

MINNESOTA
STATE AGENCY

STATE PLANNING AGENCY

**ACTION
PLAN
1984-86**

Executive Branch Policy Development Program
1984-1985

STATE PLANNING AGENCY

June 11, 1984

STATE PLANNING AGENCY
ACTION PLAN EXECUTIVE SUMMARY

The Action Plan development process has been useful to the Agency in clarifying its mission, role and activity emphasis. Highlights of the Action Plan findings are outlined below:

Mission

The Planning Agency's principal mission is to coordinate public policy and planning for the executive branch of Minnesota State Government. The Agency also:

- coordinates and assists the executive branch in long-range planning;
- collects information relative to the identification and analysis of trends which impact the state, and disseminates this information to state agencies and other governmental units;
- identifies issues, and proposes new policy areas for consideration by the state;
- provides technical assistance, and administers programs mandated by the legislature.

Involvement

Due to the Agency's small size and limited resources, major emphasis will be devoted to its most effective and useful role as coordinator, information disseminator, policy developer, evaluator and monitor. Current activities which fall outside of this central mission, such as technical assistance, grants management and regulation, will continue to be performed by the Agency as needed by the state, but will generally be accorded less emphasis.

Guidelines for Future Activities

Management emphasis is on doing a limited number of things well rather than becoming involved in all issues of importance to the state. As a guideline, issues appropriate for Planning Agency involvement are those which:

- require an objective analysis by an agency not having a vested interest;
- have a scope which is broader than the focus of a single department;
- are not easily assignable to a line agency or are not now being adequately addressed by a line agency;
- are of particular interest to the Governor and are likely to become components of his policy program;
- require a particular staff expertise found in the Agency;
- provide opportunities for developing or maintaining communication links with constituent groups or the public which are useful in the Agency's policy development and monitoring role;
- provide a means of implementing state policy.

Priority Activities for Agency Involvement

Applying the guidelines above, the Agency identified general topic areas deserving additional emphasis. In order of priority, these areas are:

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|------------------------------|--------------------------------------|
| agriculture | water planning and water quality |
| job development and training | community affairs |
| transportation | data base development and management |
| economic strategy | |

I. BACKGROUND

A. History

The State Planning Agency was created by the 1967 Legislature to coordinate planning activities in the state and provide a dependable and consistent source of information for policy makers. Over the years, the role of the Agency has varied in accordance with the needs of the times. Generally, its role has been determined by 1) statutorily defined responsibilities, 2) special assignments from the Governor and the legislature and 3) as a condition of federal planning grants received by the Agency.

Over the years, a substantial portion of the Agency's energy has been devoted to special assignments from the Governor or legislature. Examples include the 3 1/2 year copper-nickel study, the Minneapolis/St. Paul Fiscal study, staffing the Commission on Minnesota's Future and serving as an incubator for several newly-created programs during their initial stages of development.

In 1981, the legislature reorganized the State Planning Agency as part of a statewide budget-cutting move. The Agency, along with the Department of Economic Development, Department of Energy and the Crime Control Planning Board, was consolidated into a Department of Energy, Planning and Development. Within the new organization, the original planning agency remained largely intact as the division of planning.

Upon his election in 1982, Governor Perpich emphasized the important role that planning would play in his administration. He appointed a bi-partisan task force on Long-Range Planning in State Government to recommend ways of developing and implementing a long-range planning program that would be coordinated with other public and private planning activities. After examining a variety of alternatives, the task force recommended the re-establishment of a free standing planning agency closely identified with the Governor. The task force further recommended that the new agency concentrate on planning activities with special emphasis on policy planning, analysis of major public investments and developing, maintaining and analyzing information related to demographics, land use and economics.

After considering the recommendations of the task force, the Governor recommended re-establishment of a free standing Planning Agency. To strengthen the policy development role of the new Agency, the Governor transferred the policy responsibilities formerly housed in the Governor's Office to the Planning Agency. Currently, the Agency director also serves as the Governor's chief policy advisor.

