

Minutes
LEGISLATIVE AUDIT COMMISSION
September 8, 2022

Members Present:

Representative Connie Bernardy
Representative Rick Hansen
Representative Tina Liebling
Representative Nels Pierson
Representative Duane Quam
Senator Michelle Benson
Senator Nick A. Frenz
Senator Mary Kiffmeyer
Senator Matt D. Klein
Senator Mark W. Koran
Senator Ann H. Rest

Member Absent:

Representative Sondra Erickson

Other Legislators Present:

Representative Frank Hornstein
Representative John Petersburg
Senator Scott Dibble
Senator Scott Newman

Senator Koran, Chair, called the Legislative Audit Commission (LAC) meeting to order at 1:32 p.m. The purpose of the meeting was to receive presentations on two reports from the Office of the Legislative Auditor (OLA): (1) *Department of Human Services: Homelessness and Housing Support Grants* and (2) *Southwest Light Rail Transit: Project Budget and Timeline*.

Judy Randall, Legislative Auditor, said that this is not the first time that OLA has identified problems related to the Department of Human Services' (DHS's) oversight of grants. Ms. Randall shared OLA's concern over DHS's ability to oversee grants and a broader concern that OLA is seeing over all of state government. Ms. Randall introduced Lori Leysen, Deputy Legislative Auditor for the Financial Audit Division, to give a presentation on the *Department of Human Services: Homelessness and Housing Support Grants* performance audit.

Senator Koran invited Jodi Harpstead, Department of Human Services Commissioner, to address the commission members. Ms. Harpstead spoke in regards to what obligations and challenges were affecting DHS at the time of deploying the funds that came with these grants. Ms. Harpstead spoke about the work that DHS is currently completing to improve the process of issuing the grant dollars awarded. After many comments and questions among members, the meeting moved to the second review.

Senator Koran asked Ms. Randall to move to the special review of the Southwest Light Rail Transit (SWLRT) project. Ms. Randall reminded members that during the 2022 legislative session, the Legislature passed a law directing OLA to conduct a special review, a program evaluation, or both on SWLRT. In addition, the LAC directed OLA to perform a program evaluation on SWLRT. Ms. Randall said that due to the high level of concern surrounding the SWLRT project, OLA decided to conduct a special review in addition to the program evaluation, as encouraged by the law. She went on to say that the special review is different than past special reviews because there were no findings or recommendations. Ms. Randall introduced Katherine Theisen, Director of Special Reviews, to give a presentation on the *Southwest Light Rail Transit: Project Budget and Timeline* special review.

Senator Koran invited Charles Zelle, Metropolitan Council Chair, to address the commission members. Mr. Zelle said that the Metropolitan Council has brought in consultants who have specialty work experience in complicated transportation projects. In addition, he said that the Metropolitan Council has signed a Memorandum of Understanding with the Minnesota Department of Transportation's (MnDOT's) Chief Construction Personnel to complete a peer review of all of their practices to ensure they are not missing anything. Mr. Zelle said that the project is over 62 percent complete and the benefits of completing it outweigh the costs. In response to a question from Senator Koran, Nick

Thompson, Metro Transit Deputy General Manager for Capital Programs, said that MnDOT's peer review started in June 2022 and should have a report completed by the end of the calendar year.

In response to a question from Representative Petersburg, Ms. Randall explained that the program evaluation on SWLRT will come out in several parts, due to the large scope of the project. She said that part one will come out early in the legislative session, in order to get the information to legislators as quickly as possible.

In response to a question from Senator Newman, Mr. Zelle said that the Metropolitan Council has entered into mediation with the owners of the condominium building that had been damaged during the SWLRT project. He explained that it is an ongoing process, but they have reached an agreement to do some physical remediations to the building.

In response to a request from Senator Benson, Mr. Zelle said that he would provide the commission members with information on who audits the Metropolitan Council and when the last report was issued. It was later noted that the Minnesota Office of the State Auditor is the auditor of the Metropolitan Council, and Mr. Zelle would send the members a list of all the reports issued.

Senator Koran adjourned the meeting at 3:25 p.m.

Senator Mark W. Koran, Chair

Shelly Gilb, Recording Secretary