



Compensatory Education Revenue

Topic Selection Background Information

March 2019

Program Overview	Compensatory revenue provides school districts with additional state funding to assist low-income students who are performing below state or local performance standards. Funding amounts are based on the number of students eligible for free or reduced-price lunch. Examples of uses of compensatory revenue include direct instructional services, additional teachers, instructional materials, or longer school days.
Possible Evaluation Issues	How is compensatory education revenue distributed across Minnesota school districts, and to what extent do districts use this aid for its intended purposes? To what extent does the group of students receiving services overlap with the group of students generating the funding? How do schools, school districts, and the Minnesota Department of Education assess the effectiveness of programs and services funded with compensatory revenue?
State Resources <i>High</i>	For the 2018-2019 school year, the state allocated a total of \$551 million in compensatory revenue, or approximately \$624 per student. Compensatory revenue accounts for nearly 7 percent of all state general education funding.
State Control <i>High</i>	Compensatory revenue is established in state law, which outlines both eligibility and funding allocation requirements.
Impact <i>High</i>	Compensatory revenue is provided for students from low-income families, following federal poverty guidelines. In the 2018-2019 school year, nearly 330,000 students were eligible for free or reduced-price lunch in Minnesota, which accounted for nearly 40 percent of all students. All Minnesota public school students have the potential to benefit from the additional funding their school districts receive.
Timeliness <i>Medium</i>	Education funding is a topic of perennial concern for the Legislature. However, there is no urgent need to evaluate compensatory education revenue this year.
Feasibility <i>Medium-Low</i>	The scope of this proposed evaluation is large, and it would be impossible to evaluate the effectiveness of compensatory revenue programs across all school districts. OLA would need to focus its evaluation on a sample of school districts in order to address the questions listed above.
Balance <i>Medium</i>	OLA has conducted several education evaluations in recent years, though none specifically related to compensatory revenue. Two additional topics related to K-12 education were proposed for this year: Public School Operating Levies and Impact of School Choice.
Discussion <i>Would focus on a sample</i>	OLA would need to narrow the scope of this evaluation to a sample of school districts. An evaluation would provide some insights into the use and impact of these funds but would not be able to provide a statewide picture.



Driver Education

Topic Selection Background Information

March 2019

Program Overview	To obtain a license to drive, a person aged 16 to 18 must complete classroom instruction and behind-the-wheel training, and pass a knowledge test, vision screening, and driving test, among other things. Driver education is available in public schools, postsecondary schools, commercial driver training schools, and other third-party programs. The Minnesota Department of Public Safety (DPS) regulates driver education programs. It approves the programs, enforces vehicle-safety standards, and approves schools' curricula. The department also sets training requirements for driver educators.
Possible Evaluation Issues	What are the requirements to be a driver education teacher, and are they adequate and appropriate? To what extent does the curriculum for student drivers reflect current requirements? How well do driving examinations accommodate people with disabilities? To what extent are driving examination stations adequately staffed and operated, and how does this vary across the state?
State Resources <i>Medium</i>	DPS's Driver Services Division, which is responsible for regulating driver educators, had \$68.9 million in estimated expenditures for the 2018-2019 biennium. Some of those expenditures, however, went towards the division's other duties, including processing driver licenses and imposing sanctions on drivers with suspended or revoked licenses.
State Control <i>High</i>	The Driver Services Division regulates driver education. DPS rules state that all driver training schools, and all individual instructors, must comply with DPS requirements. Laws specify the general content of knowledge tests and road tests and identify the events that constitute a failed test. Laws also define eligibility for testing programs, specify inspections and audits that the programs must undergo, and set requirements for individual testers.
Impact <i>High</i>	Driver education affects every Minnesotan who aspires to be a licensed driver. DPS reported that nearly 626,000 driver exams (written, road, and commercial) occurred in Fiscal Year 2017. Furthermore, driving habits potentially affect all road users.
Timeliness <i>Medium</i>	Legislation in 2019 would add content areas, such as distracted driving, to driver education. Other bills create a work group to study the availability of, and access to, driver education around the state. An OLA evaluation could be useful, but may not be urgent.
Feasibility <i>High</i>	OLA would use standard research methods to evaluate driver education. Methods would likely include conducting interviews, analyzing data, reviewing documents, examining legal requirements, and visiting driver education sites.
Balance <i>Medium</i>	OLA has not previously evaluated driver education programs. Aside from recent special investigations of MNLARS, OLA has not evaluated DPS since the 2013 report of <i>Law Enforcement's Use of State Databases</i> . Liquor Regulation is another evaluation topic under consideration that involves DPS.
OLA Comment <i>Good topic</i>	Driver education is an important component of road safety. The fact that OLA has not yet evaluated it makes the topic all the more compelling.



