A FEASIBILITY STUDY OF

THE MERGER OF THE

DEPARTMENTS OF HEALTH, HUMAN SERVICES

AND ECONOMIC SECURITY

MINNESOTA STATE PLANNING AGENCY

HUMAN SERVICES DIVISION

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I. INTRODUCTION

During the 1983 legislative session, there was increasing concern by the current administration and the Legislature regarding rising health care costs, problems of long-term care and coordination problems between the Minnesota Departments of Health and Human Services. Over the past 15 years, many states have consolidated their health and human service programs in an attempt to deal with similar problems. It was suggested that such a consolidation might be an appropriate solution to the problem of programmatic gaps, fragmentation and duplication here in Minnesota (Appendix 1).

This interest in redesigning the human service system is part of this administration's long-standing commitment toward human services coordination and integration. These activities date back to the early 1970's and include the consolidation of human services at the local level and the establishment of the Department of Economic Security at the state level.

The general federal trends of deregulation, decategorization and decentralization provide the state with new opportunities to develop a human service system which best meets the unique needs of Minnesota. These trends coupled with the redesign of the local human service delivery system make it all the more important that steps be taken to ensure that the necessary adjustments are made to accommodate the new realities of community-based care, planning and decision-making. Greater clarity of policy formulation and new concepts and tools which can provide ways of coordinating human service activities are needed at all levels.

A framework within which these opportunities for redesigning the human service system can be examined has already been initiated. These initiatives include the establishment of the sub-cabinets, strategic and long-range planning requirements of all agencies and extensive use of interagency teams in dealing with a wide range of issues that cut across agency boundaries. As a result, a climate of interagency coordination and partnerships has been established which will support and facilitate the specific actions recommended in this study.

II. BROAD TRENDS IN HUMAN SERVICES (1970's TO PRESENT)

In order to understand the thrust of the current merger study, it is important to describe some of the major trends which took place in the human service area during the past 10 to 15 years, both nationally and here in Minnesota (Appendix 2). Such background clarifies the context within which the state's human services programs were developed and have been operating.

Decentralization of Authority to the State and Local Level

The general trend during the past decade or more has been for the state and federal government to devolve progressively more authority and responsibility to the local levels. In Minnesota, some important steps in the process of devolution were the following: The Community Correc-tions Act of 1972, the Human Services Act of 1973, the Community Health Services Act of 1976, and the Community Social Services Act of 1979. Together, these separate pieces of legislation resulted in the establishment of a network of single and multi-county human services agencies with broad responsibilities. All of these pieces of legislation gave considerable responsibility to local government for setting priorities and making major decisions on the allocation of federal, state and local funds. The federal government paralleled these initiatives by increasing the responsibility of state and local levels of government for planning and allocating the use of federal funds.

Decentralization and Block Grants

A concurrent trend with the creation of these local boards and agencies was the move towards block grants and away from the highly categorized approach which both the federal and state government had developed during the 1960's. The federal government passed the Title XX Amendments to the Social Security Act which clustered a large number of categorical grants into a single grant that required state and local planning and decision-making. The state initiatives were also in the form of block grants which required planning and priority setting by local elected officials and reduced the role of federal and state non-elected officials in making allocation decisions. This decategorization and deregulation approach towards human services funding has been continued and even strengthened by the current federal administration. The proposed "New Federalism" would turn additional responsibility over to the state through block grant funds.

Reduced State Role in Provision of Direct Services

As local capacity to provide direct services has been built, the state has gradually reduced its provider role. An example of this is the Community Health Services Act which has built a network of 47 Community Health Agencies that now provide a wide range of services. These services include programs in community nursing, home health care,

environmental health, health education, emergency medical care and disease prevention and control. Another related shift has been the move from state-run institutions to a wide range of community-based programs in welfare. One example of this shift, is the development of locally operated daytime activity centers for the mentally retarded. Clearly, the broad goal of deinstitutionalization has directly resulted in a reduced role of the state as a direct provider of services.

Increased State Role in Planning, Monitoring and Evaluation

Although the state has reduced its role in the provision of direct services, it has gradually strengthened its monitoring and evaluation role. This change has been necessary to insure that locally provided services meet at least a minimum set of standards. Without such monitoring the proliferation of community-based facilities under the jurisdiction of many different local public and private boards, agencies and organizations could result in services of widely varying quality.

Human Services Integration at the Local Level

As county boards have been given increasing responsibility for designing and carrying out human service programs, they have also been given the opportunity to try a variety of strategies to better integrate programs at the local level. The 1973 Human Service Act permitted counties, singly or in combination, to set up a single board dealing with health, welfare and correction problems. As of the present, eight such boards have been set up in varying configurations. Both the Community Health Services Act and the Community Social Services Act have also allowed considerable flexibility in how counties organize these programs. This flexibility is particularly evident in program administration--many local agencies have chosen to have a single rather than separate administrators for the welfare and health programs.

Umbrella Human Service Agencies at the State Level

Beginning in the early 1970's there were major initiatives in many states to control the vast network of state level human service programs. It was felt that the proliferation of categorical grant programs spawned by the Great Society initiatives had led to extensive program fragmentation and lack of coordination. The predominant state response to this situation among state human service programs was the consolidation of separate agencies into larger, more comprehensive human service agencies. By the mid-1970's many states had created some type of umbrella human resource agency that combined public welfare, health and social service programs. In some cases, corrections and employment programs were also integrated. In Minnesota, these efforts led to the creation of the Department of Economic Security (Appendix 2).

Such amalgamations were not accomplished without substantial turmoil,
however. Even after their creation, the turmoil within umbrella agencies
often continued unabated as personnel involved in the management and delivery
of specialized programs (e.g., vocational rehabilitation, corrections, and
employment services) and advocates of services to specialized populations
(e.g., the blind, veterans, and older Americans) pressed for greater
visibility, independence and funding.[1]

Summary of Major Trends

With the advent of the "New Federalism" as a philosophy, the national
government appears to have taken a hands-off attitude, granting unprecedented
flexibility to states to organize the human service programs as they see
fit. Minnesota state government has moved in a similar direction by
transferring the provision of many human services to community-based
facilities. The great deal of change and redesign of human service programs
at the local level, including the creation of new networks of delivery
systems, makes it all the more important and timely that state government
examine the arrangements, structure and process by which human service
programs are organized and the system by which decisions are made.

III. ASSUMPTIONS GUIDING THE STUDY

The following assumptions were used to guide the Health, Human Services and Economic Security merger feasibility study. These assumptions led to a positive study approach that attempted to examine program coordination from the bottom up by using agency line staff for the major sources of information.

Complexity is Not Intrinsically a Problem

A review of many of the studies carried out in other states that led to mergers or the creation of human service umbrella or superagencies showed that a common set of problem descriptors were often used. These almost always included a phrase such as "the system is complex." Implicit in this statement was the idea that complexity is bad and that complexity, fragmentation and duplication are all synonymous.

A basic assumption of this study is, however, that complexity itself is not a problem. Complexity can compound problems such as fragmentation, but it does not necessarily cause these problems. The real issue is how to best manage complexity. All too often, many of the efforts to "simplify" the system have failed to recognize that organizational consolidation not only fails to fully deal with the complexity of the system, but often results in the severence of many networks of relationships which already exist. It has long been recognized at the local level that a wide range of organizations, agencies and individuals comprise the human service system. It is important that the state level also recognize that complexity is not inherently bad. The key is to understand the complexity and take steps to ensure that responsibility is clearly fixed for orchestrating all of the many elements which must go into a state-level human service system.

The fact that a large number of agencies share some kind of responsibility for a population, problem or common goals does not necessarily indicate duplication of effort. It can be reasonably argued that a major task of a program manager dealing with a complex problem area such as chemical dependency or mental retardation should be to place a high priority on establishing working relationships with all appropriate agencies and entities at the state level which can help in dealing with that problem or achieving that goal. It is important, in fact, to determine if such key resources have not been developed so that appropriate working partnerships can be established. Therefore, the key questions in multi-agency involvement are: (1) how well the existing network is coordinated; (2) if there is clarity on roles and responsibilities; and (3) if all populations in need are covered. An analysis may well yield information that gaps, fragmentation and duplications do exist. However, such assumptions should not be made based on the simple fact of multiple agency involvement.

A Clear Conceptual Framework Must Guide Reorganization, Change and Coordination

Another basic assumption is that it is necessary to have some overall con-
ceptual framework concerning the basic purpose and mission of human service
programs to guide organizational and administrative changes. Development
of a basic agreement about the mission and purpose of the activities and
programs of the agencies to be reorganized, changed or merged should be one
of the first stages in the process. It is clear from earlier studies of other
agency reorganizations, that such a clear conceptualization was often
lacking and the only goals cited were administrative efficiency, effective-
ness and cost containment. Although these are important considerations,
it is difficult to evaluate whether or not the organizational changes made
were able to achieve these goals in the absence of any overall concept of
the basic mission and purpose of the human service programs. This study
recommends such a conceptual framework and a process to determine if the
existing networks of programs and agencies are functioning effectively.
Furthermore, it is suggested that the best way of effectively coordinating
the extensive network of agencies which comprise the state human service
system will be through the use of a common language of goals, objectives and
problems to be solved. Such a language should be understandable not only
to the agency specialists involved in administering the programs, but to
policy-makers at both the state and local levels and to the public which
is asked to pay for these programs. It can be reasonably surmised that one
of the major problems facing the human services industry is that such a clear,
readily understandable language does not currently exist. As a result, the
public and policy-makers do not clearly understand what many human service
programs are supposed to accomplish.

Organizational Change Must be Based on a Basic Understanding of the Existing System

Many other attempts at reorganization and creating umbrella agencies have
based their studies on hypothetical models of how the human service system
should be organized. There is little conclusive evidence, however, that such
models work, or if they do work, can easily be transplanted from one state
to another. This study began with the assumption that the first step in
addressing the issue of change is to understand the present system--what
it is, how it is working, what the problems appear to be. This approach
required that a program by program analysis of all the activities of the
involved agencies be conducted before specific changes were recommended.

It is also important that the human service system be looked at as a whole
if changes are to be made. Reorganizations at the state level should be
made with a full understanding of the implications of these changes at
the local level and for other state agencies. There is considerable reason
to believe that many of the changes made during the 1970's were not made
from this perspective. For example, the move towards devolution of authority

and decision making to the local level and the changing role of federal, state and local levels of government were not considered when many re-organizations were implemented.

