

Aggregate Mining Operations

Topic Selection Background Information

March 2023

Program Overview	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.
Original Evaluation Questions	What is the process for establishing aggregate mining sites, and which agencies are involved in this process? Which agencies oversee established aggregate mining sites, and what are their responsibilities? To what extent have aggregate mining sites complied with applicable regulations and standards?
Revised Questions	<i>Proposed revision to the final question:</i> To what extent have EQB and MPCA ensured that aggregate mining sites have complied with applicable regulations and standards?
State Resources <i>Low</i>	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.
State Control <i>Medium-High</i>	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.
Impact <i>High</i>	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.
Timeliness <i>Medium</i>	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.
Feasibility <i>Medium</i>	OLA could complete this evaluation using traditional evaluation methods. However, OLA would not evaluate the technical aspects of individual site permitting and compliance.
Balance <i>High</i>	OLA evaluated MPCA's petroleum remediation program in 2022. OLA last evaluated environmental review and permitting in 2011.
Discussion <i>Important topic</i>	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.

Bond Proceeds and Cancellation Reports

Topic Selection Background Information

March 2023

Program Overview	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 canceled.
Original Evaluation Questions	Are all capital projects shown as required by statute in the bond proceeds report, regardless of fund or agency, or accounting system? Could statutory language be used to clarify MMB's requirement to display all capital projects in a format that matches the titles and format of capital investment bills? Are the timelines around the bond proceeds and cancellation reports realistic for implementation of accurate reports? Are there areas of noncompliance with statutory requirements?
Revised Questions	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>	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.
State Control <i>High</i>	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.
Impact <i>Low</i>	These reports likely directly impact a small number of people given that their primary audience is the Legislature.
Timeliness <i>Medium</i>	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.
Feasibility <i>High</i>	OLA could answer the evaluation questions using traditional evaluation methods.
Balance <i>Medium</i>	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.
Discussion <i>Feasible, not urgent</i>	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.

Conservation Improvement Program

Topic Selection Background Information

March 2023

Program Overview	Statutes require Minnesota electric and natural gas utilities to use a portion of their revenues from energy sales to fund conservation improvement projects. For example, utilities may provide rebates to residential, commercial, and industrial customers for installing high-efficiency appliances or pay for assessments of buildings' energy efficiency. The Minnesota Department of Commerce (Commerce) oversees the Conservation Improvement Program (CIP).
Original Evaluation Questions	To what extent has CIP met the goals set in statute? To what extent are conservation programs, such as energy audits and equipment rebates, cost-effective? How much does the program pay in incentive payments and to third-party administrators?
Revised Questions	
State Resources <i>Low</i>	Ratepayers fund utilities' projects through the CIP. Commerce pays for its oversight activities through appropriations that support the agency as a whole.
State Control <i>High</i>	Minnesota law establishes energy-saving goals and requirements for utilities' conservation improvement projects.
Impact <i>High</i>	Because many electric and gas utilities are required to administer CIP projects, a large number of Minnesota residents and businesses pay for these projects.
Timeliness <i>Low</i>	The 2021 Legislature passed the Minnesota Energy Conservation and Optimization Act, which modified certain CIP goals and requirements. As a result, it may still be too soon to study the effects of these changes.
Feasibility <i>Low</i>	To determine the cost-effectiveness of the program, we would likely need to hire a consultant, and to review incentive and administrator payments, we would likely need to reach out to utilities to request data. It is unclear the quantity or quality of data available.
Balance <i>High</i>	OLA last evaluated CIP in 2005. More recently, in 2022, OLA evaluated Commerce's investigations of civil insurance complaints and conducted a special review of Commerce's Fraud Bureau.
Discussion <i>Poor timing</i>	As a collection of projects planned and executed by numerous utilities, we would likely need to focus the evaluation on a select few projects or utilities. Our ability to provide useful recommendations would be hindered by the short length of time that has passed since the program was modified.

