



S.F. No. 2578 – Grants management provisions modifications

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Section 1 [Definitions; 16B.97, subd. 1] adds a definition of “grantee” for purposes of the grants management statutes. Exempts capital project grants from grants management statutes.

Section 2 [Limitation; 16B.98, subd. 1] requires that a grant recipient’s administrative costs be necessary and reasonable, and removes a requirement that an agency “minimize” administrative costs.

Section 3 [Reporting of violations; 16B.98, subd. 4] requires a state employee to report evidence of a violation of laws governing grants to a supervisor, commissioner, or legislative auditor. Under current law, a state employee is encouraged to report this evidence.

Section 4 [Agency authority to not award grant; 16B.981, subd. 4] shortens the time that a grantee has to respond to an agency’s demand for additional information to determine if there is a substantial risk that a potential grantee cannot or would not perform duties required under a grant agreement. Streamlines the process for an agency’s decision to not award a grant based on a risk of nonperformance by eliminating an extra opportunity for a potential grantee to present additional written information.

Section 5 [Authority to terminate grant; 16B.991, subd. 2] technical clarifying change.