A Power Sharing Partnership Approach Manages Complexity More Effectively

The final assumption is that a partnership approach will have the best re-sults in terms of long-range improvement of the human services system. Such partnerships must be built, both within agencies and between agencies, if complexity is to be effectively managed. Hierarchies are a definite part of administrative reality. As industry has increasingly recognized, networks of individuals and organizations working in a cooperative manner are the best insurance of organizational effectiveness. A model for consideration is the approach taken by the State Department of Education. The Department is in the process of identifying all of the partnerships that should be maintained in order to carry out its mandates. Those responsible for taking the human service agencies through any necessary changes should be particularly careful to proceed in such a manner that is conducive to building such partnerships. The state has long prided itself that it has a partnership relationship with local government. It is strongly urged that this same approach be used to build and strengthen the extensive network of relationships needed at the state level to deal with complex social problems which cut across organiza-tional and agencies lines.

IV. BASIC QUESTIONS EXPLORED BY THE MERGER STUDY

In order to verify the previous assumptions it was determined that the study should address a number of related questions. Accordingly, the study undertook to examine the following questions:

1. How extensive and effective is the present network of inter-agency relationships among the Departments of Health, Human Services and Economic Security?

2. What potential exists for developing new linkages with these agencies and with other agencies which share some responsibility for human service programs in these agencies?

3. How extensive is the network of relationships with other state and regional agencies which are involved in some way with the programs of the Departments of Health, Human Services and Economic Security?

4. Can a common language or unifying conceptual framework be developed which cuts across agencies lines for the purpose of joint planning, program development and coordination?

5. What mechanisms or processes now exist or need to be created at the state level to ensure effective interagency analysis and solution of problems which cut across agency lines?

6. What strategies and action plans can be developed to examine problems and opportunities for strengthening interagency rela-tionships among state human service agencies?

7. What is the range of administrative and/or organizational solu-tions to problems of interagency coordination?

8. What are the strengths and weaknesses of each of the following administrative and/or organizational approaches to interagency program coordination?

    a. Informal agreement among agencies at the program level;
    b. Formal interagency agreements clarifying joint respon-sibilities for shared program activities;
    c. Interagency task forces, boards or committees formally established by the governor or legislature;
    d. Statutory clarification of respective agency roles and responsibilities around common goals, problems or populations; and
    e. Transfer, merger or consolidation of all or parts of programs which span agency boundaries.

V. THE STUDY METHODOLOGY

Based on the assumptions guiding the study and the questions which were
to be addressed, three separate but related initiatives were taken to
gather data for the study: (1) an in-depth analysis of all programs of
the Departments of Health, Human Services and Economic Security;
(2) a review of previous experiences with human service umbrella agencies;
and (3) a field survey of several hundred interest groups affiliated with
the agencies studied.

In-Depth Analysis of all Health, Human Services and Economic Security Programs

The primary information source for this study was the agencies and program
administrators themselves. It was considered essential to thoroughly
understand how the programs of Health, Human Services and Economic
Security were or were not coordinated between and within these agencies.
The original structure and program identification for this analysis started
with the Minnesota Biennial Budget for 1983-85. Using this structure as
a guide, teams were set up in each agency with the responsibility of
ensuring that every program received an in-depth analysis by the program
administrator who best knew that program. The data collection instrument
can be found in Appendix 3. For every program in these agencies the
following information was collected:

-- Purpose of the program (goals and objectives)

-- Target population including estimated size on statewide
   basis

-- Total estimated federal, state and local dollars spent on
   the program

-- Major advisory or policy boards affiliated with the
   program

-- Detailed information about the roles and responsibilities of
   the state and local agencies which administer the program

-- Recent major legislation affecting the program

-- Major evaluations of the program within the past ten years

-- Major changes or trends anticipated in the program during
   the next 3-5 years

-- Existing relationships with other state and regional
   agencies which share some responsibility for the program:

- authority for the relationship
- nature of the relations, e.g., joint planning, shared decision-making, transfer of funds, etc.
- problems with the relationship and ideas on how the relationship could be made more effective

-- Potential relationships which should be developed with other agencies.

Review of Previous Human Services Umbrella Agency Efforts

The proliferation of federal categorical grant programs during the 1960's as part of the Great Society effort led to a major expansion of human service programs. This expansion, however, also resulted in program fragmentation at the state and local levels. At the same time, many states also expanded their own human service programs both in dollar volume and number and further complicated the situation.

The predominant state response to the perceived fragmentation and lack of coordination among state human service programs was the consolidation of separate agencies into larger, more comprehensive human service agencies. By the mid-1970's, over half of the states had created some kind of broad human service agency--often combining health, welfare, social services and a wide range of other programs. Minnesota's response to this proliferation of programs was outlined earlier in Section II. The creation of the Department of Economic Security is one example of this response (Appendix 2).

The fact that many of these merger efforts occurred almost ten years ago made it feasible to review the effectiveness of this movement to set up superagencies. Accordingly, an examination of various reports and evaluations of these human service integration efforts at the state level was included in the study.

In *The State and Human Services: Organizational Change in a Political Context,*[2] by Laurence E. Lynn, Jr., the reorganization process in the states of Arizona, Florida, Georgia, Minnesota and Pennsylvania was discussed. This book examined the political as well as the administrative and managerial aspects of reorganization. This report concluded that the governor is the most important factor during reorganization, but that legislative support and understanding is critical.

Another report reviewed was *State Human Services Reorganization: Comparing the Minnesota Experience* done by the Minnesota Legislative Auditor's Office in 1980.[3] The report examined the reorganization of human service agencies in five other states and drew a number of conclusions about the issues surrounding a major reorganization and the problems

which are to be anticipated in that process. Their review was unable to
reach the conclusion that cost savings or more effective programs resulted
from these merger efforts, but did discuss some of the considerations
which should guide any major reorganization attempts. Such considerations
include the timing and strategy to be used in implementing any change and
that initial organizational goals should be relatively non-controversial
to reduce the threatening aspects of reorganization.

Another primary source reviewed was a conference paper written in 1983
by Bill Benton, Director of the Human Services Division of Urban Systems
Research and Engineering, Inc., and Jack Hansan, Executive Director of
the National Conference of Social Welfare entitled *Who Administer State
Human Services? What Difference Does it Make?*[4] Their paper summarizes
the current status of the 50 states in terms of human services integration
(Appendix 4). The two major conclusions from this study were:

1. Most of the agency mergers during the 1970's created a great
    deal of turmoil. This disruption often continued for long
    periods of time as personnel involved in the specialized
    programs which had been merged continued to press for greater
    visibility, independence, and additional funding; and

2. The movement toward a more comprehensive human services
    agencies has ended. If anything, the responsibility for
    administering human services at the state level is more
    idffuse today than it was in 1978.

Further evidence along these lines came from an article entitled *The
Politics and Organization of Services: Consolidation and Integration*
by Dr. David M. Austin who was Director of the Center for Social Work
Research at the University of Texas.[5] He did an assessment of many of
the reorganization attempts during the 1970's and came to the following
conclusions:

1. Consolidated human service agencies appear to be basically
    unstable as organizational structures;

2. The federated agencies and the umbrella agencies have failed
    to modify the pattern of professional control of program
    development in the traditional service delivery system;

3. Structural reorganization of human services at the state
    level, although it may have imposed a degree of order on the
    budgetary process, has not yet achieved significant new inte-
    gration of service planning and development, nor has it
    produced any bold new comprehensive delivery systems; and

4. There is no evidence of either dramatic financial savings
    or widespread public enthusiasm for such changes. There is
    evidence that reorganizations exact a very high price in staff
    disruption and that effect may last for years.

Summary of Arguments For and Against Agency Mergers

Based on the review of earlier merger efforts in Minnesota and other
states, there appears to be a common set of arguments used to support or
oppose the merging of two or more agencies. These reasons are summarized
below:

Arguments for a total agency merger

-- The number of agencies, reporting directly to the Governor
   are reduced. This streamlining of the executive branch was
   frequently given as a reason for such mergers which also
   involved similar consolidations of areas other than human
   services.

-- Mergers help improve accountability. This reason is based
   on the idea of a single point at the state level with over-
   all responsibility for coordinated planning, budgeting,
   service delivery and reporting.

-- Mergers can reduce the organizational complexity of the
   human services system and make it more understandable to policy-
   makers and the public. The expectation is that a consolidation
   will result in clear organizational charts and lines of
   authority being spelled out and fragmented program elements
   brought together.

-- Mergers reduce gaps, fragmentation and duplication of programs
   and services. Most states which consolidated human service
   programs took one of three approaches. The first approach is
   essentially a limited federation of existing programs. In
   these reorganizations, an administrative layer has usually
   been added at the top between the program agencies and the
   governor and legislature. The agencies themselves change
   little. The true umbrella agency is the second approach. The
   existing local service delivery structures are left unchanged.
   However, specific administrative functions such as program and
   capital expenditure planning, budget analysis, personnel
   administration, management information systems and program
   evaluation are consolidated at the state level. The third
   model is the completely consolidated human services agency.
   This approach involves not only the realignment of major manage-
   ment responsibilities which cut across traditional agency
   boundaries, but also the consolidation of service delivery
   mechanisms at regional and local levels to provide a unified
   system. This model has only been implemented in Florida.

-- Departmental integration is needed if the full range of ser-
   vices are to be adequately provided. One of the basic rationales
   for services integration is the argument that improved program
   effectiveness stems from the capacity of a service system to

deal with the full range of an individual or family's needs.
Although this reason for services integration has more often
been used at the local service delivery level, a number of state
reorganizations have used this as one of the major reasons for
setting up umbrealla agencies.

-- State level organization should parallel local level service
   organization. This reason for human services integration at
   the state level is based on the situation where considerable
   integration and reorganization has taken place at the local
   level. This reason has some particular validity in Minnesota.
   As was indicated earlier in the discussion on the history of human
   services integration in Minnesota, the local level has exten-
   sively tried to integrate their service delivery system.

-- An umbrealla agency is needed to establish a single format and
   process of relating state human service programs to local units
   of government and local delivery systems. Under the current
   situation, each state agency relates in a different fashion to
   local government and the delivery systems which carry out programs
   for which that state agency has responsibility.

Arguments against a merger of entire agencies

-- There is no evaluative evidence that these major changes have
   actually resulted in program improvement, costs savings, or
   greater accountability. It is possible that the creation of
   super human services agencies results in diseconomies of scale.

