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*Appendices: Reference and Supporting Materials
for the Study of One-Stop Licensing and Permitting*

**This is Part IV of the
Report to the Governor
Pursuant to Executive Order 93-9**



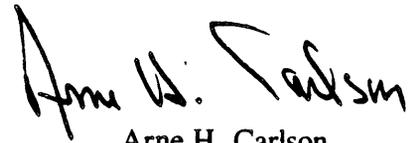
Appendix 1

Executive Order 93-9

2. The cost of subsistence, transportation, fuel, and pay and allowances of said individuals shall be defrayed from the general fund of the State as provided for in *Minnesota Statutes* 1992, Sections 192.49, subd. 1; 192.51, and 192.52.

Pursuant to *Minnesota Statutes* 1992, Section 4.035, subd. 2, this Order shall be effective July 2, 1993, and shall remain in effect until such date as elements of the military forces of the State are no longer required.

IN TESTIMONY WHEREOF, I have set my hand this seventh day of July, 1993.



Arne H. Carlson
Governor

Filed According to Law:

Joan Anderson Growe
Secretary of State

Dated: 7 July 1993

Executive Department

Executive Order 93-9: Directing State Departments and Agencies to Study the Feasibility of Implementing a "One-Stop Shopping" Concept for Business Regulation

I, ARNE H. CARLSON, GOVERNOR OF THE STATE OF MINNESOTA, by virtue of the authority vested in me by the Constitution and the applicable statutes, do hereby issue this Executive Order:

WHEREAS, it is in the interest of the citizens of the state of Minnesota, and Minnesota businesses in particular, that business efforts to achieve regulatory compliance are handled efficiently and effectively and that state regulatory requirements are understandable; and

WHEREAS, many businesses perceive that the present process of securing regulatory compliance is complicated, time consuming, costly, and unduly burdensome; and

WHEREAS, it is in the public interest that state departments and agencies assist businesses in achieving regulatory compliance as promptly and expeditiously as possible; and

WHEREAS, the concept of "one-stop shopping" has been proposed as a way of facilitating regulatory compliance by businesses; and

WHEREAS, the Department of Jobs and Training has begun investigating the need for and benefits of a uniform business identifier for Minnesota businesses;

NOW, THEREFORE, I hereby order that:

1. The Commissioner of Trade and Economic Development shall investigate the feasibility of implementing true "one-stop shopping" by businesses for regulatory affairs in Minnesota, and report his findings and recommendations (including any appropriate legislative initiatives) to the Governor by January 1, 1995. All state agencies shall cooperate in the conduct of this feasibility study.

2. True "one-stop" shopping for regulatory affairs means a single agency or sub-agency in state government (though perhaps with more than one office location) which has the authority, personnel, expertise, procedures and systems resources to:

a. Assist and advise the "business public" with the substance and procedures of individual regulations and the steps to compliance;

Executive Orders

b. Provide to and accept from business applicants the necessary forms and documents for regulatory compliance;

c. Process these forms and documents in accordance with statutes and rules; and

d. Directly issue licenses and permits as agent for the applicable agency.

3. Issues to be examined and resolved through this study include:

a. The relationship between the agency that provides the "one-stop shopping" service and the department or agency which has statutory authority for substantive regulation or enforcement.

b. A determination of who should perform competency testing or assure competency in cases where that is a prerequisite to securing a license or permit (e.g., licensed professions and building trades), and who assures or evaluates the adequacy of continuing education or other competency-based criteria that are a condition of relicensure.

c. How disputes concerning delay in issuing a license or permit, denial of a license or permit, or suspension or termination of a license or permit for disciplinary or other reasons will be handled.

d. How the acceptance of "one-step shopping" by regulatory and enforcement agencies will be secured and how compliance and enforcement activity will be coordinated.

e. How to acquire a staff that has the level of expertise necessary to provide the level of assistance and advice demanded by true "one-stop shopping."

f. How the strengths and limitations of "one-stop shopping" will be communicated to regulated parties.

g. How matters of overlapping jurisdiction (state/federal, state/local) will be handled and how those issues will be communicated to the affected parties.

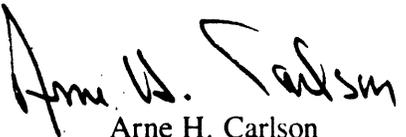
h. How the need for legislative change will be determined and who will be responsible for preparing and monitoring initiatives to secure such change.

i. Legal liability.

j. Such other issues as the study group deems important and appropriate.

Pursuant to *Minnesota Statutes* 1992, Section 4.035, subd. 2, this Order shall be effective fifteen (15) days after publication in the *State Register* and filing with the Secretary of State and shall remain in effect until rescinded by proper authority or it expires in accordance with *Minnesota Statutes* 1992, Section 4.035, subd. 3.

IN TESTIMONY WHEREOF, I have set my hand this seventh day of July, 1993.


Arne H. Carlson
Governor

Filed According to Law:

Joan Anderson Growe
Secretary of State

Dated: 7 July 1993

Appendix 2

Recent One-Stop Licensing Initiatives in Other States

MINNESOTA DEPARTMENT OF
TRADE AND ECONOMIC DEVELOPMENT

500 Metro Square
121 7th Place East
Saint Paul, Minnesota 55101-2146 USA



January 21, 1994

To: Charles Schaffer

From: Mary Kruger *MK*

Subj: "One Stop Shopping" in Other States

Here are the various state statutes referred to in the articles from Jenny. None of them are "true one stop shopping" as contemplated by EO 93-9. As you will note, most of the activity is concentrated in the environmental area, and is limited to providing information on license and permit requirements. Copies of the statutes are attached.

California (1993 Laws, Chapter 419)

Under a new law that becomes effective January 1, 1995, applicants who must obtain two or more permits from environmental agencies may designate a single agency to administer the processing and issuance of a consolidated permit. The consolidated permit agency serves as the main point of contact regarding the processing of the consolidated permit and manages the procedural aspects of the application process. Participating agencies retain their authority to make decisions on all nonprocedural matters within the scope of their responsibility. Note that the decision whether to use the consolidated process is made by the applicant for the permits.

Connecticut (Chapter 439, Sec. 22a)

Establishes a department of environmental protection, which has broad jurisdiction over "preservation and protection of air, water and natural resources." The "one stop" feature of the law is an office of business ombudsman within the department that provides information on environmental programs and requirements, including permit information. The ombudsman also provides coordination and liaison services; see Section 22a-2c.



An Equal Opportunity Employer

Florida (1993 Laws, Chapter 93-213)

Consolidates the department of natural resources and the department of environmental regulation into a single agency, the department of environmental protection. Separate sections of the statutes deal with obtaining various permits, e.g., NPDES, power plant siting, etc., issued by the department.

Illinois (Illinois Compiled Statutes, Chapter 605/46.13 and Chapter 605/46.13a))

An office of business assistance in the department of commerce and community affairs provides information on "all state government forms and applications" through a permit information center. The business assistance office has no regulatory function. State agencies are required to cooperate with the business permit center to provide the necessary information, materials and assistance it needs to carry out its function.

Chapter 605/46.13a authorizes the department to establish programs to assist small and medium size firms to comply with federal, state, and local regulations. Many of the programs and services are similar to those contemplated for the small business ombudsman mandated by the 1990 federal Clean Air Act amendments.

Oregon (Oregon Revised Statutes, Chapter 285.250 *et seq.*)

This statute is listed in the index to the statutes as "one stop shopping" for business licenses and permits, but as is evident from § 285.268(2)(b), it basically provides for "one stop shopping" for information. State agencies remain responsible for issuing their respective licenses and permits.

Oregon also provides for "one stop shopping" for permits issued by the department of agriculture. See § 561.305. The statute permits, but does not require, the department to have a single application and issue a single license for multiple activities of a single applicant/licensee.

Virginia (Code of Virginia § 10.1-1182 *et seq.* and § 2.1-548.8)

The state has consolidated various environmental functions in the department of environmental quality. A 1993 law requires the department of economic development to establish a program to provide information to applicants regarding environmental permits, to enable them to understand and expedite the permitting process. The department of economic development does not issue permits.

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levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

ENVIRONMENT—PROTECTION PERMITS

CHAPTER 419

S.B. No. 1185

AN ACT to amend Sections 25373 and 37361 of, and to add Sections 65943.5 and 65956.5 to, the Government Code, and to add Division 34 (commencing with Section 71000) to the Public Resources Code, relating to environmental quality.

[Approved by Governor September 20, 1993.]

[Filed with Secretary of State September 21, 1993.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1185, Bergeson. Environmental quality: consolidated permits: land use.

(1) Under existing law, the California Environmental Protection Agency is administered by the Secretary for Environmental Protection. Specified state agencies are established within the agency.

This bill would require the secretary, on or before January 1, 1995, to establish an administrative process which may be used, at the request of a permit applicant, to designate a consolidated permit agency, as defined, for projects that require permits from 2 or more environmental agencies, as defined. The bill would impose a state-mandated local program by imposing these requirements on local agencies.

The bill would require the secretary to adopt, by December 31, 1994, regulations establishing an expedited appeals process by which a petitioner or applicant can appeal procedural violations with regard to the issuance of environmental permits, as defined. The bill would specify related duties of the secretary.

(2) The bill would require the secretary to submit, by April 1, 1996, a report to the appropriate policy committees and the fiscal committees of both houses detailing specified information concerning implementation of the act.

(3) Existing law further authorizes cities and counties to enact, by ordinance, special conditions or regulations for the purpose of protecting places, buildings, and objects of special historical or cultural value.

This bill would, until January 1, 1995, exempt noncommercial property owned by religious organizations from those provisions and would make a legislative finding and declaration that the bill addresses a matter of statewide interest and concern relating to religious freedom. The bill would state that the exemption applies to charter cities but shall not be construed to infringe on the authority of any legislative body to enforce special conditions and regulations on any property designated prior to January 1, 1994.

(4) Under existing law, if a public agency fails to act to approve or to disapprove a development project within specified time limits, the failure to act is deemed approval of the permit application if the public notice request by law has occurred, as prescribed.

This bill would authorize an applicant to submit an appeal in writing, in accordance with prescribed procedures and requirements, to an environmental agency for a determination regarding the failure by the environmental agency to take timely action on the issuance or denial of the environmental permit in accordance with the specified time limits.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

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SEC. 4. Section 65956.5 is added to the Government Code, to read:

65956.5. (a) Prior to an applicant providing advance notice to an environmental agency of the intent to provide public notice pursuant to subdivision (b) of Section 65956 for action on an environmental permit, the applicant may submit an appeal in writing to the governing body of the environmental agency, or if there is no governing body, to the director of the environmental agency, as provided by the environmental agency, for a determination regarding the failure by the environmental agency to take timely action on the issuance or denial of the environmental permit in accordance with the time limits specified in this chapter.

(b) There shall be a final written determination by the environmental agency on the appeal not later than 60 calendar days after receipt of the applicant's written appeal. The final written determination by the environmental agency shall specify both of the following:

- (1) The reason or reasons for failing to act pursuant to the time limits in this chapter.
- (2) A date by which the environmental agency shall act on the permit application.

(c) Notwithstanding any other provision of this chapter, any appeal submitted pursuant to subdivision (a) involving an environmental permit from an environmental agency shall be made to the Secretary for Environmental Protection if the environmental agency declines to accept the appeal for a decision pursuant to subdivision (a) or the environmental agency does not make a final written determination pursuant to subdivision (b).

(d) Any appeal submitted pursuant to subdivision (a) involving an environmental permit to a board, office, or department within the California Environmental Protection Agency shall be made to the Secretary for Environmental Protection.

(e) For purposes of this section, "environmental permit" has the same meaning as defined in Section 71012 of the Public Resources Code, and "environmental agency" has the same meaning as defined in Section 71011 of the Public Resources Code, except that "environmental agency" does not include the agencies described in subdivisions (c) and (h) of Section 71011 of the Public Resources Code.

SEC. 5. Division 34 (commencing with Section 71000) is added to the Public Resources Code, to read:

DIVISION 34. ENVIRONMENTAL PROTECTION PERMITS

CHAPTER 1. LEGISLATIVE FINDINGS AND INTENT

71000. This division shall be known, and may be cited, as the Environmental Protection Permit Reform Act of 1993.

71001. The Legislature hereby finds and declares all of the following:

(a) California's environmental protection programs have established strict standards to reduce pollution and protect the public health and safety and the environment. The single purpose programs instituted to achieve these standards have been among the most successful efforts in the world, and have produced significant gains in protecting California's environment in the face of substantial population growth.

(b) Continued progress to achieve the environmental standards in face of continued population growth will require greater coordination between the single purpose environmental programs and more efficient operation of these programs overall. Pollution must be prevented and controlled and not simply transferred to another media or another place. This goal can only be achieved by maintaining the current environmental protection standards and by greater integration of the existing programs.

(c) As the number of environmental laws and regulations have grown in California, so have the number of permits required of business and government. This regulatory burden has significantly added to the cost and time needed to obtain essential operating permits in California. The increasing number of individual permits and permit authorities has generated the continuing potential for conflict, overlap, and duplication between the various state, local, and federal environmental permits.

(d) To ensure that local needs and environmental conditions receive the proper attention, the issuance of environmental permits should continue to be made, to the extent feasible, at

Additions or changes indicated by underline; deletions by asterisks * * *

the regional and local levels of the environmental programs. To establish the framework for coordination among the regional offices of the environmental protection programs, consistency in regional boundaries should be achieved to the maximum extent practicable.

(e) The purpose of this division is to require the Secretary for Environmental Protection to institute new, efficient procedures which will assist businesses and public agencies in complying with the environmental quality laws in an expedited fashion, without reducing protection of public health and safety and the environment.

(f) Those procedures need to provide a permit process that promotes effective dialogue and ensures ease in the transfer and clarification of technical information, while preventing duplication. It is necessary that the procedures establish a process for preliminary and ongoing meetings between the applicant, the consolidated permit agency, and the participating permit agencies, but do not preclude the applicant or participating permit agencies from individually coordinating with each other.

(g) It is necessary, to the maximum extent practicable, that the procedures established in this division ensure that the consolidated permit agency process and applicable permit requirements and criteria are integrated and run concurrently, rather than consecutively.

CHAPTER 2. DEFINITIONS

71010. "Secretary" means the Secretary for Environmental Protection.

71011. "Environmental agency" means any of the following:

(a) The Department of Toxic Substances Control, the Department of Pesticide Regulation, the State Air Resources Board, the State Water Resources Control Board, the California Integrated Waste Management Board, and the Office of Environmental Health Hazard Assessment.

(b) A California regional water quality control board.

(c) A district, as defined in Section 39025 of the Health and Safety Code.

(d) An enforcement agency, as defined in Section 40130 of the Public Resources Code.

(e) A county agricultural commissioner with respect to his or her administration of Divisions 6 (commencing with Section 11401) and 7 (commencing with Section 12501) of the Food and Agricultural Code.

(f) The local agency responsible for administering Chapter 6.7 (commencing with Section 25280) of the Health and Safety Code concerning underground storage tanks and any underground storage tank ordinance adopted by a city or county.

(g) The local agency responsible for the administration of the requirements imposed pursuant to Section 13370.5 of the Water Code.

(h) Any other state, regional, or local permit agency for the project that participates at the request of the permit applicant upon the permit agency's agreement to be subject to this division.

71012. "Environmental permit" means any license, certificate, registration, permit, or other form of authorization required by an environmental agency to engage in a particular activity. "Environmental permit" includes, but is not limited to, activities subject to Chapter 4.5 (commencing with Section 65920) of Division 1 of Title 7 of the Government Code, if the activities are under the jurisdiction of an environmental agency. "Environmental permit" does not include any certification or decision pursuant to Division 13 (commencing with Section 21000).

71013. "Project" means an activity, the conduct of which requires an environmental permit from two or more environmental agencies.

71014. "Consolidated permit" means a permit incorporating the environmental permits granted by environmental agencies for a project and issued in a single permit document by the consolidated permit agency.

71015. "Consolidated permit agency" means the environmental agency that has the greatest overall jurisdiction over a project, as determined pursuant to Section 71020.

71016. "Participating permit agency" means a permit agency that participates in the consolidated permit agency process for a project.

71017. (a) "Council" means

(b) The council is hereby created

(1) The Secretary for Environmental Protection

(2) The Director of Pesticide Regulation

(3) The Director of Toxic Substances Control

(4) The Chairperson of the State Air Resources Board

(5) The Chairperson of the State Water Resources Control Board

(6) The Director of the Office of Environmental Health Hazard Assessment

(7) The Chairperson of the California Integrated Waste Management Board

71020. (a) On or before January 1, 1994, the process which may be used, pursuant to Section 71021, for the designation of a consolidated permit agency

(b) That administrative procedure for designating the consolidated permit agency shall be the consolidated permit agency process set forth in Chapter 4.5 of the Government Code. In the absence of that process, the consolidated permit agency shall be the consolidated permit agency that at least the following factors indicate has the greatest overall jurisdiction over the project:

(1) The types of facilities involved in the project.

(2) The types of public health or safety concerns considered in issuing environmental permits for the project.

(3) The environmental impacts of the project, including potential effects, and the environmental problems that have occurred, or to mitigate the occurrence of, or to mitigate the effects of.

(4) The regulatory activity of the project, including effects that the project may have on the environment.

(5) The statutory and regulatory requirements that apply to the project.

(c) The secretary shall also be responsible for the designation of a consolidated permit agency

(1) Because of the nature of the project, the consolidated permit agency does not provide clear guidance for the project.

(2) The consolidated permit agency process for the designation of the consolidated permit agency is not clear.

(3) The environmental agency that has the greatest overall jurisdiction declines the designation as the consolidated permit agency.

71021. (a) A permit applicant shall submit a consolidated permit agency permit for the project pursuant to the guidelines and procedures adopted by the consolidated permit agency that the request is received, and the consolidated permit agency shall refer the designation to the consolidated permit agency.

71016. "Participating permit agency" means an environmental agency, other than the consolidated permit agency, that is responsible for the issuance of an environmental permit for a project.

71017. (a) "Council" means the California Environmental Policy Council.
- (b) The council is hereby created and consists of the following members or their designees:
- (1) The Secretary for Environmental Protection.
 - (2) The Director of Pesticide Regulation.
 - (3) The Director of Toxic Substances Control.
 - (4) The Chairperson of the State Air Resources Board.
 - (5) The Chairperson of the State Water Resources Control Board.
 - (6) The Director of the Office of Environmental Health Hazard Assessment.
 - (7) The Chairperson of the California Integrated Waste Management Board.

CHAPTER 3. CONSOLIDATED PERMITS

71020. (a) On or before January 1, 1995, the secretary shall establish an administrative process which may be used, at the request of a permit applicant for a project pursuant to Section 71021, for the designation of a consolidated permit agency for the project.

(b) That administrative process shall consist of the establishment of guidelines for designating the consolidated permit agency for the project. The guidelines shall be adopted as regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code. In those cases where an environmental agency is the lead agency for purposes of Chapter 4.5 (commencing with Section 65920) of Division 1 of Title 7 of the Government Code, or Division 13 (commencing with Section 21000), that environmental agency shall be the consolidated permit agency. In other cases, the guidelines shall require that at least the following factors be considered in determining which environmental agency has the greatest overall jurisdiction over the project:

- (1) The types of facilities or activities that make up the project.
- (2) The types of public health and safety and environmental concerns that should be considered in issuing environmental permits for the project.
- (3) The environmental medium that may be affected by the project, the extent of those potential effects, and the environmental protection measures that may be taken to prevent the occurrence of, or to mitigate, those potential effects.
- (4) The regulatory activity that is of greatest importance in preventing or mitigating the effects that the project may have on public health and safety or the environment.
- (5) The statutory and regulatory requirements that apply to the project and the complexity of those requirements.

(c) The secretary shall also establish a procedure for referring projects to the council for the designation of a consolidated permit agency in any of the following circumstances:

- (1) Because of the nature of the project, the guidelines adopted pursuant to subdivision (a) do not provide clear guidance concerning which environmental agency should be designated the consolidated permit agency.
- (2) The consolidated permit agency or a participating permit agency disagrees with the designation of the consolidated permit agency.
- (3) The environmental agency designated as the consolidated permit agency under the guidelines declines the designation and participating permit agencies are not willing to accept designation as the consolidated permit agency.

71021. (a) A permit applicant for a project may request the secretary to designate a consolidated permit agency to administer the processing and issuance of a consolidated permit for the project pursuant to this division. The secretary, in accordance with the guidelines and procedures adopted pursuant to Section 71020, shall, within 30 days of the date that the request is received, either designate a consolidated permit agency for the project or refer the designation to the council.

Additions or changes indicated by underline; deletions by asterisks * * *

(b) A permit applicant who requests the designation of a consolidated permit agency shall provide the secretary with a description of the project, a preliminary list of the environmental permits that the project may require, the identity of any public agency that has been designated the lead agency for the project pursuant to Chapter 4.5 (commencing with Section 65920) of Division 1 of Title 7 of the Government Code or Division 13 (commencing with Section 21000) of the Public Resources Code, and the identity of the participating permit agencies. The secretary may request any information from the permit applicant that is necessary to make the designation under subdivision (a), and may convene a scoping meeting of the likely consolidated permit agency and participating permit agencies in order to make that designation.

(c) The consolidated permit agency shall serve as the main point of contact for the permit applicant with regard to the processing of the consolidated permit for the project and shall manage the procedural aspects of that processing consistent with existing laws governing the consolidated permit agency and participating permit agencies, and with the procedures agreed to by those agencies in accordance with Section 71022. In carrying out these responsibilities, the consolidated permit agency shall ensure that the permit applicant has all the information needed to apply for all the component environmental permits that are incorporated in the consolidated permit for the project, coordinate the review of those environmental permits by the respective participating permit agencies, ensure that timely environmental permit decisions are made by the participating permit agencies, and assist in resolving any conflict or inconsistency among the environmental permit requirements and conditions that are to be imposed by the participating permit agencies with regard to the project.

(d) This division shall not be construed to limit or abridge the powers and duties granted to a participating permit agency pursuant to the law that authorizes or requires the agency to issue an environmental permit for a project. Each participating permit agency shall retain its authority to make all decisions on all nonprocedural matters with regard to the respective component environmental permit that is within its scope of its responsibility, including, but not limited to, the determination of environmental permit application completeness, environmental permit approval or approval with conditions, or environmental permit denial. The consolidated permit agency may not substitute its judgment for that of a participating permit agency on any such nonprocedural matters.

71022. (a) Within 15 working days of the date that the consolidated permit agency is designated, the consolidated permit agency shall convene a meeting with the permit applicant for the project and the participating permit agencies. The meeting agenda shall include at least all of the following matters:

- (1) A determination of the environmental permits that are required for the project.
- (2) A review of the environmental permit application forms and other application requirements of the agencies that are participating in the consolidated permit.
- (3) A discussion of the option available to the permit applicant to use the consolidated permit application form that is authorized by subdivision (e) or (f) of Section 15399.56 of the Government Code in lieu of the separate application forms for each component environmental permit that would be provided by the consolidated permit agency and the participating permit agencies.
- (4) A determination of the time lines that will be used by the consolidated permit agency and each participating permit agency to make environmental permit decisions, including the time periods required to determine if the environmental permit applications are complete or the consolidated permit application is complete, to review the application or applications, and to process the component environmental permits, and the timelines that will be used by the consolidated permit agency to aggregate the component environmental permits into, and to issue, the consolidated permit. Notwithstanding Chapter 3 (commencing with Section 15374) of Part 6.7 of Division 3 of Title 2 of the Government Code, and Chapter 4.5 (commencing with Section 65920) of Division 1 of Title 7 of the Government Code, the timelines established pursuant to this paragraph may, with the assent of the consolidated permit agency and each participating permit agency, commit the consolidated permit agency and each participating permit agency to act on the component environmental permit within time periods that are different than those required by Sections 65950 and 65952 of the Government Code,

subdivisions (a) and (b) of provisions of law. However, mental permit application with; or in conflict with, a consideration, or with any guideline, which require an

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(C) Interested persons or on, or otherwise voice their

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(6) A discussion of fee a estimate of the fee require

(b) The consolidated perm necessary to comply with it pursuant to this section.

(c) A summary of the dec public review upon the fi environmental permit applic

71023. (a) The permit a submitting to the consolidat ed. Upon receipt of the re and each participating perm project.

(b) The permit applicant that the permit applicant wis on the basis of a reasonabl accelerated if the participat permit agency shall withdra the request.

71024. The consolidated ; make all the environmental environmental permits into ; permits within the time per Section 71022.

71025. Each environment legal status and the regulat which the environmental pe enforced by the environmen

71026. (a) A consolidated person seeking a consolida consolidated permit agency

(b) The fees charged shall services and shall be either pursuant to Section 71022, designation as a consolidated environmental agency for us In addition, the billing proc billing cycle that provides fo

71027. A petition by the issuing, denying, or amendi

permit agency permit, shall be submitted by the permit applicant to the consolidated permit agency or the participating permit agency having jurisdiction over that portion of the consolidated permit and shall be processed in accordance with the procedures of that environmental agency. The environmental agency receiving the petition shall, within 30 days, notify the other environmental agencies participating in the original consolidated permit.

71028. If an applicant petitions for a significant amendment or modification to a consolidated permit application or any of its component environmental permit applications, the consolidated permit agency shall reconvene a meeting of the participating permit agencies, conducted in accordance with Section 71022.

71029. If an applicant fails to provide information required for the processing of the component environmental permit applications for a consolidated permit or for the designation of a consolidated permit agency, the time requirements of this division shall be tolled until such time as the information is provided.

CHAPTER 4. TIME LIMIT APPEALS

71030. (a) On or before December 31, 1994, the secretary shall adopt regulations establishing an expedited appeals process by which a petitioner or applicant may appeal any failure by an environmental agency to take timely action on the issuance or denial of an environmental permit in accordance with the time limits established pursuant to Section 71022 or Section 25199.6 of the Health and Safety Code.

(b) If the secretary finds that the time limits under appeal have been violated without good cause, the secretary shall establish a date certain by which the environmental agency shall act on the permit application with adequate provision for the requirements of subparagraphs (A) to (C), inclusive, of paragraph (4) of subdivision (a) of Section 71022, and provide for the full reimbursement of any filing or permit processing fees paid by the applicant to the environmental agency for the permit application under appeal. For purposes of this section, "good cause" shall have the same meaning as defined in subdivision (h) of Section 15376 of the Government Code.

(c) The determination of the secretary on an appeal shall be based only on procedural violations, including, but not limited to, the exceeding of time limits, not on any nonprocedural matter with regard to the environmental permit application or the environmental permit.

(d) In cases of a violation of time limits set pursuant to Section 71022, the determination of the secretary to order a reimbursement of any application filing fee pursuant to the regulations adopted pursuant to paragraph (2) of subdivision (b) shall only be applicable to the consolidated permit agency or to the participating permit agencies that are in violation of the time limits without showing good cause.

(e) Notwithstanding any other provision of this section, an appeal pursuant to subdivision (a) shall be only for violations of the time limits established pursuant to Section 71022 for those environmental agencies described in subdivisions (c) and (h) of Section 71011.

SEC. 6. On or before April 1, 1996, the Secretary for Environmental Protection shall submit a report to the appropriate policy committees and the fiscal committees of both houses of the Legislature detailing the following information:

(a) The number of instances in which a consolidated permit agency was requested and utilized, and the disposition of those cases.

(b) The amount of time elapsed between an initial request by a permit applicant for a consolidated permit and the ultimate approval of¹ disapproval of the consolidated permit.

(c) The number of instances in which the expedited appeals process was requested, and the disposition of those cases.

SEC. 7. (a) The Legislature hereby finds and declares that Section 2 of this act addresses a matter of statewide interest and concern, because this act exempts from locally imposed restrictions property owned by religious organizations that is used or held for religious purposes, and because these restrictions are neither authorized nor compelled by concerns related to the public health or safety.

¹So in enrolled bill.

(b) Sections 1 and 2 of t
Section 4 of Article I of t
United States Constitution.

SEC. 8. No reimbursemen
of the California Constitutio
levy service charges, fees, o
mandated by this act. N
otherwise specified in this
date that the act takes effe

FAMILY LAW—M.

AN ACT to amend Sections
18305 of the Welfare and

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File

SB 5, Presley. Domesti

Existing law requires the
marriage license and for th
without a license, in the
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This bill would increase
\$23. It would specify that
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violence centers to target t

The people of the State o

SECTION 1. Section 26

26840.7. In addition to
26840.3, the county clerk
issuance of the license. Th
(commencing with Section 1
Of this amount, four dollar
domestic violence centers t

SEC. 2. Section 26840.8

26840.8. In addition to t
26840.3, the person issuing
Part 4 (commencing with S
upon providing a blank aut
of Division 3 of the Family
providing the authorization
(commencing with Section 3
Of this amount, four dollar
domestic violence centers t

SEC. 3. Section 18305

Additions or

(b) Sections 1 and 2 of this act ensure the protection of religious freedom guaranteed by Section 4 of Article I of the California Constitution and by the First Amendment to the United States Constitution.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

FAMILY LAW—MARRIAGE FEES—DOMESTIC VIOLENCE—FEES

CHAPTER 420

S.B. No. 5

AN ACT to amend Sections 26840.7 and 26840.8 of the Government Code, and to amend Section 18305 of the Welfare and Institutions Code, relating to domestic violence.

[Approved by Governor September 20, 1993.]

[Filed with Secretary of State September 21, 1993.]

LEGISLATIVE COUNSEL'S DIGEST

SB 5, Presley. Domestic violence: local fees.

Existing law requires the collection of a fee in addition to the basic fee for the issuance of a marriage license and for the issuance of an authorization for the performance of marriages without a license, in the amount of \$19, for funding of domestic violence centers to be disposed of by the clerk under specified provisions.

This bill would increase the fee required to be collected for domestic violence centers to \$23. It would specify that the fee shall be disposed of by the county clerk under specified provisions, including a requirement that \$4 be allocated to develop and expand domestic violence centers to target underserved areas and populations to the extent feasible.

The people of the State of California do enact as follows:

SECTION 1. Section 26840.7 of the Government Code is amended to read:

26840.7. In addition to the fee prescribed by Section 26840 and as authorized by Section 26840.3, the county clerk shall collect a fee of twenty-three dollars (\$23) at the time of issuance of the license. The fee shall be * * * disposed of by the clerk pursuant to Chapter 5 (commencing with Section 18290) of Part 6 of Division 9 of the Welfare and Institutions Code. Of this amount, four dollars (\$4) shall be used, to the extent feasible, to develop or expand domestic violence centers to target underserved areas and populations.

SEC. 2. Section 26840.8 of the Government Code is amended to read:

26840.8. In addition to the fee prescribed by Section 26840.1 and as authorized by Section 26840.3, the person issuing an authorization for the performance of a marriage pursuant to Part 4 (commencing with Section 500) of Division 3 of the Family Code or the county clerk, upon providing a blank authorization form pursuant to Part 4 (commencing with Section 500) of Division 3 of the Family Code, shall collect a fee of twenty-three dollars (\$23) at the time of providing the authorization. * * * The fee shall be disposed of pursuant to Chapter 5 (commencing with Section 18290) of Part 6 of Division 9 of the Welfare and Institutions Code. Of this amount, four dollars (\$4) shall be used, to the extent feasible, to develop or expand domestic violence centers to target underserved areas and populations.

SEC. 3. Section 18305 of the Welfare and Institutions Code is amended to read:

Additions or changes indicated by underline; deletions by asterisks * * *

Connecticut

defined in subsection (f) of section 4b-55, by (1) reviewing and filing the evaluation for such project with the office of policy and management for its review pursuant to section 22a-1e, or (2) including such project in a cumulative environmental assessment approved by the office of policy and management.

(P.A. 73-562, S. 4, 8; P.A. 89-353, S. 4, 8; P.A. 91-230, S. 5, 17.)

History: P.A. 89-353 designated existing provisions as Subsec. (a) and added Subsec. (b) exempting emergency correctional facility project from evaluations requirement; P.A. 91-230 added Subsec. (c) concerning priority higher education facility projects.

Cited. 184 C. 51, 63, 69, 72. Cited. 204 C. 38, 44. "Environmental policy act (Secs. 22a-1-22a-13)" cited. Id., 212 et seq.

Sec. 22a-1g. Regulations. Within six months of October 1, 1977, the commissioner of environmental protection shall adopt regulations to implement the provisions of sections 22a-1a to 22a-1f, inclusive. Such regulations shall include: (1) Specific criteria for determining whether or not a proposed action may significantly affect the environment; (2) provision for enumerating actions or classes of actions which are subject to the requirements of this part; (3) guidelines for the preparation of environmental impact evaluations, including the content, scope and form of the evaluations and the environmental, social and economic factors to be considered in such evaluations and (4) procedures for timely and thorough state agency and public review and comment on all environmental impact evaluations required by this part and for such other matters as may be needed to assure effective public participation and efficient implementations of this part.

(P.A. 77-514, S. 5.)

Cited. 204 C. 38, 44. "Environmental policy act (Secs. 22a-1-22a-13)" cited. Id., 212 et seq.

Sec. 22a-1h. Environmental impact evaluations. Until the adoption of regulations in accordance with the provisions of section 22a-1g, each state agency, department and institution shall prepare environmental impact evaluations in accordance with sections 22a-1b, 22a-1c and 22a-1d.

(P.A. 77-514, S. 7.)

Cited. 204 C. 38, 44. "Environmental policy act (Secs. 22a-1-22a-13)" Cited. Id., 212 et seq.

PART II

GENERAL PROVISIONS

Sec. 22a-2. Department. Commissioner. Definitions. Permitted delegations of powers. (a) There shall be a department of environmental protection which shall have jurisdiction over all matters relating to the preservation and protection of the air, water and other natural resources of the state. Said department shall be under the direction of a commissioner of environmental protection who shall be appointed in accordance with the provisions of sections 4-5 to 4-8, inclusive.

(b) As used in this title and chapters 263, 268, 348, 360, 447, 448, 449, 452, 462, 474, 476, 477, 478, 479, 490 and 495, except where otherwise provided, "commissioner" means the commissioner of environmental protection or his designated agent. The commissioner of environmental protection shall have the authority to designate as his agent (1) any deputy commissioner to exercise all or part of the authority, powers and duties of said commissioner in his absence, (2) any deputy commissioner or any employee, assistant or agent employed pursuant to section 22a-4 to exercise such authority of the commissioner of environmental

protection as he delegates for the administration or enforcement of any applicable statute, regulation, permit or order, except the authority to render a final decision, after a hearing, assessing a civil penalty under section 22a-6b, (3) the commissioner of public safety and any local air pollution control official or agency to exercise such authority as the commissioner of environmental protection delegates for the enforcement of any applicable statute, regulation, order or permit pertaining to air pollution, except the authority to render a final decision, after a hearing, assessing a civil penalty under said section 22a-6b, and (4) any municipal police department the authority to enforce the provisions of chapters 268 and 490.

(c) As used in this chapter, and chapters 263, 268, 348, 360, 440, 446d, 446i, 446k, 447, 448, 449, 452, 462, 474, 476, 477, 478, 479, 490 and 495, except where otherwise provided, "person" means any individual, firm, partnership, association, syndicate, company, trust, corporation, municipality, agency or political or administrative subdivision of the state, or other legal entity of any kind.

(1971, P.A. 872, S. 2; P.A. 73-665, S. 5, 17; P.A. 74-187, S. 4; P.A. 75-441, S. 1, 2; P.A. 77-41, S. 1, 2; 77-614, S. 486, 610; P.A. 89-224, S. 11, 22; P.A. 90-173, S. 7; 90-230, S. 32, 101; P.A. 92-162, S. 1, 25.)

History: P.A. 73-665 added Subsecs. (b) and (c) defining "commissioner" and "person" and setting forth list of those who may serve as commissioner's agents; P.A. 74-187 added references to chapter 440 in Subsecs. (b) and (c); P.A. 75-441 added Subdiv. (4) in Subsec. (b) authorizing municipal police departments to serve as commissioner's agents in enforcing chapters 268 and 490; P.A. 77-41 authorized deputy commissioners to act for commissioner under Subdiv. (2) of Subsec. (b); P.A. 77-614 substituted commissioner of public safety for commissioner of state police in Subsec. (b), effective January 1, 1979; P.A. 89-224 added references to chapter 495; P.A. 90-173 and 90-230 corrected internal references in Subsecs. (b) and (c); P.A. 92-162 amended Subsec. (b) to apply the definition of commissioner throughout title 22a.

Cited. 204 C. 38, 44. "Environmental policy act (Secs. 22a-1-22a-13)" cited. Id., 212 et seq.

Sec. 22a-2a. Delegation of inspection and enforcement authority. Regulations. (a)

The commissioner of environmental protection may designate as his agent any state or regional agency, municipality, or public water utility operated by a municipality or other political subdivision of the state or employee thereof and delegate to such agent the authority to inspect in connection with the enforcement of or to enforce any of the provisions of chapters 246, 247, 248, 255 and 268, sections 22a-28 to 22a-35, inclusive, subsection (c) of section 22a-66a, section 22a-123, sections 22a-207 to 22a-219, inclusive, section 22a-250, sections 22a-359 to 22a-361, inclusive, chapters 442, 446c and 446k, title 23, title 26, sections 29-28, 29-35, 29-38, 53-134, 53-190, 53-191, 53-194, 53-203, 53-204, 53-205, 53a-59 to 53a-64, inclusive, and 53a-100 to 53a-117, inclusive, subsection (b) of section 53a-119b, sections 53a-122 to 53a-125, inclusive; 53a-130, 53a-133 to 53a-136, inclusive, 53a-147 to 53a-149, inclusive, 53a-157, 53a-165 to 53a-167c, inclusive, 53a-171, 53a-181 to 53a-183, inclusive, 54-33d, 54-33e and subsection (b) of section 22a-134p or any regulation, permit or order issued pursuant thereto, except the authority to render a final decision, after a hearing, assessing a civil penalty in accordance with the provisions of section 22a-6b. Any designation of authority by the commissioner shall be with the consent of such state or regional agency, municipality or public water utility operated by a municipality or other political subdivision of the state. Delegation of authority to an agent of such a public water utility shall be limited to inspection authority and such delegation shall include provision for training of inspectors, in a manner specified by the commissioner of environmental protection. The expense for such training shall be borne by the designated public water utility seeking such designation.