COVID-19 Testing Contracts and Billing

Topic Selection Background Information

March 2023

Program Overview	In November 2020, the Minnesota Department of Health (MDH) contracted with Vault Medical Services (Vault) and another company for COVID-19 testing services. In November 2021, MDH contracted with 11 vendors, including Vault to “expand its testing network.”
Original Evaluation Questions	How much has the state paid to Vault for COVID-19 testing? Through its contract with MDH, has Vault overbilled the state for COVID-19 testing or received excessive payments?
Revised Questions	How much has the state paid for COVID-19 testing? To what extent did MDH negotiate the costs charged by the testing companies, and what share of the billed costs did MDH pay? How do MDH’s expenditures for these services compare with similar purchases made by other states?
State Resources <i>Medium-High</i>	In Fiscal Year 2022, the state paid Vault more than \$82 million, and from Fiscal Year 2021 through March 22, 2023, the state paid Vault more than \$145 million. Most of these expenditures (almost \$135 million) have been through MDH.
State Control <i>High</i>	MDH entered into contracts with Vault and other COVID-19 testing providers. The department has control over the process it used to purchase these services, and it has control over the contracts into which it entered.
Impact <i>Medium</i>	COVID-19 testing has been an important part of the response to the COVID-19 pandemic. Having access to affordable and reliable COVID-19 tests was something that affected all Minnesotans.
Timeliness <i>Medium</i>	Now that two years have passed since MDH first entered into a contract for COVID-19 testing services, it could be a good time to examine the cost of these services. On the other hand, the COVID-19 testing landscape has changed significantly over the last two years, and recommendations based on past practices may no longer be relevant.
Feasibility <i>High</i>	OLA could conduct this evaluation using standard research techniques, including data analysis, document reviews, and interviews.
Balance <i>Low</i>	In July 2021, OLA released the special review, <i>State Payments to Two Companies for COVID-19 Testing</i> . The review focused on whether the state made excessive payments for COVID-19 testing services provided to individuals enrolled in the state’s publicly funded health care programs and the health insurance program for state employees.
Discussion <i>Questions largely answered</i>	OLA’s 2021 special review largely addressed the original evaluation questions listed above. As a result, it would be important to reframe the evaluation questions to ensure that OLA provides new information to legislators.

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.
Original Evaluation Questions	To what extent has DHS communicated effectively with county partners on licensing and procurements? Can DHS collaborate more effectively with counties? Are there efficiencies that could reduce redundancies?
Revised Questions	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	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.
Original Evaluation Questions	To what extent has economic concentration in Minnesota changed in recent decades, and how has this impacted workers, small businesses, farms, and consumers? Does Minnesota have sufficient antitrust laws and penalties to deter anticompetitive conduct? To what extent does the Minnesota Office of the Attorney General and other state agencies have the capacity to address anticompetitive activities?
Revised Questions	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>	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.
State Control <i>Medium</i>	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.
Impact <i>High</i>	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.
Timeliness <i>Medium</i>	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.
Feasibility <i>Low-Medium</i>	OLA suggests focusing on the second and third original evaluation questions to make the scope of this evaluation feasible. OLA could then conduct this evaluation using standard evaluation techniques, including interviews, document reviews, and data analysis.
Balance <i>High</i>	OLA has not previously conducted a program evaluation or audit related to this topic.
Discussion <i>Broad and complicated</i>	The proposed topic is broad and complex and it would need to be scoped to ensure feasibility.

Grant Award Processes

Topic Selection Background Information

March 2023

Program Overview	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.
Original Evaluation Questions	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?
Revised Questions	
State Resources <i>Unknown</i>	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.
State Control <i>Medium-High</i>	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.
Impact <i>High</i>	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.
Timeliness <i>Medium-High</i>	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.
Feasibility <i>Medium</i>	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.
Balance <i>Low</i>	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.
Discussion <i>Would focus on a sample</i>	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.

