

1.1 moves to amend H.F. No. 1 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 OFFICE OF THE INSPECTOR GENERAL

1.5 Section 1. Minnesota Statutes 2024, section 3.97, subdivision 1, is amended to read:

1.6 Subdivision 1. **Policy.** Continuous legislative review of the spending of public funds
1.7 and financing at all levels of government is required in the public interest to enable the
1.8 enactment of appropriate legislation. Fraud, waste, and abuse in public programs are
1.9 unacceptable and must be prevented. If fraud occurs, it must be promptly identified and
1.10 prosecuted to the fullest extent of the law.

1.11 Sec. 2. Minnesota Statutes 2024, section 3.97, is amended by adding a subdivision to read:

1.12 Subd. 3d. **Complementary.** The commission must ensure that the work of the inspector
1.13 general is complementary to, and not duplicative of, that of the legislative auditor.

1.14 Sec. 3. Minnesota Statutes 2024, section 3.97, is amended by adding a subdivision to read:

1.15 Subd. 3e. **Executive secretaries.** The legislative auditor and the inspector general are
1.16 the executive secretaries of the commission.

1.17 Sec. 4. Minnesota Statutes 2024, section 3.971, subdivision 1, is amended to read:

1.18 Subdivision 1. **Appointment and term.** ~~The legislative auditor is the executive secretary~~
1.19 ~~of the commission.~~ The legislative auditor shall be appointed by the commission for a
1.20 six-year term and serve in the unclassified service. When in office, the legislative auditor
1.21 may not at any time hold any other public office. The legislative auditor may not be removed
1.22 from office before the expiration of the term of service except for cause after public hearing.

2.1 Sec. 5. Minnesota Statutes 2024, section 3.971, subdivision 9, is amended to read:

2.2 Subd. 9. **Obligation to notify the legislative auditor.** The chief executive, financial,
2.3 or information officers of an organization subject to audit under this section must promptly
2.4 notify the legislative auditor when the officer obtains information indicating that (1) public
2.5 money or other public resources may have been used for an unlawful purpose, or ~~when the~~
2.6 ~~officer obtains information indicating that (2) government data classified by chapter 13 as~~
2.7 not public may have been accessed by or provided to a person without lawful authorization.
2.8 The legislative auditor must notify and coordinate with the inspector general when the
2.9 legislative auditor receives a credible notification under clause (1) that is within the inspector
2.10 general's authority. As necessary, the legislative auditor shall coordinate an investigation
2.11 of the allegation with appropriate law enforcement officials.

2.12 Sec. 6. **[3.99] DEFINITIONS.**

2.13 Subdivision 1. **Application.** For purposes of sections 3.991 to 3.9992, the following
2.14 terms have the meanings given.

2.15 Subd. 2. **Abuse.** "Abuse" means actions that may, directly or indirectly, result in
2.16 unnecessary cost to a program. Abuse may involve paying for items or services when there
2.17 is no legal entitlement to that payment.

2.18 Subd. 3. **Agency.** "Agency" means any entity subject to audit under section 3.971,
2.19 subdivision 6, or section 3.972, subdivision 2.

2.20 Subd. 4. **Fraud.** "Fraud" means an intentional or deliberate act to deprive another of
2.21 property or money or to acquire property or money by deception or other unfair means.
2.22 Fraud includes intentionally submitting false information to the state, a political subdivision,
2.23 or a private entity under contract with the state or a political subdivision for the purpose of
2.24 obtaining a greater compensation or benefit than that to which the person is legally entitled.
2.25 Fraud also includes failure to correct errors in the maintenance of records in a timely manner
2.26 after a request by the state.

2.27 Subd. 5. **Inspector general.** "Inspector general" means the person appointed under
2.28 section 3.991 or their designee.

2.29 Subd. 6. **Investigation.** "Investigation" means a proceeding or inquiry by the office
2.30 concerning a provider or recipient of state-funded services.

2.31 Subd. 7. **Office.** "Office" means the Office of the Inspector General.

3.1 Subd. 8. **Program.** "Program" or "state program" means any program fully or partially
3.2 administered or funded by the state.

3.3 Subd. 9. **Recipient of state funds.** "Recipient of state funds" means any entity or person,
3.4 including associated persons, that receives, disburses, or has custody of funds or other
3.5 resources transferred or disbursed under a program. Recipient of state funds includes but
3.6 is not limited to a private person or entity currently or formerly under contract with the state
3.7 to provide benefits, goods, or services to eligible recipients.

3.8 Subd. 10. **Waste.** "Waste" means practices that directly or indirectly result in unnecessary
3.9 program cost, including but not limited to the misuse of resources.

3.10 Sec. 7. **[3.991] OFFICE OF THE INSPECTOR GENERAL.**

3.11 Subdivision 1. **Establishment.** The Office of the Inspector General is established in the
3.12 legislative branch under the direction of the inspector general. The inspector general reports
3.13 to the Legislative Audit Commission but may independently initiate investigations and
3.14 allocate the resources of the office to effectively achieve the purpose in subdivision 2.

3.15 Subd. 2. **Purpose.** The inspector general must investigate and combat fraud, waste, and
3.16 abuse in state government with a focus on the providers and recipients of state-funded
3.17 services.

3.18 Subd. 3. **Inspector general appointment; term.** (a) The Legislative Audit Commission
3.19 must appoint an inspector general to serve in the unclassified service for a six-year term.
3.20 When in office, the inspector general may not at any time hold another public office. The
3.21 commission may not remove an inspector general from office before the expiration of the
3.22 term of service except for cause after public hearing.

3.23 Subd. 4. **Qualifications.** The commission must select an inspector general without regard
3.24 to political affiliation and on the basis of outstanding professional qualifications and
3.25 demonstrated integrity, leadership, and ability in accounting, auditing, financial analysis,
3.26 law, management analysis, public administration, investigation, criminal justice, or a related
3.27 field. The inspector general must hold at the time of appointment, or be required by the
3.28 commission to obtain within a time certain after appointment, certification from the
3.29 Association of Inspectors General.

3.30 Subd. 5. **Staff; compensation.** (a) The inspector general must appoint a deputy inspector
3.31 general, with the approval of the commission, for a term coterminous with the inspector
3.32 general's term. The deputy inspector general may be removed by the commission or the
3.33 inspector general before the expiration of the deputy's term only for cause. The inspector

4.1 general and deputy inspector general may each appoint an administrative support specialist
4.2 to serve at pleasure. The deputy inspector general may perform and exercise the powers,
4.3 duties, and responsibilities imposed by law on the inspector general when authorized by
4.4 the inspector general.

