

Aggregate Mining Operations

Topic Selection Background Information

March 2023

Program Overview	<p>Aggregate mining is the extraction of sand, gravel, and crushed stone for use in a wide variety of construction projects. The Environmental Quality Board (EQB) requires local governments to conduct environmental reviews of certain proposed aggregate mining projects. The Minnesota Pollution Control Agency (MPCA) issues water quality permits for extractive industries such as aggregate mining.</p>
Evaluation Questions	<ul style="list-style-type: none"> • What is the process for establishing aggregate mining sites? • What are the processes for overseeing established aggregate mining sites? • To what extent have EQB and MPCA ensured that aggregate mining sites have complied with applicable regulations and standards?
State Resources <i>Low</i>	<p>The exact amount MPCA spends on water permitting for aggregate mining is unclear, but in Fiscal Year 2021, the Industrial Division (which includes aggregate mining) expended \$18.7 million. EQB expenditures in Fiscal Year 2021 were \$1.4 million.</p>
State Control <i>Medium-High</i>	<p>The state has the authority to regulate aggregate mining, through environmental review and wastewater permitting requirements (the latter of which is also subject to federal regulation through the Clean Water Act). Counties, townships, and municipalities also have authority to regulate extractive industries through zoning ordinances.</p>
Impact <i>High</i>	<p>The Department of Natural Resources (DNR) has identified nearly 500 active aggregate sites across more than 20 Minnesota counties. Although aggregate mining does not produce the hazardous byproducts that accompany the extraction of other minerals, the associated physical disturbances can damage sensitive ecosystems.</p>
Timeliness <i>Medium</i>	<p>DNR has identified nearly 300 <i>prospective</i> aggregate mining sites across more than 20 Minnesota counties. With Minnesota projected to add nearly one million new residents by 2070, demand for new construction and the required aggregates will likely be strong.</p>
Feasibility <i>Medium</i>	<p>OLA could complete this evaluation using traditional evaluation methods. However, OLA would not evaluate the technical aspects of individual site permitting and compliance.</p>
Balance <i>High</i>	<p>OLA evaluated MPCA’s petroleum remediation program in 2022. OLA last evaluated environmental review and permitting in 2011.</p>
Discussion <i>Important topic</i>	<p>Aggregate mining is an important industry in Minnesota and will likely remain so into the future. Given the number of aggregate sites in the state and their potential impacts on sensitive ecosystems and water resources, an evaluation could provide important insight on an issue that affects people across Minnesota.</p>

Bond Proceeds and Cancellation Reports

Topic Selection Background Information

March 2023

Program Overview	<p>Statutes require Minnesota Management and Budget (MMB) to report annually to the Legislature on the degree to which entities receiving appropriations for capital improvements have encumbered or spent that money. Statutes also require MMB to report annually on bond-funded projects that have been cancelled.</p>
Evaluation Questions	<ul style="list-style-type: none"> • To what extent have bond proceeds and cancellation reports met statutory requirements, including whether they include all projects required to be included? • Are the timelines around these reports conducive to providing accurate reports? • Should statutes be revised to ensure the reports use project titles that match project titles in capital investment bills?
State Resources <i>Low</i>	<p>The amount of state funding used to produce these reports is small. However, projects included in these reports receive a large amount of state funding. For example, the Legislature appropriated over \$1 billion in bond proceeds funding for projects in 2020.</p>
State Control <i>High</i>	<p>Statutes require MMB to provide both reports to the Legislature each year. Beyond that, the Minnesota Constitution authorizes the use of bond proceeds for capital projects, while session laws authorize the use of funding for specific projects.</p>
Impact <i>Low</i>	<p>These reports likely directly impact a small number of people given that their primary audience is the Legislature.</p>
Timeliness <i>Medium</i>	<p>There has been recent legislative interest in ensuring that bond-funded capital projects comply with statutory requirements. This evaluation could provide useful information on the state's efforts to track the status of existing state bond-funded capital projects.</p>
Feasibility <i>High</i>	<p>OLA could answer the evaluation questions using traditional evaluation methods.</p>
Balance <i>Medium</i>	<p>OLA released an evaluation related to capital projects in February 2023, <i>Sustainable Building Guidelines</i>. However, that report focused on the departments of Administration and Commerce, rather than MMB.</p>
Discussion <i>Feasible, not urgent</i>	<p>This evaluation could provide useful information about how the state tracks capital projects that receive state funding. However, there does not appear to be a pressing need for the information at this time.</p>

