

1.1 Bliss and Xiong from the Veterans and Military Affairs Division to which was referred:

1.2 H. F. No. 3684, A bill for an act relating to veterans; establishing standards for use of
1.3 competitive grants issued by the Department of Veterans Affairs; requiring a report;
1.4 proposing coding for new law in Minnesota Statutes, chapter 196.

1.5 Reported the same back with the following amendments:

1.6 Delete everything after the enacting clause and insert:

1.7 "Section 1. **[196.055] REQUIREMENTS FOR LEGISLATIVELY DIRECTED**
1.8 **COMPETITIVE AND DIRECT GRANTS.**

1.9 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
1.10 the meanings given.

1.11 (b) "Active service member" means a person currently serving in the uniformed services
1.12 of the United States of America:

1.13 (1) on active duty who is a resident of the state or stationed in the state; or

1.14 (2) in a reserve component who is a resident of the state.

1.15 (c) "Commissioner" means the commissioner of veterans affairs.

1.16 (d) "Dependent child" means a child under the age of 22 who is a biological or adopted
1.17 child of a veteran.

1.18 (e) "Immediate family member" means a spouse or dependent child of a veteran.

1.19 (f) "Veteran" means a person who is a resident of Minnesota and who served in the
1.20 armed forces of the United States of America.

1.21 Subd. 2. **Grantee eligibility.** (a) To be eligible to receive a legislatively directed
1.22 competitive or direct grant administered by the commissioner, the grantee must be:

(1) a Minnesota-based nonprofit organization that has been operating for at least five years;

(2) be in good standing with the Office of the Attorney General; and

(3) have a current federal tax form 990 on file with the federal Internal Revenue Service.

(b) Grants made by the commissioner pursuant to sections 190.19, subdivision 2a, clauses (5) and (6); 197.608; and 197.61 are exempt from the requirements of this section.

Subd. 3. **Limitations on use of grant money.** (a) A grantee may only use grant money subject to this section to provide services to:

(1) Minnesota veterans;

(2) active service members;

(3) immediate family members of a Minnesota veteran or active service member; and

(4) immediate family members of a Minnesota veteran who died in the line of duty.

(b) When there are insufficient resources to serve all eligible applicants, a grantee must prioritize serving veterans with a service-connected disability.

Subd. 4. **Grant application scoring system.** The commissioner must develop a grant application scoring system that evaluates a grant application based upon an applicant's demonstrated history of serving veterans. The scoring system must include measurable outcomes for veterans previously served by the applicant.

Subd. 5. **Grant amounts.** The commissioner shall determine the amount of each legislatively directed competitive grant awarded based on the results of the scoring system developed pursuant to subdivision 4. The commissioner may not use a grantee's request for a designated grant amount as a factor to determine the amount of the grant awarded to the grantee.

Subd. 6. **Suspension of grant money.** The commissioner may withhold an amount awarded to a grantee if the commissioner determines that the grantee has committed fraud, is under criminal investigation, has conducted itself in a manner that brings the state of Minnesota or the Department of Veterans Affairs into disrepute, or is incapable of delivering the services required under the grant agreement.

Subd. 7. **Reports.** (a) Beginning in 2027, by February 15 of each year a grantee must submit a report to the commissioner that includes the following information:

(1) a summary of the purpose of the grant;

- 3.1 (2) the grant amount provided to the grantee;
- 3.2 (3) the amount of previous grants issued by the commissioner to the grantee;
- 3.3 (4) the amount of other state and federal grants received by the grantee in the most recent
- 3.4 fiscal year;
- 3.5 (5) the number of veterans, active service members, and immediate family members
- 3.6 served by the grantee;
- 3.7 (6) the number of veterans, active service members, and immediate family members
- 3.8 who successfully completed the grantee's programming and the criteria used to determine
- 3.9 successful completion of the programming; and
- 3.10 (7) the grantee's charitable giving ratio.
- 3.11 (b) The commissioner may require a grantee to report information in addition to the
- 3.12 required information under paragraph (a) if specified in the grantee's grant agreement with
- 3.13 the state.
- 3.14 (c) Beginning in 2027, by March 1 of each year the commissioner must submit a report
- 3.15 on grantees that received legislatively directed competitive or direct grants from the agency
- 3.16 in the preceding year to the chairs and ranking minority members of the legislative
- 3.17 committees with jurisdiction over veterans affairs policy and finance. The report must
- 3.18 summarize the information and aggregate the data provided by grantees under paragraph
- 3.19 (a).
- 3.20 Subd. 8. **Administrative costs.** The commissioner may retain up to five percent of the
- 3.21 amount appropriated for legislatively directed competitive and direct grants to fund
- 3.22 administrative and compliance monitoring costs related to the grants.
- 3.23 Subd. 9. **Interaction with other law.** Notwithstanding any law to the contrary, the
- 3.24 requirements for grants established under this section are in addition to the applicable grants
- 3.25 management requirements imposed under sections 16B.97 to 16B.991."
- 3.26 Delete the title and insert:
- 3.27 "A bill for an act
- 3.28 relating to veterans; establishing standards for legislatively directed competitive
- 3.29 and direct grants issued by the Department of Veterans Affairs; requiring a report;
- 3.30 proposing coding for new law in Minnesota Statutes, chapter 196."
- 3.31 With the recommendation that when so amended the bill be placed on the General
- 3.32 Register.

4.1

This Committee action taken March 11, 2026

4.2

....., Co-Chair

4.3

....., Co-Chair