4.5 (b) The inspector general must hire assistant inspectors general and other staff as required,
4.6 in the inspector general's estimation, to administer sections 3.99 to 3.9992 and other relevant
4.7 law.

4.8 (c) The salaries and benefits of the inspector general, deputy inspector general,
4.9 administrative support specialists, assistant inspectors general, and other staff must be
4.10 determined by a compensation plan approved by the Legislative Coordinating Commission.

4.11 (d) All employees of the Office of the Inspector General serve in the unclassified service.

4.12 (e) Notwithstanding section 43A.32, subdivision 3, or any other law to the contrary, an
4.13 employee of the Office of the Inspector General is prohibited from being a candidate for a
4.14 partisan elected public office.

4.15 **Sec. 8. [3.992] DUTIES.**

4.16 The inspector general must:

4.17 (1) provide general direction and leadership for the office and its staff;

4.18 (2) oversee state grantmaking under sections 3.998 to 3.9992;

4.19 (3) embed assistant inspectors general, and other staff as determined by the inspector
4.20 general, within the Departments of Children, Youth, and Families; Corrections; Education;
4.21 Employment and Economic Development; Health; Human Services; and Labor and Industry;

4.22 (4) develop and maintain a website and telephone hotline for state agency staff and the
4.23 public to report suspected fraud, waste, or abuse in state programs, and to do so anonymously
4.24 if they so choose;

4.25 (5) establish policies and procedures for evaluating and consistently responding to each
4.26 tip received under clause (4);

4.27 (6) notify and coordinate with the legislative auditor when the inspector general receives
4.28 a credible report of suspected fraud, waste, or abuse that is within the legislative auditor's
4.29 authority;

4.30 (7) establish and maintain policies and procedures for conducting investigations;

5.1 (8) report suspected fraud or other misuse of public funds to the appropriate law
5.2 enforcement entity and cooperate with law enforcement to assist any investigation and
5.3 subsequent civil or criminal prosecution; and

5.4 (9) exercise all other powers reasonably necessary to implement and administer sections
5.5 3.99 to 3.9992 and other applicable law.

5.6 Policies and procedures developed by the inspector general under clauses (5) and (7) are
5.7 not subject to chapter 14, including section 14.386. The inspector general must submit
5.8 policies to the Legislative Audit Commission for review at least 30 days prior to adoption
5.9 or substantial revision. Procedures developed by the inspector general under clauses (5) and
5.10 (7) are nonpublic data.

5.11 **Sec. 9. [3.993] POWERS.**

5.12 Notwithstanding any law to the contrary, the inspector general may exercise the following
5.13 powers as necessary to conduct investigations and achieve the purpose of sections 3.99 to
5.14 3.9992:

5.15 (1) require the commissioner or other chief executive officer of an agency to provide
5.16 full and unrestricted access to all government data, regardless of classification, created and
5.17 maintained by the agency;

5.18 (2) require a recipient of state funds to provide full and unrestricted access to all records,
5.19 reports, plans, contracts, memoranda, correspondence, and other information created or
5.20 maintained by the recipient;

5.21 (3) require a recipient of state funds to provide the inspector general, upon presentation
5.22 of official credentials, access at reasonable times and without delay to sites and facilities
5.23 owned or operated by the recipient;

5.24 (4) subpoena witnesses, administer oaths or affirmations, take testimony, and compel
5.25 the production of the data specified under clauses (1) and (2) as the inspector general deems
5.26 necessary;

5.27 (5) in consultation with law enforcement, impose or require state agencies to impose
5.28 appropriate temporary sanctions, including the withholding of payment to a recipient of
5.29 state funds, if:

5.30 (i) the inspector general determines there is credible indicia of fraud, waste, or abuse by
5.31 the recipient;

6.1 (ii) there was a criminal, civil, or administrative adjudication of fraud, waste, or abuse
6.2 against the recipient in Minnesota or in another state or jurisdiction;

6.3 (iii) the recipient was receiving funds under any contract or registered in any program
6.4 administered by another Minnesota state agency, a government agency in another state, or
6.5 a federal agency, and was under investigation or excluded from that contract or program
6.6 for reasons credibly indicating fraud, waste, or abuse by the recipient; or

6.7 (iv) the recipient demonstrates a pattern of noncompliance with an investigation;

6.8 (6) require state employees to fully cooperate with an investigation of suspected fraud,
6.9 waste, or abuse;

6.10 (7) recommend actions to be taken by an agency to prevent fraud, waste, and abuse;

6.11 (8) require agencies to provide suitable office space and facilities access for inspector
6.12 general staff embedded within the agency; and

6.13 (9) monitor the implementation of requirements and recommendations issued by the
6.14 office.

6.15 Sec. 10. **[3.994] DATA PRACTICES.**

6.16 (a) The inspector general has access to all government data regardless of classification.

6.17 (b) It is not a violation of rights conferred by chapter 13 or any other statute related to
6.18 the confidentiality of government data for an agency to provide data or information to the
6.19 inspector general.

6.20 (c) The inspector general is subject to the Government Data Practices Act, chapter 13,
6.21 and must protect from unlawful disclosure data classified as not public. Data collected,
6.22 created, received, or maintained by the inspector general relating to an investigation are
6.23 subject to section 13.39.

6.24 (d) If data provided by the inspector general to the Legislative Audit Commission is
6.25 disseminated by the commission or its members or agents in violation of section 13.05,
6.26 subdivision 4, the commission is subject to liability under section 13.08, subdivisions 1 and
6.27 3. Members of the commission have access to not public data that is collected or used by
6.28 the inspector general only as authorized by resolution of the commission. The commission
6.29 may not authorize its members to have access to private or confidential data on individuals
6.30 collected or used in connection with the collection of any tax.

7.1 Sec. 11. **[3.995] RETALIATION PROHIBITED.**

7.2 An employee or other individual who discloses information to an agency or the inspector
7.3 general about fraud, waste, or abuse in state programs is protected under section 181.932,
7.4 governing disclosure of information by employees.