Department of Human Services

Licensing Division: Support to Counties

Topic Selection Background Information

March 2023

Program Overview	The Department of Human Services (DHS) Licensing Division—in partnership with counties—issues licenses for about 20,000 human services providers across many programs, monitors provider compliance with legal requirements, investigates complaints of licensing violations, and takes corrective actions to help providers ensure compliance.
Evaluation Questions	<ul style="list-style-type: none"> • To what extent has DHS communicated effectively with county partners about licensing requirements? • How well has DHS collaborated with counties in carrying out licensing requirements? • How can DHS ensure a strong state-county partnership?
State Resources <i>Low</i>	While the programs licensed by the division spend millions of dollars, the total cost for licensing activities is unclear. Licensing oversight costs are included among broader human services operations. The Governor has recommended increases of \$5.6 million and \$6.4 million from the General Fund in fiscal years 2024 and 2025, respectively, to increase DHS staffing in the Licensing Division and address costs related to licensing activities.
State Control <i>Medium-High</i>	Minnesota law establishes licensing requirements for county licensing agencies and human services providers. The state may receive federal funding, which could subject providers to certain federal licensing requirements.
Impact <i>High</i>	Human services providers administer a wide array of programs that provide vital services to many Minnesotans, including vulnerable individuals. Proper licensing helps to ensure program integrity and the health and safety of those receiving services.
Timeliness <i>Medium</i>	Some individuals have expressed concerns to OLA about counties’ abilities to comply with licensing requirements and DHS’s support to counties.
Feasibility <i>Low-Medium</i>	This evaluation can be feasible if the scope is narrowed to review licensure activities for a sample of human services programs in select counties. OLA could then use standard evaluation methods, including document reviews and surveys, to evaluate this topic.
Balance <i>Medium</i>	OLA frequently reviews DHS programs, including an evaluation completed in 2023. OLA last reviewed the state-county human services partnership in 2007.
Discussion <i>Large and complex topic</i>	The proposed topic would require significant scoping because DHS and counties oversee many different types of human services providers. The Legislature currently receives annual reports that discuss the performance of counties’ service deliveries. However, OLA could provide a more in-depth review of counties’ challenges to provide quality services.

Economic Concentration in Minnesota

Topic Selection Background Information

March 2023

Program Overview	<p>Economic concentration refers to the degree to which a market is dominated by a small number of firms. Minnesota’s antitrust law is meant to protect market competition and prohibit anticompetitive and unfair business practices. In Minnesota, the attorney general may conduct investigations to determine if businesses have engaged in such practices.</p>
Evaluation Questions	<ul style="list-style-type: none"> • To what extent has economic concentration in Minnesota changed? • How do Minnesota’s antitrust laws and penalties compare to other states? • To what extent has the Minnesota Office of the Attorney General investigated anticompetitive practices?
State Resources <i>Low</i>	<p>The Minnesota Office of the Attorney General has 2.5 full-time equivalent staff persons dedicated to investigating complaints of anticompetitive practices. Staff focus their resources particularly on the agricultural sector and rural Minnesota.</p>
State Control <i>Medium</i>	<p>Federal law prohibits certain business practices to regulate unfair methods of competition. Minnesota has established additional requirements to regulate business practices. State law authorizes the Minnesota Office of the Attorney General to investigate alleged violations and institute a court action to seek appropriate relief.</p>
Impact <i>High</i>	<p>Insufficient market competition can negatively impact employment opportunities and can lead to workers receiving lower wages, fewer benefits, and worse working conditions. Additionally, it can put small businesses at a competitive disadvantage and increase the cost of goods and services for consumers.</p>
Timeliness <i>Medium</i>	<p>Market competition is of general concern to legislators and the public, including recent national and local interest related to this topic. The Minnesota Office of the Attorney General has filed several recent complaints against businesses alleged to have violated antitrust laws.</p>
Feasibility <i>Medium</i>	<p>OLA could conduct this evaluation using standard evaluation techniques, including interviews, document reviews, and data analysis. However, we will need to focus our review on certain aspects of economic concentration and enforcement of antitrust law.</p>
Balance <i>High</i>	<p>OLA has not previously conducted a program evaluation or audit related to this topic.</p>
Discussion <i>Broad and complicated</i>	<p>The proposed topic is broad and complex and it would need to be scoped to ensure feasibility.</p>