(b) The commissioner of environmental protection shall adopt regulations in accordance with the provisions of chapter 54 and this section setting forth the scope of any delegation and any authority not specifically included shall be deemed not to have been delegated. The regulations shall include but not be limited to: (1) Procedures for requesting and accepting any delegation; (2) qualifications and standards of conduct for a designee; (3) training

and reporting requirements for shall be valid and a renewal p nee and for revocation of a benefits and liabilities to the d analysis of the administrative to the commissioner of envirc the scope of the delegation.

(c) Prior to adoption of st shall consider: (1) Whether a carry out the delegated autho tion of a potential designee p (3) whether a potential design delegation.

(d) Notwithstanding any sioner of environmental prote sections and any decision by

(P.A. 83-237; 83-587, S. 96; P.A. 91-263, S. 7, 8.)

History: P.A. 83-587 made technical enforce statutory provisions re conservat P.A. 85-613 made technical changes in delegation of Subsec. (c) of Sec. 22a-66 89-209 amended Subsec. (a) to authori hazardous substances near a water cours public water utilities to act as commissi

Cited. 204 C. 38, 44. "Environment

Sec. 22a-2b. "Criminal negligence" shall have the sa

(P.A. 90-247, S. 7.)

Sec. 22a-2c. Office of ment of environmental prote vide information to busines information on permits, and and programs affecting busi

(P.A. 91-376, S. 6, 10.)

Sec. 22a-3. Divisions.

(1971, P.A. 872, S. 4; P.A. 77-61

Sec. 22a-4. Agents, a subject to the provisions of c deems necessary to carry out consultants and assistants on or other assistance and advi

(1971, P.A. 872, S. 5.)

Cited. 204 C. 38, 44. "Environme

ent of any applicable statute, final decision, after a hearing, of public safety and any authority as the commissioner, by any applicable statute, regulation, or authority to render a final decision, 22a-6b, and (4) any municipal chapters 268 and 490.

60, 440, 446d, 446i, 446k, 495, except where otherwise provided, association, syndicate, company, or administrative subdivision of the

2; P.A. 77-41, S. 1, 2; 77-614, S. 48, 1, 25.)

son" and setting forth list of those who Subsecs. (b) and (c); P.A. 75-441 added commissioner's agents in enforcing chapters 268 and 490, subdiv. (2) of Subsec. (b); P.A. 77-614 effective January 1, 1979; P.A. 89-224 in Subsecs. (b) and (c); P.A. 92-162

212 et seq.

authority. Regulations. (a) by any state or by a municipality or other agent to such agent the authority of the provisions of chapters 268 and 490, inclusive, subsection (c) of section 22a-250, 446k, title 23, title 26, sections 53-203, 53-204, 53-205, subsection (b) of section 22a-133 to 53a-136, inclusive, 53a-171, 53a-181 on 22a-134p or any regulation to render a final decision, provisions of section 22a-6b, the consent of such state or by a municipality or other agent of such a public water utility shall include provision for protection of environmental protection of public water utility

adopt regulations in accordance with the scope of any delegation that has not been delegated, or to have been delegated, for requesting and accepting a designee; (3) training

and reporting requirements for a designee; (4) the time period during which any delegation shall be valid and a renewal period; (5) procedures for review of the performance of a designee and for revocation of a delegation; (6) procedures for review and assessment of the benefits and liabilities to the department of environmental protection of delegation including analysis of the administrative and financial costs, and (7) criteria and procedures for appeal to the commissioner of environmental protection of any decision by a designee acting within the scope of the delegation.

(c) Prior to adoption of such regulations, the commissioner of environmental protection shall consider: (1) Whether a potential designee has or can obtain knowledge and training to carry out the delegated authority; (2) whether the delegated authority is within the jurisdiction of a potential designee pursuant to any other statute, regulation or local ordinance; and (3) whether a potential designee has the financial and administrative capacity to carry out the delegation.

(d) Notwithstanding any delegation of authority pursuant to this section, the commissioner of environmental protection shall retain authority to act under the provisions of said sections and any decision by the commissioner shall preempt the decision of a designee.

(P.A. 83-237; 83-587, S. 77, 96; P.A. 85-116; 85-392, S. 3, 5; 85-613, S. 127; P.A. 88-247, S. 5; P.A. 89-209, S. 3; P.A. 91-263, S. 7, 8.)

History: P.A. 83-587 made technical change; P.A. 85-116 authorized the commissioner to delegate authority to inspect and to enforce statutory provisions re conservation; P.A. 85-392 amended Subsec. (a) to authorize delegation of noise pollution control; P.A. 85-613 made technical changes in list of cited sections under Subsec. (a); P.A. 88-247 amended Subsec. (a) to authorize delegation of Subsec. (c) of Sec. 22a-66a, concerning posting of signs notifying the public of the application of pesticides; P.A. 89-209 amended Subsec. (a) to authorize commissioner to delegate inspection and enforcement of regulations re storage of hazardous substances near a water course by adding reference to Sec. 22a-134p; P.A. 91-263 amended Subsec. (a) to authorize public water utilities to act as commissioner's agent and to provide for related training for agents of such utilities.

Cited. 204 C. 38, 44. "Environmental policy act (Secs. 22a-1-22a-13)" cited. Id., 212 et seq.

Sec. 22a-2b. "Criminal negligence" defined. For purposes of this title, "criminal negligence" shall have the same meaning as in subdivision (14) of section 53a-3.

(P.A. 90-247, S. 7.)

Sec. 22a-2c. Office of business ombudsman. There is established within the department of environmental protection the office of business ombudsman. Such office shall provide information to businesses on environmental programs and requirements, including information on permits, and shall coordinate and serve as a liaison between the department and programs affecting businesses.

(P.A. 91-376, S. 6, 10.)

Sec. 22a-3. Divisions. Deputy commissioners. Section 22a-3 is repealed.

(1971, P.A. 872, S. 4; P.A. 77-614, S. 609, 610.)

Sec. 22a-4. Agents, assistants, employees, consultants. The commissioner may, subject to the provisions of chapter 67, employ such agents, assistants and employees as he deems necessary to carry out his duties and responsibilities. He may retain and employ other consultants and assistants on a contract or other basis for rendering legal, financial, technical or other assistance and advice.

(1971, P.A. 872, S. 5.)

Cited. 204 C. 38, 44. "Environmental policy act (Secs. 22a-1-22a-13)" cited. Id., 212 et seq.

Sec. 22a-5. Duties and powers of commissioner. The commissioner shall carry out the environmental policies of the state and shall have all powers necessary and convenient to faithfully discharge this duty. In addition to, and consistent with the environment policy of the state, the commissioner shall (a) promote and coordinate management of water, land and air resources to assure their protection, enhancement and proper allocation and utilization; (b) provide for the protection and management of plants, trees, fish, shellfish, wildlife and other animal life of all types, including the preservation of endangered species; (c) provide for the protection, enhancement and management of the public forests, parks, open spaces and natural area preserves; (d) provide for the protection, enhancement and management of inland, marine and coastal water resources, including, but not limited to, wetlands, rivers, estuaries and shorelines; (e) provide for the prevention and abatement of all water, land and air pollution including, but not limited to, that related to particulates, gases, dust, vapors, noise, radiation, odors, nutrients and cooled or heated liquids, gases and solids; (f) provide for control of pests and regulate the use, storage and disposal of pesticides and other chemicals which may be harmful to man, sea life, animals, plant life or natural resources; (g) regulate the disposal of solid waste and liquid waste, including but not limited to, domestic and industrial refuse, junk motor vehicles, litter and debris, which methods shall be consistent with sound health, scenic environmental quality and land use practices; (h) regulate the storage, handling and transportation of solids, liquids and gases which may cause or contribute to pollution; and (i) provide for minimum state-wide standards for the mining, extraction, excavation or removal of earth materials of all types.

(1971, P.A. 872, S. 6.)

Cited. 204 C. 38, 44. "Environmental policy act (Secs. 22a-1-22a-13)" cited. Id., 212 et seq.

Sec. 22a-5a. Orders. Authority of commissioner to investigate. Except as otherwise provided, whenever any section in this title authorizes the commissioner to order a person to abate, correct or remedy any violation, condition, pollution or potential source of pollution, such order may require investigation, study, data gathering or monitoring as the commissioner deems appropriate to assure that the violation, condition or pollution is abated, corrected or remedied.

(P.A. 90-247, S. 5.)

Sec. 22a-5b. Special funds and accounts administered by the department. Report required. On or before February fifteenth, annually, the commissioner of environmental protection shall submit a report to the joint standing committee of the general assembly having cognizance of matters relating to appropriations and the budgets of state agencies, through the legislative office of fiscal analysis. The report shall set forth, for the current and the ensuing fiscal year, the estimated expenditure requirements and estimated revenue for each special fund or special account administered by the department of environmental protection. The report shall also set forth, for such fiscal years, for each program which receives funds from a special fund or account: The number of positions funded by such fund or account, the estimated expenditures for personal services, other expenses and equipment, and estimated revenue.

(June Sp. Sess. P.A. 91-10, S. 14, 20.)

Sec. 22a-6. Commissioner to establish environmental standards, regulations and fees, to make contracts and studies and to issue permits. Complaints. Hearings. Bonds. Notice of contested cases. (a) The commissioner may (1) adopt, amend or repeal, in accordance with the provisions of chapter 54, such environmental standards, criteria and regulations, and such procedural regulations as are necessary and proper to carry out his functions,

powers and duties; (2) enter to do all things necessary or department; (3) initiate and statute, regulation, permit commissioner shall have the power witnesses and evidence, en limited to, suits for injuncti permit administered, adopte by him, require, issue, renew may prescribe, governing all in accordance with constituti upon any public or private pro and investigation to ascertain administered, adopted or issu such property shall permit suc sioner for such entry, or he ma to inspect such premises to de mit administered, adopted or processes or methods of manu or as a result of, any inspectio tial and shall not be disclosed of subsection (b) of section 1-1 the United States Environmen Information Act of 1976, (5 US mation is submitted after June 4 (33 USC 1251 et seq.); (6) un deem relevant, through the per private agency, to accomplish require the posting of sufficien with any permit or order; (8) pr made thereon or pursuant theret (9) construct or repair or contr erosion control system under his of any alteration, repair or additi including rented or leased premi lars or less, and, with prior appr for the making of any alteration and management involving an e not more than one million dollars ions of chapter 54 require the pa search, duplication and review c and the reasonable cost of revie compliance with the terms and c tion, order, certificate or approv subsections (c) and (d) of section sections 22a-6d, 22a-32, 22a-1 22a-174a, 22a-208, 22a-208a, 2 22a-372, 22a-379, 22a-384, 22a 22a-449 and 22a-454 to 22a-454 Act, (33 USC 1341). Such costs r notice, (B) reviews, inspections a

compliance with such permits, licenses, orders, certificates and approvals and (C) surveying and staking boundary lines. The applicant shall pay the fee established in accordance with the provisions of this section prior to the final decision of the commissioner on the application. The commissioner may postpone review of an application until receipt of the payment. Payment of a fee for monitoring compliance with the terms or conditions of a permit shall be at such time as the commissioner deems necessary and is required for an approval to remain valid; and (11) by regulations adopted in accordance with the provisions of chapter 54, require the payment of a fee sufficient to cover the reasonable cost of responding to requests for information concerning the status of real estate with regard to compliance with environmental statutes, regulations, permits or orders. Such fee shall be paid by the person requesting such information at the time of the request. Funds not exceeding two hundred thousand dollars received by the commissioner pursuant to subsection (g) of section 22a-174, during the fiscal year ending June 30, 1985, shall be deposited in the general fund and credited to the appropriations of the department of environmental protection in accordance with the provisions of section 4-86, and such funds shall not lapse until June 30, 1986. In any action brought against any employee of the department acting within his scope of delegated authority in performing any of the above-listed duties, the employee shall be represented by the attorney general.

(b) Notwithstanding the provisions of subsection (a) of this section no municipality shall be required to pay more than fifty per cent of any fee established by the commissioner pursuant to said subsection and any municipality which paid any such fee on or after May 15, 1984, and prior to October 1, 1985, shall be entitled to a credit to the extent of any amount so paid against the payment of any fees required pursuant to subsection (c) on or after October 1, 1985.

(c) The commissioner shall adopt regulations in accordance with the provisions of chapter 54 establishing a separate fee schedule for the payment of fees by municipalities. The schedule of fees paid by municipalities pursuant to section 22a-430 shall be graduated and reflect the sum of the average daily flows of wastewater in a municipality applying for a permit.

(d) The commissioner of environmental protection shall provide notice of any proceeding involving a specific site if any decision by the commissioner concerning such site is contested. The notice shall be sent to the chief executive officer of the municipality in which such site is located and to each member of the legislature in whose district such site is located. A copy of such notice shall be made a part of the record of any other proceeding before the commissioner on such site.

(e) Whenever the commissioner issues an order to enforce any statute, regulation, permit or order administered or issued by him, any person or municipality aggrieved by such order may, except as otherwise provided by law, request a hearing before the commissioner within thirty days from the date such order is sent. Such hearing shall be conducted in accordance with the procedures provided by chapter 54.

(f) The provisions of sections 22a-45a and 22a-174, subsection (r) of section 22a-208a, sections 22a-349a, 22a-354p, 22a-378a, 22a-411 and 22a-430b and subsection (d) of section 22a-454 which authorize the issuance of general permits shall not affect the authority of the commissioner, under any statute or regulation, to abate pollution or to enforce the laws under his jurisdiction, including the authority to institute legal proceedings. Such proceedings may include summary suspension in accordance with subsection (c) of section 4-182.

The commissioner may reissuance with the procedures set f

(1971, P.A. 872, S. 7; P.A. 73-665, S. 1; June Sp. Sess. P.A. 83-38, S. 3; P.A. 85-571, S. 14; P.A. 86-277, S. 1, 4; 89-139; 89-197; P.A. 90-231, S. 22, 28; F

History: P.A. 73-665 replaced alphab chapters with regard to which commissione references to powers of commissioner's ag warrant for inspection purposes, empowerment is a criminal offense and deleted prov him; P.A. 74-188 added Subdiv. (9) re co: enter upon private property without liabil: represent department employees in suits ag (10) which authorized commissioner, by r monitoring compliance with terms of vari received by commissioner under this sect: general fund, credited to appropriations of to authorize disclosure of information to th the commissioner to require the payment 22a-424, 22a-174 and 22a-368, specified with the terms of a permit and extended ti year; June Sp. Sess. P.A. 83-38 allowed th erosion control system involving an expen contract for the repair or alteration of any r less and to do the same for real assets in thousand dollars, with the prior approval rized commissioner to contract for repairs, between twenty-five thousand and fifty th compliance with the terms and conditions and which are earmarked for the departme thousand dollars; P.A. 84-546 made techn Subdiv. (10) to authorize a fee for solid existing provisions Subsec. (a) and adde establishing municipal fee schedules; P. after May 15, 1984, and prior to October amended Subdiv. (1) of Subsec. (a) by re federal law which is a part of state reg subdivision or agency, and amended Sub 1986; P.A. 86-403 made technical change public hearings on regulations; P.A. 87- amended Subsec. (a) by adding Subdiv. P.A. 87-496 substituted "public works" indicators in Subdiv. (10) of Subsec. (a) of usage; P.A. 89-139 doubled expendit reviews of transfers of hazardous waste to require that fees cover cost of search, references to Secs. 22a-6d, 22a-134e, 2 and 22a-454a to 22a-454c, inclusive; P. dollars or less, eliminating previous disti real assets and to increase expenditure li dollars; P.A. 92-51 added Subsec. (e) re of commissioner relative to general per sioner to adopt regulations re fees for ap

See chapter 54 re uniform administ
See Sec. 22a-271 re exemption of n

Cited. 192 C. 591, 596. Cited. 204 C
215 C. 82, 86.

Cited. 19 CA 216, 220.

Sec. 22a-6a. Violator: exclusive of others. (a) Any section 14-100b or 14-164c 15-171, 15-172, 15-175, 2 22a-69 or 22a-74, subsectio

studies; pollution discharge elimination systems; amending s. 288.514, F.S.; exempting certain permits from certain certification requirements; amending s. 403.031, F.S.; revising definitions; amending s. 403.051, F.S.; requiring certain permitting standards, criteria, and requirements of the Department of Environmental Regulation to be adopted by rule; amending s. 403.086, F.S.; applying certain provisions to reclaimed water instead of recovered water; amending s. 403.087, F.S.; deleting provisions relating to renewal of certain permits; exempting certain installations from construction permit requirements; providing an exception; limiting the application of certain permit fees for industrial waste or domestic waste; deleting provision requiring a surcharge for temporary operation applicants; providing limitations on permit application and regulatory program fees for domestic and industrial waste facilities; amending s. 403.0876, F.S.; specifying the processing of certain permits; amending s. 403.088, F.S.; providing for reissuing water pollution operation permits under certain circumstances; deleting certain temporary permit authorization provisions; amending s. 403.0881, F.S.; providing for construction permits for wastewater or reuse systems; providing for issuing an operation permit under certain circumstances; amending s. 403.0885, F.S.; providing for application of certain provisions of ch. 403, F.S., to a pollutant discharge elimination system program; providing additional requirements for processing and noticing certain permits; amending s. 403.111, F.S.; exempting certain information from confidentiality provisions; subjecting such information to certain federal law; amending s. 403.201, F.S.; prohibiting variances for discharge of waste into state waters; creating s. 403.5055, F.S.; providing for processing certain permits associated with applications for electrical power plant certifications; amending s. 403.506, F.S.; providing for processing certain permits pursuant to federal guidelines; amending s. 403.511, F.S.; providing for separate processing of certain permits; amending s. 403.707, F.S.; deleting application of temporary operation permits to certain facilities; amending s. 403.805, F.S.; providing employment limitations for certain persons approving certain permits; amending s. 403.809, F.S.; prohibiting delegation of authority to act on certain permit applications; amending s. 367.081, F.S.; providing for fees charged in connection with the National Pollutant Discharge Elimination System to be part of the approved rates of a utility; providing an appropriation for startup costs; providing severability; requiring certain pollutant discharge elimination system program costs to be paid from program fees; requiring a separate account for such fees; providing for implementation contingent on federal approval of such program; providing an effective date.

Preamble (Laws 1993, c. 93-213):

WHEREAS, the environment and natural resources are the foundation of Florida's economic and social well-being and the basis of the quality of life of its people, and

WHEREAS, Florida needs a comprehensive and consistent policy for protecting and conserving its environment and natural resources, and

WHEREAS, Florida's ecological systems need to be protected and managed in their entirety, and

WHEREAS, the elimination of duplicative and overlapping regulatory programs will enhance efficiency in providing services to the public, NOW, THEREFORE,

Be It Enacted by the Legislature of the State of Florida:

Section 1. Short title.—This act shall be known as the "Florida Environmental Reorganization Act of 1993."

Section 2. Declaration of policy.—

(1) The protection, preservation, and restoration of air, water, and other natural resources of this state are vital to the social and economic well-being and the quality of life of the citizens of this state and visitors to this state.

(2) It is the policy of the Legislature:

(a) To develop a consistent state policy for the protection and management of the environment and natural resources.

(b) To provide efficient governmental services to the public.

(c) To protect the functions of entire ecological systems through enhanced coordination of public land acquisition, regulatory, and planning programs.

(d) To maintain and enhance the powers, duties, and responsibilities of the environmental agencies of the state in the most efficient and effective manner.

(e) To streamline government public in a timely, cost-efficient manner. Section 3.1 Department of Environmental Protection.

(1) The head of the Department shall be appointed by the Governor and confirmed by the Cabinet. The secretary shall be appointed by the Governor at the pleasure of the Governor.

(2) There shall be two assistant secretaries.

(3) All of the existing legal orders and rules, all enforcement orders and rules, all enforcement contracts with federal, state, and local governments, and all contracts with federal, state, and local governments, shall be reviewed by the Department of Environmental Protection, including those actions which are currently in effect.

(4) The Secretary of the Department shall have the authority to take agency action, including those actions which are currently in effect. However, the existing functions set forth in part II of chapter 120, Environmental Regulatory Commission, hazardous waste facility as set forth in part I of chapter 120, Environmental Protection, and the Department of the Governor and Cabinet.

(5) To ensure consistency of the Department of the Governor and Cabinet, sitting in the Department of the Governor and Cabinet, exclusive authority to review the Department of the Governor and Cabinet, date of this act, the Governor and Cabinet had authority to issue or promulgate the procedure of the department.

(a) Such review may be initiated by the Land and Water Conservation Department and on any person named in the order rendering of the order. Within 120.57, such review shall be completed by the agency action in the proceeding of the commission. For the purpose of this act, any person who submitted oral or written comments of a substantive nature which state an order that are cognizable with statutory provisions, or any other provisions pursuant to chapter 120.

(b) Review by the Land and Water Conservation Department shall be based on the record and shall be completed within 60 days after receipt of the record.

(c) If the Land and Water Conservation Department is consistent with the provisions of this act, the department shall require the department to issue the case of an order, rescinding the order for further action consistent with the provisions of this act.

(d) A request for review of an order shall be subject to judicial review pursuant to the provisions of chapter 120, validity pursuant to s. 120.57.

¹ Tentative assignment as 20.2

88. F.S.; exempting certain 3.031, F.S.; revising definitions; criteria, and requirements of rule; amending s. 403.086, F.S.; red water; amending s. 403.087, s; exempting certain installation; limiting the application deleting provision requiring a ions on permit application and ies; amending s. 403.0876, F.S.; 3, F.S.; providing for reissuing s; deleting certain temporary iding for construction permits eration permit under certain ion of certain provisions of ch. providing additional require- g s. 403.111, F.S.; exempting ; such information to certain discharge of waste into state rtain permits associated with s. 403.506, F.S.; providing for ding s. 403.511, F.S.; providing , F.S.; deleting application of 3.805, F.S.; providing employ- s; amending s. 403.809, F.S.; ications; amending s. 367.081, Pollutant Discharge Elimina- an appropriation for startup arge elimination system pro- count for such fees; providing gram; providing an effective

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(e) To streamline governmental services, providing for delivery of such services to the public in a timely, cost-efficient manner.

Section 3.¹ Department of Environmental Protection.—There is created a Department of Environmental Protection.

(1) The head of the Department of Environmental Protection shall be a secretary, who shall be appointed by the Governor, with the concurrence of three or more members of the Cabinet. The secretary shall be confirmed by the Florida Senate. The Secretary shall serve at the pleasure of the Governor.

(2) There shall be two assistant secretaries appointed by and serving at the pleasure of the secretary.

(3) All of the existing legal authorities and actions of the Department of Environmental Regulation and the Department of Natural Resources are transferred to the Department of Environmental Protection, including, but not limited to, all pending and completed actions on orders and rules, all enforcement matters, and all delegations, interagency agreements, and contracts with federal, state, regional, and local governments, and private entities.

(4) The Secretary of the Department of Environmental Protection is vested with the authority to take agency action under laws in effect on or before the effective date of this act, including those actions which were within the purview of the Governor and Cabinet. However, the existing functions of the Governor and Cabinet, sitting at the Siting Board as set forth in part II of chapter 403, reviewing stricter than federal standards of the Environmental Regulatory Commission as set forth in s. 403.804, siting a multipurpose hazardous waste facility as set forth in part IV of chapter 403, or certifying an industrial project as set forth in part IV of chapter 288, shall not be transferred to the Secretary of Environmental Protection, and nothing herein shall be construed to change any such function of the Governor and Cabinet.

(5) To ensure consistency with the provisions and purposes of the authorizing law, the Governor and Cabinet, sitting as the Land and Water Adjudicatory Commission, has the exclusive authority to review any order or rule of the department which, prior to the effective date of this act, the Governor and Cabinet, as head of the Department of Natural Resources, had authority to issue or promulgate, other than a rule or order relating to an internal procedure of the department.

(a) Such review may be initiated by a party to the proceeding by filing a request for review with the Land and Water Adjudicatory Commission and serving a copy on the department and on any person named in the rule or order within 20 days after adoption of the rule or the rendering of the order. Where a proceeding on an order has been initiated pursuant to s. 120.57, such review shall be initiated within 20 days after the department has taken final agency action in the proceeding. The request for review may be accepted by any member of the commission. For the purposes of this section, the term "party" shall mean any affected person who submitted oral or written testimony, sworn or unsworn, to the department of a substantive nature which stated, with particularity, objections to or support for the rule or order that are cognizable within the scope of the provisions and purposes of the applicable statutory provisions, or any person who participated as a party in a proceeding instituted pursuant to chapter 120.

(b) Review by the Land and Water Adjudicatory Commission is appellate in nature and shall be based on the record below. The matter shall be heard by the commission not more than 60 days after receipt of the request for review.

(c) If the Land and Water Adjudicatory Commission determines that a rule or order is not consistent with the provisions and purposes of this chapter, it may, in the case of a rule, require the department to initiate rulemaking proceedings to amend or repeal the rule or, in the case of an order, rescind or modify the order or remand the proceeding to the department for further action consistent with the order of the Land and Water Adjudicatory Commission.

(d) A request for review under this section shall not be a precondition to the seeking of judicial review pursuant to s. 120.68, or the seeking of an administrative determination of rule validity pursuant to s. 120.56.

¹ Tentative assignment as 20.255.

(6) The following divisions of the Department of Environmental Protection are established:

- (a) Division of Administrative Services.
- (b) Division of Beaches and Shores.
- (c) Division of Air Resource Management.
- (d) Division of Water Facilities.
- (e) Division of Law Enforcement.
- (f) Division of Marine Resources.
- (g) Division of Waste Management.
- (h) Division of Recreation and Parks.
- (i) Division of Resource Management.
- (j) Division of State Lands.
- (k) Division of Water Management.
- (l) Division of Technical Services.

(7) Subsection (5) is repealed on July 1, 1994, and shall be reviewed by the Legislature during the 1994 session.

Section 4.² There is created as a part of the Department of Environmental Protection an Environmental Regulation Commission. The commission shall be composed of seven citizens of this state appointed by the Governor, subject to confirmation by the Senate. The commission shall include one, but not more than two, members from each water management district who have resided in the district for at least 1 year, and the remainder shall be selected from the state at large. Membership shall be representative of, but not limited to, interested groups including agriculture, real estate, environmentalists, the construction industry, and lay citizens. The Governor shall appoint the chairman, and the vice chairman shall be elected from among the membership. The members serving on the council on July 1, 1993 shall continue to serve on the commission for the remainder of their current terms. All appointments thereafter shall continue to be for 4-year terms. The Governor may at any time fill a vacancy for the unexpired term. The members of the commission shall serve without compensation, but shall be paid travel and per diem as provided in s. 112.061 while in the performance of their official duties. Administrative, personnel, and other support services necessary for the commission shall be furnished by the department.

Section 5. Section 253.002, Florida Statutes, is amended to read:

253.002. Department of Environmental Protection Division of State Lands; powers and duties with respect to state lands

The Department of Environmental Protection Division of State Lands shall perform all staff duties and functions related to acquisition, administration, and disposition of state lands, title to which is or will be vested in the Board of Trustees of the Internal Improvement Trust Fund.

Section 6. Subsection (1) of section 259.035, Florida Statutes, 1992 Supplement, is amended to read:

259.035. Advisory council; powers and duties

(1) There is created a Land Acquisition Advisory Council to be composed of the secretary and a designee of the Department of Environmental Protection ~~Regulation, the executive director of the Department of Natural Resources,~~ the director of the Division of Forestry of the Department of Agriculture and Consumer Services, the executive director of the Game and Fresh Water Fish Commission, the director of the Division of Historical Resources of the Department of State, and the secretary of the Department of Community Affairs, or their respective designees. The chairmanship of the council shall rotate annually in the foregoing order. The council shall hold periodic meetings at the request of the chairman. The Department of Natural Resources shall provide primary staff support to the council and shall

² Tentative assignment as 20.255(7).

ensure that council meetings are pursuant to chapters 119 and 257 or form necessary to implement Section 7. Section 370.017, F

370.017. Secretary Executive-Improvement Trust Fund

In addition to his other duties the Department of Environment mends to the Board of Trustees pertaining to the natural resou

Section 8. (1) The Department of Environmental Protection by a except that the Division of B Division of Marine Resources, t Management, the Division of A Department of Natural Resource same name in the Department defined in s. 20.06(4), Florida S 374, Florida Statutes, is trans: type five transfer, as defined in

(2) The Department of Env Environmental Protection by a except that the Division of W Division of Water Facilities, t Administrative Services, and Environmental Regulation are the Department of Environmer Florida Statutes. The Enviro: Department of Environmental Environmental Protection by a The Environmental Regulator: authority as existed on or bef

Section 9. The Marine F Trustees of the Internal Impr 20.06(1), Florida Statutes. Th shall perform the duties of the 370.027, Florida Statutes.

Section 10. The Departme budget entity.

Section 11. The Secretary December 10, 1993, provide to the House of Representatives tions to the 1994 Legislature Department of Environmental The report shall address the resources management and e and Fresh Water Fish Comm and the commission pertainin in the administration of state ments to eliminate such tion of such laws and rules. merging of agency permittin protection of the environmen

Section 12. The amount c tion for salaries and benefit

605/46.8. § 46.8. Repealed by P.A. 76-1158, § 2, eff. Jan. 2, 1970

Historical and Statutory Notes

The repealed section regulated approval of applicants and project plans for loans or grants.

*Illinois
Compiled Statutes
Annotated (West)*

605/46.9. Cooperation with civic groups and planning and development agencies

§ 46.9. To cooperate with civic groups and local, State and Federal planning and development agencies.

Laws 1917, p. 2, § 46.9, added by Laws 1965, p. 1958, § 1, eff. July 21, 1965. Formerly Ill.Rev.Stat.1991, ch. 127, ¶ 46.9.

605/46.10. Recommendation of legislation

§ 46.10. To recommend legislation relating to the economic development of the State.

Laws 1917, p. 2, § 46.10, added by Laws 1965, p. 1958, § 1, eff. July 21, 1965. Formerly Ill.Rev.Stat.1991, ch. 127, ¶ 46.10.

605/46.11. Employment of personnel

§ 46.11. To obtain and employ, pursuant to the provisions of the "Personnel Code", as heretofore or hereafter amended,¹ such technical, clerical, stenographic and other administrative personnel and make such expenditures within the appropriations therefor as may be necessary to carry out the purposes of this Act.

Laws 1917, p. 2, § 46.11, added by Laws 1965, p. 1958, § 1, eff. July 21, 1965. Formerly Ill.Rev.Stat.1991, ch. 127, ¶ 46.11.

¹ 120 ILCS 415/1 et seq.

605/46.12. Encouragement of location of scientific and research development laboratories

§ 46.12. To encourage the locating in Illinois of scientific and research development laboratories, industrial parks and facilities and to cooperate with colleges, universities, non-profit professional societies and governmental agencies to encourage the development and maximum utilization of science and research facilities.

Laws 1917, p. 2, § 46.12, added by Laws 1965, p. 1958, § 1, eff. July 21, 1965. Formerly Ill.Rev.Stat.1991, ch. 127, ¶ 46.12.

605/46.13. Creation of business assistance office

§ 46.13. To create a Business Assistance Office to:

- (a) provide information to new and existing businesses for all State government forms and applications and make this information readily available through a business permit center. The Office shall not assume any regulatory function. All State agencies shall cooperate with the business permit center to provide the necessary information, materials and assistance to enable the



center to carry out its function in an effective manner. Each agency shall designate an individual to serve as liaison to the center to provide information and materials and to respond to requests for assistance from businesses.

(b) provide technical and managerial assistance to entrepreneurs and small businesses by (1) contracting with local development organizations, chambers of commerce, and industry or trade associations with technical and managerial expertise located in the State, whenever possible, and (2) establishing a network of small business development centers throughout the State.

(c) assess the fiscal impact of proposed rules upon small business and work with agencies in developing flexible regulations through a regulatory review program.

(d) provide detailed and comprehensive assistance to businesses interested in obtaining federal or state government contracts through a network of local procurement centers. The Department shall make a special and continuing effort to assist minority and female owned businesses including but not limited to the designation of special minority and female business advocates and shall make additional efforts to assist those located in labor surplus areas. The Department shall, through its network of local procurement centers, make every effort to provide opportunities for small businesses to participate in the procurement process. The Department shall utilize one or more of the following techniques. These techniques are to be in addition to any other procurement requirements imposed by this amendatory Act of 1984 or by any other Act.

(1) Advance notice by the Department or other appropriate state entity of possible procurement opportunities should be made available to interested small businesses.

(2) Publication of procurement opportunities in publications likely to be obtained by small businesses.

(3) Direct notification, whenever the Department deems it feasible, of interested small businesses.

(4) Conduct of public hearings and training sessions, when possible, regarding state and federal government procurement policies.

(5) The Department of Central Management Services shall cooperate with the Department in providing information on the method and procedure by which a small business becomes involved in the state or federal government procurement process.

(e) study the total number of registrations, licenses and reports which must be filed in order to do business in this State, seek input from the directors of all regulatory agencies and submit a report on how this paperwork might be reduced to the Governor and the General Assembly no later than January 1, 1985.

Laws 1917, p. 2, § 46.13, added by Laws 1965, p. 1958, § 1. Amended by P.A. 83-1341, § 1, eff. Sept. 7, 1984; P.A. 85-783, § 1, eff. Jan. 1, 1988; P.A. 86-808, § 1, eff. Sept. 7, 1989; P.A. 87-235, § 1, eff. Jan. 1, 1992.

Formerly Ill.Rev.Stat.1991, ch. 127, ¶ 46.13.

20 ILCS 505/7.1

EXECUTIVE BRANCH

Members of the Advisory Board shall be reimbursed for their expenses incurred in performing their duties as determined by the Department.

Laws 1963, p. 1061, § 7.1, added by P.A. 87-1148, § 1, eff. Jan. 1, 1993.

Formerly Ill.Rev.Stat., ch. 23, ¶ 5007.1.

505/9.8a. Child Welfare Litigation Division

§ 9.8a. Child Welfare Litigation Division. The Department of Children and Family Services Child Welfare Litigation Division in the Office of the Attorney General shall represent the State in, and defend on the State's behalf, all court actions referred to it by the Illinois Department of Children and Family Services under this Act, the Child Care Act of 1969,¹ and other laws for the enforcement and defense of all legal proceedings. The Division shall be funded by an appropriation to the Department of Children and Family Services and shall be staffed with attorneys appointed by the Attorney General as Special Assistant Attorneys General whose special duty it shall be to execute the duties described in this paragraph. The Special Assistant Attorneys General shall be assigned exclusively to those duties and may engage only in political activities that are not prohibited by the federal Hatch Political Activity Act.²

Laws 1963; p. 1061, § 9.8a, added by P.A. 87-1017, § 1, eff. Jan. 1, 1993.

Formerly Ill.Rev.Stat., ch. 23, ¶ 5009.8a.

¹ 225 ILCS 10/1 et seq.

² 5 U.S.C.A. §§ 1501 et seq. and 7324 et seq.

505/35.1. Case and clinical records and reports—Disclosure

§ 35.1. The case and clinical records of patients in Department supervised facilities, wards of the Department, children receiving or applying for child welfare services, persons receiving or applying for other services of the Department, and Department reports of injury or abuse to children shall not be open to the general public. Such case and clinical records and reports or the information contained therein shall be disclosed by the Director of the Department only to proper law enforcement officials, individuals authorized by court, the Illinois General Assembly or any committee or commission thereof, and to such other persons and for such reasons as the Director shall designate by rule or regulation. This Section does not apply to the Department's fiscal records, other records of a purely administrative nature, or any forms, documents or other records required of facilities subject to licensure by the Department except as may otherwise be provided under the Child Care Act of 1969.¹

Nothing contained in this Act prevents the sharing or disclosure of information or records relating or pertaining to juveniles subject to the provisions of the Serious Habitual Offender Comprehensive Action Program when that information is used to assist in the early identification and treatment of habitual juvenile offenders.

Amended by P.A. 87-928, § 4, eff. Jan. 1, 1993.

¹ 225 ILCS 10/1 et seq.

DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS

ACT 605. CIVIL ADMINISTRATIVE CODE OF ILLINOIS (PART 7)

Section

605/46.13a. Environmental Regulatory Assistance Program.

605/46.19i. Services network funding program.

X

605/46.13a. Environmental Regulatory Assistance Program

§ 46.13a. Environmental Regulatory Assistance Program.

(a) The following terms, whenever used or referred to in this Section, shall have the following meanings ascribed to them, except where the context clearly requires otherwise:

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PART 7)

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EXECUTIVE BRANCH

20 ILCS 605/46.13a

(1) "Small business stationary source" means a business that is owned or operated by a person that employs 100 or fewer individuals; is a small business; is not a major stationary source as defined in Titles I and III of the federal 1990 Clean Air Act Amendments;¹ does not emit 50 tons or more per year of any regulated pollutant (as defined under the federal Clean Air Act); and emits less than 75 tons per year of all regulated pollutants.

(2) "Department" means the Illinois Department of Commerce and Community Affairs.

(b) The Department may:

(1) Provide access to technical and compliance information for Illinois firms, including small and middle market companies, to facilitate local business compliance with the federal, State and local environmental regulations.

(2) Coordinate and enter into cooperative agreements with a State ombudsman office, which shall be established in accordance with the federal 1990 Clean Air Act Amendments to provide direct oversight to the program established under that Act.

(3) Enter into contracts, cooperative agreements, and financing agreements and establish and collect charges and fees necessary or incidental to the performance of duties and the execution of powers under this Section.

(4) Accept and expend, subject to appropriation, gifts, grants, awards, funds, contributions, charges, fees and other financial or nonfinancial aid from federal, State and local governmental agencies, businesses, educational agencies, not-for-profit organizations, and other entities, for the purposes of this Section.