7.5 Sec. 12. **[3.996] INTERFERENCE PROHIBITED.**

7.6 No state employee may interfere with or obstruct an investigation conducted pursuant
7.7 to sections 3.99 to 3.9992.

7.8 Sec. 13. **[3.997] REPORTING REQUIRED.**

7.9 When the inspector general documents the existence of fraud, waste, or abuse in an
7.10 agency or program administered by an agency, the inspector general must quantify the
7.11 amount of documented fraud, waste, or abuse and report this amount to the Legislative
7.12 Audit Commission and the chairs and ranking minority members of the legislative committees
7.13 with jurisdiction over the agency's operating budget.

7.14 Sec. 14. **[3.998] GRANTS MANAGEMENT.**

7.15 Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or
7.16 electronic document defining a legal relationship between a granting agency and a grantee
7.17 when the principal purpose of the relationship is to transfer cash or something of value to
7.18 the recipient to support a public purpose authorized by law instead of acquiring by
7.19 professional or technical contract, purchase, lease, or barter property or services for the
7.20 direct benefit or use of the granting agency.

7.21 (b) This section does not apply to general obligation grants as defined by section 16A.695
7.22 and capital project grants to political subdivisions as defined by section 16A.86.

7.23 Subd. 2. **Grants governance.** The inspector general shall provide leadership and direction
7.24 for policy related to grants management in Minnesota in order to foster more consistent,
7.25 streamlined interaction between executive agencies, funders, and grantees that will enhance
7.26 access to grant opportunities and information; prevent fraud, waste, and abuse; and lead to
7.27 greater program accountability and transparency. The inspector general has the duties and
7.28 powers stated in this section. Executive agencies shall fully cooperate with the inspector
7.29 general in the creation, management, and oversight of state grants and must do what the
7.30 inspector general requires under this section. The inspector general may adopt rules to carry
7.31 out grants governance, oversight, and management.

8.1 Subd. 3. **Discretionary powers.** The inspector general has the authority to:

8.2 (1) review grants management practices and establish and enforce policy and procedure
8.3 improvements;

8.4 (2) sponsor, support, and facilitate innovative and collaborative grants management
8.5 projects with public and private organizations;

8.6 (3) review, recommend, and implement alternative strategies for grants management;

8.7 (4) collect and disseminate information, issue reports relating to grants management,
8.8 and sponsor and conduct conferences and studies;

8.9 (5) participate in conferences and other appropriate activities related to grants
8.10 management issues;

8.11 (6) suspend or debar grantees from eligibility to receive state-issued grants for up to
8.12 three years for reasons specified in Minnesota Rules, part 1230.1150, subpart 2. A grantee
8.13 may obtain an administrative hearing pursuant to sections 14.57 to 14.62 before a suspension
8.14 or debarment is effective by filing a written request for hearing within 20 days of notification
8.15 of suspension or debarment;

8.16 (7) establish offices for the purpose of carrying out grants governance, oversight, and
8.17 management; and

8.18 (8) require granting agencies to submit grant solicitation documents for review prior to
8.19 issuance at dollar levels determined by the inspector general.

8.20 Subd. 4. **Duties.** (a) The inspector general shall:

8.21 (1) create general grants management policies and procedures that are applicable to all
8.22 executive agencies and designed, in part, to prevent fraud, waste, and abuse. The inspector
8.23 general may approve exceptions to these policies and procedures for particular grant
8.24 programs, however the inspector general must not approve an exception to the requirements
8.25 under clause (11). Exceptions shall expire or be renewed after five years. Executive agencies
8.26 shall retain management of individual grants programs;

8.27 (2) provide a central point of contact concerning statewide grants management policies
8.28 and procedures;

8.29 (3) serve as a resource to executive agencies in such areas as training, evaluation,
8.30 collaboration, and best practices in grants management;

8.31 (4) ensure grants management needs are considered in the development, upgrade, and
8.32 use of statewide administrative systems and leverage existing technology wherever possible;

9.1 (5) oversee and approve future professional and technical service contracts and other
9.2 information technology spending related to executive agency grants management systems
9.3 and activities;

9.4 (6) provide a central point of contact for comments about executive agencies violating
9.5 statewide grants governance policies and about fraud, waste, or abuse in grants processes;

9.6 (7) forward received comments to the appropriate agency for further action, as determined
9.7 by the inspector general, and may follow up as necessary;

9.8 (8) provide a single listing of all available executive agency competitive grant
9.9 opportunities and resulting grant recipients;

9.10 (9) selectively review development and implementation of executive agency grants,
9.11 policies, and practices;

9.12 (10) selectively review executive agency compliance with best practices; and

9.13 (11) require executive agencies, without exception, to:

9.14 (i) conduct at least one in-person, unannounced monitoring visit before final payment
9.15 is made for any grant over \$50,000 and at least annual in-person, unannounced monitoring
9.16 visits for any grant over \$250,000;

9.17 (ii) conduct a financial reconciliation of each grant project expenditure prior to
9.18 disbursement for any grant over \$50,000; and

9.19 (iii) withhold funds from any grantee that does not submit a progress report required
9.20 under the grant agreement until the grantee submits a satisfactory report.

9.21 (b) The inspector general may determine that it is cost-effective for agencies to develop
9.22 and use shared grants management technology systems. This system would be governed
9.23 under section 16E.01, subdivision 3, paragraph (b).

9.24 (c) A state employee who knowingly violates a requirement imposed by the inspector
9.25 general under paragraph (a), clause (11), is guilty of a misdemeanor.

9.26 Subd. 5. **Data classification.** Data maintained by the inspector general that identify a
9.27 person providing comments to the inspector general under subdivision 4, paragraph (a),
9.28 clauses (6) and (7), are private and nonpublic data but may be shared with the executive
9.29 agency that is the subject of the comments.

10.1 Sec. 15. [3.999] GRANTS MANAGEMENT PROCESS.

10.2 Subdivision 1. **Limitation.** (a) As a condition of receiving a grant from an appropriation
10.3 of state funds, the recipient of the grant must agree to minimize administrative costs. The
10.4 granting agency is responsible for negotiating appropriate limits to these costs so that the
10.5 state derives the optimum benefit for grant funding.

10.6 (b) This section does not apply to general obligation grants as defined by section 16A.695
10.7 and also capital project grants to political subdivisions as defined by section 16A.86.

10.8 Subd. 2. **Ethical practices and conflict of interest.** An employee of the executive branch
10.9 involved directly or indirectly in grants processes, at any level, is subject to the code of
10.10 ethics in section 43A.38.