Grant Award Processes

Topic Selection Background Information

March 2023

<p>Program Overview</p>	<p>The Minnesota Department of Administration’s Office of Grants Management (OGM) establishes policies that state agencies must follow when administering grants. OGM policies include requirements for awarding grants, although the policies do not include criteria that individuals who review grant applications must meet.</p>
<p>Evaluation Questions</p>	<ul style="list-style-type: none"> • What processes do agencies use to select who will review grant applications and determine grant recipients? • What processes do state agencies use to identify and mitigate conflicts of interest in grant-making and contracting processes? • Who has participated in the grant application review process?
<p>State Resources <i>Unknown</i></p>	<p>While Minnesota awards hundreds of millions of dollars in grant funding each year to various types of organizations, it is unclear how much state agencies spend specifically on the process of awarding these grants.</p>
<p>State Control <i>Medium-High</i></p>	<p>State law typically establishes state-funded grants’ purposes and state agencies must follow OGM policies when establishing their grant award procedures. Federally funded grants must be awarded in accordance with federal requirements.</p>
<p>Impact <i>High</i></p>	<p>Grants are used to support a wide array of services throughout Minnesota. Inadequate grant award processes could lead to numerous consequences, including awarding a grant to an organization that is ineligible for the grant or unable to achieve the intended purpose(s) of the grant.</p>
<p>Timeliness <i>Medium-High</i></p>	<p>Some legislators have recently expressed concerns about grant-making and oversight by certain state agencies. In addition, grant oversight and administration, which includes the grant award process, are often of interest to legislators and the public.</p>
<p>Feasibility <i>Medium</i></p>	<p>OLA could conduct this evaluation using standard evaluation techniques. However, given the number of state-funded grants that state agencies award each year, OLA would need to focus on a sample of grants at select state agencies.</p>
<p>Balance <i>Low</i></p>	<p>OLA has issued several reports in recent years that have included reviews of the grant award process, including two program evaluations, <i>Oversight of State-Funded Grants to Nonprofit Organizations</i>, and <i>State Programs That Support Minnesotans on the Basis of Racial, Ethnic, or American Indian Identity</i>, that were released in February 2023.</p>
<p>Discussion <i>Would focus on a sample</i></p>	<p>While state agencies must comply with OGM policies, they each design their own award process. This evaluation could provide more in-depth information on a small subset of grant award processes.</p>

Metro Mobility

Topic Selection Background Information

March 2023

Program Overview	<p>Metro Mobility provides on-demand transit services for individuals who cannot access buses, light rail, or other regular-route transit systems due to a disability or health condition. The Metropolitan Council operates Metro Mobility under the guidelines of the federal Americans with Disabilities Act and state law.</p>
Evaluation Questions	<ul style="list-style-type: none"> • To what extent does Metro Mobility provide consistent, reliable, and efficient service as required by law? • How well does Metro Mobility meet the demand for its services? • To what degree has the Metropolitan Council established an effective system to address customer complaints? • How cost-effective are Metro Mobility services, and how do costs and service levels compare with alternative service delivery models in other states?
State Resources <i>Medium</i>	<p>The Legislature appropriated about \$56 million to Metro Mobility for Fiscal Year 2023. The remainder of the service’s revenues were composed primarily of federal funds (\$37 million) and passenger fares (nearly \$9 million).</p>
State Control <i>Medium</i>	<p>Metro Mobility operates under federal requirements but is implemented by the state, and the state has imposed additional requirements.</p>
Impact <i>High</i>	<p>Metro Mobility served nearly 21,500 active riders through nearly 2.4 million rides in 2019. While the service saw decreased demand in 2020 due to the COVID-19 pandemic, ridership had begun to recover by 2021.</p>
Timeliness <i>Medium</i>	<p>Prepandemic ridership in Metro Mobility increased steadily, increasing by more than 80 percent from 2006 to 2019. Ridership will likely continue to increase as Minnesota’s population ages, which could have implications for the Metropolitan Council’s ability to meet service demands. At the same time, we identified no pressing issues with the service.</p>
Feasibility <i>High</i>	<p>OLA could evaluate Metro Mobility using traditional methods, including data analysis, surveys, and interviews.</p>
Balance <i>Medium</i>	<p>OLA has not evaluated Metro Mobility, but it has recently conducted considerable work on other aspects of the Metropolitan Council.</p>
Discussion <i>Potentially valuable</i>	<p>Transportation accessibility is an important topic that will continue to affect an increasing number of Minnesotans. Many programmatic requirements are dictated by federal—not state—law.</p>

