

Minutes
EVALUATION SUBCOMMITTEE
Legislative Audit Commission
January 14, 2016

Members Present:

Representative Rick Hansen, Chair
Representative Connie Bernardy
Senator Warren Limmer

Members Absent:

Senator Mary Kiffmeyer

Representative Rick Hansen, Chair, called the Legislative Audit Commission (LAC) Evaluation Subcommittee meeting to order at 3:03 p.m. The purpose of the meeting was to select for evaluation an economic development incentive program to recommend to the full LAC.

Representative Hansen asked Judy Randall, Deputy Legislative Auditor, to provide the background on how the Subcommittee arrived at this point. Ms. Randall said that during last session, the Legislature passed a new law, codified in *Minnesota Statutes* 2015, 3.9735, which requires the Office of the Legislative Auditor (OLA) to annually evaluate an economic development incentive program. Subdivision 4 also requires that by February 1, 2016, the LAC “shall establish evaluation plans that identify elements that the legislative auditor must include in evaluations of general incentive and exclusive incentive.” Ms. Randall briefly explained the evaluation plans for both general incentive and exclusive incentive evaluations. She said that OLA conducted a broad search for any incentive program that may qualify under the new law and determined that there was an extensive list of topics that were possibly eligible. Of those, 28 topics were considered eligible and potential topics. From those 28 topics, OLA selected 4 for the Subcommittee’s consideration. The four topics were:

Agricultural Growth, Research, and Innovation (AGRI) Program
Minnesota Investment Fund
Minnesota Job Creation Fund
Research and Development Credit

Ms. Randall gave a brief overview of the four possible topics. She said the two most promising were the Minnesota Investment Fund and the Research and Development Credit. After some discussion among members, Senator Limmer moved that the Subcommittee recommend the Research and Development Credit topic to the full LAC; the motion prevailed.

Ms. Randall said that the following evaluations were to be released in 2016: *Minnesota Department of Health Oversight of HMO Complaint Resolution* (February), *Mental Health Services in County Jails* (February), *Minnesota Teacher Licensure* (March), *MnDOT Highway Project Selection* (March), *Iron Range Resources and Rehabilitation Board* (March), *Agricultural Utilization Research Institute (AURI)* (April), and *Department of Natural Resources: Deer Population Management* (April). She said that the topic selection process would officially begin today, with a memo being sent to all legislators and legislative staff requesting topic suggestions. She added that the topic selection process will conclude around the beginning of the session.

With no further business, the meeting adjourned at 3:27 p.m.

Representative Rick Hansen, Chair

Shelly Watterud, Recording Secretary