Working Memorandum Number 10 July 1968

EXECUTIVE MANAGEMENT AND CENTRAL FUNCTIONS AND SERVICES GOVERNMENT OF MINNESOTA

Prepared for the

Governor's Council on Executive Reorganization

by Public Administration Service

Introduction

Many existing state agencies, offices, and plural bodies must be included in this memorandum. The units, offices, departments, commissions, etc., which perform activities associated with "executive management and central functions and services" are the following:

Governor; Office of the Governor; Lieutenant Governor; Attorney General; State Auditor; State Treasurer; Secretary of State; Executive Council; Canvassing Board; Minnesota Voting Machine Commission; Department of the Public Examiner; State Board of Investment; Advisory Committee on Common Stocks; Minnesota Land Exchange Commission, and Land Exchange Review Board; Archives Commission; Publication Board; Commission on Uniform State Laws: Minnesota Commission on Interstate Cooperation: State Planning Agency and Advisory Committee; Municipal Commission; Office of Economic Opportunity; Capitol Area Architectural and Planning Commission; Department of Administration; Minnesota Information Systems Coordinating Committee; Highway Patrolmen's Retirement Association; Public Employees' Retirement Association; Minnesota State Employees' Retirement System; Teachers' Retirement Association; State Police Officers' Retirement Fund; State Employees' Insurance Benefit Board; Civil Service Board and Department; State Employees' Merit Award Board; and the Department and Board of Human Rights.

The Attorney General's primary duties as legal officer of the state were described in Working Memorandum Number 5, "Law and Justice, Human Rights, and Public Safety". It was noted in that memorandum that the Attorney General is a constitutional-elective office. It was proposed that the position be made appointive by the Governor and that the Attorney General head an Office of the State Attorney General. Some other duties of the Attorney General not heretofore mentioned, and not primary to his major responsibility,

will be noted subsequently in this memorandum. Such duties relate to service on various state boards and commissions.

Also in Working Memorandum Number 5, the Commission on Uniform State
Laws, and the Department and Board of Human Rights were discussed. It was
proposed that duties of the former be vested in a Joint Executive-Legislative Commission on Uniform State Laws. It was proposed that "human rights"
be the responsibility of a State Office of Human Rights, (with an associated
Human Rights Board) and function in close association to the Governor and
Attorney General. In Working Memorandum Number 3, "Natural Resourses", the
Minnesota Land Exchange Commission (a constitutional body) and the Land
Exchange Reserve Board were described. It was proposed that these bodies
be reconstituted as a Joint Executive-Legislative Land Exchange Commission.
Neither the Commission on Uniform State Laws, the Department and Board of
Human Rights, the Minnesota Land Commission, nor the Land Exchange Review
Board will be discussed further in this memorandum, but their successor
units or agencies will be noted and displayed on a proposed organization
chart.

In several earlier memoranda some functions of the Secretary of State were discussed. It has been noted that this is a constitutional-elective position. In Working Memorandum Number 1, it was proposed that the duties of the Secretary of State in certifying incorporations and the bonding of collection agencies, registering charitable organizations, trade names, marks, and insignia, and licensing automobile and mobile home dealers, be transferred to the Commercial Practices Division of a proposed Department

of Commerce and Consumer Protection; in Working Memorandum Number 5 it was proposed that his duties in examining and licensing chauffeurs and school bus drivers be transferred to the Highway Safety Division of a proposed Department of Public Safety; and in Working Memorandum Number 9 it was proposed that the registration and licensing of motor vehicles, now a responsibility of the Secretary of State, be transferred to a Department of Revenue. Insofar as possible further references to these duties will be avoided in this memorandum. But the Secretary of State, like other constitutional officers, has myriad miscellaneous tasks and is a member of many plural bodies. Mention hereafter of some such other tasks will be made.