B. Current Organization and Staffing

The State Planning Agency is one of four staff agencies in the Executive Branch. The Agency's principal clientele are the Governor, as the State's Executive Officer, and the legislature. The Agency maintains a close working relationship with other state agencies and departments, units of local government, regional development commissions and the Metropolitan Council, higher education systems, private policy-making organizations and a broad variety of interest groups.

The Agency's current complement is 100 full-time professional and support personnel. In addition, some 25 part-time student workers are employed by the various divisions.

Structurally, the Planning Agency is organized by divisions which generally correspond with the Governor's Subcabinet System. The Agency's executive staff provides staffing support for all of the Governor's six subcabinets, and the Directors sits as a member of the Executive Management and Jobs/Economic Development Subcabinets. The Agency's division structure is as follows:

1. Environmental Division: coordinates statewide environmental policies and strives to improve the manner in which the state develops, protects and manages its environment. Major program areas are:
 - Environmental Quality Board
 - water planning
2. Human Services Division: reviews and coordinates policy development on issues of health, social services, income assistance, mental health, criminal and juvenile justice. Major program areas are:
 - criminal justice
 - developmental disabilities and social services
 - health planning and income security
3. Intergovernmental Affairs Division: coordinates the activities among local, state and federal government agencies in order to improve the state's capacity to respond to state and local concerns.
 - interstate programs
 - federal-state relations
 - local and regional assistance
 - research and policy development
4. Public Investment Division: responsible for program analysis and policy development in capital improvements and investment (infrastructure); job training and retraining; economic and demographic analysis; alternative service delivery systems and dispute resolution; and special studies relating to the state's economy. Major program areas are:
 - agriculture/agriprocessing
 - alternative service delivery/dispute resolution
 - capital improvements
 - economic policy
 - Office of State Demographer
 - Minnesota Wellspring
 - transportation
5. Land Management Information Center (LMIC): provides environmental information to land-managing agencies within federal, state and local units of government. The Center produces computerized maps, statistics and reports describing the state's natural resources. Major program areas are:

- data and systems management
- applications and development (service bureau)

Recently, the Agency has initiated a number of activities key to the Administration's emphasis on coordination of planning and policy development. The most prominent of these are the management of a process for identifying and resolving critical policy issues confronting state government in 1984 and 1985 and the state agency Action Plan program of which this report is a part.

C. Budget

The Agency's budget for Fiscal Year 85 totals \$7.6 million. Of this amount, \$5.2 million are state funds; \$1.4 million federal funds; \$.6 million service bureau fees and \$.4 million are pass-through grant funds.

II. AGENCY ACTION PLAN

A. Mission Statement

The principal mission of the State Planning Agency is to coordinate public policy and planning for the executive branch of Minnesota State Government. The Agency also:

- coordinates and assists the executive branch in long-range planning
- collects information relative to the identification and analysis of trends which impact the state, and disseminates this information to state agencies and other governmental units.
- identifies issues, and proposes new policy areas for consideration by the state
- provides technical assistance, and administers programs mandated by the legislature.

B. Planning Agency Involvement

The nature and extent of the Planning Agency's involvement in its activities will vary with the issue in question. Because of its small size, the Agency must allocate its resources judiciously, based on the importance of the issue and the need for Agency involvement in its resolution. The Agency does not have the resources to be operational in the sense of a line agency. The Planning Agency's value to the state derives from its ability to maintain a broad but comprehensive overall view and understanding of state government, to remain objective and to continue to accurately perceive relationships among and between local, state and federal programs. Therefore, the Agency will devote major emphasis to its most effective and useful role as coordinator, information disseminator, policy developer, evaluator and monitor. Current activities which fall outside of this central mission, such as technical assistance, grants management and regulation, will continue to be performed by the Agency as needed by the state, but will generally be accorded less emphasis. Major subactivities within our emphasis areas include:

1. Coordination/agenda and direction-setting/monitoring/evaluating
 - a. coordination of the critical issues identification and analysis process
 - b. oversight of the Action Plan development process for all cabinet-level departments
 - c. review of agency Action Plans and coordination with the FY 86-87 budget process
 - d. coordination and monitoring of the Governor's legislative package
 - e. evaluation of policy impacts resulting from proposed departmental programs or legislation.
2. Collection and dissemination of information/trend monitoring and reporting
 - a. reports from the demographer's office on census statistics and population forecasts.
 - b. Land Management Information Center (LMIC) activities

- c. information brokerage services available to local governments including the nationwide Local Government Information Network (LOGIN), instructive slide-tape shows and publications
- d. the "futures" task force which monitors emerging trends that have an impact on the state
- e. special studies of specific population groups such as elderly, poor or developmentally disabled persons.

3. Policy development

- a. development of public policy recommendations for addressing economic barriers related to the transportation system
- b. state hospital/community services options analysis
- c. public sector infrastructure study
- d. state response to federal high level radioactive waste siting process
- e. definition of "metro significance"
- f. development of state policy options for meeting the income needs of persons during times of recession and economic transition.

C. Guidelines for Future Activities

The State Planning Agency is a small agency with limited staff and fiscal resources. Management emphasis is on doing a limited number of things well rather than becoming involved in all issues of importance to the state. Therefore, to be most effective, the Agency and its key clientele must be selective in determining not only the issues requiring Agency involvement but also the nature and extent of that involvement. As a guideline, issues appropriate for State Planning Agency involvement are those which:

- require an objective analysis by an agency not having a vested interest
- have a scope which is broader than the focus of a single department
- are not easily assignable to a line agency or are not now being adequately addressed by a line agency
- are of particular interest to the Governor and are likely to become key components of his policy program
- require a particular staff expertise found in the Agency
- provide opportunities for developing or maintaining communication links with constituent groups or the public which are useful in the Agency's policy development and monitoring role
- provide a means of implementing state policy.

D. Priority Activities for Planning Agency Involvement

Applying the guidelines for determining the nature of those issues most appropriate for Agency involvement, and considering the various roles the Agency can play, we used the Action Plan process to identify general topic areas deserving additional emphasis. Of a total of eighteen topic areas suggested by Agency staff, seven were felt to be of greatest importance for future SPA involvement. These topics are listed below in order of priority and their relationship to the Governor's 12 goals is denoted in parenthesis. See Appendix I for the Governor's goals.

agriculture (9)
job development and training (1,8)
transportation (1,9)
economic strategy (6,7)
water planning and water quality (11)
community affairs (2,4)
data base development and management (12)

Action Step #1: The Agency will devote more of its existing resources, and will consider adding additional staff (using unfilled existing complement) in these areas. Specific types of involvement in each topic area will be considered by the appropriate division for review with executive staff. Action date - by September 1, 1984. (See also Action Step #4).

Using the same guidelines, the staff also identified current activities which might receive decreased emphasis. In view of tight budget guidelines for FY 86-87, an increase in emphasis in some areas may have to be accompanied by a decrease in emphasis in others. Staff are currently analyzing activities identified through this process to determine the most appropriate action and to recommend the re-distribution of resources within the Agency if deemed necessary.

Action Step #2: The Agency's Executive Staff will narrow this list of areas for decreased emphasis and will include them as budget recommendations and/or Governor's options. Action date - July 1, 1984.

Action Step #3: The Agency is in the process of reviewing its statutory mandates. An interagency team will be formed to make recommendations for any changes in the Agency's statutes. These changes will be included in a departmental bill for the 1985 session. Action dates - create team by June 8; team recommendations due by August 1, 1984.