Healthcare Building Ownership

Topic Selection Background Information

March 2023

Program Overview	Buildings that house healthcare services may be either owned or leased by the service providers using them. The cost of those facilities contributes to the total cost of providing health care and could impact prices paid by consumers.
Original Evaluation Questions	Who owns hospital and clinic buildings in Minnesota’s nonprofit medical systems? How are leases for nonprofit medical system buildings structured? What costs do these systems pay for building space, and how were those costs determined? How, if at all, have nonprofit medical system leases affected costs of health care? To what extent do conflicts of interest exist with health practitioners within the nonprofit medical systems who own buildings leased to the system for which they work?
Revised Questions	<i>Suggested revisions to first and final questions:</i> Who owns hospital buildings in Minnesota’s nonprofit medical systems? To what extent do healthcare practitioners own and work in buildings leased to their nonprofit medical system employer?
State Resources <i>Unknown</i>	No state agency operates a program that oversees healthcare building ownership. While nonprofit medical systems may receive public insurance payments, it is unclear the extent to which public money is used to lease or purchase buildings.
State Control <i>Low</i>	State law does not currently dictate the terms of leases for nonprofit medical buildings. While the Minnesota Department of Health (MDH) is the agency most closely related to this topic, it does not have specific responsibilities in this area.
Impact <i>Unknown</i>	We do not know the degree to which building ownership affects the availability and cost of health care for Minnesotans.
Timeliness <i>Medium</i>	The cost of health care is of perennial interest to legislators and the public. However, there is no urgent reason to evaluate healthcare building ownership at this time.
Feasibility <i>Low</i>	The topic would be more feasible if the focus were narrowed to just hospital buildings. However, the state does not have a centralized repository of data related to building ownership and lease terms for nonprofit healthcare facilities. OLA would need to take a case-study approach, the results of which would not be generalizable to the state as a whole. Further, OLA may have limited authority to access financial documents from some providers.
Balance <i>High</i>	OLA has never evaluated healthcare building ownership. OLA’s most recent evaluation related to MDH was <i>Office of Health Facility Complaints</i> in 2018.
Discussion <i>Not evaluative</i>	This topic as proposed is not an evaluation of a state agency or program. While we could use case studies to provide some information, it is not clear that the evaluation would lead to recommendations.

Healthcare Provider Consolidation in Minnesota

Topic Selection Background Information

March 2023

<p>Program Overview</p>	<p>The recent announcement of a proposed merger between two major healthcare systems—Fairview Health Services and South Dakota-based Sanford Health—generated concern among the public and legislators. Research has shown that consolidation can increase healthcare prices for private insurance and evidence is mixed regarding its impacts on the quality of care.</p>
<p>Original Evaluation Questions</p>	<p>To what extent have healthcare provider organizations and specialty practices in Minnesota consolidated in recent years? To what extent has consolidation: (1) increased or decreased the <i>prices paid</i> for healthcare services by health plans and consumers? (2) increased or decreased the <i>availability</i> of services to healthcare consumers? (3) impacted public health programs?</p>
<p>Revised Questions</p>	
<p>State Resources <i>Unknown</i></p>	<p>While the Minnesota Department of Health (MDH) conducts activities that relate tangentially to healthcare provider consolidation (such as the collection and maintenance of data reported by hospitals and insurers), the department does not currently have regular, ongoing duties specific to provider consolidation.</p>
<p>State Control <i>Medium</i></p>	<p>Consolidation agreements between healthcare providers do not require state approval. However, the state’s attorney general can enforce state and federal antitrust laws and the Legislature can amend state law governing mergers. A bill currently moving through the Legislature would require MDH to evaluate and approve such consolidations.</p>
<p>Impact <i>Unknown</i></p>	<p>We do not know the degree to which healthcare provider consolidation affects cost or availability of health care for Minnesotans.</p>
<p>Timeliness <i>High</i></p>	<p>The proposed Fairview-Sanford consolidation has received extensive media attention, and the cost of health care is generally of interest to the public. An evaluation could provide useful information on the historical impact of such consolidations.</p>
<p>Feasibility <i>Low</i></p>	<p>OLA could evaluate some aspects of provider consolidation using standard evaluation methods. While MDH has data on hospitals and insurance claims, OLA may need to hire a consultant to isolate the effects of consolidation on the costs of healthcare services.</p>
<p>Balance <i>High</i></p>	<p>OLA has never evaluated healthcare provider consolidation. OLA’s most recent evaluation related to MDH was <i>Office of Health Facility Complaints</i> in 2018.</p>
<p>Discussion <i>Unlikely to provide definitive answers</i></p>	<p>This topic as proposed is not an evaluation of a state agency or program. While OLA could analyze state-held data to provide descriptive information on provider consolidation, we would be unlikely to arrive at definitive answers to the evaluation questions. OLA would likely not report findings or make recommendations specific to the Fairview-Sanford consolidation.</p>