(5) Establish, staff and administer programs and services and adopt such rules and regulations as may be necessary to carry out the intent of this Section and Section 507, "Small Business Stationary Source Technical and Environmental Compliance Assistance Program", of the federal 1990 Clean Air Act Amendments.

(c) The Department's environmental compliance programs and services for businesses may include, but need not be limited to, the following:

(1) Communication and outreach services to, or on behalf of individual companies, including collection and compilation of appropriate information on regulatory compliance issues and control technologies, and dissemination of such information through publications, direct mailings, electronic communications, conferences, workshops, one-on-one counseling and other means of technical assistance.

(2) Provision of referrals and access to technical assistance, pollution prevention and facility audits, and otherwise serving as an information clearinghouse on pollution prevention through the coordination of the Hazardous Waste Research and Information Center, a division of the Department of Energy and Natural Resources. In addition, environmental and regulatory compliance issues and techniques, which may include business rights and responsibilities, applicable permitting and compliance requirements, compliance methods and acceptable control technologies, release detection, and other applicable information may be provided.

(3) Coordination with and provision of administrative and logistical support to the State Compliance Advisory Panel.

(d) There is hereby created a special fund in the State Treasury to be known as the Small Business Environmental Assistance Fund. Monies received under subdivision (b)(4) of this Section shall be deposited into the Fund.

Monies in the Small Business Environmental Assistance Fund may be used, subject to appropriation, only for the purposes authorized by this Section.

Laws 1917, p. 2, § 46.13a, added by P.A. 87-1177, § 2, eff. Sept. 21, 1992.

Formerly Ill.Rev.Stat., ch. 127, ¶ 46.13a.

¹ 42 U.S.C.A. §§ 7401 and 7521 et seq.

Library References

Words and Phrases (Perm.Ed.)

applicants under this subsection shall not exceed 25 percent of the amount reserved by law for a program for that biennium.

(4) In determining whether a grant applicant is undergoing economic hardship for the purposes of this section, a state agency shall consider:

(a) An applicant's ability to match the grant amount based on both the assessed value per student, if applicable, and the actual expenditure per student;

(b) The proportion or other measure of economically disadvantaged persons residing within the district or area of the applicant; and

(c) The level of unemployment in the district or area of the applicant.

(5) A state agency shall credit an applicant's matching funds in an amount that does not exceed 100 percent of the amount of the grant given to the applicant. Moneys of an applicant that are available to operate programs described in ORS 285.210 (2) and (4), 285.213, 285.215 (1)(a), (b) and (d), 285.217, 285.220 (1), 285.225 and 285.233 to 285.237, and that exceed 100 percent of the grant sought or given to the applicant shall not be available for use as matching funds by any other applicant. [1989 c.961 §14; 1991 c.668 §13]

PERMITS

(Generally)

285.250 Issuance of permits by state agencies; rules; time limitations. (1) It is the policy of the State of Oregon that every state agency authorized or required to approve or to issue permits shall accomplish its review and make its decision expeditiously and without undue delay.

(2) Every state agency authorized or required to approve or to issue permits shall adopt rules establishing the timetable to be followed by the agency when issuing permits. Whenever possible, the period of time between receipt of the properly completed application and completion of the agency's review shall not exceed 60 days unless other law specifies a longer period of time.

(3) Whenever any person proposes a project and submits a properly completed application to the appropriate state agency for the necessary permit, the state agency shall promptly acknowledge receipt of the application. If the state agency contemplates it will be unable to complete action to approve or disapprove the application within 60 days of receipt of the application, the state agency shall submit to the applicant a procedural timetable for completion of the agency's review at the time it acknowledges receipt of the application.

(4) As used in this section:

(a) "Permit" means any approval required from a state agency prior to construction or operation of a project.

(b) "Project" means any public or private construction or expansion or addition that requires as a prerequisite to such construction, expansion or addition the approval of a state agency, excluding activities subject to ORS 469.570, 469.590 to 469.621 and 469.930. [Power plant, nuclear siting, etc.]

(c) "State agency" means "agency" as that term is defined in ORS 183.310. [Formerly 284.895]

(Project Permits)

285.253 Definitions for ORS 285.253 to 285.260. As used in ORS 284.253 to 285.260, unless the context requires otherwise:

(1) "Agency" or "state agency" means an "agency" as that term is defined in ORS 183.310. [Formerly 284.895]

(2) "Permit" means any approval required from a state agency prior to construction or operation of a project.

(3) "Project" means any new public or private activity or expansion or addition to an existing public or private activity requiring two or more permits, excluding activities subject to siting under ORS 469.300 to 469.570, 469.590 to 469.621 and 469.930.

(4) "Specific application form" means an application prepared by a state agency for the purpose of gathering information to assist in deciding whether to approve a project. [Formerly 284.800]

285.255 Purpose. (1) The Legislative Assembly finds that:

(a) Many individuals are unaware and unable to obtain information about state agency permit requirements and processes.

(b) State agency processes in making decisions regarding issuance of permits for projects may impose unnecessary costs on project developers and deny citizens the opportunity for effective participation in the decision-making process.

(c) It is necessary to provide some method for reporting information concerning regulatory processes of this state to the Legislative Assembly.

(d) It is necessary to provide a method to identify regulatory problems and a mechanism for directing interagency coordination in regulatory processes.

(2) The purposes of ORS 285.253 to 285.260 are to:

(a) Simplify the permit issuance procedure;

- (b) Accelerate decision-making;
- (c) Make available permit application information for state government at one place;
- (d) Encourage federal and local government agency participation in a coordinated procedure of permit issuance;
- (e) Provide more effective notice to affected or concerned citizens; and
- (f) Provide methods to simplify, consolidate and coordinate and, where unnecessary, eliminate government regulatory activities to reduce the nonproductive time and expense government and the public must spend dealing with regulatory activities.

(3) In carrying out the purpose of ORS 285.253 to 285.260, the department and the director shall attempt to be of particular assistance to small businesses especially those who employ 200 or fewer people in manufacturing or 50 or fewer people in any other small business. [Formerly 284.805]

285.257 Staff; rules. (1) The department shall provide such staff as it determines necessary to accomplish the purposes of ORS 285.253 to 285.260. In addition to salary, subject to the limitations otherwise provided by law, any employee of the department shall be reimbursed for all expenses actually and necessarily incurred in the performance of official duties.

(2) Subject to the applicable provisions of the State Personnel Relations Law, the director shall appoint all subordinate officers, including hearings officers, and prescribe their duties and fix their compensation.

(3) The director shall adopt rules necessary for the administration of ORS 285.253 to 285.260 pursuant to ORS 183.310 to 183.550. [Formerly 284.810]

285.260 Agency catalogue of regulations; reports to legislative committee; content. (1) Except as otherwise provided in this section, each state agency shall:

(a) Maintain, at a central location, a current catalogue of all types of projects, license requirements, permits and other regulatory requirements administered by the state agency. Specific application forms, any applicable agency rules and the time period necessary for permit application consideration based upon experience and statutory requirement shall be included in the catalogue of each agency.

(b) Provide to any person, upon request, information from the catalogue required under this section or any application forms used by the state agency.

(c) Provide the department, upon request, with any information from the catalogue re-

quired under this section, including copies of the catalogue as the department determines necessary.

(d) Promptly notify the department of any changes in information in the catalogue required under this section if the department has previously requested information concerning the catalogue.

(e) If the agency performs any regulatory function, report annually to the department to make recommendations for methods to improve the efficiency of the agency's regulatory program, to suggest outdated or otherwise unnecessary regulatory authority that may be eliminated and to provide the department with statistics on the regulatory activities of the agency. The statistics shall include information necessary for the department to determine the number of permits, licenses, approvals or certifications the agency issues or denies and to determine the average time range for the agency to take action on such issuances or denials and to determine the number of instances that exceeded the average time range for issuance or denial. For those instances in which the average time range for issuance or denial is exceeded, an agency shall include in the report reasons for exceeding the average time range. This paragraph does not apply to regulatory activities involving the licensing of or issuance of permits for motor vehicles or motor vehicle operators or the operation of motor vehicles or involving the issuance of hunting or fishing licenses.

(f) Cooperate with the department in the exercise of its duties under this section and take administrative action necessary to implement the programs the department develops to carry out the purposes of ORS 285.253 to 285.260.

(2) Except as otherwise provided in this section, the department:

(a) Shall encourage federal and local government agencies to participate in the permit coordination processes of the department and in the submission of permit authority and application forms applicable to projects in Oregon coordinated by the department under ORS 285.253 to 285.260.

(b) Shall provide information, upon request, on state agency permit requirements for projects and shall make the information available to the public at the offices of the department and through distribution to appropriate local government offices.

(c) May provide a toll-free telephone information and referral service for the entire state to aid project permit applicants and members of the public.

(d) Annually shall prepare a report summarizing work the department has performed

in carrying out the purposes of ORS 285.253 to 285.260 and submit the report to the Legislative Committee on Trade and Economic Development. The report may include any suggestions for legislation to clarify state agency permit programs for projects and shall include recommendations for any changes necessary to enable government agencies to simplify, consolidate and combine the regulatory activities of this state.

(e) Shall identify ways in which state rules, mandated paperwork, permits, inspections, certification and license issuance may be simplified, consolidated and coordinated and, if unnecessary, eliminated and direct state agencies to take necessary administrative measures to implement the ways identified. To the extent possible, the department shall encourage and participate in efforts to also carry out the purposes of this paragraph between state agencies and federal and local agencies.

(f) Upon request, shall mediate regulatory conflicts between state agencies and businesses in an attempt to resolve the conflicts. The department may require a state agency to cooperate in any attempt to mediate under this section.

(3) The department and state agencies are not required to comply with this section for regulatory activities concerning the licensing of fiduciary, depositing or lending activities. [Formerly 284.815]

EMPLOYEE OWNERSHIP OPPORTUNITY

285.263 Definitions for ORS 285.263 to 285.273. As used in ORS 285.263 to 285.273:

(1) "Employee-owned enterprise" means a business enterprise which meets the following conditions:

(a) Is organized as a cooperative corporation formed pursuant to ORS chapter 62 or a stock ownership plan formed pursuant to section 4975(e)(7) of the Internal Revenue Code of 1986, as amended (26 U.S.C.S. §4975(e)(7));

(b) At least a majority of the employees is vested with stock in the enterprise and all employees who are vested with stock in the enterprise are entitled to vote;

(c) A majority of the employees owns a majority of the shares and shares are voted in such a manner that the vote of the majority of the employees controls the vote of a majority of shares;

(d) Voting rights on corporate matters for shares held in trust for the employees shall pass through to those employees at least to the extent required by the pass through vot-

ing requirements of section 409A(e) of the Internal Revenue Code of 1986, as amended;

(e) Voting rights of vested employees on corporate matters shall include merger, consolidation, recapitalization, reclassification, liquidation, dissolution or sale; and

(f) At least a majority of the members of the board of directors is elected by the employees of the enterprise.

(2) "Employee ownership group" means a group which may include a corporation, labor organization or other groups of persons voluntarily affiliated for the purpose of actively engaging in an effort to establish an employee-owned enterprise. [Formerly 284.075]

285.265 Policy. It is the policy of this state to encourage the formation of employee-owned enterprises in order to stabilize local economies, to anchor business activity by increasing and broadening community investments, to increase productivity and to encourage new capital formation through employee ownership. [Formerly 284.080]

285.267 Employee-owned enterprises eligible for business assistance programs and grants from Economic Stabilization and Conversion Fund. (1) Any business assistance program operated by the state or any political subdivision in this state shall by rule specifically include employee-owned enterprises within the scope of its business assistance activities. Employee-owned enterprises shall not be denied assistance or service available through any business assistance program receiving state moneys solely because the enterprise is employee-owned.

(2) An employee-owned enterprise or employee ownership group as defined in ORS 285.263 shall be considered eligible for grants or technical assistance from the Economic Stabilization and Conversion Fund created under ORS 285.120. The Economic Development Commission may apply any or all of the fund to the purposes of ORS 285.263 to 285.270. [Formerly 284.085]

Note: The amendments to 284.085 (renumbered 285.267 in 1991) by section 59, chapter 908, Oregon Laws 1989, become operative July 1, 1993. See section 87, chapter 908, Oregon Laws 1989. The text, that is operative after July 1, 1993, is set forth for the user's convenience.

285.267. (1) Any business assistance program operated by the state or any political subdivision in this state shall by rule specifically include employee-owned enterprises within the scope of its business assistance activities. Employee-owned enterprises shall not be denied assistance or service available through any business assistance program receiving state moneys solely because the enterprise is employee-owned.

(2) An employee-owned enterprise or employee ownership group as defined in ORS 285.263 shall be considered eligible for grants or technical assistance from the Economic Stabilization and Conversion Fund created under ORS 285.120. The Economic Development

fails to complete the same, or fails to satisfactorily pass the same;

(b) The applicant voluntarily determines not to engage in the activity requiring the license, permit, registration, or certificate;

(c) The applicant has engaged in the activity requiring a license, permit, registration, or certificate without having obtained the same, whether or not the applicant thereafter qualified with any of the provisions of subsection (1) of this section;

(d) Other than costs of clerical processing of the application, the department has incurred costs for services performed in connection with the license, permit, registration or certificate, or application therefor;

(e) The moneys subject to refund in accordance with the provisions of subsection (1) of this section are less than \$5; or

(f) The application for refund is not submitted to the department during the time period of the license, permit, registration, or certificate. [1975 c.758 §2]

561.305 Issuance of licenses; multiple activity license; refusal, revocation, suspension or nonrenewal of license. (1) In order to simplify and expedite the issuance of licenses by the department, whenever practical and reasonable the department may accept a single application and issue a single license covering multiple activities of a single applicant that are required to be licensed by the department.

(2) The department may refuse to issue, refuse to renew, revoke or suspend any license or application for license issued or which may be issued pursuant to any law under its jurisdiction where it finds that the licensee has violated any provision of such law or regulations promulgated thereunder. If a single license is issued covering multiple activities, the department may refuse to issue, refuse to renew, revoke or suspend the license for any single activity covered by the license without affecting other activities covered by the license. [1959 c.229 §11; 1985 c.353 §1]

561.310 [Repealed by 1961 c.425 §20]

561.315 Publication of product test reports. (1) For the purpose of this section:

(a) "Product" means any animal, agricultural product or commodity, or any article of human or animal food, chemical or other matter that is under the supervision or jurisdiction of the department.

(b) "Test" means an analytical, chemical or microbiological test, or any other similar test or analysis performed by the department laboratories.

(2) Unless otherwise specifically provided by law, the department at least quarterly

shall publish or distribute information, statistics, reports or the results of its tests of products, which show a violation of or non-compliance with a law, standard or regulation.

(3) The department shall make available a copy of the results of any test performed on a product to the owner or the person in possession of the tested product. [1969 c.131 §2]

561.320 [Repealed by 1961 c.425 §20]

561.330 [Repealed by 1961 c.425 §20]

561.340 [Repealed by 1961 c.425 §20]

561.350 [Repealed by 1961 c.425 §20]

561.360 [Repealed by 1961 c.425 §20]

561.370 [Repealed by 1961 c.425 §20]

561.380 [Repealed by 1961 c.425 §20]

561.390 [Repealed by 1961 c.425 §20]

561.395 Soil and Water Conservation Commission; membership; compensation and expenses; forfeiture of office; functions. (1) In order that there may be the closest contact between the department and the various soil and water conservation districts in the state, and in order to keep the department advised as to matters of soil and water conservation in the state, there is created a Soil and Water Conservation Commission which shall consist of seven members appointed by the Director of Agriculture.

(2) Each member shall be a citizen of this state and a director of a soil and water conservation district at the time of appointment. As far as practicable, the Director of Agriculture shall make appointments so that geographic areas of the state are represented on the commission. The term of each member shall be four years. A member shall continue to serve until a successor is appointed and qualified. Vacancies in office shall be filled by appointment for the unexpired term.

(3) The members shall be entitled to compensation as provided in ORS 292.495. At the first meeting after July 1 of each year the commission shall select a chairperson. The commission shall meet at least four times each year on a quarterly basis, and otherwise at the call of the chairperson or the Director of Agriculture. A majority of the members shall constitute a quorum, and a majority vote of the quorum at any meeting shall constitute an official act of the commission.

(4) Any member of the commission who fails to attend three consecutive meetings of the commission, whether regular, adjourned or special, shall forfeit the office unless the member is prevented from attending by the serious illness of the member or the member's family or for any other cause that in the judgment of the director constitutes a

CHAPTER 11.1.

DEPARTMENT OF ENVIRONMENTAL QUALITY.

Article 1.

General Provisions.

- Sec.
 10.1-1182. Definitions.
 10.1-1183. Creation of Department of Environmental Quality; statement of policy.
 10.1-1184. State Air Pollution Control Board, State Water Control Board, and Virginia Waste Management Board continued.
 10.1-1185. Appointment of Director: powers and duties of Director.
 10.1-1186. General powers of the Department.
 10.1-1187. Provision of the Code continued.

Article 2.

Environmental Impact Reports of State Agencies.

- Sec.
 10.1-1188. State agencies to submit environmental impact reports on major projects.
 10.1-1189. Department to review report and make statement to Governor.
 10.1-1190. Approval of Governor required for construction of facility.
 10.1-1191. Development of procedures, etc., for administration of chapter.
 10.1-1192. Cooperation of state agencies.

ARTICLE 1.

General Provisions.

§ 10.1-1182. Definitions. — As used in this chapter, unless the context requires a different meaning:

"Department" means the Department of Environmental Quality.

"Director" means the Director of the Department of Environmental Quality.

"Environment" means the natural, scenic and historic attributes of the Commonwealth. (1992, c. 887.)

Effective date. — This section is effective April 1, 1993.

Law Review. — For note on relations between states and Environmental Protection Agency, see 33 Wash. & Lee L. Rev. 590 (1976). For article discussing issues relating to toxic substances litigation, focusing on the Fourth Circuit, see 16 U. Rich. L. Rev. 247 (1982). For article as to common-law principles underlying public interests in tidal water resources, see 23 Wm. & Mary L. Rev. 835 (1982). For survey of

Virginia environmental law for the year 1989-1990, see 24 U. Rich. L. Rev. 583 (1990). For article, "State Environmental Programs: A Study in Political Influence and Regulatory Failure," see 31 Wm. & Mary L. Rev. 823 (1990). For article addressing significant developments in Virginia law pertaining to air quality, water quality and solid and hazardous waste, between 1990 and 1992, see "Environmental Law," 26 U. Rich. L. Rev. 729 (1992).

§ 10.1-1183. Creation of Department of Environmental Quality; statement of policy. — There is hereby created a Department of Environmental Quality by the consolidation of the programs, functions, staff, facilities, assets and obligations of the following agencies: the State Water Control Board, the Department of Air Pollution Control, the Department of Waste Management, and the Council on the Environment. Wherever in this title and in the Code of Virginia reference is made to the Department of Air Pollution Control, the Department of Waste Management or the Council on the Environment, or any division thereof, it shall mean the Department of Environmental Quality.

It shall be the policy of the Department of Environmental Quality to protect the environment of Virginia in order to promote the health and well-being of the Commonwealth's citizens. The purposes of the Department are:

1. To assist in the effective implementation of the Constitution of Virginia by carrying out state policies aimed at conserving the Commonwealth's

natural resources and protecting its atmosphere, land and waters from pollution.

2. To coordinate permit review and issuance procedures to protect all aspects of Virginia's environment.

3. To enhance public participation in the regulatory and permitting processes.

4. To establish and effectively implement a pollution prevention program to reduce the impact of pollutants on Virginia's natural resources.

5. To establish procedures for, and undertake, long-range environmental program planning and policy analysis.

6. To conduct comprehensive evaluations of the Commonwealth's environmental protection programs.

7. To provide increased opportunities for public education programs on environmental issues.

8. To develop uniform administrative systems to ensure coherent environmental policies.

9. To coordinate state reviews with federal agencies on environmental issues, such as environmental impact statements.

10. To promote environmental quality through public hearings and expeditious and comprehensive permitting, inspection, monitoring and enforcement programs, and provide effective service delivery to the regulated community.

11. To advise the Governor and General Assembly, and, on request, assist other officers, employees, and public bodies of the Commonwealth, on matters relating to environmental quality and the effectiveness of actions and programs designed to enhance that quality. (1992, c. 887.)

Effective date. — This section is effective April 1, 1993.

Editor's note. — Acts 1990, c. 22, cl. 1 provides: "§ 1.A. The Council on the Environment shall conduct a comprehensive assessment of existing state and federal programs to identify:

"1. How each program affects nontidal wetlands;

"2. How the programs overlap or interact with one another;

"3. Where opportunities exist for effective coordination among existing programs; and

"4. Where new or enhanced programs are needed.

"B. The assessment should identify management efforts in regard to types of nontidal wetlands, including but not limited to:

"1. Isolated hardwood wetlands and small shrub wetlands;

"2. Activities affecting these wetlands, including but not limited to, draining, impounding, and harvesting; and

"3. Functions of these wetlands, including but not limited to, flood and erosion control, water quality maintenance, recreation and habitat.

"C. The Council on the Environment shall make its initial report on or before January 1, 1992, and thereafter report annually to the Governor and the General Assembly on the results of its assessment.

"D. The provisions of this act shall expire on July 1, 1994."

Law Review. — For comment on nonpoint pollution control in Virginia, see 13 U. Rich. L. Rev. 539 (1979). For article as to common-law principles underlying public interests in tidal water resources, see 23 Wm. & Mary L. Rev. 835 (1982).

§ 10.1-1184. State Air Pollution Control Board, State Water Control Board, and Virginia Waste Management Board continued. — The State Air Pollution Control Board, State Water Control Board, and Virginia Waste Management Board are continued and shall promote the environmental quality of the Commonwealth. All policies and regulations adopted or promulgated by the State Air Pollution Control Board, State Water Control Board, Virginia Waste Management Board, and the Council on the Environment and in effect on December 31, 1992, shall continue to be in effect until and unless superseded by new policies or regulations. Representatives of the three Boards shall meet jointly at least twice a year to receive public comment and

Deliberate about environmental issues of concern to the Commonwealth 333

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§ 2.1-548.8 ADMINISTRATION OF GOVERNMENT GENERALLY § 2.1-548.8:1

Article 2.

Industrial Development Services.

- Sec.
2.1-548.10. Industrial Development Services Advisory Board.
2.1-548.11. Functions of Board.

Article 3.

Tourism and Travel Services.

- 2.1-548.13. Tourism and Travel Services Advisory Board.

Article 4.

Virginia Salt Water Sport Fishing Tournament.

- 2.1-548.15. [Repealed.]

Article 5.

Small Business Advisory Board.

- Sec.
2.1-548.16. Creation of Board; membership.
2.1-548.17. Terms of membership.
2.1-548.18. Officers of Board.
2.1-548.19. Meetings; quorum; expenses.
2.1-548.20. Functions of the Board.
2.1-548.21. State agencies to furnish information and assistance.

Article 6.

Film Office Advisory Board.

- 2.1-548.22. Creation of Board; membership; terms.
2.1-548.23. Officers of Board; meetings; quorum.
2.1-548.24. Functions of the Board.
2.1-548.25. State agencies to furnish information and assistance.

ARTICLE 1.

General Provisions.

§ 2.1-548.8. **General powers of Department.** — A. The Department shall have the following general powers, all of which, with the approval of the Director of the Department, may be exercised by a division of the Department with respect to matters assigned to that division:

1. Employ such personnel as may be required to carry out the purposes of this chapter;
2. Make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter, including, but not limited to, contracts with the United States, other state agencies and governmental subdivisions of the Commonwealth;
3. Accept grants from the United States government and agencies and instrumentalities thereof and any other source. To these ends, the Department shall have the power to comply with such conditions and execute such agreements as may be necessary, convenient or desirable;
4. Do all acts necessary or convenient to carry out the purposes of this chapter; and
5. To train or retrain individuals for specific employment opportunities at new or expanding business facilities in the Commonwealth.

B. The Department of Economic Development shall develop and implement a plan to act as an informational resource for nongovernmental applicants for state environmental regulatory permits for the purpose of assisting applicants in understanding and expediting the permitting process. (1984, c. 750; 1985, c. 256; 1991, c. 341.)

The 1991 amendment added the subsection A designation; and added subsection B.

§ 2.1-548.8:1. **Director to administer advertising funds.** — The Director of the Department of Economic Development shall administer state advertising funds and shall expend such funds for advertising the resources and advantages of the Commonwealth and in the promotion of tourism. In

§ 2.1-548.8:2 DEI

addition to other expenditures for purchase or lease of land for construction thereon; cooperate with other agencies or related work, and property or funds to

§ 2.1-548.8:2. **Expenditures for agencies.** — The Governor shall make available to any department of the Commonwealth for the Department of Economic Development in such manner as he deems to be in the special good of the

§ 2.1-548.8:3. **Interchange at U.S. 13, Eastern Shore.** — The Department of Transportation shall expend out of funds allocated to it for that purpose necessary to construct and maintain the interchange at the entrances of U.S. 13, Eastern Shore, on the Potomac River, on the other highway designated as U.S. 472.)

The 1989 amendment added the phrase "on U.S. 13;" and inserted the County of King George.

Nonstock

§ 2.1-548.8:4. **Nonstock corporation.** — The Department of Economic Development shall establish a nonstock corporation to promote and develop the international corporate community of Virginia; and (iii) the Department shall be comprised of representatives of the community of Virginia's economic development. (1992, c. 61.)

Appendix 3

Comments Received in Response to Solicitation of Outside Opinion on One-Stop Licensing

Minnesota Department of Administration

Attorney General of Minnesota

Minnesota Department of Commerce

Minnesota Board of Electricity

Minnesota Gambling Control Board

Minnesota Department of Natural Resources

Minnesota Board of Podiatric Medicine

Minnesota Pollution Control Agency

Minnesota Department of Public Safety

Minnesota Racing Commission

Minnesota Department of Revenue

Secretary of State of Minnesota

Minnesota Department of Transportation

Minnesota Board of Water and Soil Resources

Minnesota Turkey Growers Association

DEPARTMENT: ADMINISTRATION

STATE OF MINNESOTA
OFFICE MEMORANDUM

DATE: September 30, 1993

TO: E. Peter Gillette, Jr.
Commissioner
Minnesota Department of Trade and Economic DevelopmentFROM: Debra Rae Anderson
CommissionerVOICE: 296-1424
TDD Relay Service: 297-5353/ask for 296-1424
FAX #: 297-7909

SUBJECT: Executive Order 93-9

Enclosed are the Department of Administration's responses to the request for information on Executive Order 93-9. We have included a response to the issues in relation to a building rules and codes council and to issues relating to the management of information systems in state government.

Thank you for your coordination of this effort; we look forward to working with you to implement changes and carry out the Governor's program.

dra/djs/ns
Enclosure

DEPARTMENT: ADMINISTRATION

STATE OF MINNESOTA
OFFICE MEMORANDUM

DATE: September 30, 1993

TO: Charles A. Schaffer
Small Business Assistant Director
Minnesota Department of Trade and Economic Development

FROM: Dennis J. Spalla
Assistant Commissioner *DJS*

PHONE: 296-6852
TDD Relay Service: 297-5353

FAX #: 297-7909

SUBJECT: Executive Order 93-9

As you know, our Building Code and Standards Division has proposed formation of a Minnesota Rules and Codes Council to establish a "one-stop shopping" approach to licenses and permits relating to the building industry. In response to your request for information and pursuant to Executive Order 93-9, we submit the following.

1. The relationship between the agency that provides the "one-stop shopping" service and the department or agency which has statutory authority for substantive regulation or enforcement.

This is an issue whether the state building inspector or any other regulator may delegate authority to administer and enforce the state building code or other codes. In effect, this already occurs through certified building inspectors in each municipality that has adopted the code. There would need to be state certified building inspectors fully competent to review plans, determine compliance, and issue permits, on the new agency's staff.

2. A determination of who should perform competency testing or assure competency in cases where that is a prerequisite to securing a license or permit (e.g., licensed professions and building trades), and who assures or evaluates the adequacy of continuing education or other competency-based criteria that are a condition of relicensure.

We need to distinguish between licensing individuals and licensing the use of a facility. Competency for building codes and inspectors must be determined by the state building inspector who can then issue permits or licenses. This would also require a training program and coordination of testing procedures.

3. How disputes concerning delay in issuing a license or permit, denial of a license or permit, or suspension or termination of a license or permit for disciplinary or other reasons will be handled.

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Charles A. Schaffer

Page 2

September 30, 1993

Disputes arising over denial or delay in issuance of a permit or license would revert to the state building inspector and/or the Commissioner of Administration as is the case now. Parties have further rights of appeal to an administrative law judge in a contested case hearing. Disciplinary actions, including decertification, are handled by the state building inspector.

4. How the acceptance of "one-stop shopping" by regulatory and enforcement agencies will be secured and how compliance and enforcement activity will be coordinated.

Coordination of the various regulatory agencies requires a priority of codes and rules; that is, we need to establish a ranking of codes such that the higher ranked set of rules prevails in the event of a conflict. For example, Building Code would be first then fire code, then mechanical and electrical codes, elevator, energy, plumbing, and so on. This would also be coordinated with licensing by Health, Human Services, Corrections, Pollution Control Agency, Natural Resources, and Public Safety operations. Some of this could be handled by statute, some by rules. Again, we need to distinguish between licensing an individual and licensing the use of a facility.

5. How to acquire a staff that has the level of expertise necessary to provide the level of assistance and advice demanded by true "one-stop shopping."

Staffing, personnel, and systems will require substantial planning and organizational analysis.

6. How the strengths and limitations of "one-stop shopping" will be communicated to regulated parties.

This is essentially a marketing process by which the agencies communicate to the business community how the new process can benefit them.

7. How matters of overlapping jurisdiction (state/federal, state/local) will be handled and how those issues will be communicated to the affected parties.

We have moved to the common code format by adoption of uniform codes, thereby increasing the consistency of code enforcement.

8. How the need for legislative change will be determined and who will be responsible for preparing and monitoring initiatives to secure such change.

The need for changes in codes, rules, and statutes can be determined through a rules and codes council on an ongoing basis. We need to address the urgency of the "Rules and Codes Council" from our perspective. Administration has always

Charles A. Schaffer
Page 3
September 30, 1993

been vitally interested in initiating legislation for this aspect of the ultimate proposal, and we are prepared to work with other agencies to effect changes.

9. **Legal liability and other legal issues.**

The stated goal of the State Building Code is to provide minimum standards at the least possible cost consistent with the recognized standards of health and safety. In order to comply with statutes, we will need to have a completely coordinated system of rules and standards that are enforceable in the building industry. Legal issues created by implementation will always be dealt with on a case by case basis.

10. **Such other issues as the study group deems important and appropriate.**

Other issues:

- a. **Fees, surcharges, and penalties.**
- b. **Use of revenues generated.**
- c. **Training and development costs.**
- d. **Turn back of fees to sustain the program (revenue fund).**
- e. **Coordination with statewide accounting system.**
- f. **Location.**

Thank you for the opportunity to provide our insight to these issues. We will be very interested in participating in the working groups.

djs/ns

c: Debra Anderson, Commissioner
Terry Bock, Assistant Commissioner
Tom Joachim, Building Code and Standards

Date: Tuesday, 28 September 1993 10:01am CT
To: DENNIS.SPALLA, *
From: DON.BEMBERLING
Subject: Comments on Executive Order 93-9

I was on vacation when the request for comments on the material sent out by DTED was received here. My understanding is that any comments should go to you. Review of the information from the data practices perspective presents some issues. To function, the one stop licensing center will become a highly visible central repository of information about Minnesota businesses. Centralization and visibility tends to increase the demands on such an agency for the data maintained by that agency. Part of that demand may include companies seeking information about other companies particularly their competitors. Within the Data Practices Act, virtually all data collected on companies for the purpose of licensing those companies is public data. There are some limited and specific exceptions for data about some types of companies and for data about certain business related activities. In an age of increased pressure to sell lots of government information, the one stop center could acquire lots of marketable information products. It could also acquire some issues of company reluctance to provide information.

Questions, please contact me.

DEPARTMENT: Administration
Information Policy Office

STATE OF MINNESOTA

Office Memorandum

DATE: October 1, 1993

TO: Dennis Spalla
Assistant Commissioner
Property Management Bureau

FROM: Sarah Kline-Stensvold *WJS*
Director
Information Strategies and Planning Division

PHONE: Voice: 296-5693
TTY/TDD: 282-5599
FAX: 296-5800

SUBJECT: Response to request from Charles Schaffer for comments on the One-Stop Shopping study.

The Information Policy Office (IPO) has a number of policies, standards and methodologies that will apply to this project. We can provide information on these to the study. IPO will want to track the project as we do other information management projects that have budget implications. If a budget request for the legislature is developed as a result of the feasibility study, it would need to go through the IPO budget review process.

IPO's information resource development (IRD) methodology, recently released in draft form, could be used in developing the information piece of the one-stop shopping. This project has potential to be a pilot for implementation of the new methodology.

Positions being developed by the Information Policy Council (IPC) and IPO on uniform business codes, electronic forms submission, electronic document/data interchange, and information resource management may apply to this project. The study will want to review the work in these areas.

The feasibility study is directed toward regulatory information for the state and businesses. Since these businesses will also want access to other government information with a one-stop shopping approach, this broader need should be addressed in the study.

IPO is currently involved in an electronic access project looking at options for providing citizens (including businesses) with broader electronic access to government information. The results of this project may be of interest to the one-stop shopping study.

The federal government is currently developing an electronic certification system

for businesses - this may be similar to the one-stop shopping idea. The feasibility study should take a look at what the feds are doing to see if it would apply in Minnesota or if Minnesota might connect to the federal system.

I hope these suggestions are helpful. If you have questions please give me a call.

cc: Bev Schuft

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STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

October 1, 1993

HUBERT H. HUMPHREY III
ATTORNEY GENERAL

SUITE 1200
NCE TOWER
445 MINNESOTA STREET
ST. PAUL, MN 55101-2130
TELEPHONE: (612) 296-9412

Mr. Charles A. Schaffer, Director
Small Business Assistance Office
Minnesota Department of Trade and
Economic Development
500 Metro Square
121 7th Place East
St. Paul, MN 55101-2146

Dear Mr. Schaffer:

I am writing on behalf of the Minnesota Attorney General's Office in response to your memo concerning Executive Order 93-9 which requires a feasibility study on "One-Stop Shopping" for regulatory matters. The "One-Stop Shopping" idea is an interesting one that offers the possibility of making government more responsive to its citizens and reducing transaction costs to businesses in the state. The Attorney General's Office welcomes the opportunity to comment on the issues raised in your memo.

As you know, the Attorney General's Office provides legal representation and advice to all state boards and agencies. Many of the issues raised in your memo could have a direct and profound effect on the work done by those boards and agencies, as well as by our office. You have already addressed some legal issues of delegation which will have to be carefully analyzed and addressed in any One-Stop Shopping proposal. While those issues would not appear to bar the creation of a One-Stop Shopping agency, the most straight forward method to deal with those questions would be through enabling legislation. We would be glad to discuss those issues further.

This letter concentrates on the primary legal liability issue raised by your memo, "the risk and allocation of liability for improperly issuing, denying or suspending a license or permit and the potential costs of defense." Because of the possibility of overlapping authority, duplication, and inconsistent rulings raised by the prospect of having one agency make decisions and give advice on licenses and permits that are under the ultimate authority of another agency, inconsistencies or mistakes and related legal liability are valid and serious concerns.

The primary concern in this regard is the application of the equitable doctrine of estoppel. Under this doctrine, if one reasonably relies on what proves to be faulty or misleading representations to one's detriment, the one making the representation is in effect bound by the representation. Thus, if applied to the state, the state could be liable for mistaken or misleading advice given by employees, making the taxpayers liable for errors or misinterpretations by state employees and perhaps even allowing the action of an employee to contradict legislative direction as codified in state law. Presently, estoppel is usually not freely

Facsimile: (612) 296-7438 • TDD: (612) 296-1410 • Toll Free Line: (800) 657-3787 (TDD or voice)

applied against the state and a heavy burden is placed on the one trying to claim estoppel against the state. Brown v. Minn. Dept. of Public Welfare, 368 N.W.2d 906, 910 (Minn. 1985). However, a claim of equitable estoppel against the government can be and has been established under certain limited circumstances. As the Court has stated:

We do not envision that estoppel will be freely applied against the government. But if justice demands, estoppel can be applied against the government even when it acted in a sovereign capacity if the equities advanced by the individual are sufficiently great.

Mesaba Aviation Division v. County of Itasca, 258 N.W.2d 877, 879 (Minn. 1977).

A classic example of the application of the doctrine of estoppel to the state occurred in Beaty v. Minnesota Bd. of Teaching, 354 N.W.2d 466 (Minn. App. 1984). In that case an applicant for School Psychologist I licensure expended a great deal of time and money completing courses prescribed by Mankato State University and recommended by the executive secretary of the Board of Teaching. Upon completion of the program, the applicant was denied a license on the basis that the Mankato program she enrolled in was ultimately not approved for licensure. The Court held that estoppel should apply against the state and the applicant was granted a license. Because of the possibly overlapping responsibilities and inconsistent rulings, if not organized properly the One-Stop Shopping concept could lead to more rather than fewer of such instances.