Fisheries Management and Hatcheries

Topic Selection Background Information

March 2019

Program Overview	The Minnesota Department of Natural Resources (DNR) Section of Fisheries is responsible for fisheries management in Minnesota. This entails managing aquatic habitats—and people’s use of them—such that fish will be available for angling and enjoyment. DNR’s responsibilities include managing fish populations by setting limits on the number of fish that anglers can harvest. The agency also operates 15 public hatcheries around the state and licenses private hatcheries, both of which are used to stock lakes as needed.
Possible Evaluation Issues	To what extent does DNR ensure safe and efficient hatcheries throughout the state? What are the costs and benefits of keeping eggs in public facilities compared with selling them to private facilities? How effective is DNR at preventing diseases that may affect fish populations?
State Resources <i>Medium</i>	In Fiscal Year 2018, DNR’s Section of Fisheries spent \$31 million from the state’s Game and Fish fund.
State Control <i>Medium-High</i>	Fisheries management is a state function. At present, neither statutes nor rules provide much guidance regarding how DNR should manage fisheries or public hatcheries. The state must consider tribal interests when managing fish populations. As such, DNR has worked with the Mille Lacs Band of Ojibwe to set walleye harvest limits on Lake Mille Lacs.
Impact <i>High</i>	Fishing is an important form of recreation in Minnesota, and healthy fish populations and well-stocked lakes generate large amounts of tourism and retail revenue for the state. Over the past decade, DNR has sold more than one million fishing licenses each year.
Timeliness <i>Medium</i>	Anglers in Minnesota are interested in how DNR manages fish populations. For example, anglers and business owners in the Lake Mille Lacs area have complained about the walleye fishing restrictions DNR has implemented to restore the declining walleye population. Legislation proposed in 2019 would create a citizen-legislative advisory group to study issues related to the state’s fish hatchery and stocking system, including the role of private vendors. If the bill is enacted, an OLA evaluation may overlap some of the work of this advisory group.
Feasibility <i>Medium</i>	While OLA would evaluate this topic using standard evaluation practices, it presents some challenges. Namely, it is difficult to prove the effectiveness of disease management strategies; to comment on this question, OLA would compare DNR’s practices to those of other states and those suggested by scientific literature.
Balance <i>High</i>	OLA last evaluated DNR’s fish management in 1986. The office evaluated DNR’s management of deer populations in 2016. There are no other topics related to natural resources on this year’s list of possible evaluations.
Discussion <i>Challenging but useful evaluation</i>	OLA may be able to provide useful insight into a program that affects many Minnesotans. If the proposal establishing a citizen-legislative advisory group is enacted, OLA would try to scope the evaluation to complement the work of the advisory group.