The Governor and Other Constitutional-Elective Officers

The Governor, of course, is the chief executive officer of the State. In several very serious ways, however, his executive authority is curtailed, and his position as chief executive is as much titular as real. It has been seen in the first reference document submitted to the Governor's Council on Executive Reorganization (A Summary of Earlier Comprehensive Survey Proposals for Executive Reorganization, State of Minnesota, June 1968), that the executive branch consists of about 100 separate units of government. For the Governor to call a staff meeting, and if all agency heads should attend, a special convention hall would have to be engaged. And it has been seen in working memoranda released to the Council prior to this, how disjointed, in a functional sense, the present arrangement of agencies really is and how many agencies are insulated from the Governor's control through intervening administration boards. Nor has the Governor the power to alter or simplify in any

significant way, the basic structure of government. This is the prerogative of the Legislature. The Governor cannot order, subject only to disallowance prior to their effective date, reorganizations which involve more than one agency, and oftentimes the internal structure of a single agency is prescribed or circumscribed by law. That this is not a satisfactory way to run a government and keep it abreast of the times is obvious.

Finally, the power of the Governor as chief executive is diminished by the authority vested in several other constitutional-elective officers. other constitutional-elective officers are the Lieutenant Governor, Attorney General, State Auditor, State Treasurer, and Secretary of State. They, like the Governor, are elected for four-year terms; but they need not, if they are otherwise inclined, be responsive to gubernatorial wishes, policy, or direction. They need not even be of the same political party. It might appear in some instances, such as in the case of the Lieutenant Governor whose duties are principally to serve as ex-officio President of the State Senate, that this is of little consequence. But it so happens, that the Lieutenant Governor is, by constitutional provision, first in line for succession to the governorship in case of its vacancy. The Governor and Lieutenant Governor do not run for, or ordinarily function in office, as a team. As noted, they may be from opposing political parties. Insofar as the Executive Branch is concerned, the Lieutenant Governor may be a useless appendage. He may be separated from, and unknowledgeable of day-to-day policy trends and decisions, until some fateful day of succession when the full weight of state executive leadership devolves upon him. There should be a better arrangement for the State's "Vice-President" than this, and some means by which he could be effectively utilized, consistently, in the main-stream of state executive affairs.

Some of the other constitutional-elective officers have substantive executive responsibilities, and here the problem may be as acute but with a reverse twist. If it should happen that the Governor and his chief legal advisor (the Attorney General) were at opposite political poles, the Governor could be confronted by legal obstruction, rather than enjoy reasonable facilitation, in the effectuation of policy objectives he avowed to the voters in his campaign for election. With respect to the State Auditor and State Treasurer, they have specialized duties for which the elective process is a most dubious mode of selection. The State Auditor is the state's pre-auditor and chief accounting officer, and although the laws are confused as to his authority (vis-a-vis the Public Examiner and Commissioner of Administration) on other accounting matters, it appears that the State Auditor can prescribe the state's accounting systems. The State Treasurer, as the title implies, is the receiver, custodian, and disburser of state funds. For this and the accounting function, the state needs expertise in financial management, viz., in treasury management and in accounting. There is more assurance of securing such specialized expertise through civil service appointive, than through elective procedures. Furthermore, there could be much gained in terms of modern fiscal management if accounting and treasury functions could be brought under common administrative jurisdiction. This is presently impossible given the constitutional status of these officers.

It has been seen that the Secretary of State performs a multiplicity of functions, and that some of the more fundamental could be performed within other administrative environments more related to their purpose. Except for service on various boards and commissions, which could also be comfortably accommodated in other ways, there are no substantive functions of the Secretary of State which could not be performed more appropriately elsewhere. This, of course, presumes a general realignment of the executive branch of government on a functionally related basis; but this is an essential prerequisite to achieving efficiency and economy in Minnesota's State Government.

Auditor, State Treasurer, and Secretary of State, is strongly indicated.

Such action, however, could not be effected quickly or by law. It would require constitutional amendment. In the meanwhile it might be possible by law to effect certain internal adjustments for the betterment of administrative management. The State Auditor, for example, might be assigned and restricted to a post-audit function, and his present pre-audit and accounting duties be assigned to the Department of Administration; the Secretary of State might retain elections and certain other ministerial duties; and the State Treasurer might be brought more closely into organizational alignment with the Department of Administration.