-- There is substantial evidence that these amalgamations resulted
   in a great deal of disruption. Even after their creation, the
   turmoil within umbrella agencies often continued for considerable
   time as personnel involved in the management and delivery of
   specialized programs pressed for greater visibility, independence
   and funding.[6] Alternative mechanisms, such as coordinating
   councils, may achieve a similar streamlining effect without the
   turmoil of a merger.

-- The current trends in human service integration at the state
   level indicate that the movement toward more comprehensive human
   services agencies appears to have ended. If anything, the
   responsibility for administering human services is more diffused
   now than was the case in 1978 (Appendix 3).

-- The scale of comprehensive human services agencies can make
   such agencies more vulnerable to political attack. This
   situation arises because the budget of umbrella agencies
   is substantial, both in relationship to other state departments
   and as a percentage of the state budget.

     -- In Minnesota, support and interest among key constituency
        groups does not support total agency merger. Only 4% of those
        who responded to the field survey which was part of the study
        process supported total agency merger.

Field Survey

A third source of information was a field survey that was mailed to more
than 500 different groups and individuals. The names were obtained by
using the complete agency mailing lists of the Departments of Health,
Human Services and Economic Security. Included in the survey were county
boards, county social service agencies, community health agencies, pro-
fessional and civic organizations, academicians, field professionals
and individuals with a history of interest in these agencies. An
example of the field questionnaire may be found in Appendix 5.

It was felt that such a field survey was critical to understanding inter-
agency coordination problems. These outside views on the functioning of
Health, Human Services and Economic Security provided very helpful
insights on issues that would not have easily surfaced from examining the
in-depth departmental program descriptions. Many of the suggestions
have been included in the study recommendations found in Section VI.

VI. THE MERGER STUDY DATA BASE

The program information received from the Departments of Health, Human
Services and Economic Security has been organized into a data base which
will provide most of the information for selection and analysis of those
clusters of activity selected by the Human Services Sub-Cabinet. That
data base, consisting of information on all programs in these three agencies,
can be retrieved on three major dimensions:

  -- population group
  -- problem category
  -- program goals

The data cut across agency lines and provide a common language and
conceptual framework for organizing the work of the Interagency Issues
teams as they are established by the Sub-Cabinet. (See Section VIII for
a description of sub-cabinets and interagency teams.)

The data base has been computerized and is being maintained by the Land
Management Information Center of the State Planning Agency. It is
anticipated that packets of information will be prepared for each issue
cluster selected to be examined by an interagency team. Appendix 6 is
a sample packet showing the kinds of information which can be provided
about any cluster of interagency activity selected by the Sub-Cabinet.
These packets could include extensive information of the following nature:

  -- program goals and objectives;

  -- target populations served by the program;

  -- estimated federal, state and local dollars in the
     program;

  -- extensive information about the respective roles of the
     state and local agencies in administering the program;

  -- anticipated major changes in the program in the next
     3-5 years;

  -- extensive information about the existing network of rela-
     tionships; and/or

  -- the specific nature of the relationships, problems and
     opportunities for improving the relationships, and the
     potential for developing new linkages.

VII. MAJOR STUDY FINDINGS AND RECOMMENDATIONS

Findings

As discussed under study methodology, the primary data gathered was obtained by an in-depth analysis of all currently active programs of the Departments of Health, Human Services and Economic Security. A major focus of that analysis was the extent and nature of the relationships and linkages existing between and among state agencies which share some responsibility for problems which cut across agency lines. Tables I, II and III show the overall extent of these relationships by: problem category, target population and program goals. The following findings are derived from this data:

1. The state level human services system is very complex and involves an extensive network of interagency linkages and relationships. For example, there is a total of 60 separate state and regional agencies involved in one way or another in 200 programs of these 3 departments. On the average, 10 to 16 different agencies are involved in most program areas. It should be pointed out that the data was obtained by examining programs operated by these 3 agencies only--it does not reflect information from the other agencies which were identified as having linkages with these departments. It is reasonable to assume that additional agencies and relationships would be identified if this analysis were to be extended to other agencies. It is anticipated that the proposed Issues Teams will finish the total examination of all relationships to be found among agencies.

2. In the great majority of instances, the network of relationships is necessary and working quite well. This reflects the fact that many different resources at the state level are necessary in dealing with complex social and human problems. Not only was an extensive network of existing relationships identified, but in many cases, program managers indicated that the potential existed for developing new relationships.

3. There is extensive interest and opportunity for strengthening and developing additional linkages. In examining a particular area of program activity, it was often found that a relationship did not exist with another agency which had an existing network of delivery systems that could be a resource in improving the administration of that program cluster. An example of this was found in the area of chemical dependency where no existing relationship was identified between the

TABLE I

MERGER STUDY: DEPARTMENTS OF HEALTH, HUMAN SERVICES AND ECONOMIC SECURITY

Problem Areas for Which the Departments of Health, Human Services and
Economic Security have Responsibility by the Number of
Programs and Agencies Which are Involved

Problem Areas	Programs	Agencies
Chemical Dependency	21	24
Financial Dependency	15	10
Medical Indigency	14	8
Indigent Disability	14	9
Mental Illness	19	20
Mental Retardation	21	23
Deaf and Hearing Impaired	7	10
Blind or Visually Impaired	8	8
Other Physical Disabilities	20	20
Disease	21	16
Environmental Hazards	10	14
Nutritional Deficiencies	10	16
Other Health Problems	13	15
Unemployment & Underemployment	37	29
Family Dysfunctions	12	12
Adult Crime	1	3
Vulnerable Adults	4	3
Problems of Elderly	12	10
Nonexistent, Inadequate & Inappropriate Care	16	5
Inadequate/Inappropriate Job Skills	18	22
Unsafe/Inadequate Housing	5	5

TABLE II

MERGER STUDY: DEPARTMENTS OF HEALTH, HUMAN SERVICES AND ECONOMIC SECURITY

Population Groups for Which the Departments of Health, Human Services
and Economic Security Have Responsibility by the
Number of Programs and Agencies Which are Involved

Population Group	Programs	Agencies
Children & Youth	40	17
Adults	40	27
Families	17	12
Elderly	21	15
Migrants	4	6
Refugees	3	5
American Indians	9	14
Other Minorities	2	3
Women	7	10
Men	1	1
Employed Persons	19	20
Total State Population	13	14
Visitors to State	7	14
Other Population Groups	24	18

TABLE III

MERGER STUDY: DEPARTMENTS OF HEALTH, HUMAN SERVICES AND ECONOMIC SECURITY

Goal Areas for Which the Departments of Health, Human Services
and Economic Security Have Responsibility by the Number
of Programs and Agencies Which are Involved

Goal Areas	Programs	Agencies
Maximum level of family & individual self-support	19	19
Maximum level of self-care	14	17
Enable individuals to remain in or return to their own communities	17	13
Optimal level of health and wellness for families and individuals	35	22
Disease prevention and control	21	16
Reduce or eliminate environmental hazards as they affect health	10	14
Achieve an adequate level of nutrition for families and individuals	10	16
Strengthen family life	8	10
Assure basic income security	8	6
Achieve optimal level of individual and collective security	2	4
Prevention, treatment, and control of problems of family and individual dysfunction	55	39
Reduction of unemployment and underemployment	18	5
Prevention, treatment and control of medical indigency	14	8
Prevention, treatment and control of problems of indigent disability	14	9
Research, testing, and monitoring of community and individual health problems	33	23
Intellectual growth and skills development	18	22
Safe and secure housing	5	5
Other goals	2	7

Department of Human Services and the State Department of
Health. There is good reason to expect that such a link
will be developed if an interagency issue team is put together
in the area of chemical dependency. The Health Department
already works through an extensive system of local community
health agencies which represent an excellent potential
network for promoting chemical dependency prevention
programs.

4. Many of these linkages were developed over a long period of
    time and are not part of any overall conceptual framework
    with a clear idea of the roles and responsibilities of
    the various agencies evolved. It is also apparent that these
    relationships range from relatively informal, ad hoc
    arrangements to more formally established interagency agree-
    ments, sometimes with a statutory base.

5. Top agency management needs to understand and examine the
    nature and extent of the existing relationships and linkages.
    A striking example of one network of relationships is the
    fact that 15% of all programs in the Departments of Health,
    Human Services and Economic Security have a link with the
    Department of Education and the identification of a number
    of specific opportunities to develop or improve interagency
    coordination and planning around specific problems which
    cross agency lines (Table IV).

6. The merger of entire agencies would not solve the problem
    of coordinating activities in which anywhere from 5 to 25
    agencies participate. Furthermore, there is some evidence
    from earlier reorganizations in Minnesota and elsewhere that
    the consolidation of a number of agencies often cut off the
    existing network of relationships and it was a number of
    years before they were reestablished.

7. The study identified a number of areas of activity related
    to specific goals, problems and population groups where
    the opportunity for improved interagency planning, program
    development and coordination exists. Section VIII of this
    report recommends a specific process for systematically examining
    these clusters to determine the potential for cost savings,
    more effective programs, or better administration of the
    programs. Significant reorganization of such clusters would
    be one of a range of alternatives which should be considered,
    but an array of other less drastic steps prior to that
    decision are suggested.

TABLE IV

Programs of the Minnesota Departments of Health, Human Services
and Economic Security, Which Have a Working
Relationship with the Department of Education

HEALTH PROGRAMS

Chronic Disease Programs

Immunization Programs

Dental Health

Nutrition

Maternal and Child Health

Family Planning

WIC (Supplemental foods for Women,
  Infants and Children)

Comprehensive Child Screening

Child Hearing and Vision

Services for Children with Handicaps

Emergency Medical Services

Center for Health Statistics

Health Education

Public Health Nursing Management

Public Health Nursing Consultation

Technical Consultation and Training
  (Health Services Quality Assurance)

HUMAN SERVICES PROGRAMS

Information Systems

Licensing

Social Services Program

Child Abuse Demo

Migrant Day Services

Foster Care--Subsidized Adoption
  Child Welfare

Aging Program

Education and Training--Aging

Services for the Blind

State Services for Deaf--Hearing
  Impaired

Refugee Assistance Programs

Chemical Dependency Program Office

Chemical Dependency Prevention

Federal Alcohol and Drug Abuse
  Block Grant

Central Office Support for State
  Hospitals

Fairbault State Hospital

ECONOMIC SECURITY PROGRAMS

JTPA Title IIA (Training Services for
  the Disadvantaged)

Trade Readjustment

Vocational Rehabilitation Administra-
  tion

OEO (USDA Surplus Commodity Distribu-
  tion)

GJTO (Disadvantaged Job Training)

GJTO (MN Displaced Homemakers' Program)

8. The study found that the interagency linkages were established
    for very specific purposes. The types of working relation-
    ships identified (existing or potential) between agencies
    include:

    - shared decision-making
    - joint planning and policy development
    - joint funding
    - transfer of funds between agencies
    - shared program responsibility
    - continuum of care and/or responsibility
    - monitoring, evaluation, compliance
    - establishment of standards
    - regulatory or licensure roles
    - cost containment
    - joint staffing
    - shared administrative responsibilities

    Data is available about the specific nature of the relationships.
    This type of shared responsibility could provide the components
    for a memorandum of agreement between agencies. These agree-
    ments would clearly identify how each agency would carry out a
    specific role in relationship to the problem category, program
    goal or target population.

