

HF3682 - 0 - Grantee Fraud Risk Rating System Required

Chief Author: **Jim Nash**
 Committee: **State Government Finance And Policy**
 Date Completed: **3/16/2026 3:29:38 PM**
 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	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
General Fund	-	-	71	71	-
Total	-	-	71	71	-
Biennial Total			71		71

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	.5	.5	-
Total	-	-	.5	.5	-

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:** 3/16/2026 3:29:38 PM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

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	-	-	71	71	-	-
Total	-	-	71	71	-	-
Biennial Total			71		71	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	71	71	-	-
Total	-	-	71	71	-	-
Biennial Total			71		71	
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-		-	-

Bill Description

The bill requires the Commissioner of Administration to include, in its grants management policies and procedures, a grantee fraud risk rating system with corresponding grants management requirements that are informed by the principles of vendor risk management

Assumptions

Admin assumes 0.50 FTE SPA Coordinator or equivalent to develop a grant fraud risk rating system, to update Office of Grants Management policies and templates, and to create training content to promote compliance across the enterprise.

Admin also assumes a preliminary rating system would be made available to grant making agencies for testing by September 30, 2026, and a revised final system ready for deployment by July 1, 2027. Staff time would be needed to provide training on the new system in FY 28, to make additional changes to policies and procedures, and to provide technical assistance for agencies after the set-up of the system.

Expenditure and/or Revenue Formula

	FY 27	FY 28
Salary and Fringe	70,862	70,862
FTE	0.50	0.50

Long-Term Fiscal Considerations**Local Fiscal Impact****References/Sources**

Agency Contact: Mary Schmidt 651 201-2377

Agency Fiscal Note Coordinator Signature: Ify Onyiah
Phone: 651-201-2387

Date: 3/16/2026 2:41:09 PM
Email: ify.onyiah@state.mn.us