Office of the Governor

The Governor's Office is small consisting of seven professional and nine subprofessional employees, with some student assistants being added seasonally. Principal employees consist of: an executive secretary for overall office

management; a news secretary; an administrative assistant for liaison with administrative agencies, boards, and commissions; an administrative assistant for public relations; and a research director.

Executive Council

This is a statutory body consisting of the Governor, Secretary of State, State Auditor, State Treasurer, and Attorney General. It has certain specified administrative duties including the designation of state depositories, the approval of state mineral leases, the extension of timber permits, and the sale and disposal of certain state land. Also, within legal limitations it may borrow and expend money in emergency or disaster situations.

Electoral and Voting Agencies

The Board of Canvassors is provided for in the State Constitution and by statute. Returns of state elections or those involving more than one county are made to the Secretary of State who calls to his assistance, for canvassing the returns and declaring election results, two or more judges of the Supreme Court and two disinterested district court judges. The Secretary of State is responsible for other functions in the state election process including the filing of candidates for certain elective offices, the collection of filing fees, and the preparation of election forms and constitutional election ballots.

The Minnesota Voting Machine Commission is a statutory body which inspects and approves voting machines for use in elections. It consists of the Attorney General, a member appointed by the Attorney General, and a member appointed by the Governor. The two appointive members must be master mechanics

or graduates of a school of mechanical engineering.

Department of Public Examiner

The Public Examiner is a statutory officer appointed by the Governor. He must be a skilled accountant. Essentially the department is the post-audit agency of the state in respect to financial records of state departments and other state agencies, certain semi-state agencies, all county governments, cities of the first class, and certain other municipalities and school districts. The Public Examiner approves fidelity bonds covering state officers and employees, and advises and assists the State Auditor and Commissioner of Administration on prescribing a uniform system of accounts for state departments.

Investment Board and Committee on Common Stocks

The State Board of Investment is a constitutional and statutory body consisting of the Governor, State Auditor, State Treasurer, Secretary of State, and Attorney General. It is responsible for formulating state investment policies, and for the purchase and sale of securities for the permanent school fund, various state retirement funds, the highway funds, and other departmental, current and surplus funds which are available for investment. The executive secretary appointed by the Board must be a chartered financial analyst or a person of equivalent qualifications.

An Advisory Committee on Common Stocks is appointed by the State Board of Investment to assist the executive secretary of the Board as to the common stocks to be used in the various investment portfolios and as to economic and market factors pertinent to the equity portfolio.

Archives, and the Publication of Administrative Regulations

The State Archives Commission, created by statute, consists of the State Auditor, Attorney General, Public Examiner, Director of the Minnesota Historical Society, and the Commissioner of Administration -- with the latter ex-officio chairman. The State Archivist and Records Administrator is appointed by the Commission. The State Archives consist of records that have enduring value as evidence of the function, organization, and activities of government. The Commission is empowered (within statutory limitation relative to some public organizations and types of records) to approve the destruction of obsolete records. A State Records Center is operated; and the Commission and Archivist are charged with the responsibility of establishing and operating a modern records management program for the state government, and to facilitate records management improvement by the state's constituent local governments.

The Publication Board consists of the Commissioner of Administration,

Secretary of State, and Attorney General, but each member may designate one
of his assistants to serve in his stead as a member of the Board. The Board
is empowered to prescribed regulations for: the periodic publication of rules
and regulations of the state; the selection and compilation of administrative
orders of state agencies; and a uniform format for compiled regulations.

The Commissioner of Administration is responsible for the preparation and
sale of compilations which are published.

