

**Minutes**  
**Legislative Audit Commission**  
**March 21, 2025**

**Members Present:**

Senator D. Scott Dibble  
Senator Steve S. Drazkowski  
Senator Mark W. Koran  
Senator Ann H. Rest  
Representative Patti Anderson  
Representative Rick Hansen  
Representative Steven Jacob  
Representative Fue Lee  
Representative Duane Quam

**Members Absent:**

Senator Calvin K. Bahr  
Senator Tou Xiong  
Representative Emma Greenman

**Other Legislators Present**

Senator Eric R. Pratt

Senator Ann H. Rest, Chair, called the Legislative Audit Commission (LAC) meeting to order at 12:00 p.m. to hear key findings and recommendations in the evaluation report, *Department of Employment and Economic Development (DEED) Grants Management*. Chair Rest introduced from the Office of the Legislative Auditor (OLA) Jodi Munson Rodríguez, Deputy Legislative Auditor, and Mariyam Naadha, project manager for the evaluation.

Ms. Munson Rodríguez said this evaluation focused on grant compliance and performance in two areas, DEED's Office of Broadband Development and the Office of Adult Career Pathways workforce grants. She said evaluating broadband grant performance was more straightforward as the Legislature had established broadband goals in statute. However, she said that neither the Legislature nor DEED has established clear goals for workforce programs, making success in those programs difficult to measure. Ms. Munson Rodríguez introduced Mariyam Naadha to explain further.

Ms. Naadha said the evaluation reviewed competitive and legislatively named grants aimed at providing employment and training services for Minnesota adults, and broadband grants aimed at supporting the expansion of broadband service in areas where service is not available or speeds do not meet certain thresholds. She noted that for the workforce programs, the performance metrics DEED reports are not useful for measuring program success, but that broadband grants largely met their goals.

DEED's Pathways to Prosperity program was one grant program reviewed, which for fiscal years 2022 through 2023 awarded approximately \$13 million to 32 grantee organizations such as nonprofits or local units of government. Also during that time, legislatively named grants of \$19 million were awarded to 18 grantee organizations. While DEED's metrics report the number of people enrolling in, completing, or attaining credentials through training, the metrics do not measure program success.

Ms. Naadha said OLA surveyed recent Pathways to Prosperity program participants about their experiences with the program and reviewed data on participants at the time the programs concluded. She said the Legislature should direct DEED to establish measurable goals for workforce grant programs, and DEED should build on its program data to establish more measurable goals. She added that DEED is required to publish a net impact analysis of certain workforce programs but has not completed its most recent impact analysis, as required by law.

Turning to the Office of Broadband Development grant goals, in fiscal years 2021 through 2023, Ms. Naadha said that \$73 million in grants went to 37 grantee organizations, and the evaluation reviewed the Border-to-Border Broadband Development grant program. OLA found that all broadband grantees met goals outlined in the grant contracts. Ms. Naadha noted that DEED did not complete certain grantee monitoring activities as required by the Office of Grants Management.

Chair Rest then invited Matt Varilek, DEED Commissioner, to address the LAC. Commissioner Varilek thanked OLA for the thoughtful review which he said would help DEED improve its efforts to serve Minnesotans. He mentioned the statutes under which DEED publishes its uniform report card and said DEED would appreciate working with the Legislature to improve its metrics for grant programs. He said that, although delayed, DEED is working to complete a net impact study. He also explained some of the issues DEED encountered with their grants during the COVID pandemic, but added that DEED has now aligned more practices with Office of Grants Management policy.

Chair Rest turned to member discussion. Regarding workforce programs, there was discussion as to how unsuccessful outcomes were defined, since some outcomes, such as people leaving a workforce program because of personal reasons like moving or health issues, do not mean that the program itself was unsuccessful. Senator Pratt said the evaluation would be useful for an upcoming meeting of the Jobs and Economic Development Committee for discussion on enhanced reporting requirements. He said he had concerns that grantees do not always submit required reports on grant progress, and that there is a lack of site visits by agencies to grantees. Representative Quam said he hoped participant feedback, interaction, and metrics would help grow the rate of success in DEED's workforce programs.

Chair Rest thanked members for their discussion, and with no further business, adjourned the meeting at 12:46 p.m.

Senator Ann H. Rest, Chair

Maureen Garrahy, Recording Secretary