

Legislative-Citizen Commission on Minnesota Resources

MEMO: Agenda Item #6

DATE: March 23, 2022

SUBJECT: Decision-making process for selecting and recommending proposals for funding

Summary

There have been two instances in the last three years in which members have not been able to (at least initially) achieve the required 12 votes to support a funding recommendation to the legislature. While several factors may be contributing to this difficulty, staff and some members have wondered if adjusting the proposal evaluation and selection process could be one way to make it easier for the commission to come to a broad agreement on a funding recommendation in future funding cycles.

Time is being provided at the March 23, 2022, meeting and at a future meeting to come to agreement on an evaluation process for the next funding cycle prior to any proposal evaluation.

A “standard” proposal evaluation and selection process, representing one approach that has been used in the past, is outlined below. This is followed by several additional options developed by staff with input from some members. This list is a *draft*, not exhaustive (members may have additional ideas!), and pros and cons of each have not been fully evaluated.

Proposal Evaluation and Selection Options

Option 1: “The Standard”

The standard evaluation process represents one approach that has been used in the past and consists of three main steps: Evaluation #1 to select a subset of proposals for presentation and further consideration; Evaluation #2 following presentations; and Allocations, which are determined at a commission meeting. Details of these steps follow.

Evaluation #1:

1. Members receive proposals along with staff scores and comments that reflect the constitutional and statutory provisions, RFP funding priorities, guidelines for allowable expenses, and the 10 adopted evaluation criteria.
2. Members evaluate and individually submit to staff their top scoring ~1/3 of proposals for presentation.
3. Staff aggregate members’ selections and sort proposals in high to low order of # of members selecting.
4. At a commission meeting, the results are shared; members agree on how decisions will be made; and then members vote to invite a subset of proposals for presentation to receive further funding consideration.

Evaluation #2

1. Members hear presentations and have opportunity for Q&A.
2. Members individually score (0-100) every proposal that provided a presentation.
3. Staff calculate average member score for each proposal and then sort proposals in high to low order of average member score.

Allocation decisions

1. At a commission meeting, aggregated Evaluation #2 results are shared and members agree on how funding allocation decisions will be made.
2. Members decide which projects will remain in consideration (i.e., determine the “break point”).

3. Members negotiate, project by project, how much funding to allocate to each project remaining in consideration. This is done by consensus or by simple majority vote on each project. Staff track the running total.
4. After all funds are allocated, a final vote on the package is taken. 12 votes are needed for a recommendation to the legislature.

Pros: The two-step allocation process provides an opportunity for the members to first gain consensus on which projects should be considered for funding. This can make it easier to decide how much funding to allocate. Discussion of each project allows members to share merits and concerns about projects, which can provide an opportunity for compromise solutions. There are lots of opportunities for give and take with allocations.

Cons: The allocations part of the process is time-consuming, especially with current number of proposals. Members can struggle to come to an agreement on how to translate average scores into a natural break-point.

Option 2: Scores = recommendations

Same as “The Standard” except that instead of members negotiating allocation decisions, members’ average scores would become the selections and allocations. Projects would be listed in order of high to low score, and the default recommendation would be full funding as far down the list as funds are available. If available funding ends in the middle of a group of projects with the same score, funding for all the projects with that score would be reduced by an equal percentage of the amount requested (i.e., the lowest tier of funded proposals would receive recommendation for less than they requested; all others would be recommended at amount requested). This option could include an allowance for a pre-determined and limited number of adjustments to the default recommendation amounts.

Pros: Relying on members’ scores and amounts requested by proposers would limit the need for members to make decisions as a group, which could limit the opportunities for disagreement. It is a relatively straightforward approach that is easy for members and applicants to understand.

Cons: It maintains the scoring system that has been interpreted differently by different members. The default recommendation may lead to a result that is unsatisfactory to a majority of members, for example, due to outlier effects.

Option 3: Simplified scoring system

Same as “The Standard” except that instead of Evaluation #2 scoring being 0-100, with no standard agreement on what constitutes a high or low score, members would commit to a scale that provides a common understanding of results. For example:

5 = Fund		
4 = Lean to fund		3 = Full funding
3 = Could go either way	OR	2 = Partial funding
2 = Lean to not fund		1 = No funding
1 = Do not fund		

This would be coupled with a pre-determined decision framework for allocations such as: scores of X (or above) from 8 or more members means full funding; scores of X (or below) from 8 or more members means no funding.

Pros: The scoring results could more clearly reveal where there is consensus for projects that should be funded and should not be funded. It could also more directly reveal where there is support for providing some but not all funds requested. This could limit the areas where negotiation is needed.

Cons: If many members use the middle options, it may leave many proposals to be negotiated. If members do not use the full scale, the results may be more difficult to interpret.

Option 4: Same process for presentation and allocations

Same as “The Standard” except that instead of Evaluation #2 scoring being 0-100, Evaluation #2 would be the same as Evaluation #1: members would be asked merely to pick their top ~1/3 of projects to fund. Staff would aggregate members selections and then sort proposals in high to low order of number of members selecting.

Pros: The scoring results could more clearly reveal where there is consensus for projects that should be funded and should not be funded; this limits the areas where negotiation is needed.

Cons: The number of proposals with at least one member selecting may not use all funding available, and there would be no scoring to guide how to pick the remaining proposals.

Option 5: A staff- or co-chair-led “first draft” of recommendations

Same as “The Standard” except that instead of allocations, the co-chairs and/or staff would develop a “first draft” funding package using the Evaluation #2 scores and comments from members. This would be shared with members prior to the allocation meeting. The allocation meeting would be spent fine tuning the first draft. This method could be combined with Options 1, 3, or 4.

Pros: By starting with a “first draft,” members have a starting point from which to work; this limits the areas where negotiation is needed. It provides a starting point that has either been negotiated among the commission leaders or developed by nonpartisan staff based on member input.

Cons: It is not very different than the recent process where members brought an initial allocation proposal forward. The decision-making involved in developing the first draft may not be sufficiently transparent.

Option 6: Vote with dollars

Same as “The Standard” except that instead of Evaluation #2, the members would vote with the dollars available for awarding that year. In other words, each member would propose his/ her own funding package to submit to staff. Staff would average all submissions to create the first draft package for the members to consider at the allocation meeting. The allocation meeting would be spent adjusting the first draft to fit the total amount available. This option may include a requirement for each member to allocate a minimum dollar amount and to allocate no more to a proposal than what was requested.

Pros: It combines project selection for funding and the allocation of funding amount in a single process.

Cons: It may be more time-consuming for individual members to complete. It is only feasible if all members use a spreadsheet or the grant management system.

Action needed

Today, we hope members can decide how much involvement they want in choosing an evaluation and selection process for the next round of funding. Possible involvement choices include:

1. Discussing the evaluation and selection options and deciding the next RFP evaluation process as a full commission today and at the June 27, 2022* commission meeting.
2. Appointing a subcommittee (at least 3 members: house, senate, and citizen) to discuss these and other possible options, including fully evaluating pros and cons of each, and make a recommendation to the full commission for adoption at its June 27, 2022* meeting.
3. Conducting an online survey to seek member preference among these options and adopting the top ranking decision at the commission’s June 27, 2022* meeting.
4. Staff determining the process and announcing it at the commission’s June 27, 2022* meeting.

*or another date chosen by the members so that decision could be made before the next funding cycle evaluations begin