

HF3093 - 4A - Eligibility Criteria for State Grants Modified

Chief Author: **Emma Greenman**
 Committee: **State Government Finance And Policy**
 Date Completed: **3/25/2026 8:49:25 AM**
 Agency: **Administration Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	6	14	-	-	-
Total	-	6	14	-	-	-
Biennial Total			20			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	.04	.1	-	-
Total	-	.04	.1	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 3/25/2026 8:49:25 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	6	14	-	-	-
Total	-	6	14	-	-	-
Biennial Total			20			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	6	14	-	-	-
Total	-	6	14	-	-	-
Biennial Total			20			-
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

The bill amends Minnesota Statute 16B.981 “Financial Review of Grant and Business Subsidy Recipients” as follows:

Section 1: Adds a definition of “Related entity”

Section 2: adds a requirement that a state grant-making agency must receive a certification from a potential grantee for grants of \$50,000 or more certifying compliance with minimum criteria set forth in section 3.

Section 3: Adds 9 minimum eligibility criteria for which the potential grantee must certify compliance, in addition to any eligibility criteria specific to the grant program

Section 4 contains several provisions related to verification of compliance, namely:

- the potential grantee must submit to the head of the granting agency a statement signed under oath by an owner or officer certifying compliance with all of the minimum criteria
- an agency head may accept a signed statement under oath as sufficient to demonstrate a potential grantee’s compliance and is not liable for awarding a grant in reasonable reliance on such statement
- a potential grantee is ineligible to receive the grant if they fail to certify compliance or make a false compliance statement
- an agency may decline to award a grant or terminate a grant if the grantee made a false compliance statement
- an agency head is not liable for declining or terminating a grant due to the potential grantee failure to certify or they provided a false statement; and
- allows for electronic signature of the statement of certification compliance.

Assumptions

The fiscal impact is based on the following assumptions:

- Department of Administration Office of Grants Management (OGM) would create a standard certification form for potential grantees to sign and submit to the grant agency, similar to the Responsible Contractor certification form.
- OGM Policy 08-06 Pre-Award Risk Assessment would need to be updated along with OGM’s Risk Assessment Toolkit containing 12 documents to aide state agency compliance with the policy.
- A minimum 10 grant contract agreement and grant award notification templates would need to be updated as well as

numerous Request for Proposals (RFP) and Applications templates.

- Training content would also need to be updated and additional time would be required to field inquiries and technical questions from agencies and potential grantees.
- A standard certification form would be created by August 1, 2026, for grant-making agencies' use. Policy 08-06 and templates for RFP, grant contract agreement and award notification would be updated by August 1, 2026 and training content would be updated by January 30, 2027.
- As is current practice, OGM would begin work on these updated templates, documents, and trainings as soon as the bill is passed, in FY 26, in order to provide guidance to agencies as soon as possible. Work on these items would continue into FY 27, including related technical assistance.
- Work would primarily be completed by a SPA Coordinator
- Admin notes a possible technical defect with the bill in requiring a statement signed under oath but not requiring a notarized signature.

Expenditure and/or Revenue Formula

Staff time to complete template, document, and training content updates as well as to field related inquiries and technical questions.

FY 26 - 80 hrs = 0.04 FTE

FY 27 - 200 hrs = 0.1 FTE

\$68.85/hr for salary and fringe costs

FY 26 = 5,508

FY 27 = \$13,770

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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