9. Program coordination at the intra-agency level deserves further
    attention. It is possible that improved intra-departmental
    planning and management mechanisms could substantially contribute
    to better program coordination.

Recommendations

Agency merger

Based on the data from the agency survey, the research examining
mergers in other states and reorganizations here in Minnesota, and
from the overwhelming lack of support among key constituency and
interest and professional groups affiliated with these three agencies,
the primary recommendation is that *no overall merger of the entire
agencies be undertaken at this time.*

This finding does not suggest that the present system is working
perfectly and needs no change. To the contrary, a number of specific
areas for overall policy development, possible program consolidation,
transfer or merger and many areas for more effective coordination
are identified.

If the process for examining these areas of potential changes is
carried out, as recommended in Section VIII, significant potential

exists for cost savings, more effective programs for the clients, and more effective administration of existing programs. The key element in this approach is that change should take place as the result of a careful analysis of the functioning of existing networks and activities. The amount of change to be undertaken should be the minimum which will solve the identified problem.

Specific opportunities for improving interagency partnerships

The analysis of all programs of the Departments of Health, Human Services and Economic Security combined with information from the Field Survey identified a number of program areas of interagency activity which are recommended for further examination. These areas vary widely in terms of problem magnitude and complexity. They hold the potential for more effective administration, program coordination and development, cost savings or more responsiveness to the target populations they serve.

The program areas recommended in the following sections are proposed because they meet one or more of the following criteria:

-- Program areas in which many agencies were involved in dealing with common goals, problems or population groups;

-- Priority areas identified by the administration and/or legislators; and/or

-- Problem areas identified by the field study respondents.

It should be kept in mind that the proposed program areas represent a fraction of the total range of interagency activity which might be selected for intensive examination by the Human Services Sub-cabinet. In fact, any one of the 21 problem categories (Table I), 14 target population groups (Table II), or 18 common goals (Table III) could be selected for consideration by the Sub-cabinet. The Issues Management section of this report spells out suggested criteria which the Human Services Sub-cabinet might use in deciding which issue areas it thinks warrants the establishment of interagency teams.

Program areas currently under consideration by the Human Services Sub-cabinet

Six areas of interagency activity were selected for initial consideration by the Human Services Sub-cabinet. These six program areas were selected either because they appeared to have the potential for immediate consideration by the Issue Teams already studying the programs in that cluster, e.g., American Indian Issue Team, or they held some other potential such as: clarification of roles

and responsibilities where considerable disagreement or confusion exists, e.g., long term care; potential for some money saving opportunities appear possible, e.g., child health screening; or potential for more effective program delivery, e.g., chemical dependency; and finally, where a cluster related to a high administration priority, e.g., education and job skill development.

(a) American Indians

Currently, there are nine programs in the three departments that specifically serve the needs of American Indians. The Department of Human Services operates four programs, Economic Security maintains three programs, and the Department of Health has two. These programs are concerned with a wide variety of problems such as: chemical dependency, financial dependency, safe housing, and general health. It appears that these programs do not lend themselves to consolidation. They do offer, however, a significant opportunity for better coordination and joint planning. A total of ten state agencies have some involvement with these nine programs.

(b) Nutritional Deficiencies

A total of ten programs dealing with the issue of adequate nutrition are currently operating. The majority of these programs are administered by the Department of Health, but both Human Services and Economic Security are also involved. There are thirteen other state agencies each having some role in the operation of the nutrition programs. Of these thirteen, the University of Minnesota and the Department of Education have the most extensive relationships. It is recommended that an interagency team review the programs.

(c) Chemical Dependency

There are presently 18 programs in the Department of Human Services that are concerned with chemical dependency. The Department of Health deals with chemical dependency primarily through its quality assurance programs and drug analysis project. Although the programs are concentrated within the Department of Human Services, there are an additional 22 agencies that have some type of relationship and involvement in the programs. The Departments of Education, Corrections and Public Safety and the University of Minnesota appear to already have substantial involvement in the area of chemical dependency.

The large number of programs and the many facets of the chemical dependency issue may make a review of the whole issue cluster unwieldly. It is suggested that a more manageable sub-issue such as chemical dependency prevention be considered for review first.

(d) Educational and Job Skill Development

There are 18 programs in operation that are concerned with the goal of encouraging educational and job skill development. The large majority of these programs are administered by the Department of Economic Security. The Department of Health does not appear to have any programs that deal directly with this area. An additional 22 agencies have been identified as having some type of involvement in the programs. The federal government also has a high level of involvement in this program area.

(e) Long Term Care

The primary goals of the programs dealing with long term care include: the prevention, treatment and control of indigent disability; maximizing an individual's level of self-care; and prevention and correction of inadequate or inappropriate care. Currently, the Department of Human Services operates many of the programs dealing with long term care. The Department of Health is responsible for most of the quality assurance programs. Both Health and Human Services have identified each other as being a major player in the operation of their respective programs. The network of relationships and program concerns indicates that methods to improve program coordination should be investigated.

(f) Child Health Screening

The issue of child health screening was identified as an area of concern by a number of field responses. Currently, both the Departments of Health and Human Services operate major programs in this area. The Department of Education has been identified by the Department of Health as having extensive involvement in program operations. Human Services did not identify such a relationship. Although program consolidation is unlikely, the area of child health screening presents an opportunity for improving coordination and services.

Program areas with potential for merger, consolidation or transfer of functions

Information provided by the Field Survey combined with data from an analysis of all agency programs identified a number of areas

where consideration should be given to consolidation or merger. Key constituency groups, professional organizations or local governing bodies supported examination of these areas.

Even though these areas have been identified as having the potential for such consolidation, it is recommended that these clusters be taken through the same process described in Section VIII of this report. That is, all possible alternatives short of merger or consolidation should be explored prior to coming to the conclusion that merger or consolidation is the most appropriate response.

-- Consolidate all state environmental health programs into a single agency.

-- Consolidate all facility licensing and monitoring.

-- Establish a single state agency for chemical dependency.

-- Transfer health maintenance organization regulation to the Department of Commerce.

-- Consolidate all client rehabilitation programs.

-- Consolidate state services for the blind and deaf.

-- Create a separate department of mental health.

-- Consolidate all state dental programs.

-- Development of areas service centers by the Department of Economic Security to serve multi-county needs.

Interagency activity areas where the need for improved coordination has been identified

-- Coordinate the planning and administrative cycles of community health, community social services and community corrections programs.

-- Eliminate duplicative inspections of facilities by state agencies, e.g., Health, Human Services and Fire Marshall.

-- Coordinate the data reporting requirements of the various human service agencies.

-- Establish a focal point within state government for programs dealing with children.

-- Coordinate the employment allowance programs of the Department of Economic Security with the income maintenance activities of the Department of Human Services.

Other interagency activity areas identified where further examina-
tion necessary to improve programs

-- Ensure that the rules and regulations of the Departments of
   Health and Human Services are consistent with each other.

-- Consolidate in a single location, all organizational units
   of an agency where such units are now in different buildings.

-- Develop a conceptual framework and guidelines which can be
   used to coordinate human service programs at the state level.

-- Require clear statements of mission and goals of human service
   agencies to guide their long-range planning processes.

VIII. PROCESS FOR IMPLEMENTING STUDY RECOMMENDATIONS

Administration's Policy Development Process

The Administration has established a policy development process which
utilizes a system of sub-cabinets and issue teams. The purpose of this
process is to identify key issues confronting the Executive Branch and
to make recommendations to the Governor concerning policy and future
directions for the Administration.

After a thorough process which involved meeting with legislative leaders,
agency heads, key constituent groups and many outside organizations,
the Administration identified 48 key issues which have a high priority for
the current legislative session and for the 1985 session (Appendix 7).

A system of interagency issue teams was established to deal with each
cf these issues. Each team consists of representatives from those state
agencies which are already involved with or have a strong interest in the
particular issue. A lead agency is assigned the responsibility of putting
together and maintaining the team and providing issue research support.

These issues come under the general direction of a system of sub-cabinets
which deal with the various major areas of state government. Each
sub-cabinet determines those agencies which should participate on the
teams working on issues under the jurisdiction of the Sub-cabinet. The
Health, Human Services and Economic Security issues come under the juris-
diction of the Human Services Sub-cabinet. The Human Services Sub-cabinet
has had periodic progress reports on the merger study and has given it
direction at several points in time.

The State Planning Agency provides overall coordination in the identifica-
tion, prioritization and development of these issues. The Department
of Finance provides fiscal analysis and direction in the development of
these policy issues.

Sub-Cabinet Issue Management Process

It is recommended that the Human Services Sub-cabinet establish a
standing "Technical Representative Committee" of managers for agencies
represented on the sub-cabinet. The purpose of this Technical Committee
would be to provide on-going staff support and assistance to the agency
heads represented on the Sub-cabinet such as preparation for and follow-
up to the Sub-cabinet meetings.

Step 1: Sub-cabinet selects those issues identified above using the
         following criteria.

         a. Issue fits a high priority of the administration (see
             Appendix 8 for list of administration goals); or

       b.   Issue relates directly to an already existing Issue
           Team's area of concern, e.g., American Indian Issue
           Team; or

       c.   The issue has a "time-critical" nature with real need
           to address it now, e.g., rising costs of nursing home
           care; or

       d.   There is an apparent opportunity for cost savings or
           for making a significant improvement in management
           of the issue area; or

       e.   There is legitimate client pressure about the impor-
           tance of addressing the issue; or

       f.   The issue fits a priority area of the legislature; or

       g.   Other criteria to be developed by the Sub-cabinet.

Step 2: Agency heads appoint members to the Issue Team(s).