E. Agency Structural and Procedural Changes

The Action Plan process encouraged Agency staff to formally identify operational issues dealing with organizational structure and internal office procedures. These concerns, together with organizational and procedural adjustments necessary to reallocate resources to the new high-priority initiatives previously listed, will be the subject of Agency involvement during the month of June, 1984. Specifically, changes will be sought:

- to increase the Agency's effectiveness in responding to issues of a short-term nature requiring a quick response time while concurrently allocating proper attention and stability to statutorily-mandated and longer term federally-funded projects
- to strengthen the Agency's capacity to coordinate the state's long-term planning and policy development activities
- to assure the Agency's ability to coordinate the Governor's legislative program
- to promote career development and greater job satisfaction among Agency employees by creating regular opportunities for diversified assignments and increased levels of responsibility
- to increase the awareness and cohesiveness of Agency staff through improved internal communications of office procedures.

Listed below are staff-generated recommendations for improving the Agency's organizational structure and internal operating procedures. Also listed are the Agency's Action Steps in dealing with each recommendation. Intra-agency teams - a staff recommendation - will be employed to generate more detailed procedures for addressing various issues.

1. Organizational Structure Issues

- a. A number of new skills will be required for the Agency to properly address the identified high-priority policy topics. These skills are:

- agricultural economics
- jobs/income security/training
- education
- legislative coordination

Action Step #4: Agency professional staff will be invited to request a transfer to one of these priority areas. If this process does not yield needed staff, or if vacancies are thereby created in other priority areas, then resources will be sought outside the Agency. (See Action Step #1). Action dates - requests for transfer due June 15; positions filled by September 15, 1984.

- b. We also identified the need for additional support staff in the Agency. The Director's office and LMIC need clerical assistance, and the Agency as a whole can benefit from more communications and publications expertise.

Action Step #5: Unused complement positions will be allocated to fill support staff needs. Action date - July 1 to October 1, 1984 for filling positions.

- c. Staff recommended a more horizontal structuring of the Agency to replace the current functionally oriented vertical division structure. It was felt that this would create more opportunities for diversified assignments, increase the use of staff teams and broaden staff's project management experience.

Action Step #6: The existing division structure will be retained but the use of intra-agency teams will be increased as a means of providing a balanced organizational/professional assessment of issues. The use of outside expertise on issue teams will be determined on an issue by issue basis. A team will be formed to recommend agency guidelines for using teams as well as reporting and monitoring procedures for teams to follow. Action dates - create team by June 8, 1984; team recommendations due by July 1, 1984.

- d. The Land Management Information Center (LMIC) has, until recently, been located organizationally within the Environmental Division and the Office of State Demographer is currently located in the Public Investment Division. Both entities serve similar data gathering, analysis and dissemination functions in response to the needs of the Agency and outside clientele. Action Plan teams recommended that the Agency assess the special needs and characteristics of LMIC and the Demographer's Office and structure them more appropriately within the organization.

Action Step #7: Create a staff team, with representation from both units, to recommend an organization structure. Action dates - create team by June 8; team recommendations due by July 15, 1984.

- e. The Agency Director and Deputy Director have many demands on their time, particularly during the legislative session. Staff felt that the office would run more smoothly if additional authority for decision-making were delegated to Assistant Directors.

Action Step #8: The Director and Deputy Director will determine appropriate authorities to delegate to Assistant Directors. Assistant Directors will, in turn, look for ways to delegate more project-level authority and responsibility to staff. Action date - June 15, 1984 for implementation.

- f. Create a new position of Operations/Manager with overall responsibility for administering the Agency.

Action Step #9: Monitor effects of delegating more authority to assistant directors and evaluate later the need for an operations manager. Action date - evaluate July 1, 1985.

- g. Create a centralized office manager function.

Action Step #10: An office manager will be appointed. Need for additional support staff needs to be assessed. Action date - appointment by July 1, 1984.