Metro Mobility

Topic Selection Background Information

March 2023

Program Overview	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.
Original Evaluation Questions	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?
Revised Questions	
State Resources <i>Medium</i>	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).
State Control <i>Medium</i>	Metro Mobility operates under federal requirements but is implemented by the state, and the state has imposed additional requirements.
Impact <i>High</i>	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.
Timeliness <i>Medium</i>	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.
Feasibility <i>High</i>	OLA could evaluate Metro Mobility using traditional methods, including data analysis, surveys, and interviews.
Balance <i>Medium</i>	OLA has not evaluated Metro Mobility, but it has recently conducted considerable work on other aspects of the Metropolitan Council.
Discussion <i>Potentially valuable</i>	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.

Minnesota Board of Public Defense

Topic Selection Background Information

March 2023

Program Overview	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.
Original Evaluation Questions	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?
Revised Questions	
State Resources <i>High</i>	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.
State Control <i>High</i>	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.
Impact <i>High</i>	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.
Timeliness <i>High</i>	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.
Feasibility <i>High</i>	This topic could be evaluated using standard evaluation techniques, including data analyses, document reviews, interviews, and surveys.
Balance <i>High</i>	OLA last evaluated the board’s operations in 2010. The questions that OLA evaluated at that time overlap with those posed for this evaluation.
Discussion <i>Timely and useful</i>	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.

Minnesota Department of Health: Healthcare Facilities Licensing Program

Topic Selection Background Information

March 2023

Program Overview	The Health Regulation Division at the Minnesota Department of Health conducts regulatory activities to protect the health and safety of Minnesotans. These activities include issuing licenses and certifications to healthcare facilities, inspecting facilities, investigating complaints, and enforcing compliance with law, among others.
Original Evaluation Questions	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 its employees? Is the division properly staffed?
Revised Questions	<i>OLA suggests using the original evaluation questions to focus on the division's Healthcare Facilities Licensing program.</i>
State Resources <i>Medium</i>	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.
State Control <i>Medium</i>	Standards for the division's licensure and certification responsibilities are established by state and federal laws.
Impact <i>High</i>	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.
Timeliness <i>Medium</i>	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.
Feasibility <i>Medium-High</i>	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.
Balance <i>Medium</i>	OLA's 2018 evaluation report, <i>Office of Health Facility Complaints</i> , evaluated an office within the division that investigates complaints about healthcare facilities.
Discussion <i>Good topic</i>	OLA recently evaluated the division's Office of Health Facility Complaints. However, this topic could be scoped to focus on other work performed by the division, such as regular inspections performed as part of its licensing and certification responsibilities.

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.
Original Evaluation Questions	How does Minnesota Housing decide which projects to fund, and to what extent does it consider regional balance when selecting projects? Does Minnesota Housing have a limit on per-unit costs?
Revised Questions	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>	The proposed evaluation questions are not applicable to down payment assistance loans, but OLA could evaluate the revised questions using standard evaluation techniques.
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.