Minnesota Board of Public Defense

Topic Selection Background Information

March 2023

Program Overview	<p>The Minnesota Board of Public Defense is a judicial branch agency that provides public defense to certain individuals financially unable to acquire legal counsel. The board has identified five goals to support its mission, and is responsible for appointing certain lead public defenders and approving standards for public defender offices, among other things. The board employs nearly 800 assistant public defenders and other professionals.</p>
Evaluation Questions	<ul style="list-style-type: none"> • To what extent is the board appropriately funded so public defenders can provide adequate representation on their cases? • What are current average caseloads; how do they compare to national standards? • To what extent has the board met its goals? • To what extent have board members provided effective leadership and carried out their responsibilities?
State Resources <i>High</i>	<p>Board operations are primarily state funded. In Fiscal Year 2022, the board expended approximately \$104 million. The Governor’s budget recommends an increase of approximately \$43 million and \$53 million in fiscal years 2024 and 2025, respectively, for board operations.</p>
State Control <i>High</i>	<p>The board is established in state law, as are the criteria that make an individual eligible to receive a public defender and the duties of the board and public defenders.</p>
Impact <i>High</i>	<p>The board reports representing individuals in more than 150,000 cases annually. Those represented by public defenders cannot afford to pay for legal representation. Navigating the legal system without representation could have significant adverse effects on the defendants’ case outcomes and lives.</p>
Timeliness <i>High</i>	<p>Recently, an overwhelming majority of public defenders voted that they had no confidence in the leadership of the State Public Defender and more than half of the public defenders who completed a union survey reported that working conditions hindered the ability to conduct timely investigations. Furthermore, backlogs from the COVID-19 pandemic have increased workload. Given these issues, an evaluation could be timely.</p>
Feasibility <i>High</i>	<p>This topic could be evaluated using standard evaluation techniques, including data analyses, document reviews, interviews, and surveys.</p>
Balance <i>High</i>	<p>OLA last evaluated the board’s operations in 2010. The questions that OLA evaluated at that time overlap with those posed for this evaluation.</p>
Discussion <i>Timely and useful</i>	<p>This could be a timely and useful topic. The questions posed for this evaluation would also give OLA an opportunity to learn the extent to which the board has implemented recommendations from its 2010 report.</p>

Minnesota Department of Health: Healthcare Facilities Licensing Program

Topic Selection Background Information

March 2023

Program Overview	<p>The Healthcare Facilities Licensing program is part of the Minnesota Department of Health’s Health Regulation Division, which conducts regulatory activities to protect the health and safety of Minnesotans. The program’s activities include issuing licenses and certifications to healthcare facilities, inspecting facilities, and enforcing compliance with law, among others.</p>
Evaluation Questions	<ul style="list-style-type: none"> • To what extent has this division inspected or otherwise examined state-regulated or federally regulated healthcare facilities on a regular basis? • Has this division provided appropriate training and guidance to the employees of the Healthcare Facilities Licensing program? • Is the program properly staffed?
State Resources <i>Medium</i>	<p>In Fiscal Year 2022, the Health Regulation Division expended about \$30 million in state funding. The division also received about \$18.3 million in federal funding.</p>
State Control <i>Medium</i>	<p>Standards for the division’s licensure and certification responsibilities are established by state and federal laws.</p>
Impact <i>High</i>	<p>The facilities the division inspects, including nursing homes, assisted living facilities, and home care providers, can significantly impact the health and well-being of Minnesotans who rely on their services, especially older and vulnerable individuals.</p>
Timeliness <i>Medium</i>	<p>Recently proposed legislation related to facility licensing shows interest in this topic. However, it may be best to focus on licensing of entities other than assisted living facilities because those licensing requirements were only recently implemented in 2021.</p>
Feasibility <i>Medium-High</i>	<p>This topic could be evaluated using standard evaluation techniques, including data analysis, document reviews, interviews, and surveys. If selected, this topic will need to be clarified and focused because the division monitors a number of different facility types.</p>
Balance <i>Medium</i>	<p>OLA’s 2018 evaluation report, <i>Office of Health Facility Complaints</i>, evaluated an office within the division that investigates complaints about healthcare facilities.</p>
Discussion <i>Good topic</i>	<p>The Health Regulation Division regulates healthcare facilities that provide vital services, especially to individuals in need of additional care and assistance. Many of these facilities will likely become increasingly important as Minnesotans age. This evaluation could provide useful information about how MDH ensures facilities comply with legal requirements.</p>

