

**Subject** Legislative auditor  
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**Date** March 9, 2026

## Overview

This bill modifies or establishes various duties for state agencies that receive recommendations from the Office of the Legislative Auditor (OLA), maintain inventories of state property, award and manage state grants, or collect debts owed to the state.

It also provides that state officers and employees may be dismissed for providing knowingly false information to OLA and specifies that most state payments, allocations, or other transfers of money to private entities are grants subject to grants management statutes and the policies created and maintained by the Office of Grants Management in the Department of Administration.

## Summary

Section	Description
1	<b>Penalties.</b> States that materials and information provided to OLA by a public official or public employee are documents subject to the existing misconduct crime under section 609.43. Provides that a public official or officer who knowingly submits false documents to OLA in violation of section 609.43 may be fired.
2	<b>Monitoring Office of the Legislative Auditor audits.</b> Requires Minnesota Management and Budget to regularly provide guidance to agencies regarding how to implement OLA's internal controls recommendations. Requires Minnesota Management and Budget to provide technical assistance to agencies that have not implemented OLA recommendations generally.
3	<b>Payment oversight.</b> Provides that unless otherwise specified, any appropriation, payment, or other transfer of money from the state to a recipient that is not a state agency or local unit

<b>Section</b>	<b>Description</b>
	of government is a grant subject to grants management statutes and Department of Administration policies. Exempts certain categories of capital project grants.
4	<b>Inventory training.</b> Requires all state employees responsible for maintaining an inventory of state property to annually complete training provided by the Department of Administration. Lists mandatory training elements.
5	<b>Discretionary powers.</b> Eliminates certain discretionary powers of the Department of Administration with regards to state grants management. These same powers appear in the next section, where they would become mandatory duties instead.
6	<b>Duties.</b> Adds additional grants management duties for the Department of Administration, as follows: ensuring that other agencies comply with the training requirements modified in section 10 below; reviewing executive agency grants management practices and enforcing policy or procedure improvements as needed; and establishing offices for purposes of state grants governance, oversight, and management.
7	<b>Conflict of interest.</b> Requires the Department of Administration's grantmaking code of ethics and conflict of interest policies to address specified topics. Under current law, these same topics are optional.
8	<b>Reporting of investigations.</b> Requires grantmaking agencies to report to the Department of Administration any grantee being investigated due to a credible allegation of fraud. Requires the department to maintain a list of the grantees reported by state agencies under this subdivision. Prohibits the department from removing a grantee from this list until the investigation is complete or closed. Classifies data created or shared under this subdivision as civil investigation data under the Minnesota Government Data Practices Act.
9	<b>Grant administration; site visit requirement.</b> Requires grantmaking agencies to conduct unannounced, on-site, in-person monitoring visits, with one visit required for grants over \$50,000 and annual visits required for grants over \$250,000. Allows the Department of Administration to approve exceptions to this requirement only if a grantmaking agency sufficiently justifies why such visits would not be suitable for a specific grant program.

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10	<p><b>Grants management training.</b></p> <p>Expands training requirements for grantmaking agencies. Requires agency staff that conduct financial reconciliations of grant expenditures to complete training before assuming these duties, and annual continuing education. Requires agencies to report to the Department of Administration annually regarding the number of staff who have received grants management training and financial reconciliation training. Requires the Department of Administration to ensure that agencies comply with the training requirements under this subdivision.</p>
11	<p><b>Hiring limitation.</b></p> <p>Prohibits state grantees from hiring an employee of the grantmaking agency who was involved in awarding or managing the grant if the employee will work with that particular grant for the grantee. This prohibition would last 12 months, starting when the agency awards the grant to the grantee. Establishes penalties for any grantee who violates this prohibition.</p>
12	<p><b>Training.</b></p> <p>Requires any agency employee who oversees debts owed to the state to complete training provided by the Department of Revenue that addresses quantifying debt, determining collection options, and provides guidance regarding how to collect these debts.</p>
13	<p><b>Generally.</b></p> <p>Modifies uncollectible debt reporting requirements for state agencies. Requires agencies' quarterly reporting to Minnesota Management and Budget to identify collection efforts taken by the agency, and to provide rationale if the agency did not make such efforts for a particular debt. Requires Minnesota Management and Budget to include this information in its annual report to the legislature and requires submission of this report to the leaders of each legislative committee. Under current law, Minnesota Management and Budget is required to submit this report only to the legislature's state government committees.</p>



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