State Planning, Urban and Local Affairs, Intergovernmental Relations, and the Office of Economic Opportunity

The Governor is State Planning Officer and appoints the State Planning
Director. The latter heads the State Planning Agency which includes several
comprehensive state planning and programming units with related special
projects. It includes also an office of Local and Urban Affairs. Essentially
the State Planning Agency is a focus for state planning correlation, for
liaison with the federal government in problems and matters related thereto, and
for certain state-local services and relationships. With respect to the
latter, the Office of Local and Urban Affairs endeavors to coordinate operations
of state agencies with local governments, to encourage local government
cooperative efforts, to serve as a clearing house for information to localities
on federal grant-in-aid programs, and generally to coordinate planning and
development on a local, metropolitan, and regional scale.

There is a State Planning Advisory Committee created by law to consult and advise with the Planning Agency concerning its work. The Legislative Branch and the Governor appoint committee members, and gubernatorial appointees may be state or local government officials or lay individuals.

The Municipal Commission consists of three members appointed by the Governor. Supplemental members, who shall be county commissioners, serve on the Commission when matters affecting localities within their jurisdiction are being deliberated. Pursuant to its hearings, and subject to appeal to the courts, the Commission can authorize municipal annexations, mergers, incorporations, and detachments.

The Minnesota Commission on Interstate Cooperation is a joint executive-legislative body to participate with other states in the consideration of common or mutual problems and to lend support and cooperation in research to the solution of such problems. This is usually undertaken through the Council of State Governments; and it may be aimed at achieving uniformity in laws and regulations.

(There are several ad hoc bi-state or interstate agencies of which Minnesota is a partner which are not included in this or any other working memoranda in this series. They are not agencies of the Minnesota State Government.)

The Capitol Area Architectural and Planning Commission, of which the Governor is chairman, consists of six other members, three of whom are appointed by the Governor (two from outside Ramsey County) and three of whom are appointed by the St. Paul Mayor. The Commission is authorized by law to prepare, prescribe, and maintain a comprehensive use plan for the state capitol area. The State Planning Director serves as executive secretary of the Commission and the Attorney General is legal advisor.

The State Office of Economic Opportunity is headed by a Director appointed by the Governor and functions under the provisions of the Federal Economic Opportunity Act. It fosters and assists in the organization of community action councils, of which 36 have been formed in the state, and provides them with guidance and counsel in the multiplicity of programs which they can conduct with federal assistance. Such "CAP" programs are intended to enhance the well-being of disadvantaged people.

Department of Administration, and Information Systems

The Department of Administration is the principal agency of the state government for administrative management and control and for general services. Its activities include central state budgeting, organization and methods analysis, computer systems development and data processing services, procurement and supply, motor pool operation, buildings and grounds, property management, social security retirement and insurance, land acquisition, and other services of a more miscellaneous character. In addition, an Architectural and Engineering Division directs, supervises, and approves the preparation of plans and specifications for the construction and alteration of state buildings and similar structures.

The Minnesota Information Systems Coordinating Committee, created by executive order of the Governor, is closely allied with the Computer Services Division of the Department of Administration, although its large membership is drawn from many state departments. Its purpose is to counsel with the Computer Services Division in the development and annual updating of shortand long-range plans for comprehensive computer based state information systems.

Retirement Associations, Employee Insurance Benefit Fund, and the State Employee's Merit Award Board

The several retirement systems applicable to various categories of public employees in the state, and the state employees insurance benefit system, operate under a variety of arrangements as to their controlling association membership. Oftentimes state constitutional officers are included on their governing boards; usually they employ a secretary or executive secretary; and sometimes the Department of Administration (when the Commissioner of Adminis-

tration is on the governing board) provides administrative and secretariat services. Investments of retirement system funds are made with the approval of the State Board of Investments. The state employees insurance benefit system and fund, to which both employees and the state are contributors, is administratively related to payroll operations as conducted by the Department of Administration.

The State Employees Merit Award Board is composed of five state officers or employees appointed by the Governor. It is established within the Department of Administration and is responsible for formulating and maintaining plans to encourage and reward unusual and meritorious suggestions and accomplishments by state employees in the promotion of efficiency and economy in state government.

