

Minutes
EVALUATION SUBCOMMITTEE
Legislative Audit Commission
March 20, 2017

Members Present:

Representative Connie Bernardy
Representative Rick Hansen
Representative Duane Quam
Senator Nick A. Frentz
Senator Mary Kiffmeyer
Senator Warren Limmer

Other Members Present:

Representative Nels Pierson

In the absence of the subcommittee chair, Senator Warren Limmer, Senator Mary Kiffmeyer called the Legislative Audit Commission (LAC) Evaluation Subcommittee meeting to order at 8:32 a.m. The purpose of the meeting was to review the list of topics to be evaluated by the Office of the Legislative Auditor (OLA) suggested by legislators and others, and to release the OLA evaluation, *Clean Water Fund Outcomes*.

Senator Kiffmeyer said that she was aware of several audience members who were present because of a concern about audits of managed care organizations (MCOs), and asked Jim Nobles, Legislative Auditor, to make a statement about this topic. Mr. Nobles said that OLA had already completed an evaluation in 2015 on MCOs administrative expenses, in which OLA had hired a contractor to complete the audit work and ultimately had to terminate the contractor and complete the work itself. He said that it is in law that OLA must audit MCOs, and he intends to do so. Senator Kiffmeyer said that the LAC would not take up this issue. Mr. Nobles invited members of the audience to add their name to a sign-up list, and he would be willing to talk to them about the issue.

Mr. Nobles introduced Judy Randall, Deputy Legislative Auditor for Program Evaluation, who gave an overview of the topic-selection process. Ms. Randall said that the subcommittee should select 10-11 “semi-finalist” topics for which OLA staff would prepare background papers. She said OLA would survey all legislators to gauge their interest on the “semi-finalist” topics. Ms. Randall said that the subcommittee will reconvene the first week of April to review the survey results and background papers, and to pick the final topics; then the full LAC would meet to approve the final topics. She also reminded members about the new law that requires OLA to annually evaluate an economic development incentive program. She said there are four topics on the list that qualify under the law, and the subcommittee must decide if they want to include these topics on the survey to all legislators, or pick the topic themselves. It was decided that the subcommittee would choose this topic, and all members agreed that OLA should develop background papers on all four topics in order to help the subcommittee make its decision.

Senator Kiffmeyer asked the members to go through the list of topics and select their top choice, which would automatically make the list of semi-finalists. Then she asked each member to select two more topics and the ones with the most “votes” would become semi-finalists. The goal was to narrow the list of 121 topics down to 10 or 11 semi-finalist topics for possible evaluation by OLA in 2017. After some discussion, the topics selected by the subcommittee for further consideration were:

Board of Animal Health
Duplicative Agency Functions
Early Childhood Screening Programs
Fiscal Impact of the Federal Refugee Resettlement Program
Guardians *Ad Litem*
Minnesota Information Technology (MNIT) Services
MnDOT Financial Effectiveness

Office of Health Facility Complaints (OHFC)
Teacher Diversity
University of Minnesota Administrative Expenses
Voter Registration

Representative Hansen moved to have the 11 topics be on the list for further consideration; the motion prevailed. Senator Kiffmeyer confirmed that the four economic development incentive program topics would not be included on the survey to all legislators.

The meeting moved to the release of the *Clean Water Fund Outcomes* evaluation. Ms. Randall provided a brief introduction of the report, and then turned to Sarah Delacueva, Evaluation Manager, who gave a presentation. Ms. Delacueva provided the overall findings and recommendations, and answered members' questions.

Due to another meeting she had to attend, Senator Kiffmeyer turned the gavel over to Senator Limmer, who invited the representatives from the agencies involved in the evaluation to address the subcommittee. The representatives were Todd Renville, Chair of the Budget and Outcomes Committee for the Clean Water Council; Angie Becker Kudelka, Assistant Director of Strategy and Operations for the Board of Water and Soil Resources; and Shannon Lotthammer, Director of the Environmental Analysis and Outcomes Division for the Minnesota Pollution Control Agency. Each representative provided their agency's reaction and response to the evaluation and answered members' questions.

With no further business, Senator Limmer adjourned the meeting at 10:14 a.m.

Senator Warren Limmer, Chair

Shelly Gilb, Recording Secretary