

Minutes
Legislative Audit Commission
June 13, 2024

Members Present:

Representative Patti Anderson
Representative Emma Greenman
Representative Rick Hansen
Representative Steven Jacob
Representative Duane Quam
Senator Calvin K. Bahr
Senator D. Scott Dibble
Senator Steve S. Drazkowski
Senator Mark W. Koran
Senator Ann H. Rest

Members Absent

Representative Fue Lee
Senator Tou Xiong

Representative Rick Hansen, Chair, called the Legislative Audit Commission meeting to order at 12:58 p.m. Chair Hansen said the meeting's purpose was to hear the Office of the Legislative Auditor's (OLA's) presentation of the special review, *Minnesota Department of Education: Oversight of Feeding Our Future*.

Chair Hansen introduced Judy Randall, Legislative Auditor, and Katherine Theisen, Special Reviews Director. In her introductory remarks, Ms. Randall said that the Minnesota Department of Education (MDE) provided inadequate oversight of Feeding Our Future in its participation in federal nutrition programs, even prior to the start of the COVID-19 pandemic. She then turned to Ms. Theisen to present the report's key points.

Ms. Theisen explained that until early 2022, Feeding Our Future was a sponsor for two federal nutrition programs: Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP). A sponsor is an organization that enters into an agreement directly with the administering state agency; MDE is responsible for administering CACFP and SFSP in Minnesota.

Ms. Theisen said the report found that MDE's inadequate oversight of Feeding Our Future created opportunities for fraud. She provided examples showing (1) how MDE failed to act on warning signs known to the department prior to the onset of the COVID-19 pandemic; (2) that MDE did not effectively exercise its authority to hold Feeding Our Future accountable to program requirements; and (3) that MDE was ill-prepared to respond to the issues it encountered with Feeding Our Future. Ms. Theisen said the report had one recommendation for the Legislature and several for MDE.

Chair Hansen welcomed MDE representatives Willie Jett, Commissioner, and Maren Hulden, General Counsel, to address the commission. Commissioner Jett stated that MDE disputes the OLA's characterization regarding the adequacy of its oversight of Feeding Our Future. He said the fraud was perpetrated by a criminal enterprise that capitalized on risk created by a global pandemic. He added that MDE did not wait for the OLA report to be released, but instead proactively implemented changes to enhance program oversight and integrity.

After discussion took place among the members and MDE representatives, Chair Hansen adjourned the meeting at 3:18 p.m.

Representative Rick Hansen, Chair

Shelly Gilb, Recording Secretary