Recidivism Rates of Adult Felons

Topic Selection Background Information

March 2023

Program Overview	Recidivism can be broadly defined as the tendency for an individual to re-offend following a criminal conviction. The Minnesota Department of Corrections (DOC) calculates recidivism based on a three-year period after release from prison. DOC reported that, in Fiscal Year 2020, the recidivism rate for individuals with a new felony conviction three years after release from prison was 38 percent.
Original Evaluation Questions	How does DOC define recidivism in adult offenders? To what extent is this definition applied uniformly across types of crime and offenders? What is Minnesota’s rate of recidivism, and how does this rate compare to that of other states? To what extent have recidivism rates changed in recent years, and what are the reasons for any change?
Revised Questions	
State Resources <i>Low</i>	Statutes require DOC to report on adult recidivism each year. While the amount of funding used to produce this report is small, resources expended to reduce recidivism through community supervision is much larger. For example, the Governor’s budget recommends more than \$64 million for Fiscal Year 2024 to increase investment in community supervision and to reduce re-offenses.
State Control <i>High</i>	Statutes require DOC to report recidivism based on three years of data, but allows DOC to determine certain parameters of the calculation. DOC’s recidivism analysis report must, among other things, assess education and vocational programs, as well as statewide re-entry policies and funding.
Impact <i>Medium</i>	Accurate data are necessary to determine how well programs intended to prevent recidivism are performing and whether they need adjustments.
Timeliness <i>Medium</i>	In 2021, a bipartisan group was formed to develop a set of policy options to improve community supervision funding and practices, which may indicate interest in additional information about recidivism in general.
Feasibility <i>Medium</i>	OLA could use standard evaluation techniques to conduct this evaluation. OLA’s ability to add value would depend on data quality.
Balance <i>High</i>	OLA last conducted an evaluation that included an analysis of adult recidivism in our 2011 report, <i>Civil Commitment of Sex Offenders</i> . OLA last evaluated DOC in the 2020 report <i>Safety in Correctional Facilities</i> .
Discussion <i>May not provide new information</i>	This evaluation could provide information about data used to make decisions about programs intended to reduce recidivism, but may largely replicate the evaluation work DOC currently creates as part of its annual performance report.

Unemployment Insurance Fraud

Topic Selection Background Information

March 2023

Program Overview	The Unemployment Insurance (UI) program provides temporary partial wage replacement to workers who become unemployed or have their hours greatly reduced through no fault of their own. Workers must complete an application process to determine eligibility and request benefits on a weekly basis. UI is administered by the Department of Employment and Economic Development (DEED).
Original Evaluation Questions	To what extent did Minnesota make payments to people who were ineligible for benefits? Were these payments made due to ineffective processes, attempted fraud, or other reasons? To what extent did Minnesota provide benefits to people with other jobs, such as gig employment?
Revised Evaluation Questions	
State Resources <i>High</i>	In Fiscal Year 2022, DEED paid out more than \$405.8 million from the state’s General Fund. DEED expended an additional \$77.5 million in federal funds and nearly \$2.1 billion in American Rescue Plan State Fiscal Recovery funds.
State Control <i>Medium</i>	UI is a joint federal-state program. Federal law establishes guidelines states must follow in administering their UI programs, and states establish additional requirements related to eligibility and benefits.
Impact <i>High</i>	In Fiscal Year 2022, DEED processed more than 300,000 new initial applications for unemployment insurance. Not only does the program provide economic stability to individual workers, it can help stabilize local economies by supporting spending and keeping workers in their communities during times of unemployment.
Timeliness <i>High</i>	A December 2022 report by the Government Accountability Office identified at least \$4.3 billion in fraudulent UI payments nationwide during the COVID-19 pandemic, with some estimates ranging as high as \$60 billion.
Feasibility <i>Low-Medium</i>	To conduct this evaluation, OLA would test a statistically valid sample of applications and determine whether the applicants were eligible for UI benefits. OLA’s ability to verify eligibility will depend on the extent to which DEED has maintained the relevant data.
Balance <i>Low</i>	OLA is currently conducting an IT audit of the UI system, and OLA’s current audit of Frontline Worker Pay will rely on UI information. In 2022, OLA released <i>Unemployment Insurance Program: Efforts to Prevent and Detect the Use of Stolen Identities</i> .
Discussion <i>Two active OLA audits related to UI</i>	Fraudulent UI payments have been discovered nationwide, and legislators are understandably concerned about similar fraud in Minnesota. However, with two other ongoing OLA audits related to DEED’s UI Division, it may not be the best year for OLA to conduct this evaluation.

Worker Misclassification

Topic Selection Background Information

March 2023

Program Overview	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.
Original Evaluation Questions	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?
Revised Questions	
State Resources <i>Unknown</i>	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.
State Control <i>Medium</i>	Federal and state laws regulate worker classification.
Impact <i>High</i>	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.
Timeliness <i>Medium</i>	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.
Feasibility <i>Medium</i>	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.
Balance <i>Medium</i>	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.
Discussion <i>Complex, but important</i>	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.