Licensing and Oversight of Child Care Centers

Topic Selection Background Information

March 2019

Program Overview	Centers that provide child care must be licensed, unless exempt under state law. Through the licensing process, centers must demonstrate the ability to protect children's health and safety and provide appropriate programming. The Department of Human Services (DHS) Licensing Division issues licenses to child care centers and monitors centers' ongoing compliance with licensing requirements, including staff background studies and training.
Possible Evaluation Issues	To what extent do DHS child care licensing practices ensure appropriate and safe child care centers? To what extent does DHS complete required annual inspections of licensed centers and ensure that child care centers comply with licensing requirements?
State Resources <i>Unclear</i>	DHS's Licensing Division spent about \$6.8 million from General Fund appropriations in Fiscal Year 2018. It is unclear how much was dedicated to child care center licensing and monitoring activities as opposed to the division's other activities, such as responsibilities related to licensing and oversight of family child care providers and adult day care centers. In addition, the Child Care Assistance Program (CCAP) spent about \$140 million from General Fund appropriations in Fiscal Year 2018. This program helps low-income families pay for child care services not only from licensed child care centers, but also from family child care providers and providers that are legally exempt from being licensed.
State Control <i>Medium-High</i>	The federal Child Care and Development Block Grant Act of 2014 authorizes funding to assist low-income families with child care costs and to improve the overall quality of child care services, among other things. To qualify for funding under the law, states must meet standards related to health, safety, training, and oversight of child care facilities. The law is designed to allow states flexibility in implementing those standards, and Minnesota has established numerous licensing and oversight requirements of its own.
Impact <i>High</i>	DHS reported licensing and monitoring more than 1,700 child care centers with the capacity to care for about 133,000 children in Fiscal Year 2018.
Timeliness <i>High</i>	Legislators have expressed great concern over the integrity of CCAP in the last year. In response to those concerns, OLA investigated specific allegations of fraud within the program and assessed its internal controls. Based on those reviews, OLA staff identified child care center licensing and oversight as an area in need of further evaluation.
Feasibility <i>High</i>	OLA could evaluate this topic using standard evaluation methods such as interviews, file reviews, data analysis, legal analysis, and site visits.
Balance <i>Medium</i>	OLA has never evaluated DHS's licensing and oversight of child care centers. In March 2019, OLA released a special review titled <i>Child Care Assistance Program: Assessment of Fraud Allegations</i> and will release a financial audit titled <i>Child Care Assistance Program: Assessment of Internal Controls</i> in April. There is one other DHS-administered program under consideration this year: Personal Care Assistance.
Discussion <i>Valuable topic</i>	Licensing is an important process in ensuring child care centers comply with requirements that protect children's health and well-being. A close examination of DHS's licensing and oversight practices could provide useful information.



Minnesota Department of Human Rights

Topic Selection Background Information

March 2019

Program Overview	The mission of the Minnesota Department of Human Rights (MDHR) is to enforce the Minnesota Human Rights Act, which prohibits discrimination in education, employment, housing, public accommodations, and public services. To achieve this mission, MDHR investigates discrimination charges, enforces equal employment opportunity compliance for state contractors, and informs Minnesotans of their rights through education and dialogue.
Possible Evaluation Issues	To what extent does MDHR effectively and efficiently investigate complaints? To what degree have the department's management decisions and case-management practices been fair and effective?
State Resources <i>Low</i>	The Legislature appropriated approximately \$9 million from the General Fund to MDHR for the 2018-2019 biennium. Federal reimbursements and other fees provide the department with a small amount of additional revenue.
State Control <i>Medium</i>	MDHR is authorized to enforce the Minnesota Human Rights Act. MDHR has a contract with the federal Equal Employment Opportunity Commission to investigate employment discrimination complaints that are filed with that agency.
Impact <i>Medium-High</i>	In 2017, MDHR filed 698 new charges of discrimination, and those whose cases MDHR investigates may be deeply impacted by the department's efforts. MDHR's work may help protect all Minnesotans from discrimination on the basis of their personal characteristics and group affiliations.
Timeliness <i>Medium-High</i>	The Governor recently proposed increasing MDHR's budget for the 2020-2021 biennium by 46 percent to expand MDHR's capability to reduce discrimination statewide. The MDHR commissioner has acknowledged a continuing rise in discrimination in recent years.
Feasibility <i>High</i>	OLA would use standard research methods to evaluate MDHR. Possible methods include data analysis, interviews, case analysis, document reviews, and surveys. However, OLA would not determine whether MDHR decisions in specific cases were appropriate.
Balance <i>High</i>	OLA has not evaluated MDHR since 1996. None of the other potential topics this year involve MDHR or a similar subject area.
Discussion <i>Worth evaluating</i>	The significant increased investment in MDHR proposed by the Governor signals his desire to expand its work statewide. However, others have raised concerns about possible MDHR overreach. Given the debate, the department is worth evaluating.



