

1.1 **Senator Kunesh from the Committee on Education Finance, to which was**
1.2 **re-referred**

1.3 **S.F. No. 856:** A bill for an act relating to state government; creating the Office of the
1.4 Inspector General; requiring reports; appropriating money; amending Minnesota Statutes
1.5 2024, sections 3.971, by adding a subdivision; 15A.0815, subdivision 2; proposing coding
1.6 for new law as Minnesota Statutes, chapter 15D.

1.7 Reports the same back with the recommendation that the bill be amended as follows:

1.8 Page 1, after line 6, insert:

1.9 **"ARTICLE 1**

1.10 **OFFICE OF THE INSPECTOR GENERAL"**

1.11 Page 1, line 9, delete "waste," and delete the comma

1.12 Page 1, line 10, delete "waste," and delete the first comma

1.13 Page 3, line 24, delete ", waste,"

1.14 Page 3, delete lines 25 and 26 and insert:

1.15 "(5) "personal gain" means a benefit to a person; a person's spouse, parent, child, or
1.16 other legal dependent; or to an in-law of the person or the person's child."

1.17 Page 4, line 32, delete "waste,"

1.18 Page 5, line 10, delete ", waste,"

1.19 Page 5, line 15, delete "and"

1.20 Page 5, line 18, delete the period and insert "; and"

1.21 Page 5, after line 18, insert:

1.22 "(8) alerting relevant commissioners or heads of agencies on an emergency basis before
1.23 an investigation is concluded that the inspector general has a reasonable suspicion that fraud
1.24 or abuse is being committed, with a recommendation to freeze or cease distribution of
1.25 funds."

1.26 Page 8, line 27, delete ", waste,"

1.27 Page 12, after line 8, insert:

1.28 "(c) No employees or positions in the student maltreatment program of the Department
1.29 of Education or other Department of Education employees or positions dedicated to student
1.30 maltreatment investigations under Minnesota Statutes, chapter 260E, are transferred under
1.31 this section."

2.1 Page 12, after line 16, insert:

2.2 "ARTICLE 2
2.3 CONFORMING ITEMS AND REPEALERS

2.4 Section 1. **EXISTING DUTIES ABOLISHED; TRANSFERS PROVIDED.**

2.5 Subdivision 1. **Duties abolished.** Except as exempted in article 1, section 13, subdivision
2.6 6, duties pertaining to the investigation of fraud, abuse, and other unlawful use of public
2.7 funds in the Offices of Inspector General in the Departments of Education; Human Services;
2.8 and Children, Youth, and Families are abolished effective the day after the inspector general
2.9 under Minnesota Statutes, section 15D.01, certifies in writing to the commissioners of the
2.10 respective departments and the commissioner of management and budget that the inspector
2.11 general has assumed responsibility for these duties.

2.12 Subd. 2. **Inspector general transfers.** Pursuant to Minnesota Statutes, section 15.039,
2.13 all active investigations, obligations, court actions, contracts, and records shall transfer from
2.14 each department in subdivision 1 to the inspector general under Minnesota Statutes, section
2.15 15D.01, except as provided by the inspector general and as provided in article 1, section
2.16 13, subdivision 6.

2.17 **EFFECTIVE DATE.** This section is effective July 1, 2025.

2.18 Sec. 2. **REPEALER.**

2.19 Minnesota Statutes 2024, sections 13.321, subdivision 12; and 127A.21, are repealed.

2.20 **EFFECTIVE DATE.** This section is effective the day after the inspector general under
2.21 Minnesota Statutes, section 15D.01, notifies the revisor of statutes that the Office of the
2.22 Inspector General under Minnesota Statutes, section 15D.01, has assumed responsibility
2.23 for identifying and investigating fraud, abuse, and other unlawful use of public funds in the
2.24 Department of Education."

2.25 Amend the title as follows:

2.26 Page 1, line 3, after the second semicolon, insert "transferring certain agency duties;"

2.27 Amend the title numbers accordingly

2.28 And when so amended the bill do pass and be re-referred to the Committee on Health
2.29 and Human Services. Amendments adopted. Report adopted.

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(Committee Chair)

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February 26, 2025.....
(Date of Committee recommendation)