

Legislative-Citizen Commission on Minnesota Resources

MEMO: Agenda Item #7

DATE: July 22, 2022

SUBJECT: Decision-making process for 2023 RFP recommendations (part 2)

Summary

At the meeting on June 27, 2022, members discussed and approved a method for evaluation #2 which will take place in conjunction with presentations. Using the evaluation #2 method, members would each allocate the available ENRTF dollars to the projects they would like to recommend for funding at the funding level they believe is appropriate, but not more than requested. Staff would compile the results for consideration at the recommendations meeting.

Staff would like to clarify some conditions for conducting evaluation #2 and are proposing the commission discuss options for making an initial agreement based on members' input from evaluation #2, and then discuss and agree upon a decision framework for members to fine tune the initial agreement at the recommendations meeting on August 30, 2022.

Additional Conditions Associated with Evaluation #2

In previous allocation processes, members have agreed to conditions related to administrative appropriations, Category H Small Projects and decisions making. Staff would like to confirm the following additional conditions apply to conducting this year's evaluation #2:

1. The LCCMR admin budget, LCC Legacy Website, and DNR Contract are included in the recommendations at the requested amount.
2. Category H Small Projects (projects that are \$200k or less) that are included in the recommendations will be included at the full amount of their request.
3. All other recommended projects will be recommended for at least \$200,000. That is, no project requesting more than \$200,000 may be recommended at a level less than \$200,000.
4. There will be a \$250,000 buffer for mistakes made during the allocation process. If at the end the buffer is not needed, it could be either allocated to another project or to the emerging issues account.
5. Proposals that receive fewer than 5 member votes will be removed from consideration. So, if only 4 members or less allocate funds to a project it will not be considered for recommendation.

Action

Move to approve additional conditions associated with evaluation #2

Compiled Member Evaluation #2 Results

Individual results will be compiled into a report that members can use for allocation decisions on August 30. The compiled results will show the number of members allocating funds to a project and the average allocation amount from those allocating funds. In other words, if a proposal received a \$ allocation from a member, it was considered a vote. The proposals will be ranked according to the number of votes they received. The average allocation amount will be calculated from those allocating dollars. The compiled results demonstrate commonalities that can be used to form an initial agreement as a starting point at the recommendations meeting. To facilitate decisions at that meeting, it may be best to decide in advance how some initial agreements can be reached.

Initial agreement options

As approved at the previous meeting, evaluation #2 will allow every member to submit their allocation package. There are a few options for determining an initial agreement based on the compiled member evaluation #2 results. By agreeing to an initial cut-off method today, you may reduce the work at the recommendations meeting and allow yourself to focus attention on refining this initial cut-off. The method you agree to will be the initial cut or, in other words, the starting point for a recommendations package. The following are cut-off options for member discussion:

Method #1 Initial agreement based on average allocation amounts and total amount available:

Use total amount available as the threshold for the initial agreement. Based on rank order (number of members allocating funds to a project) and average amount allocated, go down the list and cut off when all funds have been allocated. In the event of a tie, the cut-off would be at dollar amount closest to the total amount available.

Method #2 Initial agreement based on minimum number of members allocating funds:

Use the number of members allocating funds to a project as the threshold for the initial agreement. Today the commission would determine the minimum number of members allocating funds to a project needed for the project to move forward. For example, all proposals that at least six members allocated funds are included in the recommendations.

Method #3 Initial agreement based on percent of funds available:

Use a percent of available funds as a threshold for the initial agreement. Today the commission would determine the percent of available funds that would be included in the initial agreement. For example, 75% of the available funds would be allocated to the top-ranking projects at the average amount allocated by members allocating funds to a project.

Action

Move to approve initial agreement method for evaluation #2

Decision Making Framework Options

Based on the initial agreement method approved there is potential to over allocate funds or under allocate funds. Either way members may want to agree on a framework for fine tuning the initial agreement. The following are options for member discussion:

Fine tuning decisions if funds have been over allocated:

Option 1: Adjust allocation amounts in the lowest ranking proposals making the initial agreement. This could be done by reducing each proposal in the group by an equal amount or doing an across- the- board percent cut.

Option 2: Remove the lowest ranking group of proposals making the initial agreement and reallocate those funds to the proposals that made the initial agreement.

Fine tuning decisions if there are remaining funds to allocate:

Option 1: Allocate remaining funds equally to proposals that make the initial agreement

Option 2: Adjust allocation amounts in the highest-ranking group of proposals that did not make the initial agreement. This could be done by reducing by an equal amount or percent cut and adding them into the recommendations.

Option 3: Split remaining amount between emerging issues and the legislative allocation.

Action

Move to approve decision making framework for evaluation #2