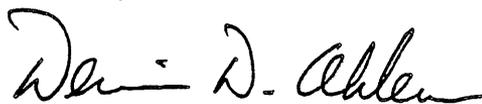
Furthermore, one of the key elements of estoppel is reasonable reliance on the advice or information provided. The courts have traditionally held that those dealing with the government are expected to know the law and thus cannot be said to have relied on the word of a state employee. The Supreme Court has stated "those who deal with the government are expected to know the law and may not rely on the conduct of government agents contrary to law." Heckler v. Community Health Services, 467 U.S. 51 (1984). Thus, part of the rationale for applying estoppel sparingly against the state is that the applicant is expected to familiarize themselves with the law and regulations. To the extent that the "One-Stop Shopping" concept implies that businesses are no longer expected to familiarize themselves of the law but rather the state will "assist" and "advise" them as to compliance, it will certainly be argued by some that estoppel should be applied to the state in the same fashion as it is to private individuals. Should this interpretation be adopted by the courts, it would likely mean more litigation and possibly more successful litigation against the state. This in turn may make employees and agencies reluctant to give advice or assistance because of the prospect of being sued if it is later determined the advice was wrong or subject to misinterpretation, thereby contradicting one of the primary aims of the One-Stop Shopping concept--to provide expeditious assistance to the public.

In order to protect taxpayers' money, minimize legal costs, and make One-Stop Shopping work as intended, this issue should be fully considered and remedial steps explored when implementing the "One-Stop Shopping" concept. It is likely that additional legal issues may arise as this concept is explored and implemented. The Attorney General's Office looks forward to assisting in attempts to minimize the problems that could be raised regarding estoppel and other legal issues surrounding "One-Stop Shopping."

Charles A. Schaffer
September 24, 1993
Page 3

The Attorney General's Office appreciates this opportunity to provide comments on some of the legal issues arising from the "One-Stop Shopping" concept. We would welcome the opportunity to participate further in the process in working groups or other future venues.

Sincerely,



DENNIS D. AHLERS
Assistant Attorney General

(612) 296-3701 (Voice)

DDA:kkw:fa3

Office Memorandum

DATE: October 11, 1993

TO: Charles A. Schaffer
Executive Director
Office of Small Business Assistance

FROM: James E. Ulland 
Commissioner of Commerce

PHONE: 6-2715

SUBJECT: Executive Order 93-9 - Conduct of Study

Executive Order 93-9 identified nine issues to be examined and resolved as an initial step investigating the feasibility of implementing "one-stop shopping," a high priority of the Governor to minimize regulatory burden on Minnesota businesses and assist business in achieving regulatory compliance as promptly and expeditiously as possible. Consideration is to be given to establishing a single agency or subagency to:

- Assist and advise the "business public" with the substance and procedures of individual regulations and the steps to compliance;
- Provide to and accept from business applicants the necessary forms and documents for regulatory compliance;
- Process these forms and documents in accordance with statutes and rules; and
- Directly issue licenses and permits as agent for the applicable agency.

In general response, it would be difficult to imagine such an effort that did not include the diversity of clientele that looks to the Department of Commerce for the authority and guidance to pursue their individual professional, trade or corporate financial businesses. Over thirty-two separate businesses and professions apply to and receive licenses from the Department of Commerce, from abstractors and appraisers to workers compensation self-insurers, as well as charters creating banks, trust companies, savings associations, insurance companies and credit unions. One could conclude we have become a virtual one-stop shopping center through legislated additions year after year. We strive to perform the four key elements of public service leading to licensing and recognize the challenge of such diversity contemplated in the single agency plan. What comes to mind is ". . . and master of none." The following is an issue by issue initial response requested.

ISSUES

1. The relationship between the agency that provides the "one-stop shopping" service and the department or agency which has statutory authority for substantive regulation or enforcement.

Comment: The first reaction given the scope of the definition in Executive Order 93-9 is that to successfully and economically deliver all four elements would require a complete transfer of all authority found in Minn. Stat. Ch. 45 to the agency providing the "one-stop shopping" service. The residual otherwise would appear to be the renewal and enforcement function. Of the licensing we do, some could be categorized, as we do internally in the area of financial services, into Tier I and Tier II.

In the Tier II, for example, is the motor vehicle sales finance license for which the criteria in Minn. Stat. § 168.67 is large documentary and licenses, as with others in the agency, are capable of being issued in a single pass/fail with little discretionary decision making or policy making involved. However, the technical compliance issue begins with an early visit to the licensee to test forms and procedures in developing the customary service and compliance aspects of a sales finance operation. This implies a field force of examiners and investigators which functions as an informational, support and enforcement element.

There should be an effort to identify suitable alternatives to cloning the Department of Commerce or transferring its capability to deliver all four elements of the proposal to those license activities considered within the scope business. That is to uncover what may be the actual deficiencies in the present delivery system as it relates to Commerce or other agencies in the view of the business community.

2. A determination of who should perform competency testing or assure competency in cases where that is a prerequisite to securing a license or permit (e.g., licensing professions and building trades), and who assures or evaluates the adequacy of continuing education or other competency based criteria that are a condition of relicensure.

Comment: Included in the array of business, trade and professional licensing done by Commerce are approximately 17 professions, many including successful completion of a competency-based examination as a criteria for licensure. As to the issue of procedure and the role of the state in determining standards, a brief description of our procedure may be helpful.

The examination is usually available to the applicant for the occupation license after initial course work in that occupation has been completed. The course work is available through a number of private and non-profit educational entities.

The department has contracted with private vendors to assist in the development of the examinations, to administer the examinations, and to provide scoring for the examinations. In each instance, the

examination vendor has set up temporary or permanent examination sites throughout the state where applicants can "sit for" the exam. In many cases, these examination sites are linked by on-line computers to the vendor's headquarters. This affords the applicants the ability to have their tests scored immediately so they know before leaving the testing site whether they have passed or failed.

The current system works quite well in that individuals are generally provided with sufficient opportunities with regard to frequency and location to take exams, as well as to attend pre-exam course work. There is a significant amount of coordination between the educational providers and the examination vendors so that individuals can take pre-test courses and/or "cram courses" and then have the exam within 24 hours of completing their course work.

The ultimate responsibility for industry standards rests with the department and is not delegated. It is strongly advised that such responsibility remain with the department due to its expertise and need for uniformity and reasonableness in licensing criteria. The fact that the exams are provided throughout the state appears to facilitate business needs more than having the exams at one central location.

It continues to be unclear who "assures or evaluates the adequacy of continuing education" relates to the one-stop shopping concept. This function is currently performed by the department based on familiarity with the various aspects, policies, practices, procedures, rules and statutes relating to regulated industries. All such course work and instructors must be "preapproved" and, therefore, submission by applicants does not involve a great deal of time. Again, this is why such responsibilities should not be assigned to others.

3. How disputes concerning delay in issuing a license or permit, denial of a license or permit, or suspension or termination of a license or permit for disciplinary or other reasons will be handled.

Comment: From our experience, the time it takes to process an application may be the single most significant concern in the view of the business applicant. Clearly, this represents potential loss of the business opportunity. Whether at a "one-stop shopping center" or in our lobby licensing center, completeness of applications is key to prompt customer service. Cross training and effective communication skills only go so far as the number of different licenses grows. Before the point of diminishing returns is reached, we realize the need to incorporate availability of total agency staff to support this existing one-stop shopping effort by Commerce. It is estimated that for our diverse clientele, approximately 25 percent of the 195,000 professional licenses are walk-ins. At this point, the merits of the "Guide to Starting a Business in Minnesota" may be as effective as

consolidating diversely experienced agencies or bifurcating certain functions as Tier I or Tier II licensing.

Suspension or termination of a license is a function of the integrity of license application information and the ability of a review investigator to be effective. The degree to which expertise and interdivisional resources are available is best seen where insurance company, bank, credit union and similar licenses are involved. Background, experience, training, financial resources and coordination with federal agencies in some cases make the "licensing" a key to successful, fair, and compliant delivery of financial services to the public. The consequences of rapid fire, expedited processing as a goal of one-stop shopping are grave and diminish the feasibility of all four of the elements in the design being delegated and transferred. Clearly, there are some licenses that can be considered, but there are others in which issues of delay or termination are outweighed by the potential consequences.

4. How the acceptance of "one-stop shopping" by regulatory and enforcement agencies will be secured and how compliance and enforcement activity will be coordinated.

Comment: A first step in this analysis is to identify the areas where this overlap currently exists. To have "one-stop shopping" for a license and contemplate introducing another player down the road is to confuse the business and introduce conflict. Continuity between access standards and a tempered regulatory response with some subsequent contact will defeat the concurrent attempts of this administration to remove confrontational regulation. Much of what Commerce does involves a system of ongoing contacts beyond renewal licensing and takes the form of examinations, visitations and investigations. Many are conducted in the field and others in the framework of desk audits. We regularly involve the compliance staff and license staff when setting access policy and practices and where differing avenues are discussed to determine appropriate supervisory or enforcement action. This is the theory of no surprises for either the agency staff or clientele.

The potential for pitting access judgments against supervisory judgments is too great to suggest these are unrelated as they directly affect the business likelihood of success, continuity of delivery services to the public and consumer protection goals. It would be unwise to delegate a portion of this ongoing relationship.

A review of existing overlapping of jurisdictions is recommended for further illustration of areas to be avoided.

5. How to acquire a staff that has the level of expertise necessary to provide the level of assistance and advice demanded by true "one-stop shopping."

Comment: As pointed out in response to issue 4, Commerce has a walk-up "one-stop shopping" desk in the lobby staffed with very knowledgeable, well-trained staff involving rotating shifts. For any one of these employees to provide the information and assistance on the thirty-three separate license application forms now in use in Commerce would be to expose them to undue risk and stress. To transfer a desk operation only similar to that in Commerce, relies heavily on the availability of "answer people" and not limit the customer opportunity to simple transaction only services as may be the case in other agency applications.

The expertise necessary is gained over years of experience in various levels of employees and staff. Many of the licenses now issued by Commerce are not fundamental to the original authority to regulate and supervise the areas of real estate, securities, insurance and financial institutions. The administration and regulation of additional areas were added over the past 25 years, and as recently as last year, so that each added responsibility grew gradually into the overall system of licensing, regulation and supervision. To attempt to create this background and its support system in a subagency doing parallel work is very, very problem prone. A micro-display of such an effort was the Disaster Application Centers established in seven locations across the state in response to the 1993 weather-related disaster. This was an effort that should receive high marks, but which relied on the availability of individuals with comprehensive knowledge about the fifteen to twenty areas identified by tables around the meeting halls and gymnasiums.

It may be more advantageous, less risky and as effective to employ more use of electronic and technical means to link "one-stop shopping centers" to existing people in various agencies.

6. How the strengths and limitations of "one-stop shopping" will be communicated to regulated parties.

Comment: Communication is key to access to the existing framework such as the "Minnesota Guidebook to State Agency Services" or the central information number of the state. Telephone inquiries by potential users of Commerce number over 250,000 annually, directing people in search of licensing information to "answer people" in the various agency divisions, sections and units. Because it is not practical, nor economically feasible, to afford local work in centers of agencies in Minnesota's 87 counties, St. Paul becomes the one-stop shopping center. Unless there is overlapping responsibility or more than one agency involved, the logistics of a one-stop shopping center is of questionable benefit.

Charles A. Schaffer

October 11, 1993

Page 6

Therefore, current, simple, accurate written directions located where all 87 counties' residents have access, such as public libraries, and toll-free telephone referral services would seem to provide the linkage needed. Perhaps we have that now, and again we may need to inventory any lack of communication or information availability in order to focus clearly on clientele needs and shortcomings of government.

7. How matters of overlapping jurisdiction (state/federal, state/local) will be handled and how those issues will be communicated to the affected parties.

Comment: Here is an area where consolidation and cooperation among and between various agencies and responsible parties can limit the exposure business has to noncompliance by omission rather than presuming to offer all necessary licenses and permits at one location or through one agency or subagency. Unless the one-stop shopping center is very thorough and complete, it could create voids and a disservice. I understand model states, such as Washington which issues some 700 licenses, permits and authorities, only marshals 50 through its Office of Business Licensing.

Our cooperation with the Bureau of Business Licenses is pledged. If the network is in need of improvement to assure that any overlap in jurisdiction is communicated to affected parties, we will respond.

8. How the need for legislative change will be determined and who will be responsible for preparing and monitoring initiatives to secure such change.

Comment: The single authority for all licenses issued by Commerce is the Commissioner who has authority in § 45.013 to appoint deputies. Unless the plan is to be a delegation under existing law supported by the necessary budget, all of the chapters and sections referenced to in chapter 45 and § 45.027 would require amendment. This, of course, is a fraction of the changes contemplated and would need the preparation by each responsible party coordinated with the entity to inherit the responsibility.

9. Legal liability and other legal issues.

Comment: Delegating in the short term or transferring legal authority through legislation appears to have the procedures available. It is difficult to conceive the hurdles or vulnerabilities without a clearer picture of the activities of the "one-stop shopping center" agency or subagency. In Commerce, for example, we have consolidated enforcement. The legal authority and procedure for all regulated licensees is controlled by Minn. Stat. § 45.027. This limits legal issues, but still leaves the agency exposed to various forms of appeal and

Charles A. Schaffer

October 11, 1993

Page 7

grievance redress contained in over 30 separate licensing laws and rules.

10. Such other issues as the study group deems important and appropriate.

Comment: Delays in processing applications once the clientele identifies Commerce as the licensing authority is something we work on every day to improve. An important part of successful government/business/individual relationships is access to the decision maker. This may or may not apply to a significant number of individual licensees, but it does to their industry and association representatives. Although Commerce has grown into an agency that is extremely diverse, the clientele want and deserve reasonable access to influence, inform and question the Commissioner. When every outcome is based on generic rules, and to influence or understand the policy maker is to submit comments in formal rule making, the Minnesota experience where government is working now may be lost.



STATE OF MINNESOTA

STATE BOARD OF ELECTRICITY
GRIGGS-MIDWAY BLDG.-ROOM S-173
1821 UNIVERSITY AVENUE
SAINT PAUL, MINN. 55104

September 14, 1993

Mr. Charles A. Schaffer
Minnesota Department of Trade and Economic Development
500 Metro Square
1217 7th Place East
St. Paul, MN 55101-2146

Subject: Executive Order 93-9

Dear Mr. Schaffer:

The "one-stop shopping" proposed for regulatory and licensing activities would undoubtedly benefit businesses in some cases. However, it seems unlikely that the licensees and other installers of electrical wiring served by the Board of Electricity would benefit from that concept. Association with other regulatory agencies would diminish the accessibility, effectiveness, responsiveness, and economy of the services provided.

The board licenses electricians and electrical contractors, and provides electrical inspection service statewide, except in communities that have their own inspection program.

Application forms for electrical licenses are available by mail or by personal visit to the board's office, which is centrally located in the metro area and has free parking. Applicants frequently have questions concerning licensing requirements. It is important for the person serving them, either personally or by phone, to be knowledgeable about the applicant qualification, examination, licensing, bonding, insurance and other requirements. The volume of applicants would not justify a full-time position at more than one location. A person who must deal with several regulatory matters would be unlikely to have the expertise required.

The board examines, on average, approximately 120 applicants each month at the Earl Brown Center on the University of Minnesota St. Paul campus. Several board employees spend approximately 1-1/2 hr. to process applicants at the site, and the examiner and one assistant then supervise the day-long written test. It would obviously require much more staff time, including travel time and overnight expenses, to hold examinations at several locations each month, which would greatly increase the cost of the examination. Holding the examination at a different location each month would also require considerably more staff time and would reduce the general accessibility of the examination to all applicants.

Applicants for personal (electrician) licenses are not involved with any other regulatory agency in connection with their application or licensing. Businesses generally, including applicants for electrical contractor licenses, must have a worker's compensation and unemployment insurance policy, a federal social security and business tax account, and state business tax account. In addition, corporations or assumed names must register with the Secretary of State. There does not appear to be a constructive

Charles A. Schaffer
Page 2
September 14, 1993

way to integrate the licensing process with those other requirements. Relocating the board office and other agencies to a facility where all those services are available would sacrifice the accessibility of the present location.

Most of the inspection requests filed with the board are by licensed contractors, who maintain a supply of the required forms. Businesses must obtain a Request for Electrical Inspection only if they have licensed employees who install electrical wiring. Very little of the electrical work done by such employees is performed in connection with work that would require other permits. Although building contractors must generally obtain a building permit, they do not need an electrical permit, and electrical contractors do not need a building permit.

Homeowners doing their own electrical work may obtain inspection request forms from the board by mail. The board's area representatives and contract electrical inspectors, some power suppliers, and some building inspection departments also keep a supply of those forms to resell to owners. Because of the many city building inspection departments, there is no readily apparent way to consolidate the issuance of building permits and inspection requests.

The board has eight area representatives, each living within their assigned geographical area. There are fifty-plus contract electrical inspectors living in or near their assigned inspection areas. Those persons are available for consultation by phone concerning matters under board jurisdiction, and will visit clients personally when appropriate.

In view of the above, it does not appear that the board's clients would benefit from the one-stop shopping approach. The board could not maintain the same level of service under that condition without incurring substantial added costs. However, we would welcome the opportunity to participate in working groups concerned with this matter. Please contact me at your convenience if you wish to have us do so.

Sincerely,

STATE BOARD OF ELECTRICITY



William E. Bickner
Assistant Executive Secretary



State of Minnesota • Gambling Control Board

1711 W. County Road B
Suite 300 South
Roseville, MN 55113
612/639-4000

November 16, 1993

Charles A. Schaffer
MN DEPT OF TRADE & ECONOMIC DEVELOPMENT
500 Metro Square
121 7th Place East
St Paul MN 55101-2146

Dear Mr. Schaffer:

Following is the response of the Minnesota Gambling Board to the issues raised in Executive Order 93-9 relative to One-Stop Shopping.

The relationship between the agency that provides the one-stop shopping service, and the department or agency which has statutory authority for substantive regulation or enforcement.

Comment: We agree with the concern expressed in E. Peter Gillette's memo dated 9/3/93, regarding the Gambling Board's delegation of its authority to issue licenses and permits to another agency. The licensing/permit processes employed by the Gambling Control Board are, in some instances, quite complex and may require some subjective determinations in addition to the obvious objective questions asked on the standard license/renewal application forms. For instance, consultation frequently has to occur with other members of the Gambling Board staff or Attorney General's office to determine whether or not an applicant for a license is presently in good standing in terms of submittal of various reports and documents, whether that entity is current in payment of any fees or taxes due, or has been the subject of disciplinary action by the Board during the term of the previous license period, or whether an investigation is pending or currently underway involving the applicant.

The Gambling Board is entrusted with protecting the public, and the integrity of all forms of legalized charitable gambling in Minnesota. We would be troubled by delegating our authority in the issuance of licenses and permits to another agency. At the very least, it would require staff at this "one-stop shopping" agency to be completely familiar with the Board's licensing rules and requirements, and to be in direct and daily communication with Board staff relative to the renewal and issuance of licenses and permits. It may turn out to be a duplication of effort on the part of both the Gambling Board and the one-stop shopping agency, and as a result increase the workload of staff when errors occur.

A determination of who should perform competency testing or assure competency in cases where this is a prerequisite to securing a license or permit, et.al.

Comment: The Gambling Board does not perform competency testing, so this is a non-issue for us. However, certain classes of licenses issued by the Board preclude individuals from being licensed in another category of licensure by the board. For

example, a person licensed as a distributor may not also be licensed as a manufacturer or a bingo hall operator. Again, this would require extensive knowledge on the part of the staff of the one-stop shopping agency.

How disputes concerning delay in issuing a license or permit, denial of a license or permit, or suspension or termination of a license or permit for disciplinary or other reasons will be handled.

Comment: This would require a great deal of cooperation between the Board and the one-stop shopping agency. We foresee difficulties in another agency issuing or denying licenses or permits in error, and the Board then being bound by rule to discipline the license/permit holder because an error occurred at the one-stop shopping agency. In addition, there is a hearing process that the Board administers which requires documentation from staff regarding license denials, revocations or suspensions. There are also deadlines involved for receipt of applications, and confusion may occur over the difference between a complete vs. completed application.

How the acceptance of one-stop shopping by regulatory and enforcement agencies will be secured and how compliance and enforcement activity will be coordinated.

Comment: We believe that there may initially be resistance to one-stop shopping from those we regulate. It may be perceived by the industry as simply "another step in the bureaucratic process" for them to comply with, i.e., while they may be able to be licensed at a one-stop shopping agency, they will still have questions and concerns about the terms of that license or permit that will require consultation with the Gambling Board staff. Again, this may be simply a duplication of effort by two state agencies or boards.

How to acquire a staff that has the level of expertise needed to provide the level of assistance and advice demanded by true "one-stop shopping". This new agency would, indeed, face a daunting task. Staff would need to be familiar with the complex and intricate license/permit issuing process of everything from drivers' licenses to gun carrying permits, beauty shop operators to doctors and nurses, and controlled substances to bingo. An individual may come in to the licensing agency for a permit to do logging, and the licensing staff might spend a lot of time and effort on the permit only to find out that the jurisdiction really belonged to the Federal Government. On the face of it, it appears that this would be an overwhelming task for any agency, regardless of size or expertise. At the very least, startup and the first several years of operation would probably lead to confusion and frustration on the part of those individuals the state is trying to help, and a deterioration in the level of service provided as well as regulation.

How the strengths and limitations of one-stop shopping will be communicated to regulated parties.

Comment: Again, we feel that this will be difficult to communicate. The state would first have to carefully list all areas in which licenses or permits are issued by the state, and perhaps communicate the fact that local, county or federal permits may also be required --- which this one-stop shopping agency cannot provide. People will be confused as to where to go for what permit, and if the state simply advertises "one-stop shopping" for "all your governmental needs", people will be coming into the agency to apply for Social Security and passports, in addition to any licenses or permits that the state issues. We see this as an opportunity to simply add to the confusion facing people when they go to apply for certain licenses or permits.

How matters of overlapping jurisdiction will be handled and how those issues will be communicated to the affected parties.

Comment: See previous comment. Again, we see this as a huge potential problem, and may result in an overstepping of authority (albeit inadvertant) on the part of the one-stop shopping agency. In addition, this "new" agency would have to have satellite offices throughout Minnesota in order to serve the populace, which would add to the potential for errors and misjudgments. It would also add considerably to the cost of this project, and the state should engage in a cost/benefits study to determine if the need for one-stop shopping outweighs the confusion and frustration which will probably occur for the first couple of years.

How the need for legislative change will be determined and who will be responsible for preparing and monitoring initiatives to secure such change.

Comment: It would seem that such initiatives should come from the Governor or Legislature.

Legal liability and other issues:

Comment: A tremendous amount of coordination would have to be undertaken between the regulatory agency and the licensing agency. The licensing agency would have to be familiar with the other agency's rules, pending rules, repealed rules, etc. in addition to the statutes of each agency they are licensing for. The question of which agency is legally liable for errors or omissions in the licensing process would be open to question, and perhaps even costly litigation if the error occurred in a sensitive area, i.e., issuing a gambling manager license to a convicted felon, or issuing a license to an organization that has previously been permanently revoked.

In conclusion, we do not feel at this time that one-stop shopping would enhance services to its licensee and would be greatly concerned about the potential for reducing the effectiveness of our regulatory responsibilities.

Sincerely,


HARRY W. BALTZER
Executive Director

HWB:sb



STATE OF
MINNESOTA
DEPARTMENT OF NATURAL RESOURCES

500 LAFAYETTE ROAD, ST. PAUL, MINNESOTA 55155-4037

OFFICE OF THE
COMMISSIONER

DNR INFORMATION
(612) 296-6157

December 22, 1993

*Charles
H. ...*

Commissioner E. Peter Gillette
Department of Trade and Economic Development
900 American Center Building
150 E. Kellogg Boulevard
St. Paul, Minnesota, 55101

Dear Commissioner *EG* Gillette:

This is in response to Executive Order 93-9. As you are aware, that executive order prescribes a study of the feasibility of implementing a "one-stop shopping" concept for business regulation. Before I begin my response, I would like to assure you that the administration and staff of the Department of Natural Resources takes the issue of customer service quite seriously. To ensure that this is present in all disciplines, each employee is required to attend a customer training course structured around the department's programs.

As for "one-stop shopping", the department has spent a considerable amount of time over the past 2-1/2 years reviewing methods of improving delivery of services to the customers. Attached is a copy of the "DNR Customer Service Alternatives Final Report." The management consulting team of Deloitte & Touche reviewed the department's programs and their findings are included in this report. The report is separated into four categories: License Sales, Registration and Titling, Information Dissemination, and Merchandise Sales.

As we discussed with your agency previously, the DNR has very limited authority in the regulation of business operations affecting natural resources. The primary one of these, permits for altering lakes and streams, has a significant review process enunciated in statute which requires notification and review by local governmental units in addition to the field reviews conducted by our natural resource professional staff. Thus, it does not lend itself very readily to the "one-stop shopping" concept and it would remove an important communication and coordination role between our field staff, clients, and local units of government.

Additionally, most commercial licenses and permits issued by the department have a reporting requirement. The department relies on these reports to monitor the various programs, document trends, and

ensure that the resource is protected. Failure to report can make the licensee ineligible to be licensed the following year. It would be cumbersome to involve another agency in reporting requirements and licensing eligibility.

To summarize, the Department of Natural Resources has a strong commitment to its customers and is diligently working to improve their knowledge of our programs and the delivery of our services. Although the department believes that "one-stop shopping" may pose some major problems for many licenses and permits issued for purposes that have a direct effect on the environment, we do believe that improvements must and can be made.

Yours truly,

A handwritten signature in cursive script, appearing to read "Rod Sando", written in black ink.

Rodney W. Sando
Commissioner



DNR Customer Service Alternatives
FINAL Report

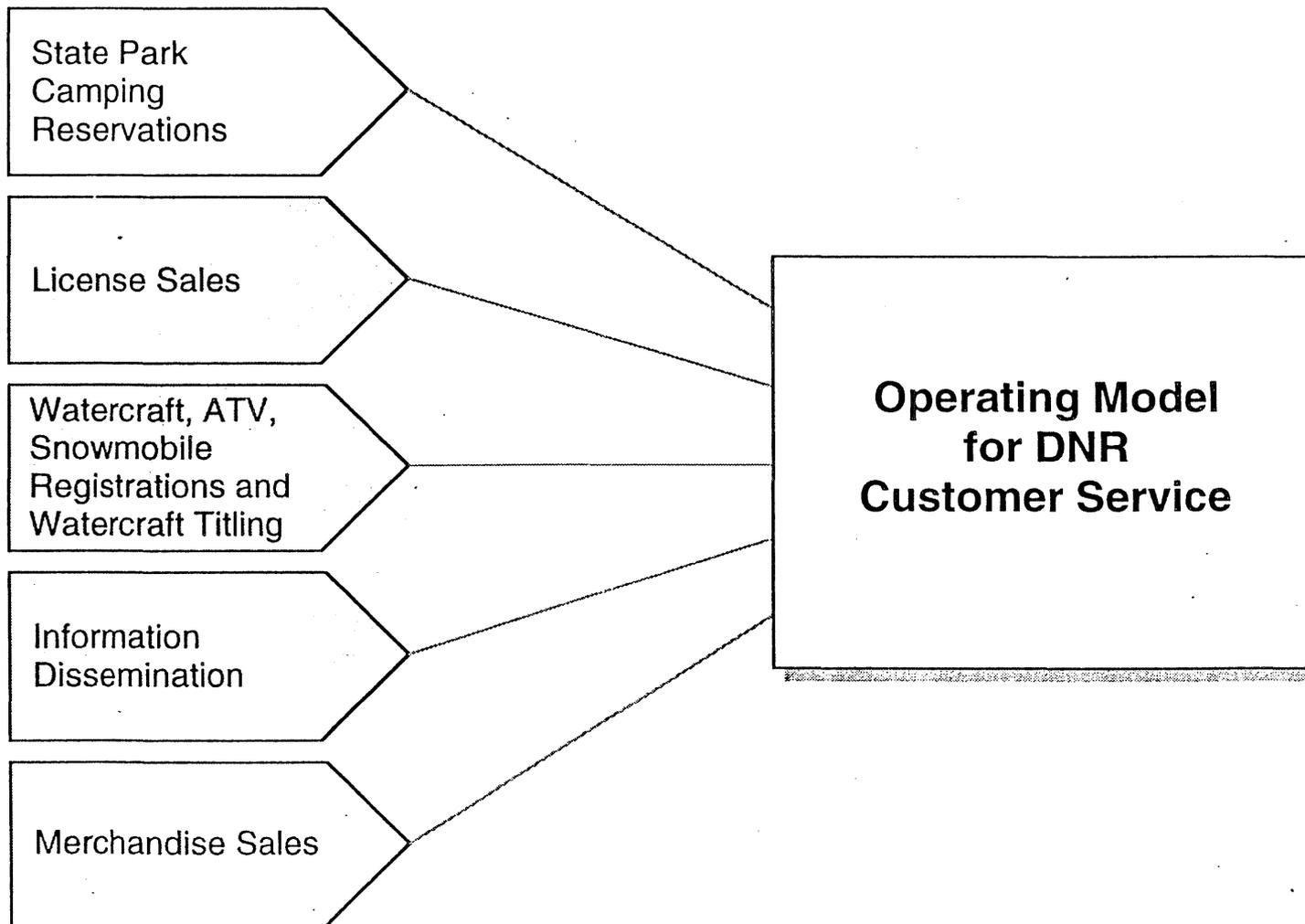
May 28, 1993

Five customer service models were analyzed in order to determine the feasibility and desirability of one-stop-shopping within the DNR. These models, supplemented with customer survey data, indicate that one-stop-shopping is not the preferable alternative and would not greatly enhance customer service. Although combining all models is not optimal, the five models do hold merit on their own.



- Customer survey data suggests that there is not a strong demand for one-stop-shopping because of the small number of customers who purchase products across DNR divisions. Likewise, few customers would be willing to pay extra for a 1-800 service.
- It does not appear feasible to alter the current operations to offer one-stop-shopping because each division functions in a distinct manner and serves different customers with different service expectations.
 - Substantial cross-training would need to be given to all service personnel on an ongoing basis.
 - Given the limited space in the DNR St. Paul office, it is not feasible to provide additional services requiring numerous staff, larger service areas, and expanded workstations.
- The proposed idea does not seem cost effective due to the large, unrelated technology and staffing requirements.
 - Computer and telecommunications equipment are needed for each of the five models. While these items are vital to customer service, they cannot be shared effectively between models.
 - Additional staff is another key element to augment service through the five models. Since each model has a separate function, there is little potential for multi-functional staffing.
- Research indicates that one-stop-shopping within the DNR would adversely affect the DNR's relationship with its public and private service providers.
 - Survey results show that license sellers and registration sellers anticipate a decreased level of satisfaction if the DNR were to provide 1-800 services.
 - Many providers foresee a decline in their own business if DNR products were available by phone.

The workgroup is recommending to rebid the State Park Reservation System to external vendors.* This report explains options and recommendations for customer service improvements in other DNR service areas.



* A separate report explains this recommendation.



The following is a summary of DNR customer service alternatives and recommended feasible options in the area of hunting and fishing license sales.

License Sales Alternatives

- 1) No change in current services
- 2) 1-800 phone sales in addition to current services
 - 800 number provided to public
 - Advantages of providing 800 number to license retailers
- 3) High-level look at POS terminals for license retailers (cost of terminals only)
- 4) Other enhancements to services based on customer survey results

License Sales provided by an outside vendor (evaluated if outside vendor is recommended by workgroup to provide other DNR services)



Feasible Options

- 1-800 phone license sales to non-residents and a pilot service to residents
 - No advertising done for resident licenses initially
 - Shipping and handling charge of about \$1.20 per license
- If resident customer demand grew to beyond 5% of total license sales, the DNR would not have the capacity or resources to provide the service



License Sales Recommendation

- Provide 1-800 phone license sales to non-resident customers and pilot 1-800 phone license sales to resident customers.

Michigan sells four million game and fish licenses annually. Of the states we evaluated*, Michigan is the most experienced and sophisticated seller of licenses through a 1-800 number to non-residents.



- They sell 25,000 non-resident licenses, approximately 15 percent of their non-resident total through a 1-800 number.
- They have offered an 800 license service to surrounding states (Michigan, Ohio, Illinois, Wisconsin) since 1986.
- They sell licenses, stamps, and lottery applications over the phone to non-residents only.
- "Renewal" cards are mailed to those non-residents who have purchased a license in the past. These people can either mail in the card to get a new license or call the 800 number and pay with credit card, check, or money order.
- Licenses, stamps, and tags are mailed to the purchaser within two weeks.
- No statute changes were required to provide the service.
- Michigan is able to make a profit on non-resident licenses because the service generates additional sales. Michigan does not offer the 800 service to residents at the present time because of staffing and proof of identification requirements.

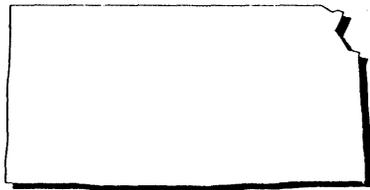
* We evaluated states selling game and fishing licenses from the Arizona Credit Card survey report, dated November 1992.

Wisconsin has one year of experience selling licenses over the phone to non-residents.



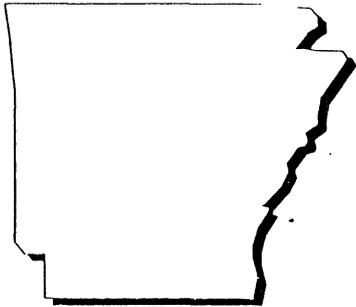
- Only 250 deer hunting licenses and fewer fishing licenses were sold in 1992. Very little marketing or advertising of the service has been done.
- They have offered a direct line license service since 1992.
- They sell license products to non-residents only (proof of residency problems prevent them from selling to Wisconsin residents).
- Licenses may be purchased with a credit card, check, or money order.
- Their Info Center handles the license sales and fulfillment.
- There is a proposal into the Wisconsin Legislature to allow the 75 cents issuing fee to be kept in License Section Fund.

Kansas has been selling licenses to non-residents and residents over a direct-dial number for many years and is currently looking into providing the service through a 1-800 number.



- The phone license service is available to residents and non-residents, but mainly used by non-residents (residents generally prefer to go to their usual agent).
- They have offered direct line license service for over ten years.
- Purchases can be made with a credit card, check, or money order; turnaround time is three to five days depending on where the license is being mailed.
- Kansas is currently looking into an agency-wide 800 service.

Arkansas sells licenses to residents and non-residents via a 1-800 number. Licenses purchased with a credit card are valid for immediate use.



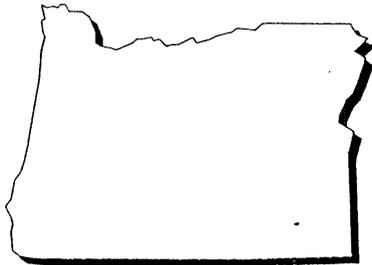
- They currently sell five percent of total statewide license sales (10,000 licenses) through this 800 service.
- They have offered a 1-800 license service to residents and non-residents since July 1991. A problem with the availability of licenses at agents propelled Arkansas to install the system.
- A unique validation number is entered into the computer and issued for immediate use. Enforcement officers radio the License office to verify numbers. The actual license arrives in the mail within three to five days.
- Payment by credit card is required for immediate use; payment by either credit card or check is acceptable if license is to be mailed.

California has been selling fishing licenses to residents and non-residents over a direct-dial number for four months (since December 1992).



- They sell fishing licenses over the phone to residents and non-residents (mainly commercial licenses). Twenty-six thousand licenses have been sold in the last four months.
- The purpose of this service is to provide a convenience to customers and attempt to increase license sales; they have not achieved additional sales so far.
- Turnaround time to receive a license in the mail is about one week. Customers are very happy with the service.
- Currently, the system costs California's License Branch money. If legislation were passed that allowed Licenses to keep the 5 percent issuing fee, then they would more than cover their costs.

Oregon has been selling licenses over a direct-dial number, mail, and FAX for three months. Both residents and non-residents can purchase licenses with proper identification.



- They have offered direct-line license service since January 1993.
- Licenses are sold to residents and non-residents by credit card, check, or money order.
- The purpose of the service was to cut costs when their budget was decreased. They have been able to eliminate one FTE by stopping over-the-counter sales and increasing mail, FAX, and phone calls.
- Photocopy of identification is required for proof of residency or age.
- Applications for licenses and controlled hunts are available at agents or from the Department of Fish and Wildlife by mail or FAX. Completed applications can either be mailed or faxed into the DNR.
- Licenses are mailed to customers within two and half weeks during Oregon's peak season.



Cost estimates for an in-house 1-800 license service are based on the following assumptions:

- The DNR would be responsible for hiring additional staff, purchasing necessary equipment, and providing the space required for the service.
- Sales and revenue calculations are based on aggregate license sales in 1992; stamps and lottery fees are not included.
- Profit or loss is based on operating costs and the four percent of revenues saved from County auditor fees.
- The estimated call time of two minutes is based on other state experience.
- The number of FTEs required is based on Michigan's experience (25,000 calls/FTE) and Info Center informational call experience (28,000/FTE with a shorter call time).
- Lottery applications would be available over the phone only in conjunction with a game license.
 - The license would be sold over the phone and the data entry screen would contain a field to check for lottery application/fee.
 - A marked field would signal that an application needs to be mailed along with the license and regulation booklet.

In order to prevent significant annual losses, the DNR would have to charge a shipping and handling fee for each license sold through a 1-800 service.



<u>Resident Licenses</u>	<u>Annual Costs</u>	<u>Profit/ (Loss)</u>	<u>User Paid Shipping and Handling per License to Breakeven</u>	
			<u>In Year 1</u>	<u>After Year 1</u>
15 percent	\$493,346	(\$337,851)	\$1.42	\$1.36
25 percent	\$806,728	(\$547,569)	\$1.38	\$1.32
40 percent	\$1,284,083	(\$869,429)	\$1.37	\$1.32
<u>Non-Resident Licenses</u>				
15 percent	\$97,990	(\$60,070)	\$1.75	\$1.53

* Michigan charges \$1.00 shipping and handling per license.

License Sales

Possible 1-800 phone license sale volumes for resident licenses are based on survey data and Michigan experience. The estimated non-resident volume is based on Michigan non-resident volume.