Minnesota Housing Finance Agency: Down Payment Assistance

Topic Selection Background Information

March 2023

Program Overview	The Minnesota Housing Finance Agency (Minnesota Housing) offers down payment and closing cost assistance loans for low- and moderate-income homebuyers. Minnesota Housing provides funding for the loans and establishes eligibility requirements, while participating lenders administer the loans.
Evaluation Questions	<ul style="list-style-type: none"> • How does Minnesota Housing establish requirements for down payment assistance programs? • To what extent does Minnesota Housing monitor participating lenders' compliance with program requirements, and how well have participating lenders met requirements? • To what extent are these loans available statewide?
State Resources <i>Low</i>	In Fiscal Year 2021, Minnesota Housing spent about \$4.6 million on the Homeownership Assistance Fund, which funds down payment assistance; less than \$1 million of that came from state appropriations.
State Control <i>High</i>	Statutes grant Minnesota Housing authority to provide loans to low- and moderate-income households to assist with home purchases, and to set the terms and conditions of those loans.
Impact <i>Medium-High</i>	Homeownership is an important wealth-building tool for low-income households. More than 4,200 households that purchased their first home in 2021 received down payment assistance through Minnesota Housing.
Timeliness <i>Medium</i>	The Governor's budget recommends \$128 million in state appropriations for down payment assistance in the 2024-2025 biennium, so it may be prudent to review the program's administration prior to a potentially large increase in funding.
Feasibility <i>Medium</i>	OLA could evaluate down payment assistance using standard evaluation techniques. OLA may need to focus on Minnesota Housing's monitoring of a sample of participating lenders.
Balance <i>Medium</i>	OLA is currently evaluating Minnesota Housing's RentHelpMN program. OLA evaluated the Economic Development and Housing Challenge program in 2019.
Discussion <i>Potentially timely</i>	Given the proposed increase in spending and the number of households that could potentially benefit from down payment assistance, an evaluation using the revised evaluation questions could be timely.

Worker Misclassification

Topic Selection Background Information

March 2023

Program Overview	<p>Depending on the nature of the work performed, a worker may be classified as an employee, independent contractor, consultant, or another type of worker. Classification affects unemployment insurance, workers’ compensation, and income tax collection.</p>
Evaluation Questions	<ul style="list-style-type: none"> • To what extent do employers misclassify Minnesota employees as independent contractors? • To what extent do current guidelines for classifications adequately address “gig” work and other less traditional work across industries in Minnesota? • How effective are Minnesota’s laws in deterring, preventing, and correcting misclassification? • To what extent have recommendations from OLA’s previous evaluation been implemented?
State Resources <i>Unknown</i>	<p>The total amount of state resources devoted to worker classification is not clear. Three state agencies—the departments of Employment and Economic Development (DEED), Labor and Industry (DLI), and Revenue (DOR)—have responsibilities related to worker classification, and some of these responsibilities are part of broader programs.</p>
State Control <i>Medium</i>	<p>Federal and state laws regulate worker classification.</p>
Impact <i>High</i>	<p>Worker classification has important consequences for worker access to certain benefits, such as unemployment insurance and workers’ compensation. It also impacts employers’ costs in terms of unemployment insurance and workers compensation payments.</p>
Timeliness <i>Medium</i>	<p>There has been recent national and local interest in worker classification, particularly in how it relates to “gig” workers. Additionally, statutes have required certain construction independent contractors to register with DLI since 2012; enough time has passed for OLA to evaluate that work, although the responsible DLI division changed in 2020.</p>
Feasibility <i>Medium</i>	<p>OLA conducted a similar evaluation in 2007 using standard evaluation methods and OLA could do so again. However, this is a complex topic due in part to the number of agencies involved and it would need to be scoped to ensure feasibility. Additionally, the extent to which we can answer certain questions will depend on the available data.</p>
Balance <i>Medium</i>	<p>OLA last evaluated this general topic in 2007 and last evaluated DLI and DOR programs in 2015 and 2017, respectively. However, OLA released evaluations involving DEED programs generally earlier this year and Unemployment Insurance specifically in 2022.</p>
Discussion <i>Complex, but important</i>	<p>While this is a complex topic, an evaluation could provide useful information on how the state’s requirements related to worker classification have changed since OLA’s 2007 report. For example, it could look at registration of construction independent contractors.</p>