Personal Care Assistance

Topic Selection Background Information

March 2019

Program Overview	Personal care assistance (PCA) services help individuals with disabilities, chronic diseases, or mental illness live independently in their homes. The individuals who provide these services—personal care assistants—may help with daily living activities (such as eating and dressing), observe and redirect behaviors, or perform health-related tasks. PCA services are available to eligible individuals enrolled in publicly funded health care programs, including Medical Assistance, Minnesota’s Medicaid program.
Possible Evaluation Issues	To what extent does the Department of Human Services (DHS) provide oversight of PCA services? How does the department ensure that the services for which it paid were actually delivered? To what extent have there been improper payments for PCA services?
State Resources <i>High</i>	In Fiscal Year 2017, the cost of PCA services provided through state-administered programs was about \$1.1 billion. This amount was split evenly between state and federal funds.
State Control <i>Medium-High</i>	Federal guidelines for Medicaid PCA are broad, giving states the ability to design services that meet their needs. DHS administers Minnesota’s PCA program. DHS’s Office of the Inspector General (DHS-OIG) is responsible for investigating fraudulent activities associated with PCA services.
Impact <i>High</i>	According to DHS, about 43,800 individuals provided PCA services in Fiscal Year 2017. About 42,600 individuals received PCA services that year. For the recipients of PCA services, the assistance they receive can be critical in helping them maintain their independence and quality of life.
Timeliness <i>High</i>	In 2016, DHS-OIG completed about 190 PCA fraud, abuse, or overpayment investigations and identified more than \$1.4 million in overpayments. That year, investigations of PCA providers accounted for more than half of DHS-OIG’s caseload related to provider billing. Recent prosecutions suggest that PCA fraud, abuse, and overpayment remain relevant issues.
Feasibility <i>Medium-High</i>	OLA would evaluate PCA services using standard evaluation techniques, such as conducting interviews, reviewing state and federal laws, and analyzing department datasets, policies, and practices. Given the complexity of this topic, an evaluation of PCA services would be large and would need to be carefully scoped.
Balance <i>Medium</i>	OLA issued a report on <i>Personal Care Assistance</i> in 2009. There is one other topic on the current topic selection list related to human services (Licensing and Oversight of Child Care Centers).
Discussion <i>Large but important topic</i>	It has been ten years since OLA last evaluated this topic; our 2009 report states that personal care assistance services “lack[ed] sufficient state oversight and accountability” and were “unacceptably vulnerable to fraud and abuse.” In 2013, the Legislature created a program intended to replace the state’s PCA program. According to DHS, the new program (Community First Services and Supports) will be similar to the PCA program, but it will allow participants more flexibility and control over the services they receive. (DHS is awaiting federal approval for the program change.) While DHS’s PCA program is changing, it may be time to revisit this topic.

Program Overview	Pesticides are substances used to control weeds, insects, and plant diseases, among other things. The Minnesota Department of Agriculture is the lead state agency for enforcing pesticide requirements. It regulates the sale, use, and disposal of pesticides. The department's enforcement authority allows it to impose sanctions on violators, which includes assessing fines or revoking licenses required of people who sell or apply pesticides.
Possible Evaluation Issues	How well does the Minnesota Department of Agriculture meet federal and state requirements for the licensing and permitting of pesticide applicators, dealers, and facilities? To what extent does the department enforce pesticide regulations? How adequately does the department ensure proper disposal of waste pesticides? How well is the state following the recommendations from OLA's 2006 evaluation?
State Resources <i>Medium</i>	The Department of Agriculture's division of Pesticide and Fertilizer Management is estimated to have spent about \$30 million in each of fiscal years 2018 and 2019. This is a 5 percent reduction from the previous biennium. Most expenditures came from the state's Agriculture Fund and Clean Water Fund; only about 2 percent were from the state's General Fund.
State Control <i>Medium-High</i>	Federal law is the basis for regulating pesticides. The Minnesota Department of Agriculture has authority to set and enforce rules governing local controls on pesticides but may not allow uses that federal law prohibits. The department has primary enforcement authority for pesticide-use violations under both federal and state laws.
Impact <i>Potentially High</i>	While the day-to-day regulation of pesticides might not directly affect large segments of the state's population, the improper use of pesticides, or inadequate knowledge of pesticides' effects, pose potential risks to human health and the environment.
Timeliness <i>Medium</i>	OLA has not evaluated pesticide regulation for 13 years, but there is little evidence that compels an evaluation this year.
Feasibility <i>High</i>	OLA would use standard research methods to evaluate pesticide regulation. Possible methods include interviews, data analysis, document reviews, legal analyses, site visits, and comparisons with other states.
Balance <i>Medium</i>	OLA's Program Evaluation Division issued the most recent <i>Pesticide Regulation</i> evaluation report in 2006. The Agricultural Growth, Research, and Innovation Program—which involves the Department of Agriculture in a substantive role—is one of three topics currently under consideration for evaluation as an economic development incentive program.
Discussion <i>Not pressing</i>	Pesticide regulation is an important function. An evaluation of relevant Department of Agriculture activities could provide assurances on how adequately the department meets federal and state requirements.



