

## S.F. No. 974 – Governor’s Proposed State Government Omnibus

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### Article 1 – State Government Operations

Article 1 appropriates money in fiscal years 2022 and 2023, consistent with the governor’s budget proposal for the agencies within the jurisdiction of State Government Finance and Policy and Elections committee, as well as for the Department of Military Affairs and the Department of Veterans Affairs, as detailed on the spreadsheet prepared by Andrew Erickson of Senate Counsel, Research, and Fiscal Analysis.

### Article 2 – Policy Provisions

**Section 1 [Audit of state’s use of federal funds; annual appropriation; section 16A.06, subd. 12]** requires the commissioner of management and budget to contract with an auditor to conduct the “annual single audit” required by federal law. This audit evaluates the state’s use of federal grant funds and has been managed by the Office of the Legislative Auditor since 1983. This section establishes an annual standing appropriation from the general fund to pay the cost of the audit. The cost of the audit must be billed to state agencies who are audited during the subsequent fiscal year and the state agency payments are deposited into the general fund.

### Section 2 [Virtual Payments Authorized; section 16A.401]

**Subdivision 1 [Virtual payments]** authorizes the commissioner of management and budget to establish a program to issue virtual payments from the state treasury. This would make it possible for the state to make payment to vendors through issuing an electronic credit, rather than by issuing a check. Any rebate to the state generated by the program is deposited into the general fund, unless retained for administration of this program.

**Subd. 2 [Rebates]** requires certain rebates (those attributable to expenditures of funds established in the state constitution or protected by federal law) to be returned to the account from which the expenditure originated.

**Subd. 3 [Rebates retained]** permits the commissioner of management and budget to retain an unspecified portion of rebates for administration of this program.

**Section 3 [Grants administration; section 16B.98]** permits a state agency to retain administrative fees for administering grant programs. Unless otherwise specified in law, an agency may retain up to five percent of the amount appropriated to an agency for grants enacted by the legislature and formula grants, and up to 10 percent for competitively awarded grants. This applies to appropriations for new grant programs enacted after this section is enacted. Under current law, an agency is not permitted to retain any amount of an appropriation for administrative costs unless expressly authorized by the enacting legislation.

**Section 4 [Taxpayer assistance grants; section 270C.21]** defines “eligible organization” for purposes of the taxpayer assistance grant program, by reference to a definition in federal law. This definition expands eligibility for the program to local governments, higher education institutions, and certain coalitions led by a nonprofit or public group. The taxpayer assistance grant program provides grants to eligible organizations that coordinate and provide volunteer tax-filing assistance to Minnesotans who are low income, elderly, or otherwise disadvantaged.

**Sections 5 through 10** makes changes to existing practices for authorizing, and processing the billings for, legal representation provided to criminal defendants. For purposes of interest to the State Government Finance and Policy Committee, these changes remove the commissioner of management and budget from the process of paying appointed counsel.

**Section 5 [Counties; section 477A.03]** modifies the process for distributing county program aid to pay for public defender services. Under current law, a specified amount of county program aid is retained by the commissioner of revenue to reimburse the commissioner of management and budget for payments made to appointed counsel. A subsequent section of the bill changes the payment arrangement so that the payment is made by the Board of Public Defense, rather than MMB, so this section provides for the county program aid to be transferred to the Board of Public Defense.

**Section 6 [Request for other appointment of counsel; section 611.27, subd. 9]** permits the chief district public defender to request that the state public defender authorize the appointment of counsel to provide representation to defendants, other than the district public defender, in cases where the public defender determines the office cannot provide adequate representation. Under current law, a district court judge authorizes the appointment, at the request of the chief district public defender with approval of the state public defender.

**Section 7 [Addition of permanent staff; section 611.27, subd. 10]** is a conforming change to reflect that appointed counsel for a defendant will be authorized by the state public defender rather than a district court judge.

**Section 8 [Appointment of counsel; section 611.27, subd. 11]** is a conforming change to reflect that appointed counsel for a defendant will be authorized by the state public defender rather than a district court judge.

**Section 9 [Correctional facility inmates; section 611.27, subd. 13]** modifies the process for attending to billings for legal services rendered by appointed counsel, by authorizing the board of public defense to make payment. Under current law, the counsel is appointed by a court order and the state public defender forwards the bills to the commissioner of management and budget.

**Section 10 [Costs of transcripts]** removes the commissioner of management and budget from the process of paying for transcripts and other eligible expenses from county program aid in appeals and postconviction cases where the appellate public defender's office has insufficient funds. Provides for the board of public defense to pay these billings for transcripts and other necessary expenses.

**Section 11 [Help America Vote Act Transfers and Appropriations; Secretary of State]** extends the availability of federal funds received under the Help America Vote Act, that were appropriated to the secretary of state in 2019, until expended. Under current law, these funds are available until March 23, 2023.

**Section 12 [Availability of appropriations]** extends the availability of federal funds received under the Help America Vote Act, that were appropriated to the secretary of state in 2020, until expended. Under current law, these funds are available until March 23, 2023.

**Section 13 [Government and Citizen Services]** requires the commissioner of administration to cancel to the general fund an appropriation from fiscal year 2021 for Government and Citizen Services.