Step 3: Issue Team reviews all relevant data from merger study.

       a.   Examine network of existing agency relationships;

       b.   Identify problems with existing network, e.g., gaps,
           duplication, etc.;

       c.   Identify a specific agency which is or should be
           responsible for each population group or problem
           area;

       d.   Review other studies or evaluations relevant to the
           issue area;

       e.   Review information from the Field Survey.

Step 4: Issue Team examines range of alternatives for managing the
        issue.

       a.   No change needed, existing interagency coordination
           sufficient;

       b.   Periodic meeting of program managers from involved
           agencies;

       c.   Interagency agreements, formally signed by agency
           heads;

d. Interagency task force, board or committee established
    by executive order of the Governor;

e. Statutory clarification of roles, or statutorily created
    coordinating committee, board or task force;

f. Transfer, consolidation, or merger of parts or all of
    the programs in the issue cluster by executive order
    of the Governor.

Step 5: Human Services Sub-cabinet decision on issue resolution.

a. Issue Team presents advantages and disadvantages of each
    alternative to the Sub-cabinet and reasons for the alter-
    native recommended by the team;

b. Sub-cabinet makes decision about appropriate alterna-
    tive and directs Technical Representatives. Issue Team
    prepares plan for implementing the alternatives
    selected.

Intra-Agency Planning and Coordinating Opportunities

It is also suggested that each agency examine its own system of program
administration and coordination. A number of steps are recommended for
each agency to follow to analyze the intra-agency coordination among and
between bureaus, divisions and other internal organizational units. The
field survey had many respondants who urged greater coordination within
state agencies. The data provided by this study can assist in the process
of achieving this goal. The following intra-agency process is recommended:

-- Each agency should establish an internal team from each
   major bureau or division within the department, under the
   direction of the Commissioner's Office. The team
   should carry out the following steps:

   a. Using the data from the study, examine all programs
       which have common goals, deal with common problems
       or serve the same target populations;

   b. Examine the current relationship in administering
       these programs in terms of the state agency role
       and the role of the local delivery system;

   c. Identify intra-agency coordination problems and
       opportunities; and

   d. Initiate a strategic planning process, based on the
       above steps, which includes designing any necessary
       intra-agency coordination mechanisms needed including
       strengthening the planning and management capacity at
       the Departmental level.

As the result of the survey, each agency now has information available
to it, about its own programs in terms of problems, goals and target
populations. This information should be used as a valuable tool by the
agencies to examine their individual missions, roles and responsibilities
and how well it is coordinating its own activities internally to achieve
these goals.

IX. CONCLUSIONS

This study recommends a specific partnership approach that can help manage
complexity and improve the coordination of human service programs at
the state levels. Essentially, such an approach builds working relations
and partnerships between and among agencies which share some responsibility
for common problems, goals or target population. To make such an approach
effective and workable, there are several essential elements which must
be in place.

First, an overall conceptual framework around which there is a common
level of understanding and agreement is needed. It is important that
the framework be specific enough so that a given agency and its subdivision
can identify with it. At the same time, the framework must be sufficiently
broad and encompassing that it can be understood across agency lines and by
policy-makers and the public as well as by technical specialists within
specific agencies. It is clear from the results of the study that many
agencies already participate in the administration of the human service
programs. However, the evidence is that these relationships were developed
over time and were not part of any overall agency-level framework or policy.
To move ahead with a comprehensive approach to forming such partnerships,
under the general direction of the Sub-cabinet and Issue Team approach
requires some minimal level of agreement about basic concepts.

Another essential element in this partnership approach is the need to
clearly define the mission and roles of the respective agencies which
take part in these programs. A strategic planning approach should be
used as part of the definition process. Ultimately, lead responsibility
for each goal, problem category and target population will have to be
assigned to a specific agency. The lead agency should be the one which
already has such a mission or role thereby making it the most appropriate
agency for assuming primary mission responsibility.

Another important element in this collaborative, partnership approach
is the need to develop a common language or taxonomy. The suggested
problem and goal categories used in this report can provide such a common
nomenclature. It must be recognized that each agency dealing with a
problem category such as chemical dependency will attach a somewhat
different meaning to this term based on the training, mission and role
of that agency. However, a finite, agreed-upon list of problems and
goals, as used in this study, can provide the common thread or glue needed
to pull together the appropriate agencies and units to begin the
analysis of the existing network of linkages.

Of primary importance to the success of this partnership approach is a
commitment to this activity by the highest level within the Executive Branch.
Such a commitment is imperative because it sets the climate within which

agencies will work together. A beginning has already been made by the
Governor who has established the Sub-cabinets and the Issue Teams.

An additional commitment is necessary to the interagency analyses process
recommended in this report. Such a commitment and support from the
Executive Branch as well as the understanding and support from the appro-
priate legislative committees is critical. This partnership approach
also presupposes some kind of on-going mechanism and/or process to see
to it that the issue clusters are taken through the careful interagency
analysis and implementation process recommended. The key word here is
on-going. It is important to ensure that a process has been put in place
which will guide the work of the Issue Teams, will review their findings
and recommendations and will make decisions and implement them based on
the foregoing process. Too often, approaches such as this which have a
heavy process orientation do not succeed because of the simple, but basic
fact that many such initiatives are started at the state level, but few
are actually carried through. The Sub-cabinet approach appears likely to
provide such an on-going mechanism with the added strength that agency
directors serve on it. This involvement of agency directors can provide
critical support to the Issue Teams and legitimize their coordination
efforts.

Another element essential to the success of this process approach, is
the need for a third party to provide objective staff support and help
broker and negotiate interagency agreements. This role can be played by
the State Planning Agency, with assistance from the Department of
Finance. The role of negotiating between equals is essential to a
process of interagency problem-solving and will do much to ensure the
success of the partnership approach. In addition, these two support agencies
can provide information and other assistance to help identify the issues
and the alternative approaches to resolving them.

Finally, a new system of incentives and rewards must be put in place
to make interagency problem-solving truly effective. There is a long
and usually dismal history of the effectiveness of many such interagency
teams and activities. A major reason for the failure of these efforts is
that rewards are not given for participating in interagency activity.
Rather, rewards are given for making the individual agency head, division
director or section leader satisfied that the specific responsibilities of
his or her administrative unit are being met. Inevitably, the payoff for
interagency collaborative activity takes second place to responding to the
imperatives of the agency for which the team member actually is employed.
This is not an insoluable problem, however. The use of matrix management
systems in the private sector have been used to demonstrate that team
members often do work for dual authorities and rewards can be built into

doing an effective job for both the line manager and the team assignment. Special effort must be paid to ensure that this happens, however. If it does not, the time and creativity of the team member will almost certainly be drained away from the interagency effort and will be placed where the payoff will be most certain--with the line operation.

In conclusion, team efforts and interagency working system can be effective, but only if some very important components are in place. It would appear that some of these elements already exist in the system of Sub-cabinets, Issue Teams and interagency collaboration which has been initiated by this administration. It is vital that all the necessary additional steps be taken to ensure that this collaborative, partnership approach has the best chance of succeeding.

APPENDIX 1

1   A bill for an act

2   relating to state departments and agencies;
3   authorizing a study by the department of energy,
4   planning and development of a possible merger of the
5   departments of health and public welfare into a new
6   state department to be called the department of human
7   services; appropriating money.

8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

10   Section 1.   [DEPARTMENTS OF HEALTH AND PUBLIC WELFARE;

11 STUDY OF MERGER.]

12   The commissioner of energy, planning and development shall

13 provide to the legislature and the governor no later than

14 January 1, 1984, a study of the feasibility of merging the

15 departments of health and public welfare into a new state

16 department to be called the department of human services. The

17 study shall examine intergovernmental, social, administrative,

18 and financial ramifications of the merger, including:

19   (1) services to be provided to the public;

20   (2) administration of programs;

21   (3) appropriate funding mechanisms;

22   (4) appropriate inter-agency activity necessary to

23 effectuate the merger.

24   Sec. 2.   [APPROPRIATION.]

25   The sum of $......... is appropriated from the general fund

26 to the commissioner of energy, planning and development for the

1 purpose of administering section 1. The sum is available until.
   ----
2 expended.

APPENDIX 2

Chronology of Significant Human Service Integration Events in Minnesota:

The following chronology summarizes the key events in human service reorganization in Minnesota during the past 12 years. The purpose of this listing is to show the specific events in Minnesota which preceded and set the stage for the present study of the Departments of Health, Human Services and Economic Security.

1972 - Office of Program Development

Governor Anderson established this office in an effort to study the delivery of human services and their eventual integration. He also established the Human Services Council which consisted of the heads of human service agencies to advise him on policy issues in human services.

1973 - Community Corrections Act

This piece of legislation resulted in the development of single and multi-county community corrections programs throughout the state.

1973 - Human Services Act

The establishment of eight Human Service Boards which have the ability to integrate health, welfare and corrections programs at the local level resulted from this act.

1975 - Office of Human Services

This office was established by legislation with responsibility to report to the legislature on the reorganization of the delivery of state and local human services. The result was a report recommending the consolidation of human service agencies into two new state departments - Economic Security and Health and Social Services.

1977 - Minnesota Department of Economic Security

The creation of this department resulted from legislation which merged three state agencies: The Governor's Manpower Office, the Department of Employment Services and the Department of Vocational Rehabilitation. It did not include the income maintenance programs as had been recommended by the Office of Human Services. Separate legislation which would have established a Department of Health and Social Services was not passed.

1976 - <u>Community Health Services Act</u>

    Forty-seven single and multi-county community health agencies
have been organized as a result of this act.

1979 - <u>Community Social Services Act</u>

    This act consolidated a large number of state categorical
human service programs within the Department of Public
Welfare into a block grant to counties. This parallel
federal legislation which moved toward decentralization
and decategorization of programs under Title XX of the
Social Security Act.

1982 - <u>Minnesota Long-Term Care Plan</u>

    Developed under a federally funded project, the plan
recommended a mechanism to insure continuity of long-term
care planning, policy and program development, and a state
level entity for addressing long-term care policy on an
ongoing basis.

1983 - <u>Interagency Board</u>

    The purpose of the Board is to recommend methods for the
implementation and enforcement of an effective system to
ensure quality of care in nursing homes.