10.11 Subd. 3. **Conflict of interest.** (a) The inspector general must develop policies regarding
10.12 code of ethics and conflict of interest designed to prevent conflicts of interest for employees,
10.13 committee members, or others involved in the recommendation, awarding, and administration
10.14 of grants. The policies must apply to employees who are directly or indirectly in the grants
10.15 process, which may include the following:

10.16 (1) developing request for proposals or evaluation criteria;

10.17 (2) drafting, recommending, awarding, amending, revising, or entering into grant
10.18 agreements;

10.19 (3) evaluating or monitoring performance; or

10.20 (4) authorizing payments.

10.21 (b) The policies must include:

10.22 (1) a process to make all parties to the grant aware of policies and laws relating to conflict
10.23 of interest, and training on how to avoid and address potential conflicts; and

10.24 (2) a process under which those who have a conflict of interest or a potential conflict of
10.25 interest must disclose the matter.

10.26 (c) If the employee, appointing authority, or inspector general determines that a conflict
10.27 of interest exists, the matter shall be assigned to another employee who does not have a
10.28 conflict of interest. If it is not possible to assign the matter to an employee who does not
10.29 have a conflict of interest, interested personnel shall be notified of the conflict and the
10.30 employee may proceed with the assignment.

10.31 Subd. 4. **Reporting of violations.** A state employee who discovers evidence of violation
10.32 of laws or rules governing grants must report the violation or suspected violation to the

11.1 employee's supervisor and the inspector general. The inspector general shall report to the
11.2 Legislative Audit Commission if there are multiple complaints about the same agency. An
11.3 employee making a good faith report under this section has the protections provided for
11.4 under section 181.932, prohibiting the employer from discriminating against the employee.

11.5 Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement and
11.6 amendments are not valid and do not bind unless:

11.7 (1) the grant agreement and amendments have been executed by the head of the agency
11.8 or a delegate who is party to the grant;

11.9 (2) the grant agreement and amendments have been approved by the inspector general;

11.10 (3) the accounting system shows an encumbrance for the amount of the grant in
11.11 accordance with policy approved by the inspector general except as provided in subdivision
11.12 11; and

11.13 (4) the grant agreement and amendments include an effective date that references either
11.14 section 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting
11.15 agency.

11.16 (b) The combined grant agreement and amendments must not exceed five years without
11.17 specific, written approval by the inspector general according to established policy, procedures,
11.18 and standards, or unless the inspector general determines that a longer duration is in the
11.19 best interest of the state.

11.20 (c) A fully executed copy of the grant agreement with all amendments and other required
11.21 records relating to the grant must be kept on file at the granting agency for a time equal to
11.22 that required of grantees in subdivision 8.

11.23 (d) Grant agreements must comply with policies established by the inspector general
11.24 for minimum grant agreement standards and practices.

11.25 (e) The attorney general may periodically review and evaluate a sample of state agency
11.26 grants to ensure compliance with applicable laws.

11.27 Subd. 6. **Grant administration.** A granting agency shall diligently administer and
11.28 monitor any grant it has entered into. A granting agency must report to the inspector general
11.29 at any time at the inspector general's request on the status of any grant to which the agency
11.30 is a party.

11.31 Subd. 7. **Grant payments.** Payments to the grantee may not be issued until the grant
11.32 agreement is fully executed. Encumbrances for grants issued by June 30 may be certified

12.1 for a period of one year beyond the year in which the funds were originally appropriated as
12.2 provided by section 16A.28, subdivision 6.

12.3 Subd. 8. **Audit.** (a) A grant agreement made by an executive agency must include an
12.4 audit clause that provides that the books, records, documents, internal controls, and
12.5 accounting procedures and practices of the grantee or other party that are relevant to the
12.6 grant or transaction are subject to examination by the inspector general, the granting agency,
12.7 and either the legislative auditor or the state auditor, as appropriate, for a minimum of six
12.8 years from the grant agreement end date, receipt and approval of all final reports, or the
12.9 required period of time to satisfy all state and program retention requirements, whichever
12.10 is later. If a grant agreement does not include an express audit clause, the audit authority
12.11 under this subdivision is implied.

12.12 (b) If the granting agency is a local unit of government, and the governing body of the
12.13 local unit of government requests that the state auditor examine the books, records,
12.14 documents, internal controls, and accounting procedures and practices of the grantee or
12.15 other party according to this subdivision, the granting agency shall be liable for the cost of
12.16 the examination. If the granting agency is a local unit of government, and the grantee or
12.17 other party requests that the state auditor examine all books, records, documents, internal
12.18 controls, and accounting procedures and practices related to the grant, the grantee or other
12.19 party that requested the examination shall be liable for the cost of the examination.

12.20 Subd. 9. **Authority of attorney general.** The attorney general may pursue remedies
12.21 available by law to avoid the obligation of an agency to pay under a grant or to recover
12.22 payments made if activities under the grant are so unsatisfactory, incomplete, or inconsistent
12.23 that payment would involve unjust enrichment. The contrary opinion of the granting agency
12.24 does not affect the power of the attorney general under this subdivision.

12.25 Subd. 10. **Grants with Indian Tribes and bands.** Notwithstanding any other law, an
12.26 agency may not require an Indian Tribe or band to deny its sovereignty as a requirement or
12.27 condition of a grant with an agency.

12.28 Subd. 11. **Encumbrance exception.** Notwithstanding subdivision 5, paragraph (a),
12.29 clause (2), or section 16C.05, subdivision 2, paragraph (a), clause (3), agencies may permit
12.30 a specifically named, legislatively appropriated, noncompetitive grant recipient to incur
12.31 eligible expenses based on an agreed upon work plan and budget for up to 60 days prior to
12.32 an encumbrance being established in the accounting system.

13.1 Subd. 12. **Grantee evaluations.** (a) The head of the agency or delegate entering into a
13.2 grant agreement in excess of \$25,000 must submit a report to the inspector general who
13.3 must make the report publicly available online.

13.4 (b) The report must:

13.5 (1) summarize the purpose of the grant;

13.6 (2) state the amount provided to the grantee; and

13.7 (3) include a written performance evaluation of the work done under the grant. The
13.8 evaluation must include an appraisal of the grantee's timeliness, quality, and overall
13.9 performance in meeting the terms and objectives of the grant. Grantees may request copies
13.10 of evaluations prepared under this subdivision and may respond in writing. Grantee responses
13.11 must be maintained with the grant file.