Civil Service Board and Department

The Civil Service Board is composed of three members appointed by the Governor. It is a policy-making and quasi-judicial body which determines the general direction and development of the personnel program for the state. Since the Board does not concern itself with day-to-day administration its role in program direction is accomplished through the adoption and promulgation of personnel rules, the conduct of public hearings on policy issues, the review and approval of classification and pay plans, and the hearing of employee appeals from disciplinary actions.

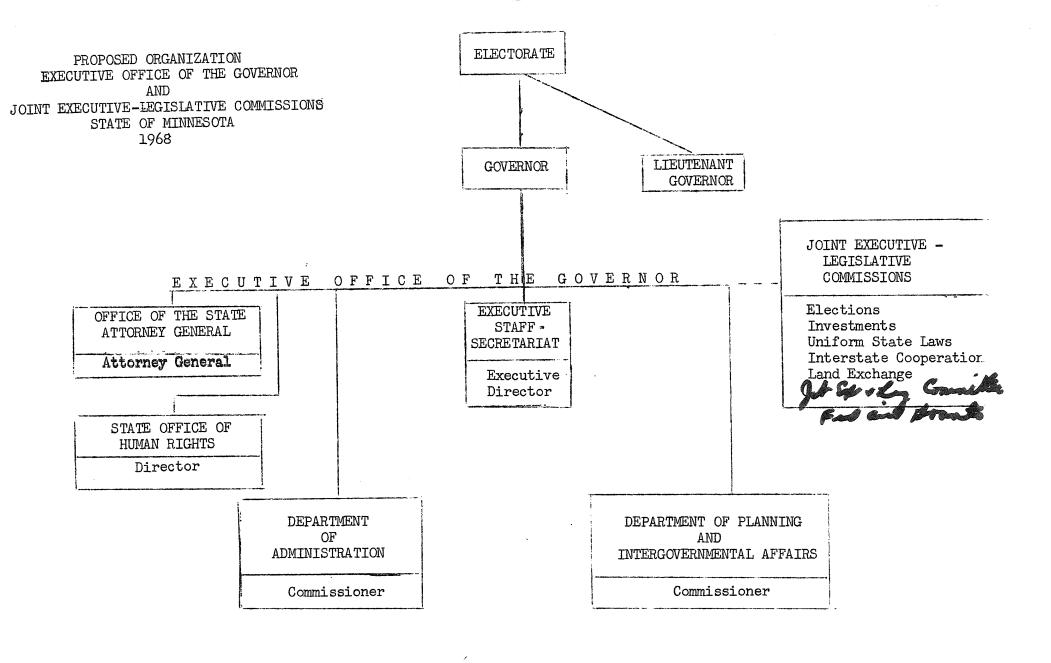
The Board also appoints the Civil Service Director following nationwide competition by examination. The Director is the administrative head of the Department of Civil Service and is responsible for its operations including,

most importantly, recruitment and examination, classification and compensation, transactions and office management, and training. Relationships and service to operating departments are facilitated through the use of senior representatives who are personnel generalists and who are responsible for liaison with assigned departments.

Proposed Organization and Functional Alignments

It is recommended that most of the central staff, service, and auxiliary functions performed by the numerous offices, agencies, boards and commissions described above be organized and correlated within a proposed "Executive Office of the Governor". In several instances the functions described should be assigned to joint executive-legislative commissions. The latter (joint commissions) should draw staff and secretarial support from appropriate elements of the Executive Branch of the State Government, or from a joint executive-legislative secretariat. In the case of one activity described above, it should be transferred fully from the Executive to the Legislative This is the post-audit function now performed by the Public Examiner. This should be a legislative responsibility even though post-audits extend not only to state agencies but also include local jurisdictions and special districts. In its new setting the post-audit activity might appropriately be enlarged to encompass management, as well as purely fiscal audits, with the findings relative to both types of reviews being reported by the legislative post-auditor.

The proposed organization of the Executive Office of the Governor, and the proposed joint executive-legislative commissions, are shown on the accompanying chart. The Executive Office of the Governor would consist of an Executive Staff-Secretariat, the Department of Administration, a Department of Planning and Intergovernmental Affairs, an Office of the State Attorney General, and a State Office of Human Rights. (The last two named offices were described in Working Memorandum Number 5.)