Merger Study: Departments of Health and Public Welfare

IDENTIFICATION	
ACTIVITY	GRANT IN AID
AGENCY	PROGRAM
INDIVIDUAL COMPLETING FORM	TITLE / TELEPHONE NUMBER

PURPOSE OF PROGRAM

TARGET POPULATION(S) OF PROGRAM	ESTIMATED SIZE OF POPULATION

GEOGRAPHIC SCOPE

☐ STATEWIDE   ☐ OTHER

STATUTORY BASE (SPECIFY CITE)

☐ FEDERAL _____   ☐ STATE _____

TOTAL PROGRAM EXPENDITURES (FY 83)

FEDERAL $ _____   STATE $ _____   LOCAL $ _____   TOTAL $ _____

COMMITTEES, BOARDS, TASK FORCES OR COUNCILS

LIST THE GROUP(S) RELATING TO THIS PROGRAM AND THEIR COMPOSITION

RELATIONSHIP IS:

☐ OPTIONAL   ☐ REQUIRED BY STATUTE (SPECIFY) _____ ☐ REQUIRED BY _____

SCOPE OF AUTHORITY

☐ POLICY AUTHORITY   ☐ ADVISORY ONLY   ☐ ADVISORY TO _____

BRIEFLY DESCRIBE THE PURPOSE OF THE GROUP(S).

ROLES OF STATE AND LOCAL AGENCIES

CODES

1. DIRECT ADMINISTRATION
2. SUPERVISE LOCAL AGENCIES
3. APPROVE LOCAL PLANS
4. PREPARE STATE PLAN
5. PREPARE LOCAL PLAN
6. MONITOR, EVALUATE, COMPLIANCE
7. SET STANDARDS
8. PROVIDE TECHNICAL ASSISTANCE
9. CONTRACT FOR PRGM. DELIVERY
10. EDP SUPPORT
11. PYMT. TO CLIENTS/PROVIDERS
12. DIRECT SERVICE TO CLIENTS
13. FIELD AUDIT
14. DESK AUDIT
15. DISPERSE STATE FUNDS
16. DISPERSE FEDERAL FUNDS
17. NO SIGNIFICANT ROLE
18. OTHER (SPECIFY)

_____

_____

_____

LIST THE NUMERICAL CODE FOR ALL APPROPRIATE ROLE(S) OF THE STATE AGENCY IN THIS PROGRAM.

DESCRIBE STATE AGENCY ROLES

SPECIFY THE PRIMARY LOCAL AGENCY INVOLVED

LIST THE NUMERICAL CODE FOR ALL APPROPRIATE ROLE(S) OF THE PRIMARY LOCAL AGENCY INVOLVED.

DESCRIBE LOCAL AGENCY ROLES

STATE

LOCAL

LEGISLATION AND EVALUATION

HAS THERE BEEN LEGISLATION SINCE 1980 AFFECTING THIS PROGRAM? ☐ YES ☐ NO

IF YES, SPECIFY ☐ FEDERAL _____ ☐ STATE _____

MAJOR THRUST OF LEGISLATION

HAS THERE BEEN A STUDY OR EVALUATION OF THIS PROGRAM IN THE LAST 10 YEARS? ☐ YES ☐ NO

IF YES, WAS IT ☐ LEGISLATIVELY MANDATED ☐ AGENCY INITIATED ☐ OUTSIDE INITIATED (BY) _____

GIVE A BRIEF DESCRIPTION OF THE RESULTS OF THE STUDY

TRENDS

DESCRIBE ANTICIPATED MAJOR TRENDS OR CHANGES IN THE PROGRAM

RELATIONSHIPS

IS THERE OR SHOULD THERE BE A FISCAL OR PROGRAMMATIC RELATIONSHIP WITH ANOTHER STATE AGENCY CONCERNING THIS PROGRAM? ☐ YES (SPECIFY ON PAGE 4) ☐ NO

ACTIVITY	GRANT IN AID
AGENCY	PROGRAM
INDIVIDUAL COMPLETING SURVEY	TITLE TELEPHONE NUMBER

RELATIONSHIPS

EXISTING OR POTENTIAL	OTHER AGENCY (STATE OR REGIONAL)	AUTHORITY (CODE & CITE)	NATURE OF RELATIONSHIP		CODES
			CODE	AMOUNT	
☐ E ☐ P				$	**AUTHORITY FOR RELATIONSHIP** 1 STATUTORY 2 EXECUTIVE ORDER 3 RULES 4 OTHER (SPECIFY)
☐ E ☐ P				$	**NATURE OF RELATIONSHIP** 1 SHARED DECISION-MAKING 2 JOINT PLANNING & POLICY 3 JOINT FUNDING 4 TRANSFER OF FUNDS 5 SHARED PROGRAM RESPONSIBILITY 6 CONTINUUM OF CARE/RESPONSIBILITY 7 MONITORING/EVALUATION/COMPLIANCE 8 ESTABLISH STANDARDS 9 REGULATORY/LICENSES
☐ E ☐ P				$	10 COST CONTAINMENT 11 JOINT STAFFING 12 SHARED ADMINISTRATIVE FUNCTIONS (SPECIFY) 13 OTHER (SPECIFY)
☐ E ☐ P				$	
☐ E ☐ P				$	

SUMMARY AND RECOMMENDATIONS

•For each existing or potential relationship identified above, provide the following information:

Existing Relationships:
1) is it currently an active relationship?
2) how effective has this relationship been?
3) are there any problems with this relationship?
4) how can this relationship be made more effective?

Potential Relationships:
1) why should a relationship exist?
2) what should be the nature of that relationship?

Are there any other areas where you think your program could or should work more closely with another state agency? Please specify:

OR THE ADMINISTRATION OF HUMAN SERVICES (BENTON AND HANSAN, 1983)

SOCIAL SERVICES   MEDICAL SERVICES

Column headers (Social Services): CHILD WELFARE | CHILD ABUSE & NEGLECT | RUNAWAY YOUTH | ADULT DAY CARE | CHILD DAY CARE | COMMUNITY SERVICES | SERVICES TO FAMILIES | OTHER

Column headers (Medical Services): FAMILY PLANNING | TEENAGE PREGNANCY | MEDICAL ASST. | VOCATIONAL REHAB | MENTAL HEALTH | MENTAL RETARD. | PRIMARY CARE | PREVENTIVE HEALTH | ALCOHOL ABUSE | DRUG ABUSE | CRIPPLED CHILDREN | MATERNAL & CHILD | SERVICES TO BLIND | OTHER

CORRECTIONAL SERVICES · COMPACTS · SPECIAL PROGRAMS

PROBATION	YOUTH PROBATION	YOUTH PAROLE	YOUTH PROBATION OTHER	JUVENILES	PLACEMENT OF CHILDREN	PAROLE & PROBATION	MENTAL HEALTH	EMERGENCY	SHELTERS WEATHERIZ.	REFUGEE ASST.	VETERANS SERVICES	OTHER	NOTES AND COMMENTS
C&Y U C U I	C&Y C U C I	C&Y U U C J	— — — —	C&Y U U I	PW U U U PW	? J C ? C C	MH U H U I	? U ? ?	EGY U U CSA:s	PW U U PVI	? V V ? PVI	— -- —	
C&Y C U U	C&Y C U U	J C C U	— — =	C&Y ? U U	C&Y U O U	J C U ? C/P	MH U U	HO — V U	U CSA EGY CSA G	U U U U	H ? U ADM V	— — —	
U C C U	U U C U	J C C J	— = — =	J U C&Y C	— U C&Y PW U	J C C C U	H U MH MH U	U U — — —	U U CSA ACS EGY	U U IM PW REF	U U V V U/V	---- — — —	
U C C H	U U C H	? U U C H	— — — —	U U U U H	U U U U U	? C U/C C C	U U V MH H	? U U U	U CSA CSA U	U U U U U	? V V V V	— — — —	
U PW C C PW	U PW C C PW	PRO PW C C PW	— — — — —	? PW C PW PW	U PVI U PW PW	— C C C C	U MH U MH MH	— PW U PW ?	CSA L L G NR	U PVI U PW PW	U V V V V	— — — — —	
I C U I C	I C U PRO C	I PRO U I C	— — — — —	I C U PRO U	PW PW U U ?	I C/PRO PP PRO ?	I I U U U	PW/CM — — — U	PW EGY G CSA ?	PW PW U U U	(PW) V V — U	-- — — — —	
C C&Y U U :&Y	C C&Y J J C&Y	C C&Y J I	— — —	C C&Y U U	PW PW U U PW	C C/PRO C C IC	H MH U U	— PW/HO CSA —	PW S COM —	PW PW U U	V V ADM V E	— —	
PW U PW :&Y :&Y	PVI U — C&Y C&Y	PW U C&Y C&Y	— — = —	PW U PW C&Y C&Y	PW U PW C&Y PW	C U PP C C&Y	MH U PW MH MH	— U PW PW PW	CSA U CSA CSA G	PW U PW PVI PW	? V V PW V	-- — — — —	
I ? U U	I C ? U U	I C ? J U	— — — —	I C ? U U	PW PW U U U	I IC ? U U	— MH ? — U	— PW — U U	PW PW U U V/E U	PW PW U U U	— ? ? H ?	— — — — —	
C U ? U	C U ? U	C C U —	— U²⁶ U³⁰	C U ? U	PW U U U	C C ? U	MH U ? U	U ? ? —	PW/A — CSA U	PW U U U	V V ? V	— — — —	
I	P&P	P&O	—	U	U	P&P	U	—	U	U	—	—	

CODE

A	Aging
A&D	Alcohol & Drug (Substance) Abuse
ACS	Aging & Community Services
ADM	Administration
B	Blind
C	Corrections (including Offender Rehabilitation)
CC	Crippled Children
COM	Commerce
CR	Crime
CSA	Community Services (including Community Affairs)
CY	Children & Youth
D	Drug Abuse
E	Education
EGY	Energy
F	Federal Aid Coordinator
G	Governor
H	Health
HO	Housing
HR	Human Resource Agency (including Income Maintenance & most Social Services)
I	Institutions & Agencies
IM	Income Maintenance only
J	Judiciary or Justice
L	Labor, Employment Security
MA	Medical Assistance (Medicaid)
MH	Mental Health (including Developmental Disabilities)
MR	Mental Retardation
OD	Occupational Development
PAR	Parole
PP	Parole and Probation
PP	Programming & Planning
PRO	Probation
REF	Refugee
REV	Revenue
S	State
SS	Social Services only
V	Veterans (including Military Affairs & Adjutant General)
U	Umbrella
PW	Public Welfare Dept