Probation Sentencing

Topic Selection Background Information

March 2019

Program Overview	Minnesota judges may place criminal offenders on probation either as their sole sentence or following a jail sentence. Probation generally involves supervision in the community by a probation officer and may also involve other sanctions, such as a requirement to complete chemical dependency treatment. Probation services vary by county and may be provided by the Minnesota Department of Corrections (DOC) or by county staff. County staff provide the majority of probation services in the state, supervising more than 80 percent of Minnesotans on probation as of the end of 2017. Minnesota has one of the highest probation rates in the country; at the end of 2016, Minnesota had 2,280 per 100,000 adults on probation, compared to the national rate of 1,466 per 100,000.
Possible Evaluation Issues	How many Minnesotans are on probation, and how has this changed over time? To what extent are probation sentences and practices related to early discharge from probation consistent across the state? To what extent do probation sentences and early-discharge practices vary by demographic groups?
State Resources <i>Medium-High</i>	Probation is funded through a mixture of state and county resources. DOC budgeted more than \$90 million for probation and supervised release services provided by the department and county staff for Fiscal Year 2019. Some of the state funding to counties, however, supports activities other than probation and supervised release services.
State Control <i>Medium-High</i>	Probation is established in Minnesota state law, and DOC and the Sentencing Guidelines Commission may establish policies and guidelines for the state's probation practices. However, judges and counties play important roles in the state's probation system as well. Judges have considerable discretion to determine the length, sentence type, and sanctions for each individual on probation.
Impact <i>High</i>	There were 105,420 individuals under the supervision of a Minnesotan probationary agency at the end of 2017. Individuals on probation may be subject to sanctions such as prohibitions on possessing firearms and voting.
Timeliness <i>Medium</i>	In 2019, legislators proposed several bills to address a lack of consistency across the state regarding probation length and sanctions. Recent news stories suggested that Minnesota's probation practices may be overly burdensome, and could increase the prison population if offenders return to confinement for technical violations of probation sanctions. That said, there is no particular reason why this evaluation needs to be conducted this year.
Feasibility <i>Low</i>	This is a large evaluation topic involving many entities, and it may be challenging to collect and analyze certain data from court and county sources. OLA may have to narrow the scope of the project by focusing on certain groups of offenders, for example.
Balance <i>Medium</i>	OLA evaluated <i>Funding for Probation Services</i> in 1996, and later examined probation for sex offenders and substance abusers in 2005 and 2006. This year's short list of possible evaluations contains one other topic related to the Department of Corrections (Security at State Correctional Facilities).
Discussion <i>Important policy issue</i>	The state's probation practices affect many Minnesotans, and possible disparities in probation practices raise equity concerns. An evaluation of probation practices could provide important information to legislators.