Joint executive-legislative commissions should be formed for policy guidance and direction of the following activities, and would supersede the agencies or related activities of existing units as noted:

Joint Commissions! Areas of Responsibility	Agencies or Activities Superseded
Elections -	Canvassing Board; Minnesota Voting Machine Commission; activities of the Secretary of State related to elections and the qualification of candidates.
Investments	State Board of Investment; and Advisory Committee on Common Stocks.
Uniform State Laws	Commission on Uniform State Laws
Interstate Cooperation	(Joint commission already exists as the Minnesota Commission on Interstate Cooperation.)
Land Exchange	Minnesota Land Exchange Commission; and the Land Exchange Review Board

The position of the Governor should be strengthened in several ways. The adoption into law by an omnibus reorganization act, or by a series of reorganization bills, to effect the functional consolidations and realignments, and structural simplifications proposed for operating departments of the Executive Branch as contained in Working Memoranda 1 through 9 of this series, would automatically strengthen the capacity of the Governor to manage state affairs. In addition, since organization should be a viable instrument of administration and capable of growth, development and change, the Governor

should be empowered (preferably in the State Constitution) to initiate reorganization proposals to the Legislature. Such proposals should become effective after a reasonable period unless theretofore disallowed (not modified) by the Legislature.

Further, required action leading to amendment of the State Constitution should be initiated, and the organic act should be altered: (1) so as to make the Attorney General appointive by the Governor; (2) to abolish the constitutional-elective positions of State Auditor, Secretary of State, and State Treasurer; and (3) to require that candidates of the same political affiliation for the offices of Governor and Lieutenant Governor, stand for election together. This would make possible a team approach between the State's two highest elected executives, permit greater utilization of the Lieutenant Governor in executive affairs, and smooth the transition of executive leader-ship should the governorship for any reason become vacant.

Still further strengthening of the Governor's position as chief executive should result from the establishment of an Executive Office of the Governor as proposed above. In this office, principally in the Executive Staff-Secretariat, Department of Administration, and Department of Planning and Intergovernmental Affairs, would be concentrated the central staff components essential to effective executive management. Such essential components are: program planning and correlation, executive budgeting and financial control, personnel administration, management information, public information, coordination of intergovernmental affairs, and legal advice and assistance. The last named (legal advice and assistance) has already been explained in discussions

relative to the Attorney General. The manner in which other prerequisites to effective executive management would be arranged and provided through the Executive Office of the Governor, plus other activities of central staff and service agencies, are explained in the following paragraphs.

Executive Staff-Secretariat

The present "Office of the Governor" should be transformed in such a way as to contain (in addition to its present office management, press relations, public information, and research capabilities), expert liaison assistance relative to the three primary operational spheres of the Executive Branch.

These are: 1) public protection, business regulation, and taxation -- which principally would include operations of the proposed departments of Public Safety, Commerce and Consumer Protection, and Revenue; 2) economic and natural resources development and conservation -- which principally would include operations of the proposed department of Transportation, Agriculture and Economic Development, and Natural Resources; and 3) human resources -- which principally would involve operations of the proposed departments of Labor and Employment, Health and Social Services, and Education.

If it should be desired to enhance the impact of state field operations through the establishment of fairly uniform geographical regions for all state departments, and through the appointment by the Governor for each such region, of an Interagency Regional Coordinator, then, in the transformed "Office of the Governor", there should also be an expert executive assistant for regional interagency coordination.

The "Office of the Governor" should be redesignated the "Executive Staff-Secretariat." This office should function somewhat as a primary staff center

for the Governor and should be headed by an appointee in whom the Governor has utmost trust and confidence. It would be desirable if there could develop a tradition whereby, because of mutual trust, confidence, understanding, and loyalty between the Governor and Lieutenant Governor, that the former would ordinarily designate the latter as "Executive Director" of the Executive Staff-Secretariat. As such the Lieutenant Governor would then function in the nature of a "Chief of Staff."