APPENDIX 5

MINNESOTA STATE PLANNING AGENCY

Merger Study: Departments of Health & Welfare

Name _____   (Please type in your responses,
                                           using additional sheets if
Address _____   needed. Return to Richard
                                           Dethmers, MN State Planning
        _____   Agency, 200 Capitol Square
                                           Building no later than
        _____   October 21, 1983)

Your interest in or affiliation with the State Departments of Health and

Welfare:

_____

_____

_____

_____

_____

_____

Issues or Problems you see with present methods of coordinating the activities

and programs of the Departments of Health and Welfare:

_____

_____

_____

_____

_____

Changes you would recommend in the present structure, functioning, or operation

of the Departments of Health and Public Welfare:

_____

_____

_____

_____

APPENDIX 6

Merger Study - Departments of Health, Welfare and Economic Security

Data Analysis
Department of Health

Problem Category: Environmental Hazards

Programs	Related Agencies
Chronic Disease Epidemiology	Pollution Control Agency
Environmental Health Supervision	Metropolitan Waste Control Minnesota Hazardous Waste Board
Water Supply and General Engineering	Pollution Control Agency Department of Natural Resources Agriculture Pollution Control Agency Department of Natural Resources Minnesota Geologic Survey Agriculture Administration
Hotels, Resorts, Restaurants	Public Welfare Pollution Control Agency
Occupational Health	Labor and Industry
Radiation Control	Public Safety Environmental Quality Board
Analytical Services	Pollution Control Agency Transportation
Environmental Field Services	Pollution Control Agency Department of Natural Resources Transportation Corrections
Health Risk Assessment	Pollution Control Agency Agriculture State Planning Agency

Environmental Health Programs		Administration	Supervise Local Agencies	Approve Local Plans	Prepare State Plan	Prepare Local Plans	Monitor, Evaluate, Comp.	Set Standards	Provide Technical Asst.	Contract for Program Delivery	EDP Support	Payment to Client/ Provider	Direct Service to Clients	Field Audit	Desk Audit	Disperse State Funds	Disperse Federal Fund	No Role	Other
Environmental Health Supervision	(State)	X		X			X	X	X			X	X						
	(Local)					X	X		X	X			X						
Water Supply & General Engineering	(S)	X		X			X	X	X	X									
	(L)					X	X		X										
Hotels, Resorts, & Restaurants	(S)	X		X			X	X	X				X						
	(L)	X				X	X		X	X			X						
Occupational Health	(S)	X					X		X										
	(L)																	X	
Radiation Control	(S)	X					X	X	X	X			X						
	(L)																	X	
Analytical Services	(S)	X					X	X	X				X						
	(L)																	X	
Environmental Field Services	(S)	X		X			X	X	X				X						
	(L)	X				X	X		X				X						
Health Risk Assessment	(S)	X						X	X										
	(L)																	X	
Disease Prevention & Control	(S)	X	X	X	X		X	X	X	X	X		X						
	(L)					X	X		X				X						
Chronic Disease Control	(S)	X	X	X	X		X		X	X									
	(L)					X	X		X				X						
Acute Disease Epidemiology	(S)	X		X					X				X						
	(L)					X							X						

Programs	Statutory	Exec. Order	Rules	Memo of Agreement	Informal	Contractual	Other	Shared Decisions	Joint Planning	Joint Funding	Transfer of Funds	Shared Program Responsibilit	Continuum of Care	Monitoring/ Evaluation	Establish Standards	Regulatory/Licenses	Cost Containment	Joint Staffing	Shared Admin.	Technical Assist	Consultation	Other	Agency
Environmental Field Services	X			X								X		X		X			X				MPCA
				X										X	X	X							DNR
				X										X	X	X							DOT
				X										X	X	X							Corrections
Health Risk Assessment					X			X				X											MPCA
					X				X														Agriculture
	X																			X			State Planning (EQB)
Disease Prevention & Control							X		X													X	University of MN
					X																X		Many (unspecified)
Chronic Disease Control							X		X														DPW (potential)
							X		X														Education (potential)
							X		X														Public Safety (potenti
							X		X														Transportation (potent
Acute Disease Epidemiology					X																	X	University of MN
					X																X		Public Welfare
					X																	X	Agriculture
					X																	X	Natural Resources
					X																	X	BD. of Animal Health

Programs	Statutory	Executive Order	Rules	Memo of Agreement	Informal	Contractual	Other	Shared Decisions	Joint Planning	Joint Funding	Transfer of Funds	Shared Program Response	Continuum of Care	Monitoring/Evaluation	Establish Standards	Regulatory/Licenses	Cost Containment	Joint Staffing	Shared Administration	Technical Assist.		Other	Agency
Environmental Health Supervision					X															X			Metro Waste Control Commission
	X																			X			MN Hazardous Waste Board
Water Supply & Engineering A: Public Water					X			X				X		X	X								MPCA
					X									X									DNR
					X									X									Agriculture
B: Ground Water	X											X		X	X								MPCA
	X											X		X	X								DNR
	X													X									MN Geological Survey
					X							X		X									Agriculture
C: Plumbing	X													X	X								Administration
Hotels, Resorts, Restaurants	X													X	X	X							DPW (Food Service in Day Care Centers)
	X			X								X		X		X		X					MPCA
Occupational Health	X							X	X		X	X		X	X	X							Labor & Industry
Radiation Control	X							X	X		X	X											Public Safety (Emergency Services)
																						X	EQB (potential)
Analytical Service				X								X		X						X			MN/DOT
	X										X	X		X					X				MPCA

APPENDIX 7

I. <u>Executive Management Subcabinet</u> (Sandra Hale, Chair; Tom Triplett, Planning and Jay Kiedrowski, Finance, Support)

1. State borrowing policies and debt management: review of relationship between general obligation and revenue financing, assessment of state's debt capacity, improvement opportunities in cash flow, methods to improve bond ratings (1984-85; Norm Dybdahl, Finance)

2. Tax reform: assessment of state's overall tax program, relationship between state and local revenue raising methods, impact of tax structure on quality of life and business growth, property tax classification system, local option taxes (1985; Latimer Tax Study Commission; Bob Ebel, Staff Director)

3. Governmental process: review of alternative dispute resolution techniques, improvements in rulemaking and contested case provisions of Administrative Procedure Act (1984-85; Peggy Byrne, Planning)

4. Public pensions: determination of appropriate levels of employer and employee contributions; consideration of alternative benefit determination formulas; vesting of employees; "defined contribution" options (1984-85; Ron Hackett, Finance)

5. New opportunities for revenue raising: increased reliance on fee generation (1985, Al Yozamp, Finance)

6. Constitutional officer positions: possible redefinition of functions; opportunities for consolidation and reduction in number of constitutional officers (1984; Patricia Burke, Planning)

7. State procurement programs: "Buy Minnesota" bill; small business and minority business set-aside programs, review of impact of procurement programs on state businesses (1984; Babak Armajani, Administration)

8. State boards and commissions: review of need for various groups; opportunities for transfer of appointment power from Governor to agency heads; alterations in agency servicing responsibilities for boards and commissions (1984; Roger Williams, Planning)

9. Long-term trend analysis capabilities of the state: review of our ability to project future needs for systems such as education, human services and transportation, consideration of needed improvements; assessment of existing means for the determination of public opinion on the importance of various issues facing the state; possible new techniques for assessment of public opinion (1985; Al Robinette, Planning)

II. Local and Regional Affairs Subcabinet (Rudy Perpich, Chair;
     Joe Sizer, Planning, and Dave Johnson, Finance, Support)

1. Fiscal and service relationships: which units of government
    should be providing/regulating/paying for which services;
    review of need for state mandates on local governments;
    continued need for privileges and exemptions enjoyed by local
    governments (e.g. liability caps, license plate fee exemptions);
    alternative service delivery options; special assistance programs
    for areas of the state experiencing severe economic distress;
    state regulation of local government activities: (e.g. pensions,
    employment data, privacy, economic development)
    (1985; Jay Fonkert, Planning)

2. Regional planning and governance in Minnesota: proper roles
    for regional development commissions, provision of services
    to those regions in the state no longer having RDCs
    (1985; Maury Chandler, Planning)

3. State and local governments' relationships with Indian
    reservations: determination of appropriate governmental roles;
    review of tax and other implications (1985; Shirley Dougherty,
    Planning)

4. Metropolitan governance: proper technical and policy roles
    of metropolitan regional organizations (1984-85; Joe Sizer,
    Planning)

III. <u>Energy/Environment/Resources Subcabinet</u> (Sandra Gardebring, Chair; Tom Kalitowski, Planning and Doug Watnemo, Finance, Support)

1. Wastewater treatment project financing: review of system needs, development of plan for state and local participation in financing (1984; Barry Schade, MPCA)

2. State and local water planning: development of options for better coordination of **state** and local programs (1985; Jack Ditmore, Planning)

3a. Solid wastes: (1984-85; Mike Robertson, MPCA)
3b. Hazardous wastes: (1984-85; Robert Dunn, Waste Management Bd) Development of plans for waste reduction and utilization of waste products as economic resources.

4. Natural resources as economic development tools: balancing of environmental and economic issues; development of coordinated strategies for resolution of usage conflicts; determination of market identification needs (1985; Steve Thorne, DNR)

5. Indigenous energy resource opportunities: development of coordinated development and marketing strategies for alternative energy modes including peat, biomass, hydro, solar, wind, geothermal and others (1984-85; Marcia Janssen, Energy and Economic Development)

6. Environmental monitoring and sampling: establishment of indices; improvement in interagency coordination such as sharing of lab facilities (1985; Mike Sullivan, Planning)

7. Environmental beautification: review of existing state programs; targeting of needs and development of interagency program to coordinate with local activities (1984-85; Frank Ongaro, Quality Environment Project)

8. State agriculture policy: development of comprehensive review of current policies of state and local governments which affect Minnesota agriculture; analysis of options for state agency participation in agriculture development; review of economic and social significance of alternative policies of such institutions as the family farm (1985; Allen Jaisle, Planning; Ann Kanten, Ag.)