	<i>Resident Licenses</i>			<i>Non-Resident Licenses</i>
	15% of Total Sold	25% of Total Sold	40% of Total Sold	15% of Total Sold
Estimated number sold (based on 1992 license sales)	238,041	396,734	634,776	34,251
FTEs (based on 25,000 sales per FTE in Michigan)	10	16	25	1 (+5 Temps)
Revenues (based on 1992 license sales)	\$3,887,384	\$6,478,974	\$10,366,358	\$947,988
Costs				
Credit card fee 2.5 percent	\$97,185	\$161,974	\$259,159	\$23,700
Salaries and benefits	263,827	422,124	659,550	49,276
1-800 per minute charge (2 minutes at \$14.64 per minute)	58,400	102,200	175,200	8,760
Software	3,000	3,000	3,000	3,000
Phones and PCs	11,900	19,040	29,750	4,760
Mailing (24.8 cents per piece)	59,034	98,390	157,424	8,494
Total costs	<u>\$493,346</u>	<u>\$806,728</u>	<u>\$1,284,083</u>	<u>\$97,990</u>
Less 4 percent savings	(155,495)	(259,159)	(414,654)	(37,920)
Profit/(Loss)	<u>(\$337,851)</u>	<u>(\$547,569)</u>	<u>(\$869,429)</u>	<u>(\$60,070)</u>

License Sales



The following statutes would have to be revised before the DNR could implement a 1-800 phone license service.

Game and Fish Licenses

- 97A.405
Subd .2 "A person to whom a license is issued must have the license in personal possession while acting under the license and while traveling from the area where the licensed activity is performed...A receipt for license fees, a copy of a license, or evidence showing the issuance of a license does not entitle a licensee to exercise the rights or privileges conferred by a license."⁽¹⁾
- 97A.411
Subd .2 "A stamp issued under the game and fish laws must be signed by the licensee across the front of the stamp to be valid."⁽¹⁾
- 97A.472 "The commissioner shall not sell or issue licenses in any place outside this state a non-resident license to take fish in this state."⁽¹⁾
- 97A.481 "...The (license) application must be made in writing and is subject to penalty."⁽¹⁾
- 97A.065
Subd .3 (6)(b) "Dedication of receipts for license and stamp sales—necessary related administration costs are not to exceed 10 percent of the annual revenue."⁽¹⁾
- 6212.0300.3 "No resident license shall be sold (by an agent or auditor) unless personal knowledge or written identification."⁽²⁾
- 6232.0100.10 "Hunters must affix a tag provided with the license at the site of kill... Early season goose hunters must possess a permit valid for particular zone... Trappers must personally hold possession tag while taking or transporting species."⁽²⁾
- 6232.5100.F "Application procedure states that fee be in the form of a cashier's check, money order, or personal check, and must accompany each application."⁽²⁾

Sources: (1) 1992 Minnesota Statutes, Chapters 59A to 114B
(2) 1992 Commissioner's Orders

License Sales

Based on the experience of other states, cost estimates, statutory limitations, and survey results, it does not appear that a *large scale* 1-800 phone license service is feasible.



- Experience from other states, particularly the small scope at which they are currently selling licenses, suggests that Minnesota may not be able to feasibly sell the volume of licenses projected by survey data. This is due to lack of customer demand and high operating costs.
- Staff estimates indicate that the DNR cannot provide a 1-800 service for residents due to current space limitations.
- Cost estimates based on a range of projected call volumes indicate DNR losses primarily due to salary and benefit expense. If they had space, the DNR could possibly break even by charging shipping and handling fees.
- Statutory limitations present several barriers to providing a 1-800 license service.
 - Personal possession of licenses required
 - Kill tags must be affixed at the kill site
 - No resident license sold without personal knowledge or proper written identification.
- Surveys indicate that one-half of license sellers would have decreased levels of satisfaction if the DNR were to provide a 1-800 number for license sales. The primary cause of this decrease in satisfaction is a perceived a loss of business.
- There does not appear to be an overwhelming demand for a 1-800 phone license service. Although 44 percent of license and registration buyers saying they would be likely to purchase licenses through a 1-800 number, it is difficult to predict how many would actually do so.



A more realistic estimate of potential 1-800 phone license sales would be 5 percent of total sales, based on phone sales experienced in other states.

- The DNR may feasibly be able to handle 5 percent of total resident license sales plus 15 percent of non-resident license sales by charging a shipping and handling fee of around \$1.20.

	<u>Number Sold</u>	<u>Annual Costs</u>	<u>Profit/ (Loss)</u>	<u>Shipping and Handling per License to Breakeven in Year 1</u>	<u>After Year 1</u>
5% Resident Licenses	79,347	\$155,309	(\$103,477)	\$1.30	\$1.22
15% Non-Resident	34,251	\$97,990	(\$60,070)	\$1.75	\$1.53
Total Combined	113,598	\$229,809	(\$140,058)	\$1.23	\$1.16

License Sales



If the DNR decides to implement a 1-800 license service, the following questions must be considered:

- Based on current statutes and lack of space to house a 1-800 license service, could the DNR feasibly sell resident and/or non-resident licenses over the phone?

- Which division should provide the phone operators, hardware, and service—the License Bureau or the Info Center?

- Should licenses be sold for immediate use by issuing a number over the phone?
 - Additional 24-hour enforcement support would be needed to verify license numbers.
 - A license tracking system would be required.
 - Game tags could not be issued immediately; therefore, the service could not be provided for game licenses that require kill tags.
 - Stamps must be signed and therefore could not be issued for immediate use.

- Would the 1-800 phone service be available to customers during evening and weekend hours?



There are advantages and disadvantages in the DNR providing a 1-800 phone license service...

Advantages

- A database of individual license holders could be compiled through license sales entries. This information could be linked to other License Bureau databases.
- States that provide license sales over the phone have witnessed increased customer satisfaction.
- Through dedicated marketing efforts, other states have seen an increase in overall sales with the advent of their phone license service.

Disadvantages

- If licenses were issued for immediate use, additional Enforcement support would be needed to verify license numbers given over the phone. Either 24-hour staff or portable verification devices would be necessary. (Arkansas is the only state issuing verification numbers, all others mail the license to the purchaser.)
- Seasonal backlogs are inherent in license sales; temporary operators may be needed to handle call volume. Fulfillment of license orders may also become increasingly difficult when call volumes increased seasonally.
- The estimated number of FTEs, hardware requirements and the limited space within the DNR building would require an outside site for large scale 1-800 phone license sales. This would substantially increase operating costs.

Presently, we do not recommend using the Park Reservation System outside vendor to also handle 1-800 phone license sales for the following reasons. However, if the vendor wished to bid on a license sales RFP, it would be acceptable.



- Customer service would only be increased for a small proportion of DNR customers (i.e., those who make complete reservations and purchase licenses).
- Based on survey data, less than six percent of license buyers also make campsite reservations. Two distinct customer groups exist with separate product demands.
- Having an external vendor handle 800 license sales would not be a revenue enhancing opportunity for the DNR. The reservation service would assume the role of a regular license agent.
- Two separate systems would be needed to serve the two distinct customer groups of license buyers and campsite reservers.
 - Given that an outside vendor would only make \$1 on each license sold, and given the low percentage of total sales in other states, a reasonable return on investment is unlikely.
 - The vendor would have to cover start-up and operating costs for a separate "stand-alone" phone license sales system.
- One reason other license selling agents like to sell licenses is the additional customer traffic and complementary sales; a phone vendor would not receive these benefits.



Point-of-sale terminals have been mentioned as an alternative for expanding current license sale services.

- Michigan has a project in place to implement license POS terminals at all agent locations. The project is expected to be fully operational by March 1994.
- POS terminals are capable of reading a magnetic stripe card. The Michigan License Bureau is working with the Michigan Department of State to encode the driver's license information on the back of Michigan drivers' licenses.
- All data necessary for license sales is entered on the POS terminal keyboard. Paper licenses, stamps, and tags will print out directly from the terminal.
- The estimated cost of each terminal is \$350 per year. License Control will cover all material and telecommunication costs involved. The service is expected to reduce costs for providing licenses by 60 percent for the Michigan License Control (8 percent agent commission eliminated).
- Information on license sales will be provided to law enforcement within 24 hours from time of purchase.
- Oregon also has a proposal underway to sell licenses through state lottery terminals. Large volume vendors will be selling licenses, salmon tags, and stamps through the terminals or stand-alone kiosks.
- Wildlife kill that need to be accounted for could be registered at these terminals.
- Potential to reduce cost if lottery terminals were used to dispense the licenses.

Another alternative for enhancing current license sale services would be a retailer 1-800 number for ordering licenses.



- The DNR could provide a 1-800 number for retailers to use in the event they run out of license stock. Immediate shipments could be sent out to the local courthouse or to the retailer in an effort to improve customer service.
- The time it would take for licenses to be sent to the agent would not eliminate the poor service caused by stock-outs. Customers who cannot purchase a license at one agent will most likely search until they find an agent who has the particular license in-stock.
- License and registration buyers surveyed did mention better-stocked suppliers as a possible improvement to DNR license services.
 - Customers surveyed also mentioned lower license prices, more selling agents, and a new generic license/stamp as other improvements.



Not Recommended at the Present Time

- Offering a large scale 1-800 service to residents and non-residents.

- Using the Park Reservation System outside vendor to also handle 1-800 license sales. If the vendor wished to bid on an RFP for license sales, it would be acceptable.

- POS terminals at license selling agents for game and fish license sales.

- 1-800 number for use by license selling agents instead of customers.

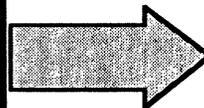


The following is a summary of DNR customer service alternatives and recommended feasible options in the area of registrations and titling.

Registration and Titling Alternatives

- 1) No change in current services
- 2) 1-800 phone registrations and titling in addition to current services
- 3) Other enhancements to services based on customer survey data
- 4) High-level look at Department of Motor Vehicles handling DNR registrations and titling (major advantages/disadvantages/barriers only)

Registrations and titling provided by an outside vendor (evaluated if outside vendor is recommended by the workgroup to provide other DNR services)



Feasible Options

- No change in current services—improvements now underway will enhance customer service
 - Titling will be focusing on new boat titles and transfers in 1994
 - Decals will be available at deputy registrars starting in 1994
 - Use of scanners for registration renewals will improve turnaround time



Registration and Titling Recommendation

- Do not change current License Bureau procedures, which include improvements beginning in 1994.

Minnesota Watercraft Titling laws are necessary to prevent theft and fraud and make 1-800 phone services for Watercraft Titling impractical and ill-advised.



- Watercraft titling laws state that the owner of a titled watercraft must apply for a certificate of title to the Commissioner or deputy registrar on a form prescribed by the Commissioner. The application must be signed by the owner.

- The certificate of title can only be issued upon verification that:
 - The application is genuine
 - The applicant is the owner of the watercraft
 - The required fee has been paid

- The applicant may be asked to present documents which prove the applicant's ownership and security interest in the watercraft, and may be required to file a bond.

- A dealer selling a new watercraft shall apply to the Commissioner for a new title in the name of the purchaser. The application must be accompanied by a manufacturer's or importer's certificate of origin, must be signed by the dealer and owner, and mailed or delivered to the Commissioner or deputy registrar.

Minnesota watercraft titling laws are necessary to prevent theft and fraud and make 1-800 phone services for watercraft titling impractical and ill-advised. (continued)



- An owner who transfers a titled watercraft must assign title to the transferee in the space provided on the certificate of title where the watercraft is delivered. The transferee must apply for a new certificate of title under the laws stated above.

- The License Bureau titling section has worked for three years to title Minnesota watercraft that legally require titles. Starting in 1994, the titling section will only be titling new watercraft, transfers, and duplicates. This will greatly improve efficiency in the License Bureau and improve customer service.

Minnesota Watercraft License and Registration laws are necessary to prevent theft and fraud. For this reason, 1-800 phone services for Watercraft Registration are not recommended.



- Watercraft licensing laws state that a person applying for initial licensing of a watercraft must provide a watercraft purchaser's certificate, showing a complete description of the watercraft and other information such as proof of sales tax payment. The application must be signed by the applicant.
- The license applicant may be issued a temporary license certificate to operate the watercraft. The license agent shall register the watercraft upon receiving the application and license fee. A license and registration sticker will then be issued to be affixed to the watercraft.
- The License Bureau Registration Section has changed procedures, allowing watercraft registration at a deputy registrar's office beginning January 1994. Owners will be able to receive decals immediately upon registration which will greatly improve customer satisfaction.

Minnesota watercraft license and registration laws are necessary to prevent theft and fraud. For this reason, 1-800 phone services for watercraft registration are not recommended. (continued)



- The License Bureau is also improving the watercraft registration renewal process. Customers can renew registrations with a deputy registrar, or mail in the renewal card sent by the DNR.
 - About 60 percent of watercraft owners take the renewal card to a deputy registrar.
 - About 30 percent mail renewal cards back to the DNR. Renewal cards can be scanned, eliminating the need for data entry.
 - This improved process may be more efficient than a 1-800 phone service would be and will serve the customer well.

Minnesota Snowmobile and All-Terrain Vehicle (ATV) laws are effective in preventing theft and fraud. For this reason, 1-800 phone services for snowmobile and ATVs are not recommended.



- Minnesota laws state that a person applying for snowmobile registration must provide a purchaser's certificate, including a description of the snowmobile and other information such as proof of sales tax payment. The application must be signed by at least one owner.

- A person who purchases a snowmobile from a retail dealer must apply for registration to the dealer at the point of sale. Retail dealers must submit completed registrations and fees to deputy registrars once a week.

- Upon receipt of the application and fee, a snowmobile registration number is assigned which must be affixed to the snowmobile.

Minnesota Snowmobile and All-Terrain Vehicle (ATV) laws are effective in preventing theft and fraud. For this reason, 1-800 phone services for snowmobile and ATVs are not recommended.
(continued)



- The application for an ATV registration must be made on a form prescribed by the Commissioner and be signed by at least one owner.

- Upon receipt of the ATV registration application and fee, the vehicle will be registered and a number assigned, to be affixed to the vehicle.

- Laws state that the Commissioner shall use the snowmobile registration system to register All-Terrain Vehicles (section 84.922 of the ATV laws).

Customer surveys showed that 90 percent of customers registering vehicles were satisfied with their last registration experience.



- Good service, regulation information, and quick turnaround time are important for over 80 percent of customers.

- Suggestions for improvement of the registration process were mainly related to the above factors, not to phone services.
 - Lower the price, provide longer hours of service at the deputy registrars and registration by mail.
 - Provide better regulation and registration enforcement.
 - Provide licensing and registration at one location and provide quicker service on decals.

- The current changes in the registration process by the License Bureau will improve service to the customer and provide registration and decals immediately at deputy registrars.

The following is a summary of improvements underway in the License Bureau to reduce the current workload during peak periods and improve registration and titling customer service.



- Starting in 1994, the License Bureau Titling Section will be focusing on new titles and transfers; there will be less of a backlog and increased customer service.

- Customers will be able to register and title Watercraft at Deputy Registrar's offices starting January 1, 1994 (snowmobile and ATV registration procedures will change later in the year). This will greatly reduce the number of phone calls regarding boat decals and allow registration personnel more time for other services.

- The License Bureau is purchasing a hand-held scanner to scan snowmobile, watercraft, and ATV registration renewals (snowmobile renewals will be tested this spring). This will reduce the workload in Data Entry and speed up the renewal process.

The suggestion was made for the Department of Motor Vehicles to handle watercraft, snowmobile, and ATV registrations.



- The Minnesota Legislature looked closely into this idea when Watercraft registration was started in Minnesota.
 - The study showed that it was more cost effective to develop a new registration system than to modify the DMV System.

- Revenues from Watercraft, snowmobile, and ATV registrations are put back into the State's Waterways, trails, and other natural resources. Revenues from motor vehicles are used to improve and maintain the highway system.
 - The State department that receives or uses service fee revenues should be the same department providing the service.

- The Department of Motor Vehicles could not feasibly handle additional registrations. They barely have the staffing and space resources to handle their current operations.



Not Recommended at the Present Time

- A 1-800 phone number for registration and titling.
- Shifting the responsibility of registrations and titles from the DNR License Bureau to the Department of Motor Vehicles.

The following is a summary of DNR customer service alternatives and recommended feasible options in the area of information dissemination.



Information Dissemination Alternatives

- 1) No change in current services
- 2) Expanded Info Center services
 - Enhanced phone system
 - Additional 1-800 and/or 1-900 lines for specific questions
 - Kiosks
 - Expanded hours, seasonal help
 - Increased responsibility to off-load work from divisions
 - Improved regional access to information
 - Training improvements
 - Improved direction to DNR walk-in customers
- 3) Combined Info Center and License Bureau. Research shows that most department functions are completely different and that customer service would not be improved by combining them.



Feasible Options

- Hire an additional Info Center associate and increase phone time per day
- Expand the use of the Info Center by other DNR divisions
- Hire a part-time or seasonal employee in the Info Center to help with seasonal peaks
- Improve training provided to the Info Center by other DNR divisions
- Pilot 8:00 a.m. to 5:30 p.m. Info Center business hours
- Enhance Info Center hardware and software applications
- Request to be included in the national 1-800-ASK-FISH program



Information Dissemination Recommendations

- Hire one additional Info Center associate and increase phone time per day.
- Expand the use of the Info Center by other DNR divisions.
- Hire a part-time or seasonal employee in the Info Center to help with seasonal peaks.
- Improve training to the Info Center associates by other DNR divisions.
- Pilot 8:00 a.m. to 5:30 p.m. Info Center business hours.
- The Info Center should enhance current computer hardware and software applications.
- The Minnesota DNR should request to be included in the national 1-800-ASK-FISH program.



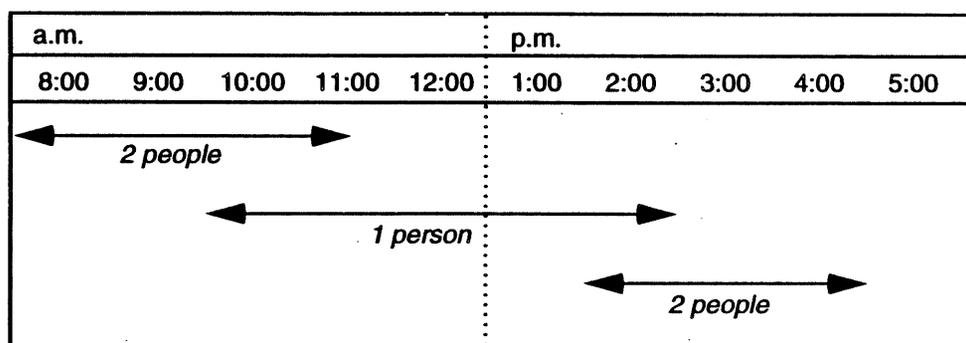
Information Dissemination Recommendation

1. Hire one additional Info Center associate and increase phone time per day.



The Info Center could increase the number of people answering phones throughout the day.

- Presently, there are five employees in the Info Center. The current staff schedule shows that associates spend about 50 percent of their total weekly time answering phone calls.



- At the present 4.5 hours per day of individual phone time, one additional employee would be required to maintain three concurrent associates on phones (24 hours phone time); this would increase the percentage of weekly time on phones to 60 percent.
- With three people on phones, one person would still be available to cover the counter and one person could handle mailings and other responsibilities.



The Info Center could increase the number of people answering phones throughout the day. *(continued)*

- With more associates answering phones at any given time, the Info Center could reduce the hold time experienced by customers, and handle additional calls.
 - The average daytime hold time was 2.3 minutes in 1992.
 - The average length of call was 1.3 minutes.

60% Phone Time (8:00 a.m. to 4:30 p.m.)

138,030 calls per year (1992)

575 calls per day (average)

3 operators concurrently

* Requires hiring one additional associate

Total phone time per day = 24 hours

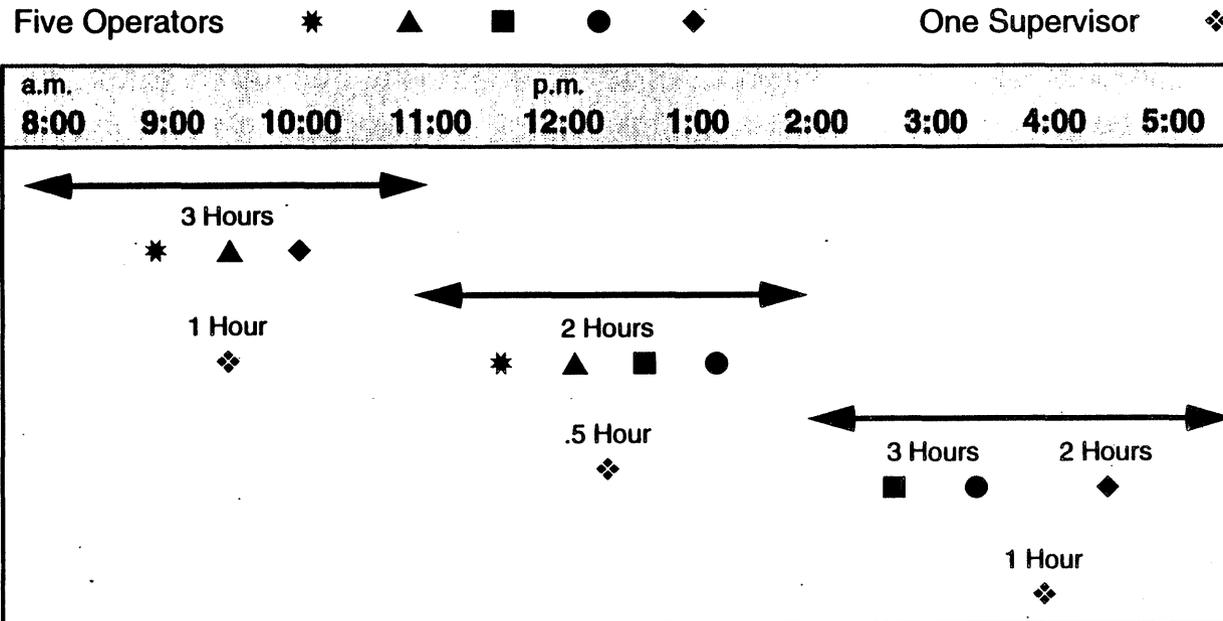
= 192 calls per associate per day

= 2.5 minutes per call

@ 1.3 minutes "talk time"

= 1.2 minutes hold time

With the additional staff person, if individual phone time were increased to five hours per day (70 percent phone time), five associates and one supervisor could provide almost 28 hours of service up to 5:00 p.m.



- Total phone time provided per day would be 27.5 hours (excluding break times). (5 hours—* , ▲, ■ , ●, ◆ and 2.5 hours—❖).
- Other service agencies, such as the Office of Tourism, maintain individual phone operator time of six to seven hours per day. However, the primary duty for tourism operators is answering phones. Info Center associates answer phones and perform several other tasks.

The Office of Tourism handles the tasks of disseminating information in many different ways.



- Tourism receives a total of 800,000 information requests (200,000 by phone) per year. Each of the five full-time and one to two intermittent travel counselors spends six to seven hours a day answering calls. Many different guides, papers, and customized reports are offered free of charge.

- For literature requests, counselors enter the customer's name and address into a database. At the end of each day a batch of coded labels is generated and sent to the mailroom. All of the fulfillment is done by mailroom staff.

- A voice mail system allows customers to place literature orders 24 hours a day. Since the current Department of Administration voice mail system only accepts 60 messages, the Travel Information Center in International Falls retrieves many of these requests throughout the day. A new, in-house voice mail system that can hold all of the daily messages is presently being acquired.

- During the summer months, incoming mail is routed to Fisher's Landing Travel Information Center. They open, sort, and answer mail requests on behalf of the St. Paul Call Center.

- Explorer newspaper requests are handled through a contract vendor.



Information Dissemination Recommendation

2. Expand the use of the Info Center by other DNR divisions.



Expand the use of the Info Center by other DNR divisions.

- Currently, there are two assistants in Wildlife that handle phone calls. During the hunting season, many calls are even transferred to Wildlife professionals. This causes problems throughout the section because staff must field calls instead of completing daily work duties.
- Emphasize the Info Center phone number in Fish and Wildlife publications to limit calls to Wildlife which could be handled by the Info Center.
- Train Wildlife and other division phone support staff to transfer calls to the Info Center if calls could be handled there (i.e., general regulation, season questions, lottery selection results, mailing requests).
- Formally change Fisheries Section procedures regarding Lake Report requests so that the Info Center takes all calls for Lake Report requests and handles mailings.
 - Enhance the AS400 application for generating Lake Reports so that customer information can be entered on-line, saved, and mailing labels generated.
 - Info Center associates would take calls for Lake Report requests, enter customer information, print report, generate mailing label, and mail reports.
 - Fisheries would transfer all calls for Lake Reports to the Info Center and redirect walk-ins if necessary.
 - The Info Center should be compensated for the extra supplies and mailing expenses incurred with the Lake Report mailings.

Expand the use of the Info Center by other DNR divisions. *(continued)*



- The Info Center should handle more of the customer mailings now handled by other divisions.
 - Mailed-in requests to DNR divisions for general DNR materials should be delivered to the Info Center to be handled.
 - Aquatic Nuisance Packets should be mailed by the Info Center. Currently, the Info Center takes requests and the Ecological Services Section mails the packets.
 - The Info Center should take requests for disabled permit applications and enter names and addresses on-line. Enforcement could then access the file daily and send out permit applications. This is the current procedure for Enforcement Safety Training Certificate requests; adding disabled permit requests would not noticeably change the workload.



Expand the use of the Info Center by other DNR divisions. *(continued)*

- The following is an estimate of additional calls per day that could be answered by Info Center associates. The total additional calls from two divisions is 320 per day during the hunting season and 50–100 in other seasons.
 - About 250 calls per day for Wildlife during the hunting season (questions on regulations, season dates, etc.).
 - About 50 calls per day for Fisheries Lake Report requests during the summer; 30 calls per day other seasons.
 - About 20 calls per day for Human Resources job information requests.
- Currently, Info Center associates handle about 575 total calls per day on average (based on 1992 total annual calls), and about 800 calls per day during the hunting season.
- Total calls per day during the hunting season would increase to about 1,120 calls per day with additional Fish and Wildlife calls.
- An estimated 25,000 Lake Reports are mailed each year and 1,500 pre-packed Aquatic Nuisance Packets. If the Info Center handled these mailings, their mailing and supplies costs would increase by about \$8,700.
- It would be important to transfer and improve computer capabilities in these areas as well.

Information Dissemination Recommendation



3. Hire one part-time or seasonal employee in the Info Center to help with seasonal peaks.



The hunting season (particularly the antlerless deer lottery period) is the busiest period for the Info Center and the Wildlife section.

Info Center staffing estimates for hunting season call volumes

Current Volumes	Current Plus Added Fish and Wildlife Calls
800 calls/day 3.0 minute total call time 1.7 minute hold time = 40 hours/day required time	1,120 calls/day 3.6 minute total call time 2.3 minute hold time 1.3 minute talk time = 67 hours/day required time
3 operators @ 4.2 hours/day until 4:30 p.m. (staff of six) = 24 hours available = 16 additional hours required = 2 seasonal employees	3 operators @ 4.2 hours/day = 24 hours available = 43 additional hours required = 5 seasonal employees
3 operators @ 5 hours/day until 5:00 p.m. (staff of six) = 27.5 hours available = 12.5 additional hours required = 1.5 seasonal employees	3 operators @ 5 hours/day = 27.5 hours available = 39.5 additional hours required = 5 seasonal employees



Estimated Info Center staff calculations

Assumes Info Center Staff of six with three associates answering calls concurrently (24 phone hours per day).

138,030 Calls Per Year (1992)	Current Volume Hunting Season	Current Plus Fish and Wildlife Hunting Season Calls
= 575 average calls/day	800 calls/day	1,120 calls/day
Total phone time/day = 24 hours	+ 3 operators/day = 267 calls/operator/day	+ 3 operators/day = 373 calls/operator/day
575 calls/day + 3 operators/day = 192 calls/operator/day	$\frac{1.2 \text{ min. hold}}{192 \text{ calls}} = \frac{1.7 \text{ min. hold}}{267 \text{ calls}}$	$\frac{1.2 \text{ min. hold}}{192 \text{ calls}} = \frac{2.3 \text{ min. hold}}{373 \text{ calls}}$
24 hours x 60 min. = 1,440 min.	1.7 min. hold time + 1.3 min. talk time = 3.0 min. total call time	2.3 min. hold time + 1.3 min. talk time = 3.6 min. total call time
1,440 + 575 calls = 2.5 min./call	3.0 min. call time x 800 calls/day = 40 hours/day - 24 hours currently available = 16 additional hours	3.6 min. call time x 1,120 calls/day = 67 hours/day - 24 hours currently available = 43 additional hours
@ 1.3 min. talk time = 1.2 min. hold time		

* At 60 percent phone time, these additional hours would also be used to handle added mailings.



Requests for literature are heaviest in the spring months.

Info Center time estimates for mailing duties

Current Volumes	Current Plus Added Lake Reports and Aquatic Nuisance Packets
<p>400,105 mailings/year</p> <p>= 1,600 mailings/day @ .25 minute/mailling</p> <p>= 400 minutes/day</p> <p>= 6.67 hours/day</p> <p>= 1.33 hours/day per associate (five)</p>	<p>1,600 @ 0.25 minute</p> <p>+ 100 @ 2.00 minutes</p> <p>+ 6 @ 0.50 minute</p> <hr/> <p>= 603 minutes/day</p> <p>= 10.1 hours/day</p> <p>= 1.68 hours/day/associate (six)</p> <p>- 1.33 hours/day currently</p> <hr/> <p>= .35 hours/day</p> <p>= 21 additional minutes/day/associate</p>



The following chart shows estimated costs for seasonal and full-time employees.

1 FTE	3 months (Aug-Oct)	6 months (May-Oct)	Annual Full-time Clerk 2	Annual Full-time Clerk 3
Salary plus benefits	\$6,900	\$13,800	\$24,600	\$26,400
Work station	900	900	900	900
Phone and PC/terminal	1,200	1,200	1,200	1,200
Telecommunication (1-800 line and per minute cost)	1,700	3,400	6,800	6,800
Total Annual Cost	\$11,300	\$20,400	\$33,500	\$35,300

- One additional full-time Clerk 3 level employee would be required if three Info Center associates were answering phones concurrently at 4.5 hours per operator per day.
- During the hunting season, one full-time seasonal employee (\$11,300) would be required at current volumes to maintain hold times of under two minutes.
- To handle additional Wildlife calls, four additional seasonal employees (\$45,200) would be required (hold time per call would be 2.3 minutes).
- The Info Center would be able to provide space for only one additional employee.
- We recommend that the Info Center, Fish and Wildlife, and the License Bureau work together to find space for one to four additional Info Center associates. (Seasonal help will benefit all three areas).



Information Dissemination Recommendation

4. Improve training provided to the Info Center by other DNR divisions.

Improve training provided to the Info Center by other DNR divisions.



- Enforcement should determine which types of calls could be handled by the Info Center and the License Bureau so that only technical calls or calls requiring an Enforcement Information or Conservation Officer are transferred directly to Enforcement.
 - The types of enforcement questions to be handled by the Info Center and the License Bureau should be documented and given to phone support staff in each unit.
 - Communication/training meetings should be continued between Enforcement, the License Bureau, and the Info Center to discuss changes in procedures and answer questions among DNR personnel.

- Additional training sessions should be held for the Info Center and the License Bureau on lotteries and hunting regulations.
 - Enforcement and Wildlife personnel should provide training so that *all* persons from both areas who take phone calls during peak call periods are able to answer questions.
 - Customers should continue to be told that they have to wait for lottery selection notices to go out before they call with questions.
 - If Kodak machine data were available to Info Center associates, customers who call the Info Center and request this information could be readily served.

- To improve customer service to State Park visitors, availability updates need to be kept current.



Information Dissemination Recommendation

5. Pilot 8:00 a.m. to 5:30 p.m. Info Center business hours.

The Info Center should pilot 8:00 a.m. to 5:30 p.m. business hours for a trial period to evaluate the costs and benefits of extended service hours.



- The extended hours pilot should only be conducted after any staffing additions and/or hourly phone time changes have taken place.

- Info Center associate hours may have to be staggered so that business hours could be extended until 5:30 p.m. At least two people should be available to cover phones after 4:30 p.m.

- About 15 percent of total Info Center calls are received after 4:30 p.m. when only an informational recording is available. Of these night calls, most are received between 4:30 and 5:30 p.m.

- The most recent Info Center survey and the recent mail survey for this project have shown that 30 percent to 37 percent of Info Center customers are interested in extended business hours.



Information Dissemination Recommendation

6. The Info Center should enhance current computer hardware and software applications.



The Info Center could enhance technology currently used to serve customers.

- The AS400 application used to enter customer mailing information and generate labels should be modified so that this data can be saved longer than two months.
 - The Info Center should maintain a database of all customers requesting materials or merchandise.
 - This database could be used in future surveys and would eliminate re-entering of customer data for frequent requests by some customers.

- The Info Center has been exploring the option of replacing their current computer terminals with faster 486 PCs. This would improve efficiency of Info Center operators due to increased speed of computer applications and would cost between \$9,000 and \$20,000 for six PCs (price depends upon computer capabilities desired).



The Info Center could enhance technology currently used to serve customers. (continued)

- Replacing the current Info Center phone system has been mentioned as an option in improving customer service.
 - The current phone system seems to be handling call routing, reporting, and voice-mail type messages adequately. (There is no survey data or other information indicating customer dissatisfaction.)
 - The current phone system does have expansion capabilities to add more phones and/or lines, or an auto-attendant feature.
 - An auto-attendant feature would require an upfront investment of about \$13,000 for equipment or would cost \$3,000 per year in port charges.
 - If workgroup recommendations for the operating model alternatives indicate requirements in phone system capabilities, these options could be explored.
 - It may be more cost-effective for the DNR to look at adding features to the current phone system than to install a new system. The Department of Public Safety installed a new phone system at a cost of \$240,000.
 - Tourism has noticed a disadvantage in using Intertech systems. If a problem arises, only Intertech can correct it and this can take quite some time.



Information Dissemination Recommendation

7. The Minnesota DNR should request to be included in the national 1-800-ASK-FISH program.



The DNR could establish a 1-800-ASK-FISH line in Minnesota, allowing customers to access fishing information using a touch-tone phone.

- In cooperation with the Department of the Interior to promote sport fishing in the United States, the Sport Fishing Promotion Council (SPC) was established. A telecommunication services company was selected to provide an interactive voice response system for fishing information.
- States can contact the SPC to have this application developed at no charge; start-up fees are provided by the Department of the Interior. Sound Response Corporation works with the State's DNR to setup the required database.
- 1-800-ASK-FISH applications are currently being developed in Oregon, Florida, Kansas, and Arkansas with 22 additional states waiting for inclusion into the system.
- The service provides automated responses based on customer selection of options for:
 - State fishing regulations
 - Fishing locations by water type and location
 - Aquatic recreation, boating access information
 - Campground availability information
 - License dealer locations by zip code

The DNR could establish a 1-800-ASK-FISH line in Minnesota, allowing customers to access fishing information using a touch-tone phone. (continued)



- Preference for implementing the 1-800-ASK-FISH application is given to states interested in also implementing a 1-800 phone license sales application.

- Sound Response Corporation is capable of providing phone license sales in conjunction with the 1-800-ASK-FISH service for a fee. The cost would depend on call and license sale volume.
 - Sound Response developed a system structure for the State of Florida, which could not be implemented due to legislative restrictions.
 - Sound Response estimated system costs to be roughly \$200,000. An in-house 1-800 license sale system was estimated at over \$2 million.

- The DNR could provide this service with no additional funding. Support from Fish and Wildlife and the License Bureau would be required to work with Sound Response in establishing the database and keeping it updated.

- Providing this service and advertising it to the public may free up Info Center resources to handle other calls and improve customer service to customers wanting fishing information.

If a long-range customer service plan included kiosks at State Parks and other locations, the DNR could purchase a “pilot” Info Center kiosk.



- The kiosk would provide information based on touch-screen menu selection; maps, guides, and other information could be printed immediately. A database would have to be built for the kiosk so that walk-in customers could get any type of information they would normally get at the Info Center counter.
- The Office of Tourism is currently using a kiosk in their walk-in center. This system provides information on State Parks and Minnesota camping facilities. Technology exists to share data between kiosk systems. About eight to fifteen walk-in Tourism customers use the kiosk each day.
- The cost of the latest model IBM touch-screen kiosk with a printer is about \$13,000. An NCR kiosk with capabilities to read credit card information and sell merchandise is about \$20,000.
- The cost of a kiosk could be brought down if the kiosk components were purchased separately.
 - The kiosk cabinet would range from \$3,000 to \$4,000.
 - The processor, disk space, printer, and touch screen technology would have to be purchased separately and installed.
 - A freestanding kiosk would probably range from \$7,500 to \$13,000 (the low-end price does not include installation cost).
- A kiosk could be mounted on or installed into the Info Center front counter or nearby wall. A stand alone kiosk could be placed on the first floor near the Info Center.

If a long-range customer service plan included kiosks at State Parks and other locations, the DNR could purchase a “pilot” Info Center kiosk. (continued)



- There is currently an Info Center employee covering the Visitor Center from 8:00 a.m. to 4:30 p.m. This staff person spends 60 percent to 70 percent of the time helping customers.
 - If 25 percent of Info Center walk-in customers (25 people on average) were to use a kiosk, the Visitor Center staff person would have 1–2 extra hours per day to help with other tasks such as answering phone calls.
 - The kiosk would require additional staff time for updating the database.
 - A kiosk could also provide after-hours service to walk-in customers.
- In 1992 there were around 26,000 walk-in visitors to the DNR Info Center (about 15 percent of total Info Center customers). Since not all walk-in customers will want to use a touch-screen computer to obtain information, less than 15 percent of Info Center customers would be served by a kiosk.
- A small percentage of DNR customers would actually use an Info Center kiosk, but customer service could be improved somewhat due to time made available to Info Center staff.
 - If one and a half hours per day of Info Center staff time were saved by installing a kiosk, the salary equivalent would be about \$5,000 per year for the life of the kiosk.
 - The savings in staff time may not pay for the kiosk, but it could be used to trial a new customer service so that demand can be more accurately predicted.
- Kiosks should not be installed unless there is a proven demand for them. Based on past experience at State Parks, there is no current justification for considering a long-range kiosk plan.

