



February 6, 2025

Chairs Lang, Xiong, and Members of the State and Local Government Committee,

I am writing to express our strong support for SF 263, a bill that takes significant steps to strengthen legislative oversight and promote sound fiscal and management practices across public agencies. By advancing accountability, transparency, and the responsible stewardship of public resources, this legislation reflects the principles that are fundamental to good governance and the public trust.

At its core, SF 263 addresses a critical need: ensuring that the Legislature, as representatives of the people, has the information necessary to monitor the performance of state agencies. Specifically, the bill amends Minnesota Statutes, sections 3.971 and 16A.057, to require structured reporting and follow-up on Office of the Legislative Auditor recommendations. These changes ensure that the Legislature is informed about whether public agencies are implementing the internal control or fiscal management recommendations issued by the OLA.

Under the proposed changes to section 3.971, the legislative auditor will annually submit a report, no later than February 1, to the chairs and ranking minority members of legislative committees with fiscal jurisdiction over audited entities. This report will detail whether the entities have implemented recommendations from financial audits, program evaluations, or special reviews conducted in the prior five years. Additionally, the legislative auditor will present the findings at a public hearing before committees act on appropriations for the entity in question. This procedural safeguard ensures that legislators can make informed decisions about funding and policy based on an agency's performance in addressing past deficiencies. Oversight and responsible stewardship of precious taxpayer dollars is common sense.

Similarly, amendments to section 16A.057 require the commissioner of management and budget to review audit reports and take appropriate steps to address internal control issues in executive agencies. By September 1 of each year, the commissioner must submit a report to the legislative auditor detailing the status of all recommendations from the prior five years. Importantly, this report must include an itemized list of recommendations that have not been implemented and the reasons for inaction. SF 263 will ensure accountability, promote efficiency, and return power back to the legislative branch via oversight.

SF 263 exemplifies the principles of transparency, openness, and mutual benefit. It creates a robust framework for ensuring that government entities are held accountable for how they manage public resources. The bill's focus on annual reporting and public hearings demonstrates a commitment to transparency, empowering legislators to use local and personal knowledge to address deficiencies and craft targeted solutions. These provisions align with the principle of bottom-up problem-solving, as they leverage the insights of the legislative auditor and other stakeholders to improve agency performance.

Furthermore, this legislation reaffirms the dignity of Minnesotans by prioritizing their right to know how public resources are managed. The requirement for agencies to explain unimplemented



recommendations ensures that they engage with the public in a manner consistent with the principles of accountability and respect. This is a critical step toward fostering trust in public institutions and ensuring that agencies serve the public effectively and ethically.

While some may express concerns about the additional scrutiny or administrative burden, accountability should not be viewed as adversarial. Instead, it is a constructive process that enables agencies to identify barriers and collaborate with legislators to develop solutions. By addressing internal control issues and fiscal challenges proactively, SF 263 creates the conditions for long-term success and sustainability in public governance.

This legislation is not just a technical adjustment—it is a principled approach to ensuring that public agencies uphold their mission of serving the people. It provides a clear pathway for identifying and addressing challenges, enabling the government to operate more effectively while safeguarding the public trust and precious tax dollars.

I respectfully urge this committee to support SF 263 and recommend its swift passage. Thank you for your leadership and commitment to advancing accountability and transparency for the benefit of all Minnesotans.

Sincerely,

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