9. Federal agricultural disaster relief programs: review of current policies toward designation of disaster areas; development of appropriate state response mechanisms (1985; Gerald Heil, Agriculture)

IV. <u>Jobs and Economic Development Subcabinet</u> (Mark Dayton, Chair; Ed Hunter, Planning, and Dave Johnson, Finance, Support)

1. Unemployment insurance: Prepare a recommended approach to achieve financial solvency and stability in the state's unemployment insurance system (1984; Gene Sampson, Economic Security)

2. Job training: assessment of the current and future training and retraining needs of Minnesota workers and employers; design of a more effective linkage between state and local agencies and non-governmental organizations (1985; Monica Manning, Job Training Partnership Board)

3. Economic development strategy: develop an administration "statement" on policies and programs designed to achieve job creation and economic development; proposed policies or programs to be addressed by 1984 initiatives; long range goals, policies and programs to be addressed by later action (1984-85; David Reed, Energy & Economic Development)

4. Capital improvement (or "infrastructure"): assessment of Minnesota's current system for evaluating capital improvement needs and priorities and allocation of resources; preparation of an initial statement of needed action to improve monitoring of conditions, needs assessment, prioritization process and financing mechanisms (1984-85; Steve Nelson, Planning)

5. Housing: assessment of Minnesota's most critical housing needs (in the context of current construction or rehabilitation activity and demographic trends); analysis of effect of, and needed responses to, federal policies and programs; recommendations for state action (1985; Riva Nolley, Housing Finance)

6. Transportation: examination of Minnesota's state transportation system from the perspective of economic development; identification of where the transportation "system" presents a limit or barrier to effective economic growth, including an analysis of rail banks, fixed rail personal rapid transit in metropolitan areas, port facilities and commercial navigation aids on rivers and Lake Superior; review of the impact on continuing federal deregulation on Minnesota businesses or communities (1985; Chuck Kenow, Planning)

7. State regulation of business activity: reassessment of previous actions to deregulate business activity; examination of state laws and rules related to anti-trust, trade secrets, technology transfer and hostile takeovers; suggestion of possible approach to additional deregulation of business activity (1985; Charles Schaffer, Energy and Economic Development)

8. Innovation and entrepreneurship: identification of programs through which government can assist in the promotion of new ideas, research and development, innovation and entrepreneurship and improved access to the small business innovation research grants of various federal agencies (1985; Lis Christenson, Minnesota Wellspring)

9. Rural investment strategy: development of a strategy for directing state and local resources into rural areas of the state; agreement on a state capital investment strategy (1985; Tom Harren, Planning)

V. Human Resources/Services Subcabinet (Len Levine, Chair;
Dean Honetschlager, Planning, and Ted Spiess, Finance, Support)

1. State role in health care cost containment: evaluate
the effectiveness of existing regulatory and market
mechanisms in containing health care costs, including
Medicaid costs; examine means of increasing the state's
ability to control health care costs through changes
in market, regulatory, and alternative care mechanisms;
assess the short term effects and long term consequences
of the 1983 long term care cost containment legislation;
develop state strategy for long-term control
(1985; John Dilley, Planning)

2. Catastrophic health protection program: review current
laws and prepare options for improving cost benefit
(1984; Charles Poe, Public Welfare)

3. Alternatives to institutionalization for special needs
groups: prepare overview of model programs, community
alternatives and quality assurance mechanisms; assess
impact of changing delivery system on need for state
hospitals and develop options for reuse of state hospitals;
evaluate training needs of non-institutional service
providers and suggest training standards to ensure
quality services (1985; Colleen Wieck, Planning)

4. Poverty and jobs programs: describe the mix of income
support programs to determine their effectiveness
in addressing the short term and anticipated needs;
assess the current federal and state jobs programs
to determine where statute, rule or administrative
reform could contribute to more effective delivery
of service; assess the effectiveness of the AFDC and
general assistance programs and identify administrative
and participant related work incentives/disincentives
(1985; Jim Franczyk, Planning)

5. Emergency food, fuel and shelter programs: assess
effectiveness of existing programs; review of state
policies; analysis of role of private sector support
programs (1984-85; Ruth Ann Wefald, Economic Security)

6. Criminal and juvenile justice policy: develop compre-
hensive statements of policies and goals regarding the
criminal and juvenile justice system; review alternatives
to incarceration, crowding of facilities, and sentencing
guidelines; assess the impact of race and class on the
criminal justice population; examine alternative dispute
resolution strategies; revise the juvenile code in
relation to the child welfare statutes for legislative
action in 1985 (1985; Ann Jaede, Planning)

7. Government reorganization options: analysis of re-
distribution options for functions of Health, Public
Welfare and Economic Security departments (1984-85;
Rich Dethmers, Planning)

8.   Human rights enforcement activities in the state:
     opportunities for improved effectiveness; consideration
     of needed expansion of coverage of state law; review
     of alternative dispute resolution options; possible
     expanded role of local human rights agencies in current
     state procedures; financial implications of expanded
     local partnership (1984-85; James Hiniker, Administration)

VI. <u>Education/Cultural Affairs Subcabinet</u> (Ruth Randall, Chair;
Lani Kawamura, Planning, and Dale Nelson, Finance, Support)

1. Curriculum and course offerings: development of a compre-
hensive state policy and strategies for upgrading curricu-
lum and course offerings in elementary and secondary
education, including the role of public schools in economic
development and job creation initiatives, and the partner-
ship role of local districts, state government, and
private industry in this effort (1984-85; Ron Brandl - Education)

2. Standards for advance and graduation: need for more
challenging standards; role of state government in
evaluation and monitoring (1984-85;Curman Gaines - Education)

3. Teacher standards and compensation programs: development
of a policy which includes teacher evaluation and pro-
fessional education programs (1985;Dan Skoog - Education)

4. Role of public education in fostering institutional
change: assessment of ways by which public education
can be at the forefront of change (i.e. in languages,
science, arts); options may include establishing a high
school for the gifted and talented (1985;R.Kolowski   -Education)

5. Dissemination of innovation: ways by which the state
can help in the distribution and development of new
ideas in education, including curricula, teaching
methods, management techniques, and evaluation methods
(1985;Laura Zahn - Education)

6. Higher education and the private sector: development of
policies and strategies which strengthen the relationship
between business and education, and encourage the role of
higher ed in job creation initiatives; includes strategy
for technology education in the state, promotion of research
activities related to job creation, customized training
programs for industry, and shared resources
(1985; Ed Hunter, Planning)

7. Funding of public post-secondary education: evaluation of
recent legislative changes; consideration of future options
in appropriate tuition policies, student financial aid;
financial implications for systems and the state of
declining enrollment, population shifts (1985; Dale Nelson,
Finance)

8. Arts Funding: assessment of new options in arts revenue
(e.g. dedication of betting proceeds); possible joint ventures
with private sector; review of Arts Board programs;
relationship to regional arts councils (1985; Lani Kawamura,
Planning)

MAJOR GOALS OF THE PERPICH ADMINISTRATION

1. The central and overriding goal of this Administration is putting Minnesotans back to work. We want to promote the creation of new jobs and the expansion of Minnesota businesses by creating an environment conducive to long-term economic growth.

2. Minnesota taxpayers carry a heavy burden. Our taxes are too high, especially the personal income tax for certain categories of taxpayers. We must reduce this burden and develop a more equitable revenue-raising structure. We must review alternative revenue-raising programs such as fees-for-services.

3. Minnesota state government has made great strides toward fiscal stability. This was accomplished through careful budgeting, cost-cutting by state government agencies, conservative revenue estimations, reduction of short-term borrowing and the appropriation of an adequate budget reserve. These efforts must be continued and, where necessary, strengthened.

4. The operation and structure of government need constant review. A central goal of this Administration is to make government more rational in its structure, and more cost-efficient in its operation. We must re-evaluate which functions should be performed by which levels of government. Functions that have historically been delivered by public agencies may be better delivered by the private sector, and conversely.

5. We must develop effective working relationships with the private sector. This can be accomplished not only through transfers of service delivery, but also through the use of loaned private sector expertise and the creation of advisory commissions and councils.

6. We must lead Minnesota into the future. We want to encourage our businesses to recognize the existence of a world economy and the need to concentrate on international trade and investment. We must recognize that the prime competition for Minnesota's future economic growth comes from other parts of the world, and not from competing states.

7. While recognizing the need for a world view on our economy, we must also strive to reduce our dependence on foreign resources such as energy. We must strive to develop our non-traditional energy sources so as to make us less dependent upon the vagaries of international oil politics, and to reduce the export of Minnesota dollars for fossil fuels.

8. We must help our citizens become better prepared for the Minnesota of the future. Our education programs must concentrate on those skills needed for future employment opportunities. We must develop the capacity to re-train our displaced workers and find them new employment opportunities.

9. Agriculture is Minnesota's largest industry. The state must
    look for ways to strengthen our farm economy and improve the
    viability of our family farms. The state tax burden on operating
    farms should be restructured. We must also act aggressively to
    expand export opportunities for our agricultural commodities.
    Agricultural products as energy fuels is another promising
    market which should be developed.

10. We must recognize that some of our citizens will never directly
    benefit from our state's economic recovery. We must continue
    in our efforts to provide quality services for the poor and the
    disabled, but we must also work to provide them in a more cost-
    efficient manner. We must carefully review options for alternative
    delivery systems.

11. Minnesotans are justly proud of our efforts to protect our
    environment and our physical resources. Those efforts must
    continue, and they will be given a high priority by this
    Administration. Environmental and resource protection are not
    necessarily inconsistent with economic growth, but the balance
    of the two must be carefully preserved.

12. In performing our current functions, and in planning our
    upcoming activities, state government must adopt a long-term
    perspective. A major dilemma facing any Administration is the
    very brief time available for innovation. Too often, it is
    too easy to subsist by a day-to-day operation. We must
    constantly review our activities in the context of the long-
    term development of Minnesota.

END NOTES

1. Who Administers State Human Services? What Difference Does it Make?

    Bill Benton, Director of the Human Services Division of Urban Systems
    Research and Engineering and Jack Hansan, Executive Director of the
    National Conference of Social Welfare, 1983.

2. The State and Human Services: Organizational Change in a Political
    Context, (Cambridge: The M.I.T. Press, 1980)

3. State Human Services Reorganization: Comparing the Minnesota Experience,
    Program Evaluation Division, Office of the Legislative Auditor,
    March, 1980.

4. State Human Services Reorganization: Comparing the Minnesota Experience,
    Program Evaluation Division, Office of the Legislative Auditor, March,
    1980.

5. The Politics and Organization of Services: Consolidation and Integration
    David M. Austin, Ph.D. Public Welfare/Summer 1978, American Public Welfare
    Association.

6. Who Administers State Human Services? What Difference Does it Make?
    Bill Benton, Director of the Human Services Division of Urban Systems
    Research and Engineering and Jack Hansan, Executive Director of the
    National Conference of Social Welfare, 1983.