The suggestion has been made to combine the Info Center and License Bureau front counters, creating one customer service unit. Because the staff functions in these bureaus are completely different, combining them would not improve customer service.



Info Center Front Counter Responsibilities

- The Info Center front counter serves people who request general information about outdoor recreation and natural resources.
- The five Info Center associates are trained to handle walk-in customers. One associate works behind the counter at a given time. Mail and other administrative tasks are also conducted during an associate's front counter shift.
- Behind the counter, associates are responsible for distributing over 825 types of maps and brochures and answering questions regarding enforcement, rules, and regulations, State Parks, season dates, and general divisional information.
- During the peak seasons, between 10 to 15 percent of the Info Center walk-ins inquire about License Bureau services (e.g., licenses, registrations, and regulation booklets).
- Info Center associates are hired at a Clerk 3 position.

The suggestion has been made to combine the Info Center and License Bureau front counters, creating one customer service unit. Because the staff functions in these divisions are completely different, combining them would not improve customer service.
(continued)



License Bureau Front Counter Responsibilities

- The five License Bureau front counter personnel provide specific services to walk-in customers, but do not handle phone calls. There are four backup counter staffers in other sections of the License Bureau for use during peak periods; regular counter staff backs up other sections under similar circumstances.
- Collectively, the staff are responsible for collecting, auditing, accounting for and depositing the thousands of dollars that are received daily from the statewide network of deputy registrars of motor vehicles for registrations of watercrafts, snowmobile, and ATVs.
- Counter personnel deposit mail money and sell ski passes, park permits, and 50 types of hunting and fishing licenses. They also sell waterfowl, trout, and pheasant stamps, and register and title watercrafts, snowmobiles, and ATVs. All these responsibilities involve monetary transactions.
- Other staff duties include preparing registration batches, accepting lottery applications, answering rules and regulations questions, and answering mail.
- The License Bureau counter staff is made up of an Account Clerk Senior and four Clerk 2s.

The two 1-800 numbers in the Info Center and License Bureau serve different customer groups and require different sets of knowledge and expertise. Because of these different functions, combining the two call centers would not improve customer service.



Info Center Telephone Responsibilities

- Info Center customers call the 1-800 number to receive information on a wide variety of topics and to request materials to be mailed. Info Center associates are trained to handle these calls; all other calls are transferred to the appropriate division or person.
- Five Info Center associates are trained to handle phone calls; between two and three operators handle calls at any given time.
- The Info Center associates enter literature requests; labels are printed out and mail orders fulfilled later in the day.
- The Info Center receives calls and offers information-only messages for all DNR divisions.

Detailed 1992 Breakdown of Telephone Calls by Bureau/Division

Division/Bureau	Percentage
Enforcement	11
Fisheries	7
Ecological Services	2
Wildlife	22
Forestry	3
Human Resources	1
I & E	4
License Bureau	13
Real Estate Management	1
State Parks	14
Trails and Waterways	11
Waters	2
BWCA	1
Other State's Tourism	1
Office of Tourism	1
General DNR Information	6

- Info Center associates disseminate general information for the License Bureau.
 - Cost of licenses and registrations
 - Fishing license procedures
 - Where to obtain licenses and registrations
 - Lottery applications and results

Information Dissemination

The two 1-800 numbers in the Info Center and License Bureau serve different customer groups and require different sets of knowledge and expertise. Because of these different functions, combining the two call centers would not improve customer service. (continued)



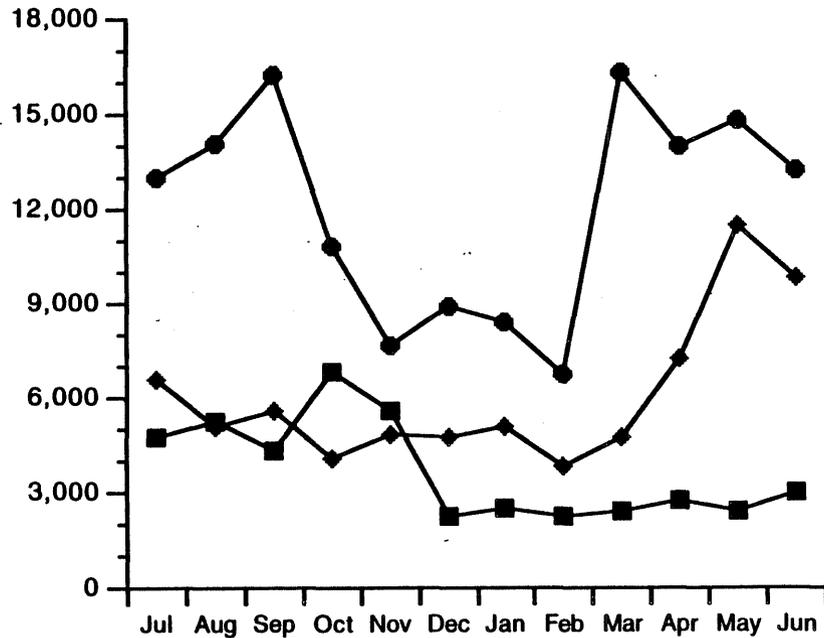
License Bureau Telephone Responsibilities

- Registration customers directly call the 1-800 number in the License Bureau registration section. Transferred calls to the License Bureau come through on two extensions; one for registrations and titles and one for lotteries and licenses.
- Fourteen people take calls about watercraft, snowmobile, and ATV registrations and titles. Six people handle calls regarding lotteries and fish and game licenses. Supervisors can also handle calls if needed.
- Calls to registrations and titling pertain to questions specific to a customer's file. Registration personnel have access to these databases and are familiar with the process.
- Calls to the licenses and lotteries' line refer to fishing and hunting rules and regulations, eligibility for special license privileges, enforcement, and lottery procedures and results. Some calls are very complex and require a response from a specific License person.
- Operators have access to historical data captured by the Kodak machine and can either answer questions immediately or call the customer back.
- Separate data entry personnel enter permit, license, and some lottery applications.

These graphs illustrate the disparate functions of the Info Center and the License Bureau. The Info Center's volume is mainly in phone calls while the License Bureau's volume is mainly in walk-in customers.

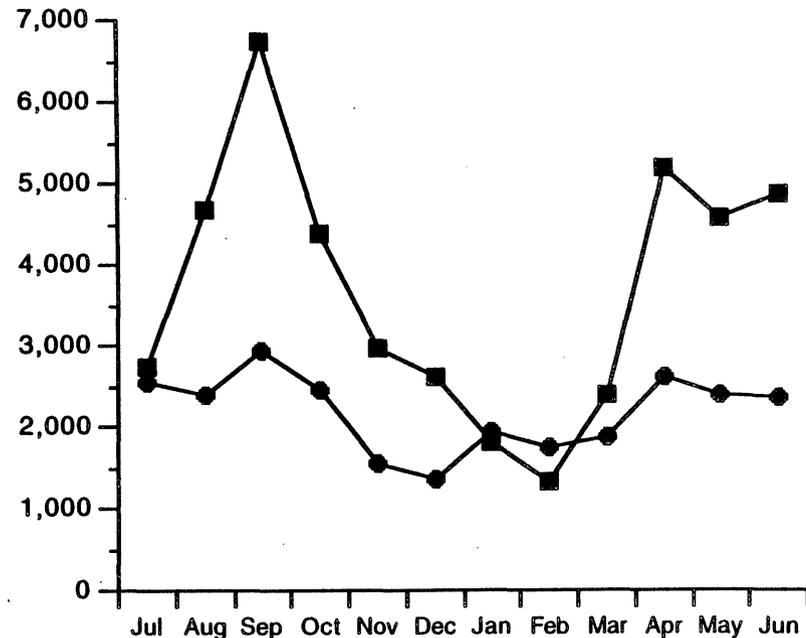


1992 Incoming Calls by Month



■ License Bureau Game and Fish ● Info Center ◆ License Bureau Registration

1992 Walk-ins by Month



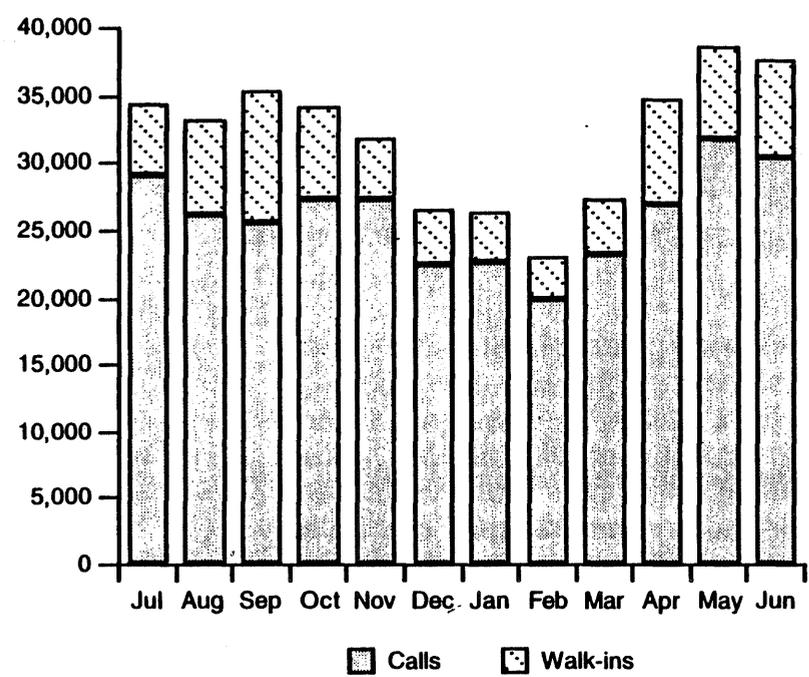
■ License Bureau ● Info Center

Source: 1992 Info Center historicals; "The License Bureau in the 1990s: Who We Are, What We Do," August 1992.

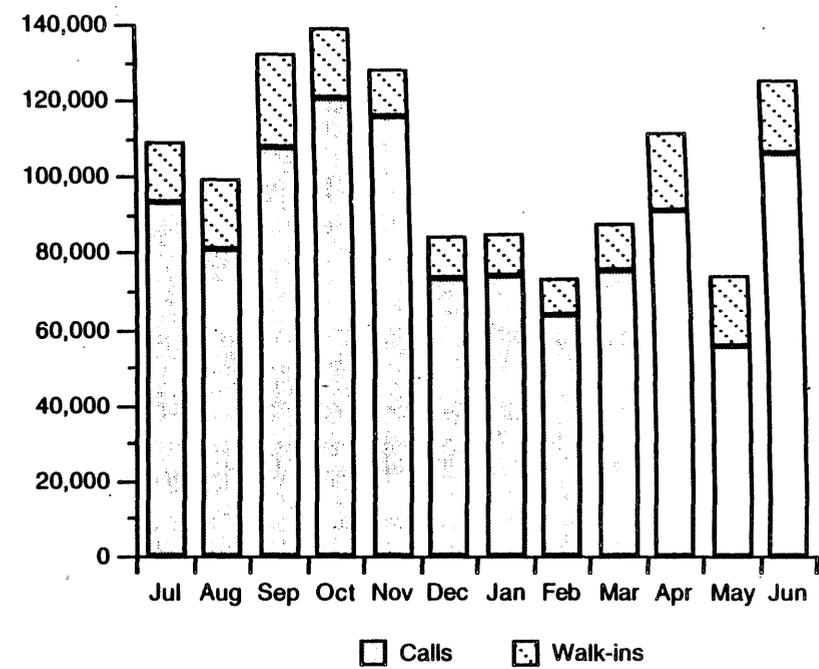


Since the Info Center and the License Bureau have similar peak periods, combining the two sections would not create one section that could provide constant service levels throughout the year.

Combined Info Center and License Bureau
Customer Service Provided FY 1992
(customer contacts)



Combined Info Center and License Bureau
Workload FY 1992
(customer minutes)



- The Customer Service graph shows that both sections are busiest in the spring and fall and least busy in the winter.
- The workload graph illustrates a similar trend. Service minutes are greatest in the spring and fall months and least in the winter months.
- By combining the Info Center and the License Bureau, neither section would benefit greatly from the other's slow or busy time because they both have similar service cycles.

Avg Info Ctr Call	3 min.
Avg Info Ctr Walk-in	4 min.
Avg Lic Bur Game/Fish Call	
Spring, Summer, Winter	1.5 min.
Fall	7.5 min.
Avg Registration Call	5 min.
Avg Lic Bur Walk-in	2 min.

Source: 1992 Info Center historicals; "The License Bureau in the 1990s: Who We Are, What We Do," August 1992.



There are more disadvantages than advantages to combining the Info Center and License Bureau. Research indicates that combining them would not improve customer service.

Advantage

- The DNR could provide a one-stop service area so that customers could obtain all DNR products at one time and in one area.

Disadvantages

- Functions in both divisions require distinct training to serve different customer groups. It would not be practical to combine units because staff could not be reduced and separate work areas would be required.
 - Fish and Game Licensing handles commercial licenses, works with county auditors and retail agents, and sends out non-resident licenses and senior citizen refunds.
 - The Lottery Section handles lottery operations and fees, data entry batch preparation, and mailings for all lotteries. Lottery personnel also research questions from the public, design lottery applications, and work with Wildlife and Enforcement personnel.
 - Titling and Registration personnel handle all customer application for titles and registrations and research questions specific to customer applications.
 - The Info Center handles general questions on license, lottery, and registration timing, deadlines, and rules and regulations. They are able to help the License Bureau during peak lottery periods, a practice which should be maintained.
- In addition to having distinct and separate functions, the Info Center and License Bureau have similar peak periods. Since the units do not operate with counter-cyclical peaks, combining them would not benefit either unit.
- If the DNR combined these units, significant resources would have to be devoted to remodeling the current License Bureau and Info Center. Space would have to be provided for five License Bureau and one Info Center counter staff and for the concentration of customers in one area.

A 1-900 phone number (customers would pay for calls) could be installed to handle customer inquiries on lottery selection results. This is not recommended due to expected costs and lack of benefits.



- Notice would have to be sent or advertised telling lottery applicants to call the 1-900 number for a specific period of time.
 - A mailing to doe permit applicants alone would cost around \$80,000, not including the materials cost of the piece to be mailed.
- The DNR would pay a monthly charge per line and a surcharge to cover customer charges not paid.
 - The phone company would bill customers for calls; calls denied by the customer would be charged to the DNR.
 - AT&T charges \$1.00 for the first minute and 85 cents per minute for each additional minute.
- The DNR would be incurring additional costs for this service and would still have to provide staff to answer the calls. Total costs would increase, customer satisfaction would decrease, and Info Center workload would increase.
 - Customers will be dissatisfied because they have been getting this information at no charge.
 - Workload will increase because customers will call the toll-free number first and then may call back for the information.



The following are other enhancements to customer service and/or technology that have been mentioned by the workgroup.

- The current volunteer system used to find back-up help when Information associates are absent or busy is ineffective.
 - A planned schedule that placed specific individuals "on-call" for a set period of time would improve the back-up system.
- If additional Info Center employees were hired, work space and work station changes would need to be made.
 - Extending the Info Center inside wall is one possibility for creating the extra space required.
 - To absorb the phone noise produced by three concurrent associates, sound-proof barriers could be installed in each work station.
- A new sign could be put up on the main floor of the DNR building to more clearly define responsibilities of the License Bureau and Info Center.
 - Building Administration is capable of changing or adding signs outside of these divisions (new signs would cost between \$35 and \$100).

The following are other enhancements to customer service and/or technology that have been mentioned by the workgroup.

(continued)



- A person could be hired to direct walk-in customers to DNR divisions.
 - Given the relatively small amount of space on the main floor between the Info Center and the License Bureau, this option would not best meet the needs of the DNR. A sign would serve the same purpose and be more cost-effective.
- The workgroup wanted to explore the option of obtaining zip-plus-four technology for use throughout the DNR.
 - The License Bureau looked into this technology and found that software would cost about \$40,000 plus annual upgrades at \$6,000 each. Additional employees would be needed to then sort the mail to post office requirements.
 - The Department of Human Services installed equipment to do zip-plus-four sorting at a cost of \$500,000.
 - The License Bureau is able to use the Department of Human Services to scan, bar code, and sort their mail for a very low fee.
 - These services may be available to other DNR divisions.
- Improved regional access to information has also been mentioned by the workgroup. Interviews with regional directors indicated that the regions perceive current informal and formal communications as being “fairly effective.”
 - The perception is that an “us versus them” mentality exists in the main DNR building and that decisions by the Commissioner could be communicated more effectively.



Not Recommended at the Present Time

- Purchasing kiosks for a long-range service plan.

- Combining the Info Center and License Bureau counters and/or calls.

- A 1-900 phone number for customer inquiries regarding lottery selection results.

- Staff person to direct customer in the main floor lobby.

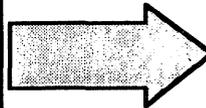
- Develop or acquire zip-plus-four technology for the DNR.

The following is a summary of DNR customer service alternatives and recommended feasible options in the area of Merchandise Sales.



Merchandise Sales Alternatives

- 1) No change to current services
- 2) 1-800 phone sales from expanded DNR catalog in addition to current services
 - Orders taken in Info Center
 - Fulfillment by DNR versus outside vendor
- 3) High-level look at a unified DNR merchandise program to optimize customer service
 - Divisions working together on merchandise programs and channels



Feasible Options

- Coordinate DNR marketing activities to develop a unified catalog program and expand DNR fundraising efforts
- Contract with one vendor for all merchandising activities related to a DNR catalog
 - Production
 - Order-taking
 - Fulfillment

Merchandise Sales/Fulfillment handled by outside vendor (evaluated if outside vendor is recommended by workgroup to provide other DNR services).

Merchandise Sales Recommendation



- Coordinate DNR marketing activities to develop a “DNR Catalog” and expand DNR fundraising efforts.

There are four divisions in the DNR that sell merchandise: Parks and Recreation, Information and Education, Fish and Wildlife, and Forestry.



- Information and Education sells a few products at the State Fair and Northwest Sport Show and helps Fish and Wildlife and Forestry with their merchandise programs.
 - Information and Education contracted with an outside vendor to produce, promote, and market Fish and Wildlife stamp image products.

- Fish and Wildlife sells books and Forestry sells posters and booklets at the Minnesota Bookstore. Both divisions use the Minnesota Department of Administration and the University Press for publishing and fulfillment.

- The Division of Parks and Recreation sells the highest volume of merchandise and contracts with one outside company for order-taking and fulfillment services. Products are sold through catalogs, at parks, and in the gift shop.

The Information and Education Bureau has formal fundraising and marketing/merchandising programs. They have also conducted studies on improving DNR merchandise programs.



- Information and Education houses a marketing program that services many DNR divisions. This group helps coordinate emerging merchandising efforts and initiates new sales opportunities.
 - Assisted Fish and Wildlife with contract negotiations with publishers
 - Helped Fish and Wildlife with stamp images and book layout
 - Worked with Forestry on holiday card design
 - Started a plan to sell subscription lists for Volunteer magazine

- Between three to six fundraising products are sold annually at the State Fair. Profits go into the DNR State Fair Gift Account and supplement the renovation of the State Fair facilities.

- I&E personnel, within the fundraising unit, work at Northwest Sport Show to sell fishing licenses.

- Additionally, the Info Center (part of I&E) took orders for Parks' 1992 holiday catalog. If an expanded DNR-wide catalog were produced, the Info Center may be able to handle the order-taking. However, without additional staff, wait time could increase and may negatively affect customer satisfaction.

Fish and Wildlife have recently expanded their merchandising efforts.



- Twelve to fifteen products featuring DNR copyrighted stamp images are part of a pilot program with the Hadley Company.
 - A three-year contract with Hadley, a promotional sales and marketing company, began in October, 1992.
 - Products will initially be sold at local retail stores.
 - Royalties will be paid to the DNR from the sale of product. Projected sales are \$20,000 for 1993 and up to \$200,000 for 1995.

- Fish and Wildlife works with the Department of Administration to produce five books that are sold at the Minnesota Bookstore.
 - Department of Administration does the publication, distribution, order-taking, and fulfillment of the books.
 - The DNR receives \$1 for every book sold.

Fish and Wildlife have recently expanded their merchandising efforts. (continued)



- Gift certificates are sold through the DNR License Bureau either by phone or over-the-counter. By law, the certificates are sold with the license issuing fee included; the operation is not intended to generate profits.
 - Approximately 500 gift certificates were sold in 1992.
 - Certificates are redeemable either by mail or in person at the DNR License Bureau.
 - Payment by cash or check is accepted.

- DNR personnel started selling fishing licenses at the Northwest Sports Show in 1992. Reaction by the public was extremely positive.
 - 1992 sales generated \$38,000 in revenues.
 - Plans to augment sales show estimated costs of \$10,000 and anticipated revenues of \$60,000.

Forestry has sold a few products in the past, but does not have a formal merchandising program established.



- Information and Education helps Forestry personnel to develop product concepts; production is bid out to local vendors.

- Holiday cards, posters, and booklets were sold through the 1991 holiday catalog. This merchandise is sold each year at the State Fair and at the Minnesota Bookstore.
 - Items sold through the 1991 holiday catalog totalled \$442.
 - Holiday cards sold at the State Fair were \$10 per packet. Twenty-five packets were sold. Forestry broke even on the product after giving Parks 30% for their sales efforts.
 - Posters and booklets have been sold at the Minnesota Bookstore for three to four years. Forestry does not get a percentage of revenues or royalties from the items sold.

- Forestry is not set up to handle a formal merchandising program at the current time. If a DNR-wide catalog were created, Forestry would be prepared to contribute items for sale no sooner than the summer of 1994.

Parks and Recreation has had an advanced, formal merchandising program for over three years. Significant resources have been allocated to expand the program.



- Parks and Recreation has developed a sophisticated merchandising program and hired personnel to direct the program. With 66 State Parks acting as outlets, Parks and Recreation has a great advantage in promoting sales.

- Twenty-five park-related products are sold through catalogs, the 66 State Parks, and the gift shop. Products may be sold through other external retailers in the upcoming year.
 - A holiday catalog was offered in 1991 and 1992. This year, a spring, fall and holiday catalog will be distributed.
 - .. Creative Promotions handled order-taking and fulfillment in 1991.
 - .. The Info Center and Information and Education provided order-taking and fulfillment services in 1992. Information and Education received 1,300 catalog-related calls and received 75¢ per call.
 - .. ProDirect, a local vendor, will handle catalog layout, order-taking, marketing, and fulfillment for 1993.

 - Each Park has an individual budget to purchase merchandise. All designs, creations, and purchases are channeled through Parks merchandisers at the DNR Central Office. The 12 Parks with the greatest success in product sales have POS terminals that track sales volumes and generate purchase orders.

Parks and Recreation has had an advanced, formal merchandising program for over three years. Significant resources have been allocated to expand the program. *(continued)*



- The Division of Parks and Recreation anticipates significant profits from their buttressed merchandising efforts.
 - In 1992, 11,000 catalogs generated \$42,000 in sales. \$19,250 in profits went back into Parks' revolving account.
 - A total of 3,083 items were sold in 1992 with an average sale of \$43.00 (this number includes 534 phone orders).
 - An estimated 25% increase in volume is projected for 1993.

To improve current merchandise services, the DNR could coordinate internal marketing activities to develop a unified catalog program and expand fundraising efforts.



- Coordinate a DNR merchandising plan through marketing personnel in Parks and Information and Education to maximize sales of DNR products.
 - Create a DNR catalog concept for targeted clientele.
 - Use the same supplier for clothing, mugs, stuffed animals, books, etc. to get volume discounts.
 - Develop a standard quality for all products sold.



Merchandise Sales Recommendation

- Contract with one vendor to provide all production, order-taking, and fulfillment for catalog sales.

Catalog merchandise services should be contracted out to a single vendor with experience in promotional sales and marketing.



- Contract with one vendor to provide all production, order-taking, and fulfillment for catalog sales.
 - ProDirect has a good relationship with Parks and can handle all merchandising services.
 - Parks products with the highest growth rate are products without a park theme. Such items could easily be produced to represent all divisions.
 - If the vendor provided fulfillment and distribution to individual State Parks, merchandise from all divisions could be purchased at these outlets.
 - There are economies of scale for selling an extended line of merchandise.
 - If the proposal from DNR Field Services and I&E showed a same cost for the same services provided by ProDirect, the DNR should consider them as a possible vendor.

The Division of Parks and Recreation selected an external vendor, ProDirect, after evaluating responses to a Parks' RFP for merchandise sales in January of 1993.



- Field Services responded to the RFP in January 1993.
 - The Info Center would take orders for a Parks catalog via a 1-800 number.
 - Field Services would provide fulfillment and shipping services.

- Parks awarded a one-year contract to ProDirect beginning in March 1993. The impact of a new Field Services warehouse computer system being installed during Parks' peak merchandising season impacted Parks' decision.

- There has recently been interaction between Parks, Field Services, and I&E to discuss a merchandising relationship when ProDirect's contract expires in March 1994.
 - Parks will provide Field Services and I&E with its 1993 business plan on May 22.
 - Field Services and I&E will respond to the business plan and Parks' specific vendor criteria by mid-June.
 - Parks will review the proposal for two weeks and make a decision regarding a merchandising relationship with Field Services and I&E by the end of June.



Parks has been very pleased with its relationship with ProDirect and expects dramatic improvements in its merchandising efforts.

- ProDirect has expertise in direct mailing and consulting. With their help, Parks will be able to target the proper clientele and maximize distribution.
 - ProDirect uses POLK directories to pinpoint the customers who are most likely to purchase Parks' merchandise.
 - Three catalogs instead of one will be distributed to a higher volume of customers than previous years.

- One vendor is able to provide all services required by Parks:
 - Catalog Design and Development
 - Marketing
 - Production
 - Order-taking and Processing
 - Picking and Packing
 - Shipping

- Additional services such as reporting, mailing list analysis, and consulting are also provided by ProDirect. The one-year contract stipulates service prices by hour and by month.
 - Order taking and processing \$11.75 per hour
 - Picking, packing, and shipping \$11.50 per hour
 - Reporting and analysis \$195 per month
 - Consulting services Free of charge

- ProDirect is located in the metro-area which facilitates effective communication between the DNR and the vendor.

Parks has established the following expected service levels for the Parks' merchandising program (selected list from Parks' criteria description).



- **Fulfillment (process orders, pick/pack, and ship merchandise)**
 - 95 percent accuracy in filling all orders to State Parks and consumers.
 - Staff will take an average of eight minutes to fill an order from State Parks.
 - The customers' and State Parks' orders will be filled within two and three business days of the receipt of the order respectively.

- **Inbound telemarketing for direct mail**
 - Customer hold-time will be less than two minutes.

 - Customer service operators will:
 - .. Achieve a 98 percent accuracy in taking orders form customers
 - .. Suggest other merchandise to consumers and achieve a 20 percent conversion rate
 - .. Take orders within four minutes and inquiries within two minutes

 - The vendor will:
 - .. Mail out a catalog to inquiries the same day it was made
 - .. Achieve a 25 percent increase in catalog sales
 - .. Recommend mailing lists to purchase for mass marketing of the catalog

Currently, ProDirect provides all the services that Parks requires. In order to supply the same level of service, Field Services and I&E would have to do the following:



- The Info Center would need an additional 1-800 number for DNR catalog sales.
- The Info Center would need to hire additional staff to answer the extra calls and achieve a maximum two minute hold time for all customers.
- Field Services and I&E would probably have to hire an outside consultant with expertise in direct mail sales.
- The Info Center would have to obtain technology to issue purchase orders, run merchandise sales reports, and calculate call volume analyses. Field Services would need to provide all the necessary shipping and handling reports, and both systems would have to be integrated.
- The Info Center would need to extend its hours so that information associates could take catalog orders from 10:00 a.m. to 8:00 p.m. Monday through Saturday.
- The Information Associates may need extensive training on retail phone sales and cross-selling divisional merchandise.

Presently, we do not recommend using the Park Reservation Service outside vendor to also handle DNR merchandise sales for the following reasons. If the vendor wished to bid on a merchandise RFP, it would be acceptable.



- Additional customer service would be provided only to those DNR customers completing a camp reservation and purchasing catalog merchandise.
 - Parks has determined through marketing studies that people who camp are not the people who purchase Parks' merchandise.
 - A reservation vendor would most likely not be able to provide all the specific services ProDirect offers now.
 - The reservation provider would probably lack experience in selling merchandise.
 - Significant training on products would be required.
 - If the Park Reservation System vendor does not meet all of the merchandise service criteria in the Parks RFP, they should not be selected to provide part of the merchandise services.
- The Division of Parks has done a lot of work in this area and is committed to using one vendor to lower costs and improve service.



There are several issues and concerns the DNR should consider related to merchandise programs.

- Parks had to get legislation passed in order to set up a revolving account for merchandise revenues. If a DNR-wide program were created, all participating divisions would need to secure similar legislative authority.

- For a smooth-working program, ownership must be divided equally among all divisions. This may be difficult to achieve considering the varying degrees of experience and investment throughout the divisions.

- A proper system to allocate revenues would have to be established. This system would most likely require a dedicated accounting position. The Legislature may not view the new revenue generated as a supplement to public dollars and decide to reduce allocated funds.



Not Recommended at the Present Time

- Using the Park Reservation System outside vendor to also handle DNR merchandise sales. If the vendor wished to bid on a merchandise RFP, it would be acceptable.



The Implementation Plan for DNR Customer Service Alternatives is broken down into three phases.

Activity	Phase I—Start-up (Months)											
	1	2	3	4	5	6	7	8	9	10	11	12
License Sales <ul style="list-style-type: none"> Hire 4 license sales operators <ul style="list-style-type: none"> Obtain 1 temporary operator for peak seasons Conduct Request for Proposal process for system software <ul style="list-style-type: none"> Prepare specifications Develop RFP Evaluate vendor proposals Select vendor/negotiate contract Purchase/receive/install hardware and software <ul style="list-style-type: none"> 4 personal computers 4 phone units Telecommunications hook-up Set-up database parameters and service procedures Provide training to operators and License Bureau sales supervisor Advertise toll-free number Service start-up 												
Information Dissemination <ul style="list-style-type: none"> Hire additional Info Center staff <ul style="list-style-type: none"> 1 Info Center associate 1 seasonal associate Request for Proposal process for kiosk Purchase and install hardware <ul style="list-style-type: none"> PCs and phones Kiosk Develop kiosk database and touch screen applications Train Info Center staff on phone services, divisions, and kiosk Expanded service fully operational 												
Merchandise Sales <ul style="list-style-type: none"> Establish internal committee to coordinate merchandising efforts for all divisions Conduct Request for Proposal process for 1 vendor <ul style="list-style-type: none"> Develop RFP Evaluate vendor proposals Select vendor/negotiate contract Create and select merchandise Design and produce catalogs Establish procedures for service operations Train vendor operators Advertise enhanced service Service start-up 												



The Implementation Plan for DNR Customer Service Alternatives is broken down into three phases. *(continued)*

Activity	Phase 2—Continuation and Assessment	Phase 3—Upgrade
<p>License Sales</p> <ul style="list-style-type: none"> • Market license sales to non-residents by mailing out applications • Automate lottery applications • Use non-resident database to help construct database for all license holders • Assess call volume, sales volume, and operator service levels • Determine whether to continue current services, expand services in-house, or contract with a vendor to provide resident and non-resident licenses • Upgrade services as needed <ul style="list-style-type: none"> - RFP for external vendor - Training - Advertise - Hardware/software 		
<p>Information Dissemination</p> <ul style="list-style-type: none"> • Assess Info Center staff workload, call volume, hold time • Assess use of kiosk • Improve kiosk features, manage kiosk database • Adjust Info Center staff based on Phase II assessment • Install kiosks at regional offices and State Parks (optional) 		
<p>Merchandise Sales</p> <ul style="list-style-type: none"> • Continue direct mail analysis • Automatically mail catalogs to previous purchasers • Create and select merchandise • Assess sales volume by division and target low-volume areas • Offer all catalog merchandise to State Parks • Determine whether vendor has met preestablished criteria <ul style="list-style-type: none"> - Extend contract - Re-bid services • Expand sales into Canada and other states 		



Board of Podiatric Medicine

2700 University Avenue West #101 40
St. Paul, MN 55114
(612) 642-0588-0401

TO: Charles A. Schaffer
Dept. of Trade and Economic Development
500 Metro Square

FROM: Lois E. Mizuno *Lois E. Mizuno*
Executive Director

DATE: September 30, 1993

RE: Executive Order 93-9

In response to the request for agency comment regarding "one stop shopping" for business permits and regulatory affairs, on behalf of the Board of Podiatric Medicine I offer the following:

(1) It is unclear whether Executive Order 93-9 relates (a) only to those licensing, permit and regulatory functions that are conducted by state agencies, or (b) to those functions conducted by local governments as well.

If (a) is correct, then "one stop shopping" (even if it proves feasible, efficient, and cost effective) will do little to ease the perceived regulatory burden on businesses. Various departments of local government would need to be contacted for such matters as liquor licenses (on or off sale), zoning regulations, etc. Responses from state agencies might be more fruitful if this ambiguity would be resolved.

(2) It is not entirely clear whether the Order envisions "one stop shopping" for all types and varieties of regulations (in addition to licensing and permits) that impact on businesses, such as, for example, safety and health regulations for employees (OSHA), emission/disposal of hazardous substances (PCA), discriminatory practices in the workplace (Department of Human Rights), functions of Departments of Health, Labor and Industry, and Health (apart from OSHA and the regulatory boards), etc. Without some idea of the scope of the proposed one stop shopping, comments can easily be off the mark.

(3) It is unclear whether any preliminary research has been done that would identify the number, type, and complexity of the licenses/permits/regulations that must be obtained/complied with, or the types of businesses which purportedly are most affected by the assumed complexity of current regulations. What degree of burden are we talking about? For whom? Under what circumstances? To what end?

(4) It is unclear whether benefit to the consuming public (or lack of it) has been, is, or will be part of the equation. Stated another way, will one stop shopping for businesses coping with government regulations negatively impact on the public?

For example, there is the potential for harm to the public in a government office specifically designed to be user-friendly to businesses also having the power to decide who is eligible or ineligible to engage in a business or profession and to discipline (or not discipline) for violations of law. The line between making life easier for businesses and regulating those businesses too easily becomes blurred, indistinct, and perhaps non-existent.

(5) It is not clear whether the cost to the state (meaning cost to the taxpayers) of establishing a one stop shopping mecca for businesses has been considered, and if so, whether the cost can be justified by the perceived benefits.

Horrendous restructuring of statutory provisions, agency staff, etc., are necessary to accomplish the delegation and/or transfer of regulatory functions now performed by a variety of departments and regulatory boards to a one stop shopping agency. Licensing boards (and presumably state departments) cannot delegate their regulatory responsibilities without legislative mandate to do so. The Draganosky v Minnesota Board of Psychology case cited in the memo upholds only the very narrow issue of delegation of accreditation criteria for colleges with acceptable programs for licensure. It did not touch at all upon the Board's right to determine, based upon its practice act and rules, whether an applicant meets the qualifications for licensure.

(6) Professionals licensed by the state through its regulatory boards already have "one stop shopping". A professional desiring to practice in this state need only go to one agency at the state level for permission to do so. That agency is the licensing board for the person's profession. Any other permissions or restrictions imposed upon the professional are at the local government level. "One stop shopping" as it appears to be envisioned would not confer any added benefits to a medical doctor, chiropractor, dentist, or podiatrist. Their initial licensure, renewals, continuing education, examinations, disciplinary actions, are the responsibility of the one licensing board for their given profession.

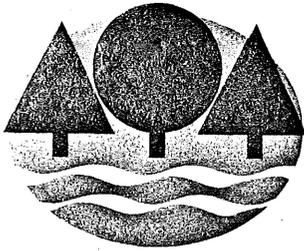
(7) Perhaps the role of the Statewide Systems Project should be incorporated into any research and planning engaged in for the one stop shopping concept. Presumably, once the SSP is fully operational, all agencies will have access by means of computer networking to public information maintained by all other agencies. Without a great amount of cost or disruption, an office could be established where

individuals and businesses could obtain all the information they need with respect to state regulations, programs, services, etc., including licensure forms, instructions, and so forth, which would be available through the computer linkage. There would then be no need to be concerned about delegation of powers and all the legal ramifications of such delegation. The office could also, if necessary, receive completed forms, which would then be transmitted to the appropriate board or department via the computer network.

(8) Finally, greater efficiency, cost savings, and benefits to users in delivery of services are not necessarily achieved when a host of unrelated functions is assumed by one agency. It has been the experience of health board personnel when dealing with their counterparts in other states that "superboards" organized by function rather than profession tend to be less efficient, less responsive, less user friendly, and sometimes more costly than either superboards organized by profession or independent boards. A "one stop shopping" agency appears to be equivalent to a super superboard. Perhaps this aspect of the problem should be investigated.

At this time I have deliberately refrained from commenting on the specific issues outlined in the memo. I do not believe affected agencies have sufficient information at this time to make effective comment on specifics. I look forward to future communication in which some or all of issues I have raised have been addressed.

Thank you for the opportunity to participate.



Minnesota Pollution Control Agency

December 8, 1993

Mr. Charles A. Schaffer
Minnesota Department of Trade and Economic Development
500 Metro Square
121 7th Place East
St. Paul, Minnesota 55101-2145

Dear Mr. Schaffer:

This letter is in response to your request for comments on issues identified in Executive Order 93-9. We applaud your efforts to lead the way in easing regulatory burdens on Minnesota businesses.

The Minnesota Pollution Control Agency (MPCA) is dedicated to working with Minnesota businesses and citizens to design, deliver and continuously improve environmental programs of unsurpassed quality. Easing the burden of obtaining MPCA permits on Minnesota businesses is essential to achieving that goal. We look forward to working with you on this important project.