13.12 Subd. 13. **Limitations on actions.** No action may be maintained by a grantee against
13.13 an employee or agency who discloses information about a current or former grantee under
13.14 subdivision 12, unless the grantee demonstrates by clear and convincing evidence that:

13.15 (1) the information was false and defamatory;

13.16 (2) the employee or agency knew or should have known the information was false and
13.17 acted with malicious intent to injure the current or former grantee; and

13.18 (3) the information was acted upon in a manner that caused harm to the current or former
13.19 grantee.

13.20 Subd. 14. **Administrative costs.** Unless amounts are otherwise appropriated for
13.21 administrative costs, a state agency may retain up to two percent of the amount appropriated
13.22 to the agency for grants. This subdivision does not apply to grants funded with an
13.23 appropriation of proceeds from the sale of state general obligation bonds.

13.24 Sec. 16. **[3.9991] FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY**
13.25 **RECIPIENTS.**

13.26 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the
13.27 meanings given.

13.28 (b) "Grant" means a grant of \$50,000 or more as defined in section 16B.97, subdivision
13.29 1, paragraph (a); or business subsidy of \$50,000 or more as defined in section 116J.994,
13.30 subdivision 3, paragraph (b).

14.1 (c) "Grantee" means a political subdivision, as defined in section 471.345, subdivision
14.2 1; a nonprofit, as defined in chapter 317A; or a business entity, as defined in section 5.001,
14.3 subdivision 2.

14.4 Subd. 2. **Financial information required; determination of ability to perform.** For
14.5 grants of \$50,000 or more and subject to sections 16B.97 and 16B.98, before an agency
14.6 awards a competitive, legislatively named, single-source, or sole-source grant, the agency
14.7 must complete a preaward risk assessment to assess the risk that a potential grantee cannot
14.8 or would not perform the required duties. In making this assessment, the agency must review
14.9 the following information as applicable:

14.10 (1) the potential grantee's history of performing duties similar to those required by the
14.11 grant, whether the grant requires the potential grantee to perform services at a significantly
14.12 increased scale, and whether the grant will require significant changes to the operation of
14.13 the potential grantee's organization;

14.14 (2) for a potential grantee that is a nonprofit organization, the potential grantee's most
14.15 recent Form 990 or Form 990-EZ filed with the Internal Revenue Service. If the potential
14.16 grantee has not been in existence long enough or is not required to file Form 990 or Form
14.17 990-EZ, the potential grantee must demonstrate to the agency's satisfaction that the potential
14.18 grantee is exempt and must instead submit the potential grantee's most recent board-reviewed
14.19 financial statements and documentation of appropriate internal controls or, if there is no
14.20 such board, by the applicant's managing group. At a minimum, the potential grantee's internal
14.21 controls must require the segregation of duties concerning the authorization, disbursement,
14.22 and recording of expenditures;

14.23 (3) for a potential grantee that is a for-profit business, the potential grantee's most recent
14.24 federal and state tax returns, current financial statements, certification that the business is
14.25 not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business
14.26 has not been in business long enough to have a tax return, the grantee must demonstrate to
14.27 the agency's satisfaction that the grantee has appropriate internal controls. At a minimum,
14.28 the potential grantee's internal controls must require the segregation of duties concerning
14.29 the authorization, disbursement, and recording of expenditures;

14.30 (4) evidence of good standing with the secretary of state under chapter 317A, or other
14.31 applicable law;

14.32 (5) if the potential grantee is required to complete an audit under section 309.53,
14.33 subdivision 3, the potential grantee's most recent audit report performed by an independent
14.34 third party in accordance with generally accepted accounting principles; and

15.1 (6) certification, provided by the potential grantee, that none of its current principals
15.2 have been convicted of a felony financial crime in the last ten years. For purposes of this
15.3 section, a principal is defined as a public official, a board member, or staff with the authority
15.4 to access funds provided by this agency or determine how those funds are used.

15.5 Subd. 3. **Additional measures for some grantees.** The agency must require additional
15.6 information and provide enhanced oversight for grantees that have not previously received
15.7 state or federal grants for similar amounts or similar duties and have not yet demonstrated
15.8 the ability to perform the duties required under the grant on the scale required. For nonprofit
15.9 organizations, this additional information must include but is not limited to documented
15.10 employee compensation agreements for each principal and a detailed payroll report that
15.11 includes total compensation, by type, paid to each principal in each of the previous three
15.12 years. Before awarding a grant, the agency must inquire about compensation that, in the
15.13 agency's estimation, is in excess of the amount customarily paid to those in comparable
15.14 positions.

15.15 Subd. 4. **Agency authority to not award grant.** (a) If, while performing the required
15.16 steps in subdivision 2 and pursuant to sections 3.998 and 3.999, the agency requires additional
15.17 information to determine whether there is a substantial risk that the potential grantee cannot
15.18 or would not perform the required duties of the grant agreement, the agency must give the
15.19 grantee 30 business days within which the grantee can respond to the agency for the purpose
15.20 of satisfying the agency's concerns or work with the agency to develop a plan to satisfy the
15.21 concerns.

15.22 (b) If, after performing the required steps in subdivision 2 and pursuant to sections 3.998
15.23 and 3.999, and after reviewing any additional requested information from the grantee, the
15.24 agency still has concerns that there is a substantial risk that a potential grantee cannot or
15.25 would not perform the required duties under the grant agreement, the agency must either
15.26 create a plan to satisfy remaining concerns with the grantee or must not award the grant.

15.27 (c) If, pursuant to paragraphs (a) and (b), the agency does not award a competitive,
15.28 single-source, or sole-source grant, the agency must provide notification to the grantee and
15.29 the inspector general of the determination. The notification to the grantee must include the
15.30 agency's reason for postponing or forgoing the grant, including information sufficient to
15.31 explain and support the agency's decision, and notify the applicant of the process for
15.32 contesting the agency's decision with the agency and the applicant's options under paragraph
15.33 (d). If the applicant contests the agency's decision no later than 15 business days after
15.34 receiving the notice, the agency must consider any additional written information submitted
15.35 by the grantee. The agency has 15 business days to consider this information, during which

16.1 the agency may reverse or modify the agency's initial decision to postpone or forgo the
16.2 grant.

