

1.1 Senator moves to amend H.F. No. 4293, in conference committee, as
1.2 follows:

1.3 On R18-A2, Senate language, (UEH4293-1)

1.4 Page 44, delete section 16, and insert:

1.5 "Sec. 16. [16B.971] GRANTS TO NONPROFIT ORGANIZATIONS.

1.6 Subdivision 1. Definitions. (a) As used in this section, the following terms have the
1.7 meanings given.

1.8 (b) "Fiscal agent" means the commissioner or head of the state agency responsible for
1.9 administering a grant.

1.10 (c) "Grant" means a grant or aid of state money from any source. This section does not
1.11 apply to:

1.12 (1) grants or aid to hospitals under chapter 144, nursing facilities under chapter 144A,
1.13 or assisted living facilities under chapter 144G;

1.14 (2) medical assistance and MinnesotaCare payments; or

1.15 (3) grants of general obligation proceeds for capital projects subject to section 16A.695,
1.16 and capital project grants to political subdivisions subject to section 16A.86.

1.17 (d) "Organization" means a nongovernmental organization that is tax exempt under the
1.18 Internal Revenue Code and is not a hospital licensed under chapter 144.

1.19 Subd. 2. Reporting on use of funds. (a) An organization that receives a grant must
1.20 provide the following information to the fiscal agent:

1.21 (1) a detailed accounting of the use of any grant proceeds;

1.22 (2) a description of program outcomes to date, including performance measured against
1.23 indicators specified in the grant agreement, including but not limited to job creation,
1.24 employment activity, wage information, business formation or expansion, and academic
1.25 performance; and

1.26 (3) the portion of the grant, if any, spent on the recipient's operating expenses.

1.27 Grant recipients must report the information required under this paragraph to the fiscal agent
1.28 within one year after receiving any portion of the grant, and annually thereafter, and within
1.29 30 days following the use of all funds provided under the grant.

2.1 (b) The fiscal agent for a grant to an organization must submit a report containing the
2.2 information provided by the grant recipients to the chairs and ranking minority members
2.3 of the legislative committees and budget divisions with jurisdiction over the agency serving
2.4 as fiscal agent for the grant. The report submitted under this section must also include the
2.5 commissioner's summary of the use of grant proceeds and an analysis of the grant recipients'
2.6 success in meeting the goals, priorities, and measurable outcomes specified for the grant.
2.7 An updated version of this report must be submitted on January 15 of each succeeding year
2.8 until January 15 in the year following the date when all of the grant funds have been spent.

2.9 Subd. 3. **Notice to legislature of fraud or abuse claims.** If the fiscal agent receives a
2.10 comment or concern about fraud or waste for a grant made by law to a specified organization,
2.11 the commissioner must promptly report the comment or concern to the chair of the committee
2.12 on finance in the senate and the chair of the committee on ways and means in the house of
2.13 representatives.

2.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and
2.15 applies to grants appropriated by law after the effective date and to grant agreements executed
2.16 after the effective date."