

## SF1772 - 0 - Legislative Auditor Powers and Duties Modified

Chief Author: **Mark Koran**  
 Committee: **State and Local Government**  
 Date Completed: **4/3/2025 9:32:08 AM**  
 Lead Agency: **Office of the Legislative Auditor**  
 Other Agencies:  
     Minn Management and  
     Budget

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.  
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
State Total						
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-

**Lead LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Chloe Burns      **Date:** 4/3/2025 9:32:08 AM  
**Phone:** 651-297-1423      **Email:** chloe.burns@lbo.mn.gov

**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-

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Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-

## LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Chloe Burns      **Date:** 3/17/2025 3:14:19 PM  
**Phone:** 651-297-1423      **Email:** chloe.burns@lbo.mn.gov

### State Cost (Savings) Calculation Details

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<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-

### Bill Description

HF 1240/SF1772 is OLA's housekeeping bill.

Section 1 establishes a Special Reviews Division (it is currently designated as a "Unit" within OLA).

Section 2 allows OLA to conduct a special review when there is an allegation of noncompliance with any legal requirement, not just legal requirements related to the use of public money. This section also allows OLA to conduct a special review to follow-up on a previous special review and identify what changes--if any--have occurred.

Section 3 clarifies agencies' requirements to notify OLA when they receive information indicating that public money or other public resources may have been used for an unlawful purpose, or when they obtain information indicating not-public data may have been accessed by or provided to a person without authorization. This section also establishes the term "obligated officer" to identify those individuals within an agency who are responsible for notifying OLA.

Section 4 allows OLA to request that a state agency provide data maintained on a state system without notification to the affected entity when OLA is conducting an audit of the leadership of the affected entity. (This specifically would allow OLA to request e-mails directly from MNIT, rather than from the entity under investigation.)

Section 5 allows OLA to classify as private or nonpublic that information provided to it by a legislator or by legislative staff on behalf of a legislator.

Section 6 requires commissioners and other leaders of state entities to ensure that the reporting requirements outlined in Section 3 of this bill are implemented. It also requires Minnesota Management and Budget to develop a policy to help implement the reporting requirements outlined in Section 3 of this bill.

Section 7 repeals Minnesota Statutes 2024, section 16B.45

### Assumptions

The Office of the Legislative Auditor will be able to fulfill its obligations outlined in this bill as part of its current operations.

### Expenditure and/or Revenue Formula

### Long-Term Fiscal Considerations

**Local Fiscal Impact**

**References/Sources**

**Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Scott Dunning

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Chief Author: **Mark Koran**  
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 Date Completed: **4/3/2025 9:32:08 AM**  
 Agency: **Minn Management and Budget**

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Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-

## LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Chloe Burns      **Date:** 4/3/2025 9:30:14 AM  
**Phone:** 651-297-1423      **Email:** chloe.burns@lbo.mn.gov

### State Cost (Savings) Calculation Details

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Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

### Bill Description

HF1240-0 is a bill modifying Minnesota Statute 2024, section 3.979 by adding section 6. Section 6 requires that the commissioner or chief executive officer of each state department, board, commission, office, or other agency must ensure that employee and nonemployee concerns about the misuse of public money, other public resources, or government data are promptly directed to one or more of the obligated officers identified in section 3.971, subdivision 9, or the Office of the Legislative Auditor (OLA). This section also requires Minnesota Management and Budget (MMB) to develop a policy to operationalize and standardize the process across state agencies.

### Assumptions

MMB expects that it will play a role in identifying and engaging with multiple subject matter experts and drafting and finalizing a policy for implementation of a consistent process across state agencies.

MMB assumes this work can be absorbed with current MMB staffing levels.

### Expenditure and/or Revenue Formula

### Long-Term Fiscal Considerations

### Local Fiscal Impact

### References/Sources

**Agency Contact:** Ronika Rampadarat 651-201-8115

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