16.3 (d) The final decision by an agency under paragraph (c) may be challenged as a contested
16.4 case under chapter 14. The contested case proceeding must be initiated within 30 business
16.5 days of the date of written notification of a final decision by the agency.

16.6 (e) If, pursuant to paragraphs (a) and (b), the agency does not award a legislatively named
16.7 grant, the agency must delay award of the grant until adjournment of the next regular or
16.8 special legislative session for action from the legislature. The agency must provide
16.9 notification to the potential grantee, the inspector general, and the chairs and ranking minority
16.10 members of the Ways and Means Committee in the house of representatives and the chairs
16.11 and ranking minority members of the Finance Committee in the senate. The notification to
16.12 the grantee must include the agency's reason for postponing or forgoing the grant, including
16.13 information sufficient to explain and support the agency's decision and notify the applicant
16.14 of the process for contesting the agency's decision. If the applicant contests the agency's
16.15 decision no later than 15 business days after receiving the notice, the agency must consider
16.16 any additional written information submitted by the grantee. The agency has 15 business
16.17 days to consider this information, during which the agency may reverse or modify the
16.18 agency's initial decision to postpone or forgo the grant. The notification to the inspector
16.19 general and legislators must identify the legislatively named potential grantee and the
16.20 agency's reason for postponing or forgoing the grant. After hearing the concerns of the
16.21 agency, the legislature may reaffirm the award of the grant or reappropriate the funds to a
16.22 different legislatively named grantee. Based on the action of the legislature, the agency
16.23 must award the grant to the legislatively named grantee. If the legislature does not provide
16.24 direction to the agency on the disposition of the grant, the funds revert to the original
16.25 appropriation source.

16.26 Subd. 5. **Authority to award subject to additional assistance and oversight.** An
16.27 agency that identifies an area of significant concern regarding an applicant's financial
16.28 standing or management may award a grant to the applicant if the agency provides or the
16.29 potential grantee otherwise obtains necessary technical assistance. If the agency cannot
16.30 provide and the grantee cannot otherwise reasonably obtain necessary technical assistance,
16.31 the agency may award the grant if the agency establishes additional requirements in the
16.32 grant agreement. Additional requirements may include but are not limited to enhanced
16.33 monitoring, additional reporting, or other reasonable requirements imposed by the agency
16.34 to protect the interests of the state.

17.1 Sec. 17. **[3.9992] TERMINATION OF GRANT.**

17.2 Subdivision 1. **Criminal charge or conviction.** Each grant agreement subject to sections
17.3 3.998 to 3.9991 must provide that the agreement will immediately be suspended if the
17.4 recipient is charged with a criminal offense relating to a state grant agreement and terminated
17.5 if the recipient is convicted.

17.6 Subd. 2. **Authority.** A grant agreement must by its terms permit the agency's
17.7 commissioner or the inspector general to unilaterally terminate the grant agreement prior
17.8 to completion if the commissioner or inspector general determines that further performance
17.9 under the grant agreement would not serve agency purposes or is not in the best interests
17.10 of the state.

17.11 Sec. 18. **[15.442] DETECTION AND PREVENTION OF FRAUD AND OTHER**
17.12 **MISUSES OF PUBLIC FUNDS.**

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

17.15 (b) "Agency" has the meaning given in section 3.99.

17.16 (c) "Obligated officer" means an agency's:

17.17 (1) chief executive officer;

17.18 (2) deputy and assistant chief executive officers;

17.19 (3) chief administrative, chief financial, chief information, and chief investigative officers;

17.20 (4) heads of divisions, bureaus, departments, institutes, or other such organizational
17.21 units; and

17.22 (5) where applicable, board chair.

17.23 Subd. 2. **Suspected fraud or other misuse.** Notwithstanding any law to the contrary,
17.24 if an obligated officer finds or receives credible indicia of fraud or other misuse of public
17.25 funds in a grant program or other program administered by the agency, the agency must:

17.26 (1) report to the appropriate law enforcement entity;

17.27 (2) report to the inspector general and the legislative auditor under section 609.456;

17.28 (3) fully cooperate with law enforcement and the inspector general, including but not
17.29 limited to assisting in any investigation and subsequent civil or criminal prosecution; and

18.1 (4) if approved or directed by law enforcement or the inspector general, stop payment,
18.2 increase oversight, or take other action necessary to prevent further suspected fraud or
18.3 misuse of public funds in the program.

18.4 Subd. 3. **Identification of fraud reporting tools.** (a) The commissioner or other chief
18.5 executive officer of each agency must prominently highlight on the agency's website the
18.6 fraud reporting tools administered by the Office of the Inspector General and the Office of
18.7 the Legislative Auditor under chapter 3.

18.8 (b) As part of any grant agreement between the state and a nonprofit organization, the
18.9 agreement must require the nonprofit organization to prominently highlight on the
18.10 organization's website the fraud reporting tools administered by the Office of the Inspector
18.11 General and the Office of the Legislative Auditor under chapter 3. The state agency
18.12 administering the grant must regularly confirm and document the organization's compliance
18.13 with the requirement under this paragraph for the life of the grant agreement.

18.14 Sec. 19. Minnesota Statutes 2024, section 609.456, subdivision 2, is amended to read:

18.15 Subd. 2. **Legislative auditor.** Whenever an employee or officer of the state, University
18.16 of Minnesota, or other organization listed in section 3.971, subdivision 6, discovers evidence
18.17 of theft, embezzlement, or unlawful use of public funds or property, the employee or officer
18.18 shall, ~~except when to do so would knowingly impede or otherwise interfere with an ongoing~~
18.19 ~~criminal investigation,~~ promptly report in writing to the legislative auditor a detailed
18.20 description of the alleged incident or incidents.

18.21 Sec. 20. Minnesota Statutes 2024, section 609.456, is amended by adding a subdivision
18.22 to read:

18.23 Subd. 3. **Inspector general.** Whenever an employee or officer of the state, University
18.24 of Minnesota, or other organization listed in section 3.971, subdivision 6, discovers evidence
18.25 of fraud, waste, or abuse of public funds or property, the employee or officer shall promptly
18.26 report in writing to the inspector general a detailed description of the alleged incident or
18.27 incidents.

18.28 Sec. 21. **APPROPRIATION.**

18.29 \$...... in fiscal year 2026 and \$...... in fiscal year 2027 are appropriated from the general
18.30 fund to the inspector general for purposes of this act.