Public Utilities Commission's Public Engagement Processes

Topic Selection Background Information

March 2019

Program Overview	The Public Utilities Commission (PUC) regulates the rates and services of electric, natural gas, and telephone companies. It also makes decisions about the need for and location of large energy facilities. PUC performs these functions by resolving informal complaints and holding a variety of hearings in which it makes decisions based on a set of guidelines or statutory criteria. PUC is a quasi-judicial body with authority and powers similar to those of a court or judge, and its orders are enforceable under the law.
Possible Evaluation Issues	What are the commission's rules for public participation, and to what extent does it enforce these rules appropriately and consistently? To what extent do the commission's practices affect public participation in its decision-making processes?
State Resources <i>Low</i>	PUC expenditures in Fiscal Year 2018 totaled about \$8.5 million, most of which came from the General Fund. However, PUC has statutory authority to charge utility companies for certain commission activities. Nearly all of PUC's expenses are recovered from the utility companies it regulates.
State Control <i>High</i>	PUC is established in state law. In addition, the commission consists of five members who are appointed by the governor with the advice and consent of the Senate.
Impact <i>High</i>	A large portion of the population in Minnesota is served by utility firms regulated by PUC. For example, according to its website, Xcel Energy alone has more than 1.2 million electricity customers and more than 400,000 natural gas customers in the state.
Timeliness <i>High</i>	PUC activities related to recent large and controversial utility projects—such as Enbridge Energy's oil pipeline and a natural gas plant proposal by Xcel Energy—have been of significant interest to legislators, the governor, and the broader public.
Feasibility <i>Medium</i>	This is a large and potentially technical topic. Due to PUC's many areas of responsibility, OLA would either need to conduct a "broad," high-level evaluation or focus on a subset of issues or services. Due to their technical nature, OLA likely would be unable to determine whether PUC's regulatory decisions were appropriate.
Balance <i>High</i>	This is the only proposed topic pertaining to energy. OLA has not conducted an energy-related evaluation since its <i>Renewable Energy Development Fund</i> report in 2010.
Discussion <i>Important evaluation</i>	The role of PUC in energy matters is likely to grow as Minnesota's energy portfolio continues to diversify. Legislators have expressed recurring concerns about PUC, and public engagement in recent PUC decisions has been significant. A review by OLA could prove useful.



Safety in State Correctional Facilities

Topic Selection Background Information

March 2019

Program Overview	The Minnesota Department of Corrections (DOC) manages ten correctional facilities throughout the state, housing about 10,000 inmates. The department employs more than 3,600 staff at these facilities. From Fiscal Year 2017 to Fiscal Year 2018, incidents of assault by inmates against other inmates declined by 6.9 percent to 432 incidents, while assaults against facility staff increased by 45 percent to 148 incidents—the highest rate in the last six years. Since 2013, there have been two homicides at state correctional facilities.
Possible Evaluation Issues	How safe are Minnesota state correctional facilities—both for the inmates and for the people who work at the prisons? What factors contribute to a safe environment? To what extent does DOC provide adequate training, oversight, and support for department employees?
State Resources <i>High</i>	DOC's budget estimate for correctional facilities in Fiscal Year 2019 was almost \$550 million, most of which came from state General Fund appropriations. Because of the nature of DOC operations, it is difficult to know how much of the funding for facilities is <i>not</i> associated in some way with security and the safety of individuals in those facilities.
State Control <i>High</i>	DOC is established in state law and has broad statutory authority to directly manage state correctional facilities and establish relevant policy.
Impact <i>Medium-High</i>	Although few Minnesota residents are directly affected by security at state correctional facilities, assaults in correctional facilities can deeply affect inmates, facility staff, and their families. The total number of assaults by inmates in Fiscal Year 2018 was 580.
Timeliness <i>High</i>	During the last year, there were news reports of increasing violence at several state correctional facilities, including the alleged murder of a corrections officer by an inmate at the Stillwater facility. That case prompted the state Occupational and Health Administration to levy a \$25,000 fine against DOC.
Feasibility <i>Medium</i>	OLA would complete this evaluation using standard evaluation techniques, including an analysis of data on safety incidents at facilities and a review of policies and procedures against professional standards and external benchmarks. Surveys of facility staff and inmates may be valuable for their different perspectives on safety and security. However, collecting information directly from inmates poses unique challenges.
Balance <i>Medium</i>	OLA conducted an evaluation of DOC in 2014's <i>Health Services in State Correctional Facilities</i> . Our 2016 evaluation, <i>Mental Health Services in County Jails</i> , also involved the department. This year's list of possible evaluation topics contains another topic that is relevant to DOC—Probation Practices.
Discussion <i>Important, high-profile topic</i>	Recent incidents in state correctional facilities have highlighted concerns about the safety of facility staff and inmates. Security for prison staff may be different enough from security for inmates that OLA may need to limit the scope of the project to one or the other.