Department of Administration

This department should be the primary state agency for general services and financial management. It should continue its present functions including those involving central budgeting and control; organization and methods improvement; data systems development and services; procurement and supply; motor pool operation; buildings and grounds maintenance and operation; property management; social security retirement and insurance; land acquisition; and architectural and engineering services. In addition it should be the chief accounting agency of the state and all functions of the State Auditor (or others) relative to the prescription of accounting systems, the maintenance of general accounts of the state, and pre-auditing should be transferred to the Department of Administration. Similarly, this department should be assigned responsibility for all treasury management functions of the State

Civil service administration should likewise become a responsibility of the Department of Administration and functions of the present Civil Service Department should be transferred to it. The Civil Service Board should be attached to the Department of Administration for administrative service purposes.

Archives and records management functions of the State Archivist should become responsibilities of the Department of Administration and the Archives Commission (with a reconstituted membership) should be attached to the Department of Administration for administrative service purposes.

The following other plural bodies should be affiliated with the Department of Administration for administrative purposes: Executive Council; Joint Executive-Legislative Elections Commission; the proposed Joint Executive-Legislative Investment Commission; the Publication Board; Minnesota Information Systems Coordinating Committee; Highway Patrolmen's Retirement Association; Public Employees' Retirement Association; Minnesota State Employees' Retirement System; Teacher's Retirement Association; State Police Officer's Retirement Fund; State Employees' Insurance Benefit Board; and the State Employees' Merit Award Board. Some of the existing plural bodies named above should be reviewed for possible revision in their membership and functions and even, in some instances, for their possible combination or abolition.

To accomodate its present and newly assigned functions as described above the Department of Administration should be organized into major divisions and/or offices as follows: Budget and Management, Finance and Accounting; Civil Service; Architecture and Engineering; and General Services.

Department of Planning and Intergovernmental Affairs

This proposed department should provide a focal point for state comprehensive planning, for the correlation of program plans of state departments,

and for interstate, state-federal, and state-local relations. The department should include also correlation of the state-federal-local economic opportunity program.

Staff services to representatives of the state who serve on bi-state and multi-state bodies should be provided by the Department of Planning and Intergovernmental Affairs. Likewise it should provide administrative and staff support to the Minnesota Commission on Interstate Cooperation (proposed to be renamed the "Joint Executive-Legislative Commission on Interstate Cooperation"), the Capitol Area Architectural and Planning Commission, and the Municipal Commission. The State Planning Advisory Committee should continue its functions and should serve in an advisory capacity to the Commissioner and Department of Planning and Intergovernmental Affairs.

The functions of the proposed new department obviously derive principally from the present State Planning Agency, including its component Office of the Local and Urban Affairs, and from the State Office of Economic Opportunity. To accommodate its assigned responsibilities the Department of Planning and Intergovernmental Affairs should be organized into divisions and/or offices of Comprehensive State Planning, Local and Urban Affairs, and Economic Opportunity.

Staffing

Assuming existing staffing patterns for the functions to be incorporated into the proposed Executive Office of the Governor, the staff complements of its major elements, and their derivation from existing agencies, would be as follows:

Executive Staff-Secretariat From the Office of the Lieutenant Governor From the Office of the Governor 19 Sub-total Office of the State Attorney General 60 b/ From the Attorney General's Department 60 Sub-total State Office of Human Rights From the Department of Human Rights 16 16 Sub-total Department of Administration 689 From the Department of Administration 58 From the State Auditor From the State Treasurer 21 From the Civil Service Department 61 829 Sub-total Department of Planning and Intergovernmental Affairs From the State Planning Agency From the State Office of Economic Opportunity 67 Sub-total 991 Grand Total, Executive Office of the Governor

a/ Allegedly part-time.

b/ Including 39 attorneys assigned to and paid by operating departments. c/ Includes 10 full-time contract employees, and a total of 12 personnel in the Office of Local and Urban Affairs.