19.1 Sec. 22. APPROPRIATION.

19.2 \$..... in fiscal year 2026 and \$..... in fiscal year 2027 are appropriated from the general
19.3 fund to the legislative auditor. The amount each year is in addition to the legislative auditor's
19.4 base general fund budget.

19.5 Sec. 23. EFFECTIVE DATE.

19.6 This section is effective July 1, 2025.

19.7 **ARTICLE 2**19.8 **CONFORMING ITEMS AND REPEALERS**

19.9 Section 1. Minnesota Statutes 2024, section 3.855, subdivision 3, is amended to read:

19.10 Subd. 3. **Other salary and compensation plan.** The commission shall review and
19.11 approve or reject the plan for compensation, terms, and conditions of employment of
19.12 classified employees in the office of the legislative auditor under section 3.971, subdivision
19.13 2, and a plan for compensation, terms, and conditions of employment for employees of the
19.14 Office of the Inspector General under section 3.991, subdivision 5.

19.15 Sec. 2. Minnesota Statutes 2024, section 142B.53, is amended to read:

19.16 **142B.53 MANDATORY REPORTING.**

19.17 Any individual engaging in licensing functions and activities under this chapter, including
19.18 authorities delegated under section 142B.30, must immediately report any suspected fraud
19.19 to county children, youth, and families investigators ~~or~~ and the ~~Department of Children,~~
19.20 ~~Youth, and Families~~ Office of the Inspector General.

19.21 Sec. 3. Minnesota Statutes 2024, section 245A.24, is amended to read:

19.22 **245A.24 MANDATORY REPORTING.**

19.23 Any individual engaging in licensing functions and activities under this chapter, including
19.24 authorities delegated under section 245A.16, must immediately report any suspected fraud
19.25 to county human services investigators or the ~~Department of Human Services~~ Office of the
19.26 Inspector General.

19.27 Sec. 4. Minnesota Statutes 2024, section 268.19, subdivision 1, is amended to read:

19.28 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from
19.29 any person under the administration of the Minnesota Unemployment Insurance Law are

20.1 private data on individuals or nonpublic data not on individuals as defined in section 13.02,
20.2 subdivisions 9 and 12, and may not be disclosed except according to a district court order
20.3 or section 13.05. A subpoena is not considered a district court order. These data may be
20.4 disseminated to and used by the following agencies without the consent of the subject of
20.5 the data:

20.6 (1) state and federal agencies specifically authorized access to the data by state or federal
20.7 law;

20.8 (2) any agency of any other state or any federal agency charged with the administration
20.9 of an unemployment insurance program;

20.10 (3) any agency responsible for the maintenance of a system of public employment offices
20.11 for the purpose of assisting individuals in obtaining employment;

20.12 (4) the public authority responsible for child support in Minnesota or any other state in
20.13 accordance with section 518A.83;

20.14 (5) human rights agencies within Minnesota that have enforcement powers;

20.15 (6) the Department of Revenue to the extent necessary for its duties under Minnesota
20.16 laws;

20.17 (7) public and private agencies responsible for administering publicly financed assistance
20.18 programs for the purpose of monitoring the eligibility of the program's recipients;

20.19 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the
20.20 Department of Commerce for uses consistent with the administration of their duties under
20.21 Minnesota law;

20.22 (9) the Department of Human Services and, the Office of the Inspector General, and its
20.23 ~~agents within the Department of Human Services, including~~ county fraud investigators, for
20.24 investigations related to recipient or provider fraud and employees of providers when the
20.25 provider is suspected of committing public assistance fraud;

20.26 (10) the Department of Human Services for the purpose of evaluating medical assistance
20.27 services and supporting program improvement;

20.28 (11) local and state welfare agencies for monitoring the eligibility of the data subject
20.29 for assistance programs, or for any employment or training program administered by those
20.30 agencies, whether alone, in combination with another welfare agency, or in conjunction
20.31 with the department or to monitor and evaluate the statewide Minnesota family investment
20.32 program and other cash assistance programs, the Supplemental Nutrition Assistance Program,

21.1 and the Supplemental Nutrition Assistance Program Employment and Training program by
21.2 providing data on recipients and former recipients of Supplemental Nutrition Assistance
21.3 Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child
21.4 care assistance under chapter 142E, or medical programs under chapter 256B or 256L or
21.5 formerly codified under chapter 256D;

21.6 (12) local and state welfare agencies for the purpose of identifying employment, wages,
21.7 and other information to assist in the collection of an overpayment debt in an assistance
21.8 program;

21.9 (13) local, state, and federal law enforcement agencies for the purpose of ascertaining
21.10 the last known address and employment location of an individual who is the subject of a
21.11 criminal investigation;

21.12 (14) the United States Immigration and Customs Enforcement has access to data on
21.13 specific individuals and specific employers provided the specific individual or specific
21.14 employer is the subject of an investigation by that agency;

21.15 (15) the Department of Health for the purposes of epidemiologic investigations;

21.16 (16) the Department of Corrections for the purposes of case planning and internal research
21.17 for preprobation, probation, and postprobation employment tracking of offenders sentenced
21.18 to probation and preconfinement and postconfinement employment tracking of committed
21.19 offenders;

21.20 (17) the state auditor to the extent necessary to conduct audits of job opportunity building
21.21 zones as required under section 469.3201;

21.22 (18) the Office of Higher Education for purposes of supporting program improvement,
21.23 system evaluation, and research initiatives including the Statewide Longitudinal Education
21.24 Data System; and

21.25 (19) the Family and Medical Benefits Division of the Department of Employment and
21.26 Economic Development to be used as necessary to administer chapter 268B.

21.27 (b) Data on individuals and employers that are collected, maintained, or used by the
21.28 department in an investigation under section 268.182 are confidential as to data on individuals
21.29 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3
21.30 and 13, and must not be disclosed except under statute or district court order or to a party
21.31 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

22.1 (c) Data gathered by the department in the administration of the Minnesota unemployment
22.2 insurance program must not be made the subject or the basis for any suit in any civil
22.3 proceedings, administrative or judicial, unless the action is initiated by the department.

22.4 Sec. 5. Minnesota Statutes 2024, section 268B.30, is amended to read:

22.5 **268B.30 DATA PRIVACY.**

22.6 (a) Except as provided by this section, data collected, created, or maintained under this
22.7 chapter are private data on individuals or nonpublic data not on individuals as defined in
22.8 section 13.02, subdivisions 9 and 12, and must not be disclosed except according to a district
22.9 court order or section 13.05. A subpoena is not considered a district court order.