We currently have several activities under way aimed at making it easier for Minnesota businesses to obtain permits. First, we are constantly looking for opportunities to issue general permits, which require less time and effort to complete than facility specific permits. Whenever possible, we also create "permits-by-rule" rather than issuing permits to individual facilities. A permit-by-rule requires only that a facility operate as specified in rules rather than requiring that the facility obtain a permit. These less than traditional permitting programs provide enough guidance to the facility operator to protect the environment while using a minimum of staff time to complete.

The MPCA is also dedicated to establishing innovative, flexible permits. We issued the first such "flex permit" in the nation to a 3M facility in St. Paul. Under the terms of the permit, the company will be allowed to change its operating perimeters at will and need only notify the MPCA of the changes. A traditional permit would require a permit modification for each change in an operating perimeter, a process that could take up to a year. In return for that flexibility, the company promised to reduce overall emissions from 10,000 pounds of pollutants per year to 4,600 pounds per year.

In addition, wherever practical the MPCA issues "multimedia" permits to facilities. This means that a business can obtain all of the MPCA approvals needed for a facility in one permit action. This involves coordination of our air, water, hazardous waste and solid waste programs.

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Mr. Charles A. Schaffer

Page 2

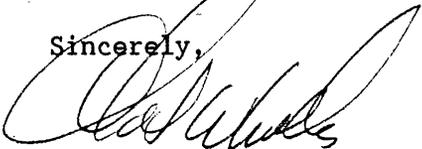
Finally, we are in the first year of implementing a multi-million dollar project to modernize our information management systems. The system will increase our ability to issue multimedia permits. It will also allow greater automation of the permitting process.

There are several issues that need to be addressed as we analyze the advantages of a "one-stop" system of permitting:

1. Many permits are highly technical and often controversial. There must be a way to ensure that those affected by a permitting activity have access to the process of issuing.
2. It is important for us to maintain a linkage between the environmental review process and permit actions.
3. The MPCA currently strives to provide for integrated service delivery by providing technical assistance, planning, operational assistance, technical review, permitting, compliance assistance and enforcement. The consequences of removing permit issuance functions needs careful analysis.

We are interested in serving on a work group to discuss these and other issues that come up. As you already know, Mr. Rod Massey, the Manager for our Air Quality Permits Section, will serve in this capacity. He can be reached at 296-7512. Thank you for the opportunity to comment on this proposal.

Sincerely,



Charles W. Williams
Commissioner

CWW:rra

DEPARTMENT :

Public Safety

STATE OF MINNESOTA

Office Memorandum

DATE :

October 22, 1993

TO :

Charles A. Schaffer
Department of Trade and Economic Development

FROM :

Carolyn Bailey *CB*
Assistant Commissioner

PHONE :

296-6642

SUBJECT :

Executive Order 93-9, "One-stop Shopping"

In response to your memorandum requesting interested state agencies to respond to issues raised in Executive Order 93-9, it appears that several Divisions within the Department of Public Safety would be affected by "one-stop shopping" for business permits and regulatory affairs as required by this Order. This includes Driver & Vehicle Services, Liquor Control, Information Systems Management, Bureau of Criminal Apprehension, Fire Marshal, State Patrol, and Pipeline Safety. When you are forming working groups, I recommend considering our Director of Driver & Vehicle Services, Kathy Burke Moore, an attorney who has considerable background and experience in interagency collaborations on Truck Centers, Auto Dealerships, and Driver Training Schools.

In implementing this proposal, it is critical that it does in fact function as a "one-stop", instead of business communities reverting to the original agency for expertise. Much of this would depend on the effectiveness of training and the information linkage. The level of expertise in many areas demands that inspection and enforcement be conducted by those with extensive training and experience as now exists only in the related state agency. It would be difficult for an outside agency to enforce rules and respond to uniquely specific questions, but technology might provide solutions by accessing forms and those who could answer questions. This could be especially valuable to businesses in Greater Minnesota. Many problems develop simply while completing application forms, because they frequently relate to highly complex and specialized regulations. If the form itself answered all questions, the form would be very complicated and lengthy. Interactive technology is already utilized in school systems and could provide instant, on-line access when needed. Otherwise, the service would provide nothing better than mail and phone contacts.

Businesses are usually regulated/licensed because there is a need to protect consumers. We must retain that protection. If regulations are just a "hoop to jump through", then they shouldn't be there in the first place.

A critical issue to be addressed is location of service. If it is to be successful, it must have a strategic location. This alone could negate all other planning. If political or vested interests impact the site selection so that it is more convenient for business to retain the original locations, they will continue to do so and resist change.

The issue of communication to regulated parties (#6) would seem to be the most easily resolved, since elaborate methods of communication already exist. The challenge should be to simplify and minimize this.

Enclosed are specific comments submitted by two of our divisions. As it relates to Issue #1, it should be noted that the MN Peace Officer Standards and Training Board (POST), which is an autonomous agency and NOT a division of our department, licenses peace officers and regulates their training.

If I can provide further assistance, please don't hesitate to contact me.

cc: Commissioner Michael Jordan
Kathy Burke Moore

STATE OF MINNESOTA
OFFICE MEMORANDUM

DEPARTMENT OF PUBLIC SAFETY
Office of Information Systems Management

TO : Carolen Bailey
Assistant Commissioner

DATE: September 20, 1993

FROM : Ken Bentfield
Director, OISM

PHONE: 296-7589

SUBJECT: Proposed Study of "One-Stop Shopping" Concept

I think that this concept is a fantastic idea and that Public Safety should be involved if possible. The services made available from Public Safety fit into this concept very well.

The public and business community receive the following services from Public Safety that would fit into the "one-stop shopping" model:

Driver Licenses processing
Vehicle Registration processing
Accident Records data

Traffic Safety programs
Criminal Records access
Criminal Statistics information

Many divisions of Public Safety provide other information services, i.e. Fire Marshal, Pipeline Safety, etc. These programs could have informational outlets at these "one-stop shopping" centers. This process would serve many of the business needs as well as the public needs.

This concept also raises some issues such as impact on how these services are provided now. How would the Deputy Registrars fit into this process? Can they be co-located with local government services centers? Cost? Personnel needs, etc.? All of those issues as identified in the memorandum by Charles Schaffer are real and would need to be addressed and resolved.

This is a very interesting direction and would be very dependent on a communication system that was operational 99 to 100 percent of the time. This would also hold true for the data bases providing much of the information.

PUBLIC SAFETY
LIQUOR CONTROL DIVISION
TDD: (612) 297-2100

DATE October 11, 1993

TO ASSISTANT COMMISSIONER CAROLEN BAILEY

FROM LANCE BOELTER
ASSISTANT DIRECTOR

PHONE (612) 296-6258

SUBJECT One Stop Shopping For State Licenses

The Liquor Control Division could participate in such a unified licensing operation. The idea certainly has merit for study and we recommend checking with other states to see if they have experience with a similar project.

The most readily workable part of the proposal I see is to have this agency provide to and accept from business applicants the necessary forms and documents for liquor licensing.

If the new agency took on any more detailed responsibilities of liquor licensing we could probably supply one license person who has the expertise for processing our licenses. This satisfies the problem of experience and knowledge but raises questions of who that employee would report to and whose budget their salary would come out of.

In order for this new agency to directly issue licenses and permits as agent for liquor control they would have to take over, essentially, our license functions.

A problem with achieving the convenience foreseen by creation of this agency is the different dates that most licenses expire. For instance, most of our licenses expire one year from date of issuance and not on a fiscal, calendar, nor specified period. Thus, there is just a slight chance the business persons liquor license expiration date will coincide with the expiration of other licenses.

Another problem is that whenever there is a period of many licenses expiring at the same time, there is a mad rush--stress period trying to properly, swiftly, process the overload of license renewals.

If this should be accomplished, it will take many years because of what one of our people aptly stated, there is a personal stake in maintaining the status quo. Many will fear that to be behind this will mean the loss of their job.

An alternate idea suggested by one of our licensing assistants is to immediately create a subject area in the phone books Titled "License Directory". Citizens would look up license numbers and address not by Department name but by subject name like fishing, gambling, liquor, alcohol, etc.

Assistant Commissioner Carolen Bailey -2-

October 11, 1993

Another suggestion is the advantage to the business applicant by the Public Safety Department standardizing all of the divisions' application forms as much as possible such as applicant name, last, first, middle. address, date of birth, dba, home and work phone numbers, date of application, signature of applicant. There could be created a department or state-wide basic uniform format for location of standardized information such as location of these items being same on all forms. On every state form everyone would automatically know they print their name etc., below that heading or above it. Date of filling out every form would always be in the top right corner. Signature would always be in the far bottom right side of every form, etc.



MINNESOTA RACING COMMISSION

7825 Washington Avenue South, Suite 800
Bloomington, Minnesota 55439
Telephone: 612-341-7555
Fax: 612-341-7563

Licensing Office (April - October)
P.O. Box 315, Shakopee, Minnesota 55379
Telephone: 612-496-7739 Fax: 612-496-7756
Veterinary Office (April - October)
P.O. Box 315, Shakopee, Minnesota 55379
Telephone: 612-496-7753 Fax: 612-496-7762

December 2, 1993

Charles A. Schaffer
Minn. Dept. of Trade & Economic Dev.
500 Metro Square
121 7th Place East
St. Paul, MN 55101-2146

Dear Mr. Schaffer:

This is the Racing Commission's initial response to Commissioner Gillette's correspondence regarding the study of "one-stop shopping" for business permits and regulatory matters. We look forward to working with you on this project and hope this response and any additional work can be incorporated into the project and included in the early Fall of 1994 report. This initial response will attempt to address some of the issues raised by describing our current licensing practices and procedures. Because of the nature and logistics of our licensing functions, our initial reaction indicates some difficulties in instituting a "one-stop shopping" model. But again, we intend to work on this project and follow through with any recommendations.

1) The relationship between the agency that provides the "one-stop shopping" service and the department or agency which has statutory authority for substantive regulation or enforcement.

Comment: Enclosed for your information are copies of M. S. 240.08, Occupational Licensing and Minn. Rule Ch. 7877, Class C Licenses. As indicated the Racing Commission licenses all individuals desiring to engage in any occupation while on racetrack grounds. This licensing includes a thorough criminal background check, fingerprinting of applicants every three years, and issuance of a laminated badge to be worn at all times while on racetrack grounds. The majority of our applicants are individuals seeking licensing as race horse owners or in order to work as trainers, grooms, food service workers, etc. Very few of our licensees are business owners. The businesses we do license are the racetrack itself and individuals selling hay, feed, tack, etc. on the backstretch. The licensing process often requires subjective determinations in addition to the objective questions asked on the standard license form. There is frequent consultation between the licensing and investigative staff and the Stewards and Racing Commissions in other states to determine whether the

applicant is in good standing or whether other requirements must be met before a license can be issued. For example, a renewal applicant with a history of alcohol addiction may be required to continue treatment and/or counseling as a condition of licensing. The relationship of the Commission to the licensee is substantive in that by statute and rule the Commission, through its Stewards, can impose sanctions (e.g., fines, suspensions or revocation) against licensees for rule infractions and cases of misconduct. The license serves not only as a measure to regulate licensee conduct but also to enforce compliance with the rules of racing and pari-mutuel wagering.

We are concerned about delegating our authority for the issuance of licenses to another agency not present at the racetrack due to the close relationship between an individual's conduct and the right to be licensed and the fact that all activity permitted by a license takes place only on the racetrack grounds. At the very least, it would require staff at the "one-stop agency" to be completely familiar with the Commission rules and requirements, and to be in direct and daily communication with Commission staff and Stewards relative to the renewal and issuance of licenses.

2) A determination of who should perform competency testing or assure competency in cases where that is a prerequisite to securing a license or permit (e.g., licensed professions and building trades), and who assures or evaluates the adequacy of continuing education or other competency-based criteria that are a condition of relicensure.

Comment: In our case it would be impractical to conduct testing at the "one-stop shopping agency" if that location were somewhere else other than the racetrack. Several license categories including trainer, veterinarian, farrier, exercise rider and jockey require proof of proficiency and competency. In most cases the Stewards handle testing and evaluate competency where it is a requirement of licensure. For example, in the case of an individual applying for a trainer license, that person must pass a written test which is administered by the Commission's Stewards at the racetrack. In other cases, such as a first time exercise rider, apprentice jockey, or farrier the Stewards can require a physical demonstration of proficiency by the license applicant prior to approval for licensure. This type of testing requires that the administrators be knowledgeable about all aspects of the racing occupations, which the Board of Stewards possesses and further in all cases, due to the physical nature of the test, it is necessary that the testing be conducted at the racetrack (a horse is required).

3) How disputes concerning delay in issuing a license or permit, denial of a license or permit, or suspension or termination of a license or permit for disciplinary or other reasons will be handled.

Comment: This would require a great deal of communication and cooperation between the Commission, the Stewards and the "one-stop shopping" agency. We foresee difficulties in an independent agency issuing or denying licenses. Currently, disputes relating to licenses are resolved by the Stewards after a hearing and in the case where an individual believes the

Stewards have ruled inappropriately, the disputes and the sanctions imposed thereby can be appealed to the Commission. As indicated earlier the Stewards have the authority to fine or suspend an individual or to revoke a license according to statute and rule. The affect of these actions is not confined to the state of Minnesota as an individual with a suspended or revoked license is not eligible for licensing in any other racing jurisdiction during the duration of the suspension or revocation. These actions need to be handled on an individual basis by persons knowledgeable about horseracing and the racetrack environment.

4) How the acceptance of "one-stop shopping" by regulatory and enforcement agencies will be secured and how compliance and enforcement activity will be coordinated.

Comment: The Racing Commission is a small self-contained agency. We are the only agency the "one-stop shopping" agency will have to deal with in regards to the licensing of individuals working at the racetrack. We would coordinate our regulatory and enforcement activities with the licensing activities of the "one-stop shopping" agency once it was determined what particular functions were to be handled by each agency.

5) How to acquire a staff that has the level of expertise necessary to provide the level of assistance and advice demanded by true "one-stop shopping".

Comment: That would be a monumental task. To acquire a staff that already has the level of expertise needed for "one-stop shopping" you would almost have to hire individuals already working with the various agencies involved or at least in the beginning have a liaison from each of the agencies working alongside the licensing staff. As horseracing from a regulatory standpoint is very specialized business and occupational enterprise it is crucially necessary to hire those with a thorough competence and understanding of horse racing and pari-mutuel betting. All of our Stewards have been employed on contract and in all cases from other states; they relocate to Minnesota during live racing. The professional and clerical staff supporting the work of the Stewards also have a thorough knowledge of licensing criteria after 8 years of operations at the track. Only in the long term would you be able to begin to duplicate that level of experience.

6) How the strengths and limitations of "one-stop shopping" will be communicated to regulated parties.

Comment: Going to a "one stop shopping" concept would be difficult should that "one stop" be somewhere else other than the racetrack and would be met with resistance from our licensees. Logistically the system the Commission has in place works extremely well. A large percentage of our licensing is done by mail (the out-of-state owners just stop in for their badges when attending the races) or in conjunction with the licensees work schedule since we require an employers signature before issuing an "employee" (groom, pari-mutuel clerk, food service worker, etc.) a license. We have an additional complication in that we license a lot of migrant workers, many of them non-English speaking, who must be helped

through the licensing process by their employers. However, should we be asked to decentralize our licensing we would disseminate such a change along with any procedural changes to our clientele through their newsletters as well as during Commission meetings. It would also be necessary to post notices regarding the changes in the commons area on the backstretch.

7) How matters of overlapping jurisdiction (state/federal, state/local) will be handled and how those issues will be communicated to the affected parties.

Comment: In the case of overlapping jurisdiction such as food services, the local regulation regarding sanitation and inspection stay with the local jurisdiction as though the racetrack were any other business offering food and beverage services.

8) How the need for legislative change will be determined and who will be responsible for preparing and monitoring initiatives to secure such change.

Comment: With the assistance of the Attorney General's office, I will need to do a thorough review of Statutes and Commission rules to determine if any amendments are needed. This will be done as this project progresses. If it becomes necessary to amend the rules of racing Racing Commission staff and the Rules Committee would prepare and present the changes.

The Commission appreciates the opportunity to provide comments on the "one-stop" shopping model as well as the opportunity to briefly describe our current systems which have worked very well to assure integrity and control over this form of legalized gambling. We welcome the opportunity to participate further, either in working groups or general statewide model planning.

Sincerely,



Richard G. Krueger
Executive Director
Minnesota Racing Commission

RGK/pjw

Enclosure

September 30, 1993

Charles A. Schaffer
MN Department of Trade and Economic Development
500 Metro Square
121 7th Place East
St. Paul, MN 55101-2146

Dear Mr. Schaffer:

Commissioner Anderson has asked me to respond on behalf of the Department of Revenue to the issues around "one-stop shopping" raised in your August 20 memo, and to represent the department on any working group(s) that might be formed to resolve them.

In developing a model for "one-stop shopping," we believe the following principles should be observed:

- To most successfully meet customers' needs, the services offered at the first point of contact between government and citizens should extend beyond regulatory transactions only. To us, true "one stop shopping" means convenient access to the full range of products and services that government (at more than one level) offers. Multiple access points, all offering a full range of services, should be designed and located in ways and places that are most convenient and useful to customers. This department has already put a great deal of time and effort into thinking about how customer service centers offering the services of multiple state and local agencies in unified locations might be configured and operate. They are described in the attached "*Customer Service Center Proof-of-Concept Business Plan*," (October 8, 1992).
- The design of the first point of contact between business or other customers and state government should incorporate a "customer service representative" orientation. In that model, a high value is placed on developing an ongoing relationship between business customers and an individual in government who can serve as their first point of contact and assist them in all their interactions with government. The role of the customer service representative should be that of a liaison between the customer and the rest of government, rather than they (or their agency) actually performing each transaction or making each regulatory decision.

Charles Schaffer
September 30, 1993
page 2

- Any "one-stop shopping" plan should be designed with an eye toward capturing customer feedback in order to improve the quality of their interactions with government. An important byproduct of a personalized relationship between customers and government like the one described above is that it can easily incorporate such a feedback mechanism. This can ensure a greater customer focus in the development stage of regulatory policies and procedures, and will have greater long-term benefit for a customer-friendly government than periodic repeal of rules proven onerous or impractical after they are imposed.
- A practical implication of a single point of contact between businesses and state government is the necessity of developing a single system for business registration and identification, with the same identifier for each business used by all state agencies. This will eliminate the current burden placed on businesses to provide the same information over and over again each time they register with the state for a different purpose. We will be very supportive of this effort.

I hope these comments convey the Department of Revenue's interest and enthusiasm for this project and the potential it holds for transforming the way government and its customers relate to one another. Feel free to contact me if I can provide any further information or assistance.

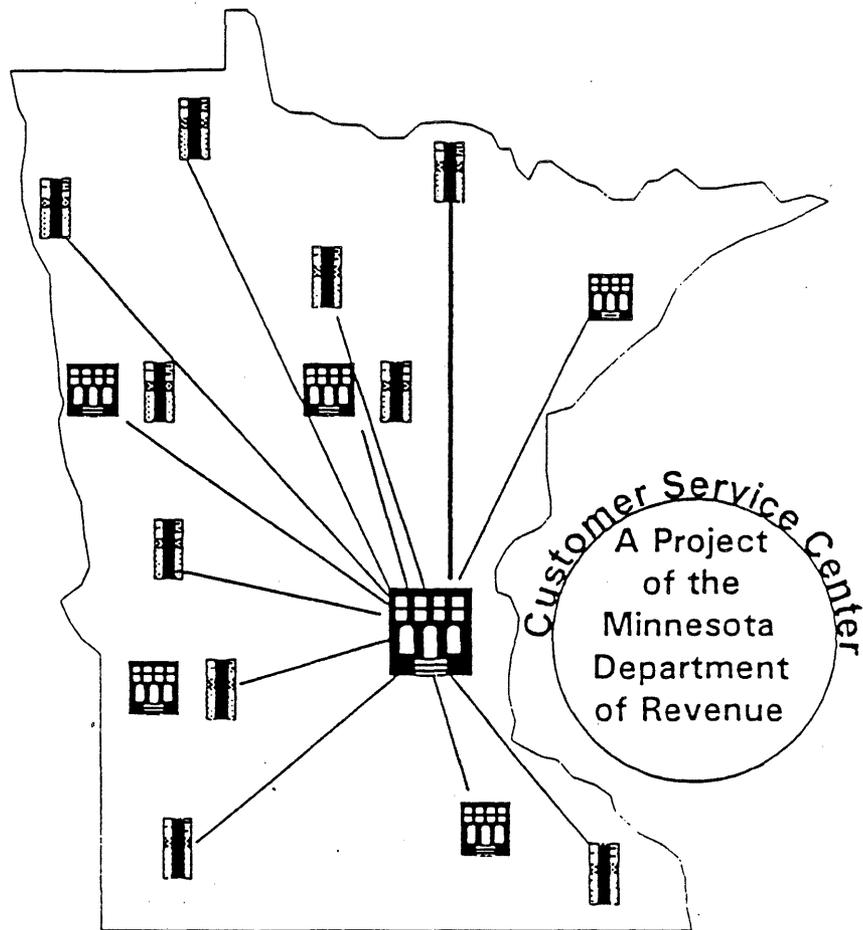
Sincerely,



Matthew Smith
Assistant to the Commissioner

attachment

Customer Service Center Proof-of-Concept Business Plan



A positive step toward winning compliance
with Minnesota's Revenue system.

September 21, 1992

Revised
October 8, 1992

Acknowledgements

The Customer Service Center Project Team is comprised of the following Department of Revenue employees. Thanks goes to their managers in sacrificing the time necessary to contribute to this project.

Jim Bullard
Wally Goulet
Dick Hughes
Mark Koran
Judy Niccum
Mary Ann Novotny
Jan Opsahl
John Ryder
Dave Retrum
Dave Semrud

Table of Contents

	Page
About this Document	iii
Document Organization	iii
Introducing Tom Taxpayer	iii
Clarification of Terms	iii
Section 1. Vision and Business Objectives	1-1
Background	1-1
Project Scope	1-2
Project Goal	1-2
Section 2. Management Summary	2-1
What's the "Bottom Line?"	2-1
What Should the DOR Do Next ?	2-1
What are the Features of a Successful Service Center?	2-2
What Would a Customer Service Center Look Like?	2-3
Is the Customer Service Center Concept Feasible?	2-3
What About the Future?	2-4
Section 3. High-level Business Requirements	3-1
Requirements Analysis	3-1
Business Requirement Categories	3-3
Service Center Response to a Customer Request	3-6
Customer Service Center Functions	3-8
Customer Service Center "Halls"	3-9
Customer Service Center "Rooms and Stations"	3-12
Section 4. Alternative Approaches	4-1
Four Service Center Configurations	4-1
Requirements Satisfaction Comparison	4-2
Alternative 1. Office-Within-an-Office	4-2
Alternative 2. Distributed Offices	4-3
Alternative 3. Electronic Kiosks	4-5
Alternative 4. Mobile Units	4-6

	Page
Section 5. High-level Feasibility Analysis	5-1
Feasibility Analysis Methods	5-1
Assumptions for Cost Analysis	5-2
Cost Analysis	5-3
The Impact of Transaction Volume	5-6
Benefit Analysis	5-8
Section 6. Recommendations	6-1
Conclusions	6-1
Recommendations	6-3
Appendix A: Department of Revenue Personnel Interviewed	A-1
Appendix B: Index to Source Documents	B-1

About this Document

Document Organization

This document is divided into seven sections.

Section 1. Vision and Business Objectives - explains the purpose of developing the *Customer Service Center Proof-of-Concept Business Plan*.

Section 2. Management Summary - summarizes the key points of this document.

Section 3. High-level Business Requirements - describes the ideal Customer Service Center and defines the basic business functions that a successful Service Center must provide.

Section 4. Alternative Approaches - describes four different possible configurations for the Customer Service Centers.

Section 5. High-level Feasibility Analysis - assesses the feasibility of the customer service center concept and compares the feasibility of each alternative.

Section 6. Recommendations - states the project team's overall conclusions and specific recommendations for action.

Appendices A and B - contains a list of source documents, a copy of the needs analysis survey, a list of individuals interviewed, and other materials used to develop this document.

Introducing Tom Taxpayer

Section 3 includes scenarios that the team developed to help bring the Customer Service Center concept to life. The scenarios feature the "everyman" citizen, Tom Taxpayer. Tom is 55 years old, comptroller at a local Twin Cities firm and the owner of a small business which builds furniture. The grey-shaded boxes follow Tom through his interactions with a Customer Service Center and show the many ways that the Service Center, if effectively implemented, will save Minnesota's busy taxpayers time and effort, and make it easier for them to comply with the State's tax laws.

Clarification of Terms

Please note: The phrase "business requirements" as used in this document means the business requirements that the Customer Service Center must meet to carry out the business of the Department of Revenue. "Business requirements" as used in this document does not mean the tax or legal requirements that a business must fulfill.

Section 1. Vision and Business Objectives

Background

"We need to look outward... to do a better job of serving our customers. The only way to serve them is to be out among them. The Service Center is an important step in that direction."

Don Trimble
Assistant
Commissioner

In February 1992, the Minnesota Department of Revenue (DOR) organized a team of selected DOR personnel and Computer Power Group consultants to determine the feasibility of the concept of establishing a network of Customer Service Centers throughout the state of Minnesota.

This report considers the Customer Service Center concept as a vehicle that will enable the Department to meet the needs of its diverse customers. Service Centers will combine flexible hours, accessibility, electronic technology, and specially trained staff to provide Minnesota's citizens with products, services and information when and where they need them.

Although many of the services the DOR provides may be requested over the phone, recent surveys have revealed that taxpayers in greater Minnesota are much less likely to use the phone than are urban citizens to obtain products and services from the Department. Decentralized services must be developed to better serve these citizens.

The team's first mission was to develop this Proof-of-Concept Business Plan. This Proof-of-Concept Business Plan will be used by the DOR to assess the feasibility of the Customer Service Center concept and to determine whether a more detailed Feasibility Study and Cost Benefit Analysis are warranted. In addition, this document will be used to assess whether Customer Service Centers would be best implemented exclusively as a DOR program, or as a more global, multi-agency program.

A key motivation for considering the Customer Service Center concept is found in the Department's mission statement -- "Our mission is to win compliance with Minnesota's revenue system." The DOR's mission is to find the most effective ways to use the State's facilities to make it easy for citizens to comply with Minnesota's tax laws. In other words, treat the citizens of Minnesota the same way that a successful private enterprise treats its customers. Enhanced citizen, or customer, service is the path the DOR chooses to obtain voluntary compliance. Customer Service Centers can become the manifestation of this mission statement.

The Customer Service Center concept can best be characterized by the following statements:

- **Focus on Service.** Services provided are always from the citizen's point-of-view. This means that services are not only DOR-related, but likely will include services from many agencies throughout the state, local, and federal governments.
- **Local Distribution.** Decentralized units of the DOR can be distributed locally in areas most needed by the citizens. This physical reduction in scale and neighborhood placement increases each citizen's access and reduces psychological barriers. More numerous, smaller offices located around the

Background
(cont.)

state will likely be used more often and thus provide more valuable services for Minnesota's residents.

- **Variety of Service Levels.** Each decentralized unit can be thought of as a Customer Service Center which provides a range of DOR services. These can be full service units which will provide all the facilities of the main office, or smaller, more specialized units that will be more widely distributed for maximum coverage.
- **Flexible Configurations.** An individual Customer Service Center can be implemented as a fully automated stand-alone kiosk, much like a bank automated teller machine (ATM), or it can simply be an enhanced facility staffed by DOR personnel who have been provided with more efficient, automated tools and systems to make their jobs easier and to provide better service to the citizens. Or, a given Customer Service Center can be a hybrid of these two approaches.

In other words, the Customer Service Center Concept may be thought of as the delivery vehicle for the new state government paradigm as outlined in *Minnesota Milestones* and the DOR's *Strategies for the 90's* which emphasizes the importance of providing targeted, local, and personal services from the customer's point of view.

Project
Scope

This project included all the required activities to develop a Customer Service Center Proof-of-Concept Business Plan. This means all the tasks necessary to develop the high-level business requirements, determine their overall feasibility, and to prepare a set of recommendations for a Feasibility Study and Cost/Benefit Analysis are included. In other words, this project can be thought of as the first step in a multi-step process that should ultimately lead to the implementation and operation of Customer Service Centers throughout the state of Minnesota.

Project
Goal

The goal of this document is to provide the DOR with sufficient information to determine the validity of the Customer Service Center concept, in general, and to help Department management decide whether further investment in a detailed Feasibility Study with an extensive Cost/Benefit Analysis is warranted. This *Proof-of-Concept Business Plan* defines the high-level business requirements for the Customer Service Center concept, specifies selected alternative approaches for implementing these requirements in high-level business terms, and assesses the general feasibility of the Customer Service Center approach.

The *Business Plan* concludes with the project team's recommendation of the most feasible and effective approach to fulfill the DOR's mission.

Section 2. Management Summary

What's the "Bottom Line?"

*Contributes to the
Department's
Mission for the 90s*

The Department of Revenue's mission statement, *Strategies for the 90s*, makes clear the focus of the Department's efforts for this decade: to win compliance with Minnesota's revenue system. The Customer Service Center concept directly supports this mission. In this concept, Customer Service Centers will form a direct link between the DOR and Minnesota's citizens and will become an invaluable tool that makes it easier for taxpayers to comply with tax laws. Additionally, the Service Centers will contribute to the goal of developing a common set of priorities and expectations for the state government of the future.

*Offers
Decentralized
Services to
Minnesota's
Taxpayers*

The Department's draft *Strategic Marketing Plan* translates the DOR's mission into measurable goals and objectives and describes the strategies that the Department will use to carry out its mission. As part of the DOR's "new business-line emphasis," the Plan outlines methods of offering decentralized services to Minnesota's citizens. This concept emphasizes distributed services as the main focus of Customer Service Centers. Each Center will provide the same range of services as the DOR in St. Paul. Effective application of the Customer Service Center concept brings the Department of Revenue and its services to the people.

What Should the DOR Do Next?

*Implement a Pilot
Customer Service
Center*

The Customer Service Center concept shows promise, but the only way to truly test the methods, technologies, systems, procedures, and staffing profiles is to commit to a pilot field test. The project team recommends that the DOR complete a detailed feasibility study and cost benefit analysis, then define detailed requirements for a prototype. While a prototype is in development, the Department should outline a program for implementing the first series of prototype Service Centers. After the field test has begun, and staffing and training are complete, the DOR should measure the implementation against the program's goals. This feedback should be analyzed, then incorporated into the Service Center design to determine the next steps.

*Invite Other State
Agencies to
Participate*

The team's research led them to the conclusion that other agencies should be involved to maximize public acceptance and use of Customer Service Centers. Using the requirements developed by the team, an agency that is the most compatible with the goals and objectives of the Service Center concept could be identified. A team representing the partner agency could work in tandem with the DOR to develop appropriate business requirements and define prototype specifications. Then a joint pilot Service Center could be developed, tested and enhanced.

What are the Features of a Successful Service Center?

After conducting many interviews, group discussions, joint application development sessions, phone calls and other research efforts, the project team developed a set of requirements for a successful Customer Service Center. To offer truly enhanced customer service, the Service Centers must:

- provide products/services
- offer information
- be convenient and locally accessible
- use flexible, up-to-date delivery systems
- offer the products and services of other state agencies.

Products/Services

Products/Services are the tangible results that a Customer Service Center provides for the customer, which include all types of electronic or hard copy tax returns. Examples of services are filing of tax returns, accepting tax payments, and issuing refunds.

Information

Information refers to a Service Center's ability to answer customers' questions or solve problems. Just a few of the many types of information that the Service Center provides are answers to technical tax questions (such as the amount of tax on a gift) or information on the status of an income tax return or refund.

Convenience and Local Accessibility

Among all the Service Center's physical attributes that the team discussed, the most important characteristic was convenience. A Service Center should be open when customers want to use it. This may mean 24 hours-a-day in some areas. Self-contained electronic kiosks, one of the configurations that the team examined, are especially convenient, as they would be located in high traffic areas during the day and could be accessed after-hours. Other high-ranking attributes were a comfortable and friendly environment, privacy, security and handicap accessibility.

Flexible, Up-to-Date Delivery Systems

The goal of Service Centers is to make it as easy as possible to comply with Minnesota's tax laws. Service Centers must be highly flexible in the ways they provide products and dispense services for the customer. The Service Centers should incorporate available electronic technology, which includes links to existing DOR computer systems, and new links to other government agencies. Customers should have a choice of how to interact with Service Centers, and be able to pick the method that is best suited to their needs. Dial-in modems, fax machines, improved phone service, hardcopy, and all forms of electronic communication should be available. These tools will not only make it easier for the customer to interact with the DOR, but it will make employees' jobs easier.

The dispensing method will be tailored to fit the transaction. For example, for dispensing customized information in sensitive areas such as non-compliance, it would be especially important to provide a person to interpret and supply specialized information.

Include Other Agencies' Services

Other agencies, both within the state and from the federal, county, and local governments will probably need to be involved to offer truly enhanced service from the customer's perspective. After all, customers don't only interact with the government to pay their taxes or to register a new business. For example, they also need driver's licenses, fishing permits, and some collect unemployment.

**What Would a
Customer
Service Center
Look Like?**

The Customer Service Center project team has developed four possible configurations for Service Centers. These four approaches are not mutually exclusive. Instead, some combination of the four alternatives could satisfy the Service Center requirements outlined by the team. The four alternative approaches are:

- offices-within-offices
- distributed offices
- electronic kiosks
- mobile units.

*Offices-within-
Offices*

Offices-within-offices are Customer Service Centers staffed by specially trained personnel located on the same premises as current DOR offices or other state agency offices.

Distributed Offices

Equipped with interactive electronic technology, distributed offices are smaller, stand-alone Service Centers distributed throughout the state. Distributed offices are staffed for at least a portion of the service hours by specially trained personnel.

Electronic Kiosks

Electronic kiosks are self-contained electronic workstations, much like automated teller machines, that contain various tools a customer may use to request products, services and information.

Mobile Units

Mobile units are offices-on-wheels, wherein the functions of a DOR office are brought to smaller communities on a regular schedule or on demand.

**Is the Customer
Service Center
Concept
Feasible?**

*Different Staffing
Levels Lead to
Differing Costs*

Except for the kiosk, which has no staffing requirements, the primary variable among the other alternatives is in the staffing levels. The office-within-an-office approach can take advantage of existing supervisory personnel, facilities and equipment, thus reducing its development costs over the distributed office alternative. The team profiled all alternatives at minimal staffing levels. A pilot test would provide the feedback necessary to determine realistic levels.

*Mobile Units May
be Used to
Determine Sites of
Distributed Offices*

The costs for a mobile unit may be too excessive to consider developing a whole fleet of offices-on-wheels. One possible advantage of commissioning a few mobile units, however, is as a tool to determine high-use locations that would be good sites for distributed offices.

*Service Centers
are Complementary
to Sales Tax Re-
engineering*

Although the one-time software development costs for a Service Center are significant, they relate directly to the re-development efforts that either are already underway at the DOR, or are currently planned. The infrastructure, connectivity, and platforms that are being established or enhanced by the Sales Tax Re-engineering effort can likely be used for the Service Centers.

*Including Other
Agencies Will Help
Ensure Success*

Jointly developed Service Centers can radically change the way people view Minnesota state government. Service Centers redefine the traditional boundaries between departments and present a more functional, citizen orientation. Jointly developed Service Centers can become the "one stop convenience shop" of government services, quickly packaging and delivering the variety of products and services the customer wants.

*The Citizen is the
Real Beneficiary of
Service Centers*

In conclusion, it is clear from the various interviews, discussions, analyses as well as based on the extensive state government background of the project team that the Customer Service Center Concept will directly and tangibly benefit the citizens of Minnesota. The increases in geographical coverage afforded by this approach, together with the ability to initiate and complete a multitude of government related transactions, regardless of agency or department, in one easy-to-use facility will save the citizen time and money. Further savings can be obtained by reducing the fees the citizen pays now for outside services, (e.g., in the case of the DOR, a reduction in the use of outside tax preparer assistance) due to quicker, easier response to questions and problems. All these citizen benefits, and more, are within our reach with the Customer Service Center approach

**What About the
Future?**

Our increasingly complex world demands more and more of the Revenue customers' time and the Department's employees' abilities. The citizens of Minnesota, like their counterparts in other states, have less and less time to do the things that are necessary to be responsible, law-abiding citizens. This culture demands convenience and easy access to government agencies to make it easier for customers to fulfill their obligations as citizens of Minnesota.

*" ... information
technology will
be used to
enable
employees to
accomplish our
mission in ways
previously
considered
impossible..."*

The use of electronic technology will allow quick and efficient processing of customer transactions and will allow the DOR's employees to be more responsive to customers' needs by making their jobs easier. Evolving information technology will gain more and more momentum in reducing the time and number of errors involved in customer transactions.

Dorothy McClung
Commissioner
*Strategies of the
90s*

Customer Service Centers and other avenues that enhance customer service and make use of technology will enable the Department of Revenue to meet the changing needs of its customers. This endeavor will enable the DOR and its employees to invest their resources wisely, and could make Minnesota a pioneer among states in enhanced customer service, better compliance with tax laws and more effective revenue collection.

Section 3. High-level Business Requirements

Requirements Analysis

This section describes the high-level business requirements for a Customer Service Center. When defining these high-level business requirements, it became apparent that a successful Service Center will need to provide services beyond those supplied by the DOR. Since the project team consisted of DOR personnel, it was judged to be inappropriate to speculate at this point about the products and services that other Minnesota departments and agencies would want to include in a Service Center. The team decided that, initially at least, it would be best to develop functions from a purely DOR perspective. These DOR functions are shown in Figure 3.6 on page 3-8 later in this section. Using this approach, the Service Center that emerges can provide a practical and meaningful test of the basic concept, while still serving as a foundation upon which other agencies' functions and services can be added.