- h. Staff recommended that the Agency create a new unit to deal with activities of a short-term nature or requiring a quick response time. These activities generally relate to policy or issue analysis and legislative coordination and review. Staff recommended that they be allowed to volunteer for work in this unit on a temporary, rotational basis.

Action Step #11: A new unit will be created on a trial basis. An existing staff team, dealing with legislative coordination, will recommend the structure and operating procedures for this unit. Action date - new unit will be operational by July 1, 1984.

2. Process and Procedural Issues

- a. Broaden the compensation and classification ranges for A and C schedule employees.

Action Step #12: A staff team will be created to generate suggestions and work with the Department of Employee Relations in determining options for expanding compensation rates for Agency personnel. Action dates - create team by June 8; team recommendations due by August 1, 1984.

- b. Communications within the Agency need to be improved. Staff need to be better informed about policy decisions made at executive staff meetings, have a more detailed knowledge of Agency activities and be kept apprised of the final disposition of some staff efforts.

Action Step #13: Create a staff team to recommend ways of achieving the desired level of office communications. Action dates - create team by June 8; team recommendations due by July 15, 1984.

- c. Training and career development opportunities for SPA staff should be increased.

Action Step #14: Create a staff team to investigate training options with the Department of Employee Relations and recommend a program to the Director. Action dates - create team by June 8; team recommendations due by July 15, 1984.

- d. Simplify SPA affirmative action procedures.

Action Step #15: The Director and Deputy Director will establish more flexible affirmative action procedures for implementation on a division by division basis. Action date - immediate.

- e. Improve certain Agency administrative procedures, particularly those pertaining to phone-answering (central switchboard), clerical assistance and the general staff use of personal computers.

Action Step #16: Create a staff team to develop recommendations for dealing with each issue. Consider publication of an administrative procedures manual. (See Action Step #5). Action dates - create team by June 8; team recommendations due by July 15, 1984.

- f. Provide an annual opportunity for staff to review and comment on the Agency's organizational structure and administrative procedures.

Action Step #17: The Director will implement this recommendation as part of the Agency's annual development of spending plans and work programs. Action date - June 1 each fiscal year.

F. Interagency Issues

The Action Plan process provides an excellent opportunity for clarifying inter-agency or inter-departmental relationships. As part of the subcabinet review process, the Planning Agency's relationship to other staff agencies will be clarified. This is particularly critical with regard to the Department of Finance due to the team approach the two agencies will take in reviewing the programmatic and fiscal aspect of FY 86-87 department budgets.

III. ACTION PLAN DEVELOPMENT PROCESS

The Planning Agency used a team process for developing its Action Plan. Staff was divided into 12 teams of 7-8 members. Each team contained representatives from each division, employee class and bargaining unit (excluding executive staff). Teams were given a week's time to review and comment on a draft mission statement and seven issue questions dealing with the Agency's programs, operating procedures and organizational structure. Teams were given suggestions at the outset on effective ways of operating. The meeting schedule and procedure used by each team was determined by the members.

A number of meetings between the Agency Director and team representatives were scheduled during the review period. These meetings were used to establish and clarify procedures, answer questions and discuss staff recommendations. At the end of the week, team responses were compiled in a confidential format and distributed agency-wide for review.

Following an overall review with team representatives, the team reports were used as the basis for a one day retreat. Sixteen people attended including the Director, Deputy Director, five assistant directors and eight other staff from the various divisions and the Director's office. Team recommendations were reviewed during the morning and recommendations and implementation steps were developed during the afternoon session. A retreat summary was prepared and distributed to all staff followed by a discussion of retreat conclusions and recommendations by the Director at a general staff meeting.

Information from the team reports and the retreat were incorporated into a draft Action Plan. The plan was submitted to the teams and executive staff for review and comment. A final draft was compiled, incorporating staff comments and submitted to the Executive Management Subcabinet for review.

Appendix I

Major Goals of the Perpich Administration

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.