22.10 (b) Data classified under paragraph (a) may be disseminated to and used by the following
22.11 without the consent of the subject of the data:

22.12 (1) state and federal agencies specifically authorized access to the data by state or federal
22.13 law;

22.14 (2) the unemployment insurance division, to the extent necessary to administer the
22.15 programs established under this chapter and chapter 268;

22.16 (3) employers, to the extent necessary to support adjudication of application requests
22.17 and to support the employer's administration of a leave of absence;

22.18 (4) health care providers, to the extent necessary to support verification of health care
22.19 conditions and qualifying events;

22.20 (5) the public authority responsible for child support in Minnesota or any other state in
22.21 accordance with section 518A.83;

22.22 (6) human rights agencies within Minnesota that have enforcement powers;

22.23 (7) the Department of Revenue, to the extent necessary for its duties under Minnesota
22.24 laws;

22.25 (8) public and private agencies responsible for administering publicly financed assistance
22.26 programs for the purpose of monitoring the eligibility of the program's recipients;

22.27 (9) the Department of Labor and Industry and the Commerce Fraud Bureau in the
22.28 Department of Commerce for uses consistent with the administration of their duties under
22.29 Minnesota law;

22.30 (10) the Department of Human Services ~~and~~, the Office of the Inspector General, and
22.31 ~~its agents within the Department of Human Services, including~~ county fraud investigators,

23.1 for investigations related to recipient or provider fraud and employees of providers when
23.2 the provider is suspected of committing public assistance fraud;

23.3 (11) the Department of Public Safety for support in identity verification;

23.4 (12) local, state, and federal law enforcement agencies for the purpose of ascertaining
23.5 the last known address and employment location of an individual who is the subject of a
23.6 criminal investigation;

23.7 (13) the Department of Health for the purposes of epidemiologic investigations;

23.8 (14) the Department of Corrections for the purposes of tracking incarceration of
23.9 applicants; and

23.10 (15) contracted third parties, to the extent necessary to aid in identity verification,
23.11 adjudication, administration, and evaluation of the program.

23.12 (c) Data on individuals and employers that are collected, maintained, or used by the
23.13 department in an investigation under section 268B.19, 268B.21, 268B.22, or 268B.23 are
23.14 confidential as to data on individuals and protected nonpublic data not on individuals as
23.15 defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under
23.16 statute or district court order or to a party named in a criminal proceeding, administrative
23.17 or judicial, for preparation of a defense.

23.18 (d) Data gathered by the department in the administration of this chapter must not be
23.19 made the subject or the basis for any suit in any civil proceedings, administrative or judicial,
23.20 unless the action is initiated by the department.

23.21 **Sec. 6. EXISTING DUTIES ABOLISHED; TRANSFERS PROVIDED.**

23.22 Subdivision 1. **Duties abolished.** Duties pertaining to the investigation of fraud, waste,
23.23 and abuse in the Offices of Inspector General in the Departments of Education; Human
23.24 Services; and Children, Youth, and Families are abolished effective the day after the inspector
23.25 general under Minnesota Statutes, section 3.991, certifies in writing to the commissioner
23.26 of the respective department and the commissioner of management and budget that the
23.27 inspector general has assumed responsibility for these duties.

23.28 Subd. 2. **Inspector general transfers.** Pursuant to Minnesota Statutes, section 15.039,
23.29 all active investigations, obligations, court actions, contracts, records, personnel, and
23.30 unexpended funds shall transfer from each department in subdivision 1 to the inspector
23.31 general under Minnesota Statutes, section 3.991, except as provided by the inspector general.

24.1 Subd. 3. **Grants management transfer.** Pursuant to Minnesota Statutes, section 15.039,
 24.2 all Office of Grants Management policies, obligations, court actions, contracts, records,
 24.3 personnel, and unexpended funds shall transfer from the Department of Administration to
 24.4 the inspector general under Minnesota Statutes, section 3.991, except as provided by the
 24.5 inspector general.

24.6 Sec. 7. **REPEALER.**

24.7 Subdivision 1. **Department of Education, Office of Inspector General.** Minnesota
 24.8 Statutes 2024, sections 13.321, subdivision 12; and 127A.21, are repealed.

24.9 Subd. 2. **Department of Administration, Office of Grants Management.** Minnesota
 24.10 Statutes 2024, sections 16B.97; 16B.98; 16B.981; and 16B.991, are repealed.

24.11 Sec. 8. **EFFECTIVE DATE.**

24.12 (a) Sections 1 and 6 and section 7, subdivision 2, are effective July 1, 2025.

24.13 (a) Section 2 is effective the day after the inspector general notifies the revisor of statutes
 24.14 that the Office of the Inspector General has assumed responsibility for identifying and
 24.15 investigating fraud, waste, and abuse in the Department of Children, Youth, and Families.

24.16 (b) Sections 3 to 5 are effective the day after the inspector general notifies the revisor
 24.17 of statutes that the Office of the Inspector General has assumed responsibility for identifying
 24.18 and investigating fraud, waste, and abuse in the Department of Human Services.

24.19 (d) Section 7, subdivision 1, is effective the day after the inspector general under
 24.20 Minnesota Statutes, section 3.991, notifies the revisor of statutes that the Office of the
 24.21 Inspector General under Minnesota Statutes, section 3.991, has assumed responsibility for
 24.22 identifying and investigating fraud, waste, and abuse in the Department of Education."

24.23 Delete the title and insert:

24.24 "A bill for an act

24.25 relating to state government; establishing an Office of the Inspector General;
 24.26 providing powers; specifying duties; requiring fraud reporting tools; transferring
 24.27 grant oversight duties and powers; modifying or repealing existing executive
 24.28 Offices of Inspector General; amending Minnesota Statutes 2024, sections 3.855,
 24.29 subdivision 3; 3.97, subdivision 1, by adding subdivisions; 3.971, subdivisions 1,
 24.30 9; 142B.53; 245A.24; 268.19, subdivision 1; 268B.30; 609.456, subdivision 2, by
 24.31 adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters
 24.32 3; 15; repealing Minnesota Statutes 2024, sections 13.321, subdivision 12; 16B.97;
 24.33 16B.98; 16B.981; 16B.991; 127A.21."