

SF4457 - 0 - Drinking Water Regionalization Grants Established

Chief Author: **Mark Johnson**
 Committee: **Capital Investment**
 Date Completed: **4/15/2026 11:26:36 AM**
 Agency: **Health Dept**

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	
	FY2025	FY2026	FY2027	FY2028	FY2029
Dollars in Thousands					
General Fund	-	-	1,088	-	-
Total	-	-	1,088	-	-
Biennial Total			1,088		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	.5	-	-
Total	-	-	.5	-	-

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: Zac Reeves **Date:** 4/15/2026 11:26:36 AM
Phone: 651-284-6437 **Email:** zac.reeves@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.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	1,088	-	-	-
Total	-	-	1,088	-	-	-
Biennial Total			1,088			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	1,088	-	-	-
Total	-	-	1,088	-	-	-
Biennial Total			1,088			-
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

The bill appropriates \$1,000,000 from the general fund to the Minnesota Department of Health (MDH), a one-time appropriation available up to June 30, 2027, directing the department to develop a grant program for counties, municipalities, and townships to conduct planning activities, feasibility studies, engineering analyses, legal and financial assessment, community engagement, preliminary and final design work for regional water supply systems. The bill also requires the department to submit a report of this program to the legislature by January 15, 2027.

Assumptions

The department would establish a competitive grant process by November 1, 2026, with selection criteria that prioritize projects addressing aging infrastructure, water quality, affordability, or economic development. Grants awarded from the bill may not exceed \$300,000 per grant recipient per year and grant recipients must provide matching funds of at least 25% of the grant total.

Reporting to the legislature of this grant program is due six months into state fiscal year 2027 (January 15, 2027). To accomplish this reporting date, MDH would have to develop the request for proposal (RFP) for this grant program, review received proposals, award grants through grant agreements, monitor grant activities and close out grants in that time.

The department assumes it will require 0.5 FTE of a Grant Specialist Senior to implement the grant administration duties of the bill.

Expenditure and/or Revenue Formula

Grant Administration					
Expenditure (Actual Dollars)	Amount	FY 2026	FY 2027	FY 2028	FY 2029
Full-time Equivalent (FTE) Staff		FTE	FTE	FTE	FTE
Grant Specialist Senior	176,111		0.5		
	FTE	0.00	0.50	0.00	0.00

	Subtotal	0	88,056	0	0
Information Technology:					
	Subtotal	0	0	0	0
Other Operating Costs:					
	Subtotal	0	0	0	0
Total Expenditures	Total	0	88,056	0	0
Grants, Aids, and Subsidies:	Number of Grants				
Grants to Locals by June 30, 2027			1,000,000		
	Grants	0	1,000,000	0	0
Total Expenditures	Total	0	1,088,056	0	0
Fiscal Tracking (Dollars in Thousands)		FY 2026	FY 2027	FY 2028	FY 2029
1000 - General Fund (GF)					
Health Protection BACT 03		0	1,088	0	0
Grants		0	1,000	0	0
Grant Administration		0	88	0	0

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Brendan Wright

Phone: 651-443-1415

Date: 4/15/2026 10:54:35 AM

Email: brendan.wright@state.mn.us