that violates a maintenance of effort requirement.

(b) If the commissioner of management and budget implements the appropriations in paragraph (a), the commissioner must cancel $550,000,000 of the forecasted general fund appropriations in the biennium beginning July 1, 2023, that are eligible to be replaced with the state fiscal recovery federal fund, under Public Law 117-2, and its corresponding guidance consistent with the method used in paragraph (a). The commissioner must allocate $550,000,000 from the state fiscal recovery federal fund from the biennium beginning July 1, 2023, to replace the canceled general fund appropriations. The allocations made by the commissioner are appropriated in fiscal year 2024 from the state fiscal recovery federal fund and are available in either year of the biennium, but must be obligated by December 31, 2024. This is a onetime appropriation.

(c) Prior to implementing any appropriations or planning estimates under this subdivision, the commissioner of management and budget must submit the proposed appropriation and planning estimate changes to the Legislative Advisory Commission for review. Legislative Advisory Commission members have up to ten days to submit any recommendations regarding the appropriations to the commissioner.

Subd. 3. General fund restoration. If general fund appropriations in subdivisions 2 and 3 are reduced or replaced with state fiscal recovery federal fund appropriations, those state fiscal recovery federal fund appropriations are onetime for those years indicated, and the general fund appropriation base amounts are reinstated in subsequent fiscal years.

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