The project team developed these requirements by using the following five-step method.

1. **Conduct surveys of DOR personnel and taxpayers.** The project team interviewed fifty-six people (see Appendix A) who represented a wide range of interests and concerns. Interviewees ranged from DOR customer-contact personnel and internal auditors to the DOR's customers, Minnesota's citizens.
2. **Conduct Joint Application Design (JAD) sessions.** Input from the surveys and insights from the project team, together with the results of analyzing existing documents and materials (see Appendix B), were incorporated into group JAD sessions. The project team analyzed the interviews, then organized the diverse opinions and suggestions obtained from the surveys into a common set of requirements. During the JAD sessions, the team used structured brainstorming and affinity analysis, which are team-oriented techniques for extracting high-level requirements and organizing them into functionally-related groups. The result of these sessions was a team consensus on a common and meaningful set of requirements.
3. **Prioritize the requirements.** Team members used the Modified Delphi technique to order the requirements according to importance. This method is designed to assist a group in deciding which of several items is considered to be the most important. Each team member compared each requirement separately against the others to arrive at individual priority lists. Differences in ranking among team members were examined, discussed by the group, and then the items were re-organized into a master priority list.
4. **Translate the prioritized requirements into business functions.** The project team grouped the requirements into logical business functions oriented toward the customer.
5. **Refine the business functions through modeling and scenario development.** The project team then developed more detailed models of a Service Center and prepared a set of business scenarios. The goal was to attempt to model a

Requirements
Analysis
(cont.)

Service Center as it will actually appear and operate when fully implemented. The scenarios illustrate how a customer will operate and interact with the technology and personnel in a Customer Service Center. To help to bring the Service Center concept to life, some of these scenarios have been included in this document. These scenarios are based on Department of Revenue services only. To develop a realistic Service Center model, other agencies' services should be included in the future when modeling requirements or developing scenarios.

After completing these five steps, a high-level picture, or conceptual overview, of a Customer Service Center emerged. Figure 3.1 illustrates this conceptual overview.

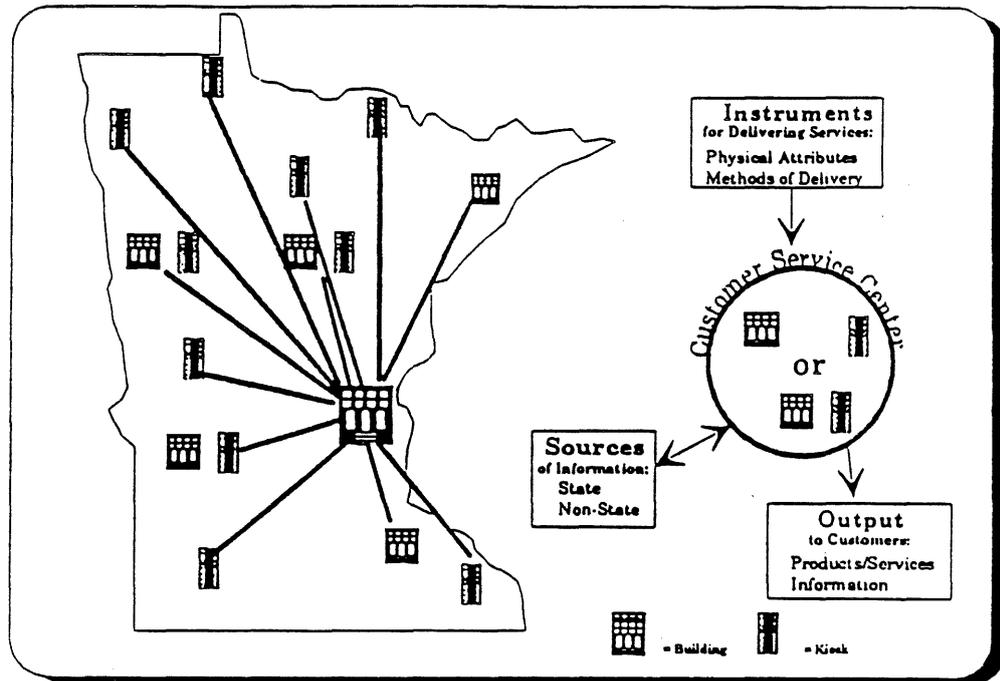


Figure 3.1
Conceptual Overview of Customer Service Centers

The diagram above illustrates another significant characteristic of Service Centers: their geographic dispersion throughout the state. It was clear from the many interviews and group meetings that locating Service Centers in neighborhoods is essential to their success. This appeared to be the result of two important factors: 1) the convenience a nearby location automatically offers its customers, and 2) the tangible evidence of Minnesota state government becoming more accessible and friendly. To win compliance with the revenue system, the DOR must earn the respect of, and emphasize teamwork with, the citizen and not rely solely on enforcement. If a Customer Service Center becomes part of the neighborhood, the citizens view it as part of the same team, playing in the same ballpark with its other team members, the citizens. Placing Service Centers where citizens can most easily use them is the most effective approach to promoting this image.

Business Requirement Categories

The conceptual overview of a Customer Service Center includes three categories of business requirements: Instruments for Delivering Services, Sources of Information, and Output to Customer. These categories are explained below.

Instruments for Delivering Services

As illustrated in Figure 3.2 below, the Instruments for Delivering Services category defines the physical attributes of a Service Center, its location, and its various methods of delivering products and services to the customer.

The team organized the Instruments for Delivering Services category of business requirements into two distinct groups: Physical Attributes and Methods of Delivery. The figure below shows the final priorities for both groups. The team felt the most important requirement in the Physical Attribute group was that the facility be open when the customer wants to use it (up to 24 hours-a-day). Another very important factor was local access. In the Methods of Delivery group, the project team believed it was important to emphasize personal attention and deal directly with the citizen.

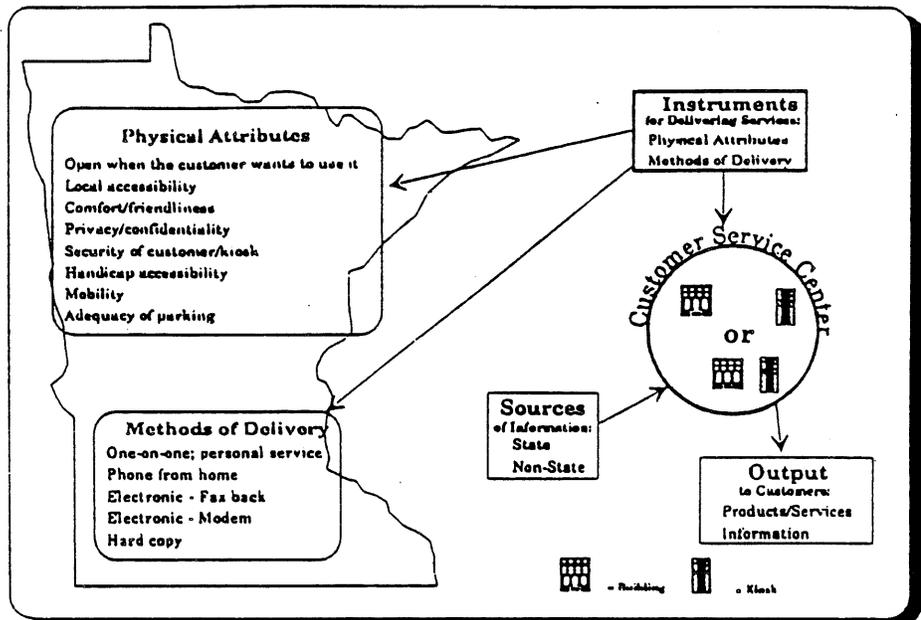


Figure 3.2
 Instruments for Delivering Services

Sources of Information

The Sources of Information category (Figure 3.3) identifies the information to which a Service Center must provide access.

The team organized the Sources of Information business requirements into two groups: State and Non-State. The figure below shows the final priorities for both groups.

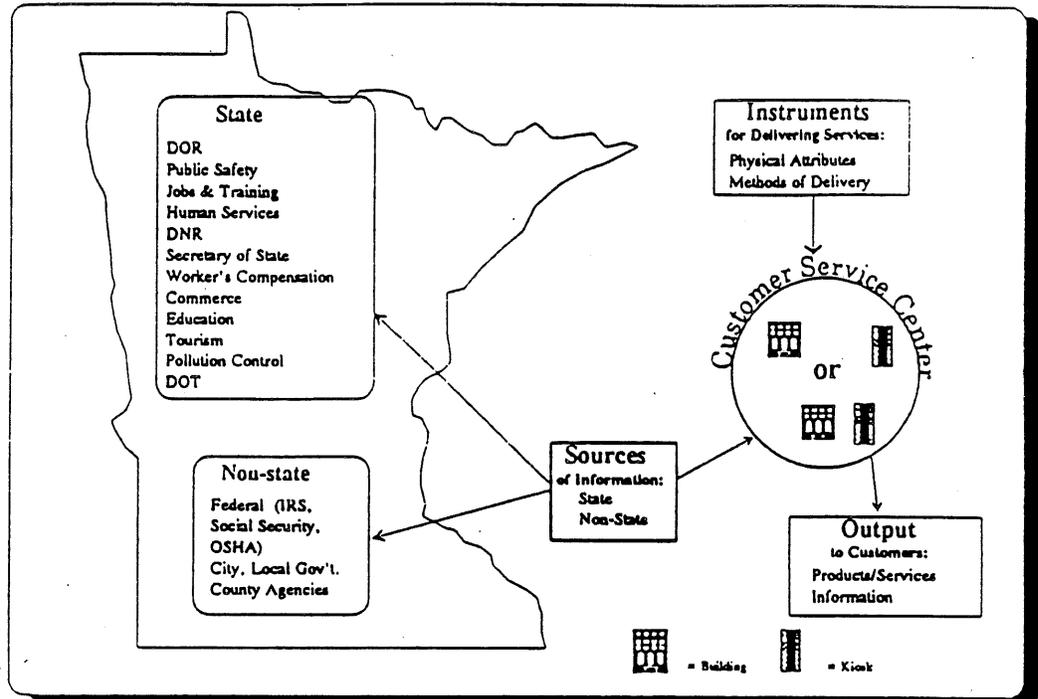


Figure 3.3
Sources of Information

It should be pointed out that while this project was organized and funded by the DOR, it became apparent, through the survey results and follow-up discussions, that other agencies and departments will need to interface with and supply data to a Service Center. These interfaces will be necessary to provide meaningful and complete service to the customer and to make the Customer Service concept successful. Further, the items selected as sources of information and their associated priorities were taken directly from the project team's interviews, notes, and analysis of the responses they received from citizens. Consequently, these lists and the associated priorities are examples only and are not intended to explicitly include or exclude any department or agency.

Output to Customers

This category (Figure 3.4) defines the specific products and services that a Service Center should deliver to its customers.

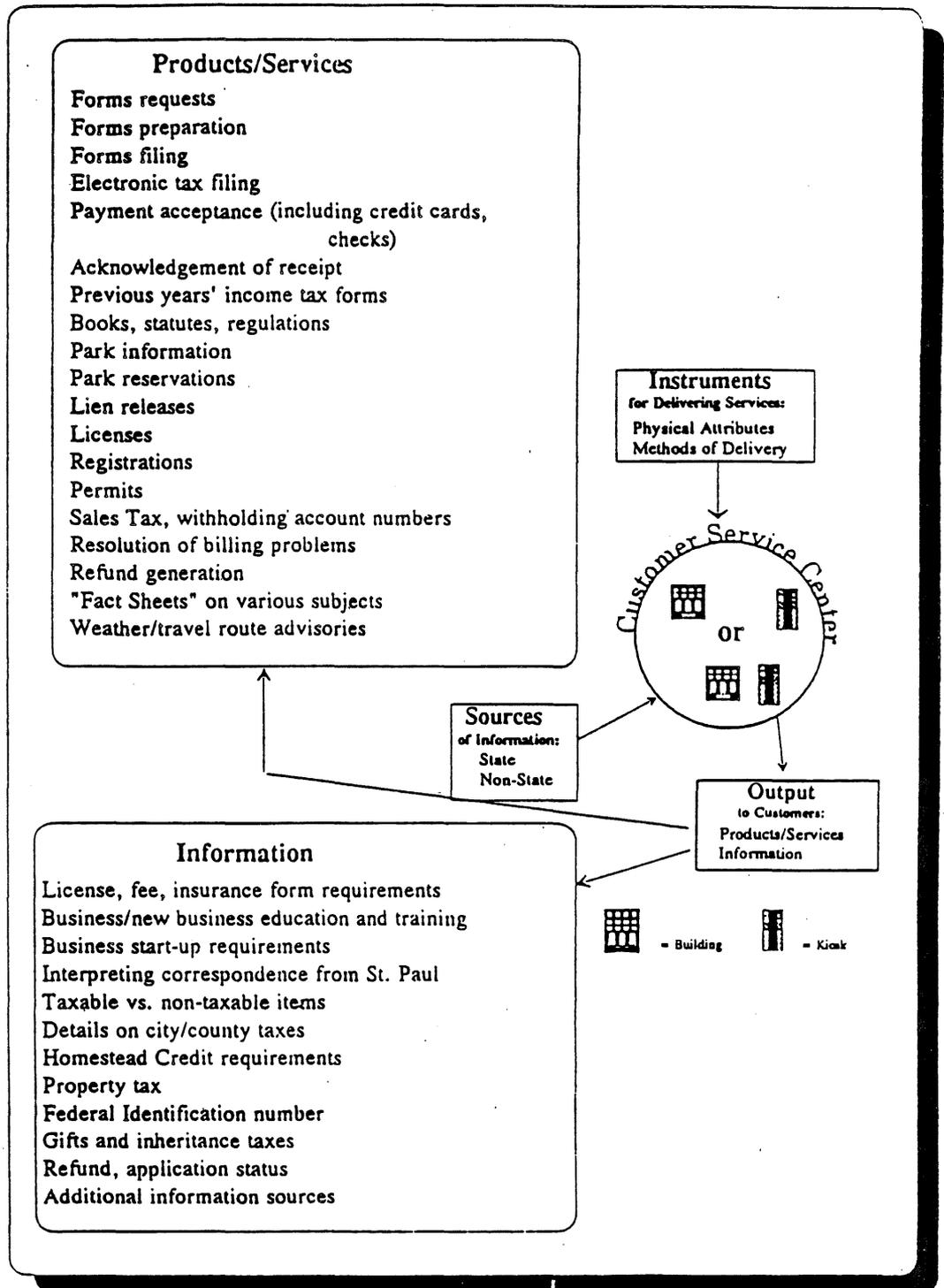


Figure 3.4
Output to Customers

Output to Customers (cont.)

The team organized the business requirements in this category into two groups: Products/Services and Information. The Products/Services group contains the business requirements associated with providing some tangible output or result to the customer. The Information group contains the business requirements associated with assisting or consulting with customers to help them solve problems. The figure above shows the final priorities for both groups.

For the Products/Services requirements, the team felt that the highest priority outputs were helping the customer prepare and file the variety of forms required by the DOR. In this case, "form" refers to the data and information conveyed on the form rather than the actual paper form. This reflects the DOR's emphasis on increased electronic forms handling and processing in order to reduce paperwork and paper forms processing.

Service Center Response to a Customer Request

This section describes Service Center data flow in response to a customer request. Figure 3.5 illustrates the basic flow of data between the customer and a Service Center and between a Service Center, the DOR in St. Paul, and other government agencies.

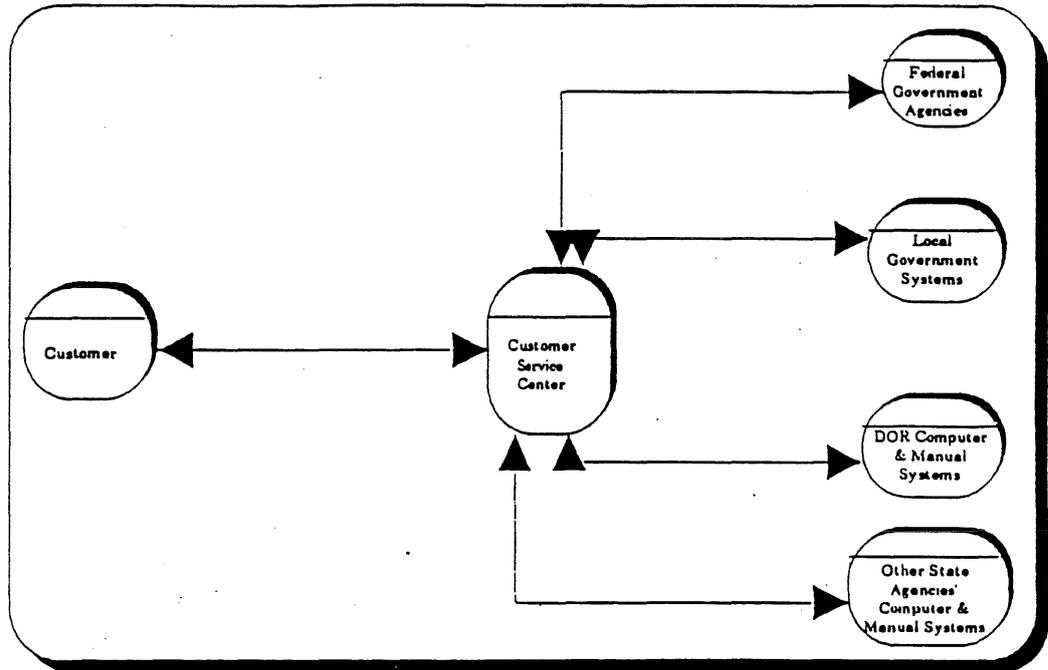


Figure 3.5
Data Flow Between a Service Center and Other Entities

**Service Center
Response to a
Customer
Request (cont.)**

When the customer requests information (e.g., needs an answer to a technical tax question), or requires a specific product or service (e.g., would like to file a return), a Service Center processes the request by obtaining the desired response directly from the appropriate agency or from information previously gathered from that agency and stored locally at a Service Center. Thus, data flows in both directions.

After determining what service is required, a Service Center decides whether the transaction requires verification of the customer's identity. If required, the Service Center confirms customer identity before processing the transaction. This can be accomplished in a variety of ways, a few of which may include retinal scanning, thumbprinting, and use of computerized identification cards.

The next step is to determine whether the request can be filled from a Service Center's on-site resources. If the request cannot be filled on-site, it may be necessary to establish a link (probably a computerized telecommunications link) with another location or agency to obtain the information or service for the customer. This link allows a Customer Service Center to deliver a wide variety of services and thus be more responsive to customer needs than could otherwise be accomplished by a facility not connected to a computer network. After obtaining the required data or material from the remote location or directly from local resources, a Service Center completes the customer's request.

Customer Service Center Functions

In order to translate the business requirements into a set of basic functions that would satisfy the operational needs for a successful Customer Service Center, the team performed the following two activities:

1. Organized and assembled all the business requirements that emerged from the interviews and discussions (see Figures 3.1 through Figure 3.4 on the preceding pages).
2. Examined and analyzed the overall flow of information and data as it would be processed by a Service Center (see Figure 3.5 on a preceding page).

The result of these analyses was a basic set of business functions, as illustrated in Figure 3.6 below.

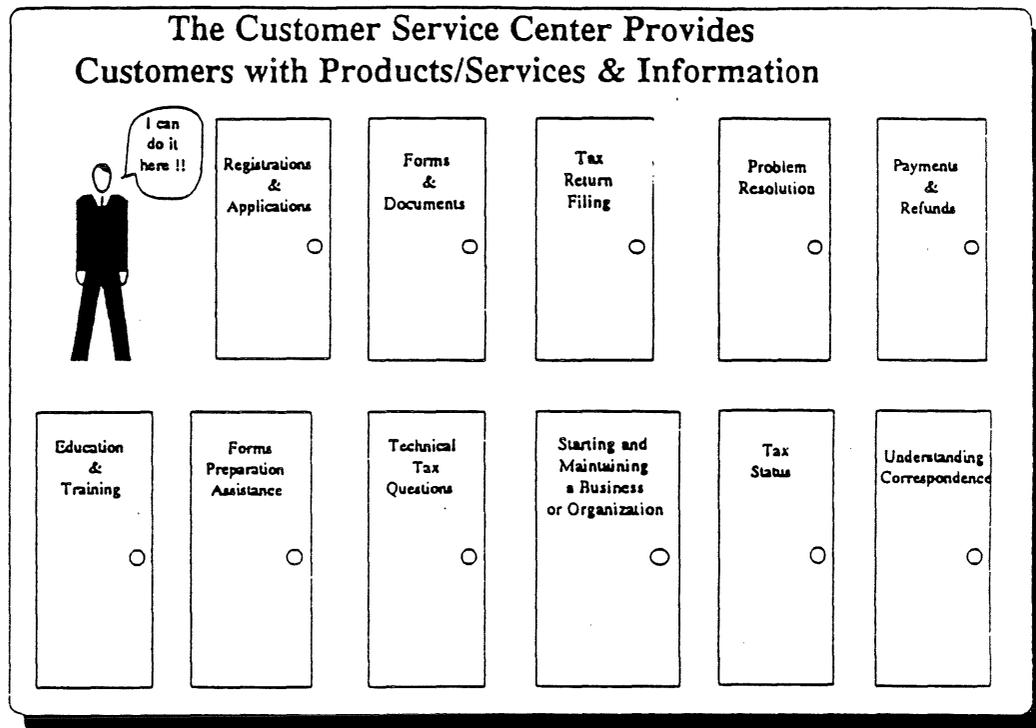


Figure 3.6
Customer Service Center Functions

Customer Service Center Functions (cont.)

To better represent the basic business functions so that they could be understood and grouped, the team used the analogy of a Customer Service Center as a logical or imaginary building.

Inside this imaginary building, the incoming customer encounters logical hallways, which hold sets of doors. Each door corresponds to a business function. Behind each door, is a logical room containing a series of desks or workstations where the customer can obtain the desired service.

These elements symbolize the logical pathway the customer will take to obtain products and services from a Customer Service Center. Each element is discussed in detail below.

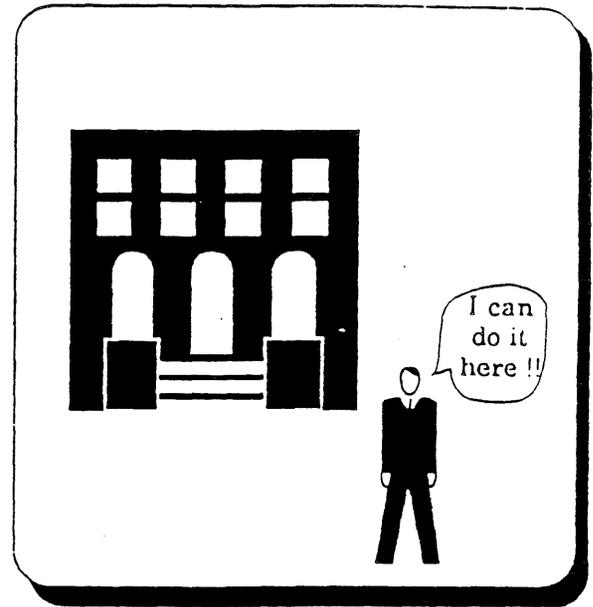


Figure 3.7
State of Minnesota
Customer Service Center

Customer Service Center "Halls"

The first elements that the customer encounters when entering a Service Center's logical building are two halls: the Products/Services hall and the Information hall.

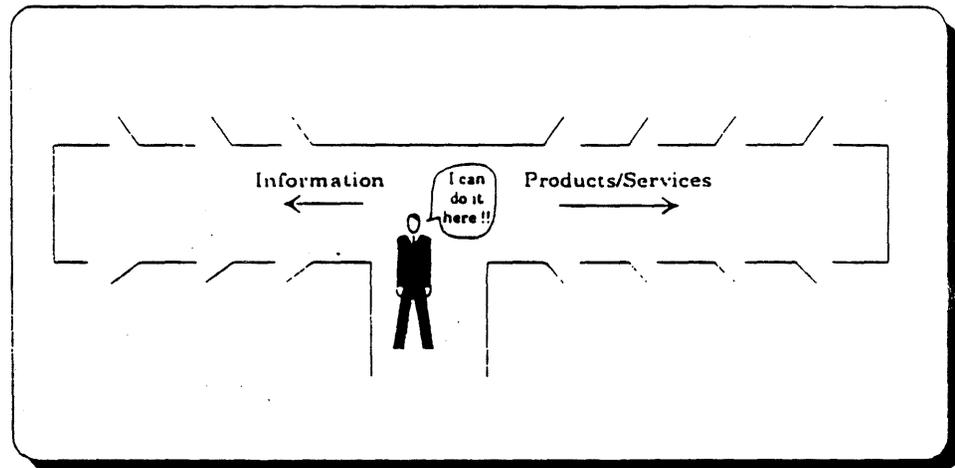
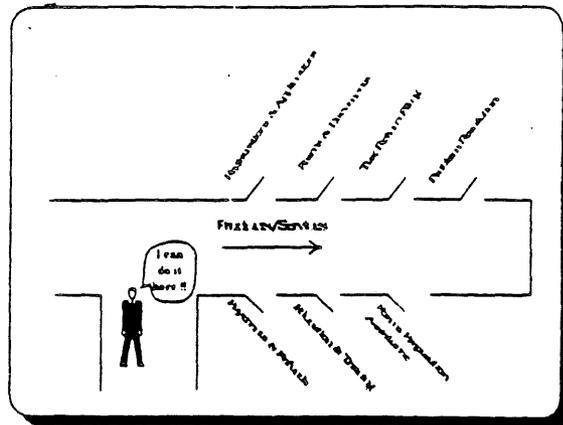


Figure 3.8
Products/Services and Information Halls

Halls Contain Logical Doors



The first hall, Products/Services, is the area where the customer can obtain specific, tangible products, such as forms, or complete a business transaction, such as paying taxes.

Figure 3.9
Products/Services Hall

The second hall, Information, contains those doors where the customer can obtain answers to questions, such as information about the status of tax returns, or find solutions to problems, such as resolving confusion about correspondence from the DOR.

As shown in Figures 3.9 and 3.10, each hallway contains a series of doors. Every Customer Service Center provides the same set of doors.

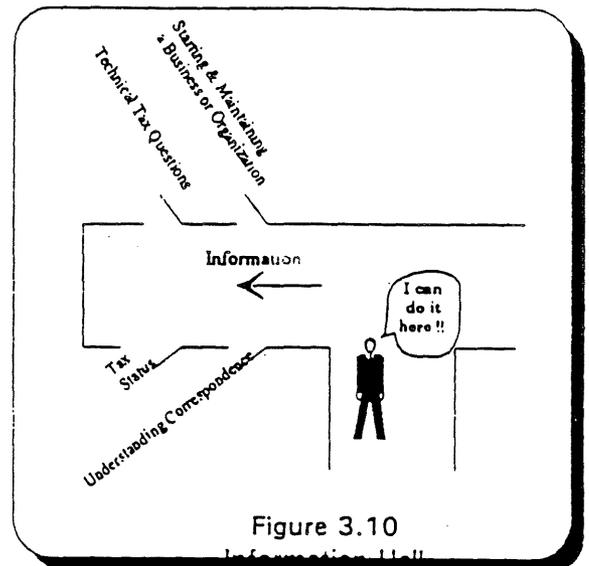


Figure 3.10
Information Hall

Stations Perform Functions

Behind each door, there is a *room* where the citizen can carry out transactions related to the label on the door. For example, viewing the doors depicted in Figure 3.11 on the following page, a customer interested in filing a tax return would open the third door from the left, labeled "Tax Return Filing," and proceed into that room.

**The Impact of
Transaction
Volumes
(cont.)**

This would lead to the conclusion that for the stand-alone offices to offer equivalent return for the dollars invested, the one-on-one contact of personal handling of the transaction must be clearly more satisfying to the citizen than using an electronic kiosk.

It must be considered that different service needs are met by different alternatives. A kiosk, for example, is well suited to take over the more repetitive, mechanical service tasks, while personal service is desirable, even necessary, for helping a customer solve complex or confusing problems. Perhaps the best solution is a configuration that combines one-on-one contact and electronic kiosks.

Any conclusions drawn from these initial investigations must be verified by an actual pilot test and sufficient customer survey analysis before the DOR could accept them as fact.

If the cost of a kiosk transaction is compared to the cost of a transaction carried out in a mobile office, one gets a different result. The mobile office has two customer service representatives. If these representatives drive for two hours each day and transact business for six, they would accomplish 12,480 transactions per year (based upon 15 minutes per transaction, as before) at a cost of nearly \$20 per transaction. Thus, the mobile office would process transactions at a cost approximating seven times the cost of a kiosk transaction. This would lead us to conclude that personal handling and delivery of services to remote areas of the state would need to be very valuable, otherwise the cost premium could not be justified.

If transaction rates at the kiosks are less than 38 per day, perhaps one every hour, or 24 per day, the cost per transaction would be approximately \$5.00 - or slightly less than the cost of a transaction from the decentralized offices. Clearly, if this were the usage, kiosks would be a poor investment, since personal service offers greater requirement satisfaction than electronic services.

If kiosks are only used six times per day, or once every four hours, their cost would be equivalent to the cost per transaction of a mobile office. Again, kiosks would be a poor investment and other ways to bring services to citizens would need to be evaluated.

Benefit Analysis

In assessing the benefits of each of the four alternative configurations of a Customer Service Center, it is extremely difficult to pinpoint tangible benefits with any degree of accuracy.

While it is felt that decentralized customer service centers will eventually lead to taxpayers being better educated on tax matters and also better able to complete required forms with greater accuracy, it would not be prudent to claim that process improvements at DOR headquarters or at the DOR regional offices would result.

It also does not seem prudent to claim that the cost of printing forms at a kiosk would be less costly than stocking forms at headquarters or at the nearly 1800 locations throughout the state where they are currently distributed.

It does seem reasonable to expect, however, that work would be displaced from headquarters and from the regional offices if citizen transactions are handled in customer service centers rather than at those offices. For example, the Duluth regional office has one and three-quarters full-time equivalent personnel handling walk-in and telephone inquiries. Some of this work would be offset by similar work performed at distributed offices or handled through kiosk inquiry. If it were only the three-quarters of one person, this would be an offset of approximately \$20,000 per year from a single regional office.

Similar estimates could be made for other regional offices and for the DOR headquarters.

-Section 6. Recommendations

Conclusions

This section presents the conclusions developed by the project team based on the preliminary cost/benefit analysis.

1. **The Total One-time Development Costs For All the Alternatives Ranges From About \$35,000 for the Electronic Kiosk to About \$95,000 for the Mobile Unit, with the Key Variable Being Staffing Levels.**

The primary difference between the costs for the two manned alternatives (i.e., the office-within-an-office, and the distributed office) lies in the proposed staffing levels. The office-within-an-office approach can take advantage of existing supervisory personnel, facilities and equipment, thus reducing its development costs over the distributed offices. The alternatives presented in Section 5 are configured at minimal staffing levels. Each additional staff member will increase these costs by approximately \$12,000.

The costs for a mobile unit are probably too excessive for immediate consideration, although use of a mobile Service Center as a tool for inexpensively piloting new distributed offices deserves more attention. It is clear from our analysis that the locations of the Service Centers are vital for public acceptance and use. Consequently, the cost of a mobile unit may be justified because of a reduction in expensive false-starts of distributed offices in undesirable locations.

The one-time software development costs needed to support a Service Center (primarily increased central and regional database access and local Service Center support systems), while significant in themselves, are similar to the software re-development that either is underway at the DOR or is planned. Consequently, the team has not identified these as separate costs, since they have likely been included in current budgets or planned budgets. Furthermore, the infrastructure, connectivity, and platforms designed for the Sales Tax Re-engineering effort can probably be used for Service Centers as well. The two efforts are complementary.

2. **The Ongoing Operating Costs are Approximately the Same for all Alternatives Except the Electronic Kiosk, Which Has Substantially Lower Costs.**

Except for the kiosk, which has no staffing requirements, the primary variable among the other alternatives is in staffing levels. An ongoing cost of approximately \$38,000 per year is required for each additional individual assigned to a manned Service Center.

Conclusions
Conclusions(cont.)
(cont.)

3. The Direct Benefits of a Service Center Do Not Appear to Offset the Direct Costs In Any Reasonable Time Period.

The tangible, direct benefits of the Service Center concept, in the form of reduced operating costs or increased productivity, do not appear, in the short to intermediate term, to be sufficient or certain enough to justify the implementation costs. Furthermore, the additional benefits that would result from reducing the cycle time on accounts receivable and cash receipts are difficult to meaningfully project since the current Sales Tax Re-engineering efforts will significantly alter the future environment.

4. There Are, However, Substantial and Measurable Indirect Benefits Associated with Service Centers.

While one cannot justify the Service Center concept from a traditional return-on-investment basis, the approach has merit when taking into account the rather significant intangible and strategic benefits that a Service Center provides. This important conclusion is based on several factors that the team has been evaluating during the project.

A key document that best makes the case for a Service Center is the Department of Revenue's *Draft Strategic Marketing Plan*. This document's stated purpose is to

"...provide marketing and promotional strategies for the department that support our mission, help put the strategic plan into action and strengthen the new business-line emphasis."

The plan goes on to define four priorities established by the Executive Team, as listed below.

1. communications
2. measurement
3. re-engineering
4. tax system management

A Customer Service Center as described in this document directly supports these priorities and serves as a direct link to the customer. This link gives the DOR an unprecedented opportunity to not only better serve the community now and in the future, but to become a solid foundation on which to re-build the future direction of Minnesota state government.

In other words, a Service Center directly satisfies the DOR mission to win compliance, as outlined in the *Strategies for the 90s* and the draft *Strategic Marketing Plan*.

**Recommendations
(cont.)**

5. It Is Likely That the Department of Revenue Will Need to Develop Partnerships With Other State Agencies to Ensure That the Public Will Use Service Centers.

A Service Center that operates effectively in delivering DOR products and services should also be able to deliver other products and services without significant changes. Regardless of which agencies or departments are ultimately included in a Service Center, it will not materially affect the implementation, structure, or technology of a Service Center as currently envisioned.

It is not clear at this point what impact the addition of non-DOR departments and agencies would have on the cost/benefit trade-offs. More analysis needs to be carried out to fully assess this impact. However, based on the work to-date, the project team did agree that including other agencies would make Service Centers substantially more valuable. This is particularly important when one realizes that Service Centers offer a significant opportunity to radically change the way people view the Minnesota state government. The Service Center approach, by its very structure and appearance, deliberately blurs the boundaries between departments and provides a more functional, operational, and citizen-oriented perspective. From this point-of-view, a Service Center emerges as a vehicle that the state can use, much like a retail enterprise, to quickly package and offer various customer-driven products and services.

Recommendations

This section outlines the specific recommendations that the project team proposes based on the above conclusions.

1. The DOR Should Continue the Service Center Project By Implementing a Pilot Service Center Based on DOR Functions. In Order to Maximize the Value of the Pilot, Both the Kiosk and the Distributed Office Alternatives Should Be Deployed.

The main elements of the recommended pilot implementation are listed below.

- Develop detailed feasibility study and cost benefit analysis.
- Define detailed specifications for a Service Center prototype.
- Develop the prototype.
- Define the pilot program for implementing the first wave of prototype Service Centers.
- Begin implementation, staffing and training at the pilot locations.
- Measure the results, analyze feedback, and incorporate the appropriate improvements.

Many factors will affect the deployment of the proposed pilot project. For example, it is important to correctly pace the deployment of electronic kiosks. It is recommended that electronic kiosks be developed in stages. The first set of kiosks would be equipped with a simple set of functions and installed in a high traffic location where their use could be carefully monitored. A second set of kiosks would be developed after lessons learned from the first installment are assimilated. A third set could be developed in the same way. After several such cycles and the incorporation of appropriate changes, multiple kiosk sites could be developed.

2. The DOR Should, in Parallel with Developing a Pilot Customer Service Center, Actively Seek Out the Participation of Other State Agencies and Departments.

The process for seeking partners can be summarized by the following steps.

- Use the requirements and other information in this *Proof-of-Concept Business Plan* to identify a "partner" agency (or agencies) that is the most compatible with the goals and objectives of the Service Center concept.
- Establish a team within the partner agency to develop a set of business requirements which they believe would be most helpful to fulfilling their mission.
- Incorporate those requirements into the prototype specification.
- Enhance the Service Center implementations with any partner agency's requirements as soon as it is feasible. To obtain maximum citizen feedback, information from other agencies can be incorporated while a given pilot phase is still in operation, instead of waiting for the beginning of the next improvement cycle.

Appendix A

Department of Revenue Personnel Interviewed

The following list names the Department of Revenue personnel who were interviewed as a part of gathering data for this document. A copy of the Needs Survey that was created by the Customer Service Center Team follows the list.

Brainerd Regional Office

Patricia Kechely, Receptionist

Brooklyn Center Regional Office

LaVeta Anderson, Auditor, Regional Audit
Linda Kent, Clerical Support, Regional Audit
Carolyn Koskela, Clerical Support, Regional Collections
Terri Zessman, Auditor, Regional Audit

Duluth Regional Office

Sue Laspi, Clerk Typist 3S

Edina Regional Office

Joyce Knudson, Clerical Support, Regional Audit
Jan Janey, Clerical Support, Regional Collections

Mankato Regional Office

Sharon Hopp, Clerk Typist 3S

Rochester Regional Office

Nancy Kleeburger, Receptionist

St. Cloud Regional Office

Carolyn Tadych, Receptionist

St. Paul Main Office

Randy Becker, Group Supervisor, Collections Enforcement
Laura Burns, Taxpayer Service Representative
Kathy Emery, Clerk, Forms Distribution
Sue Endries, Lobby Receptionist
Jerry Garski, Assistant Director, Local Government Services
Ann Korus, Taxpayer Service Representative
Dave Kosowski, Collections Enforcement
Carole Krier, Clerk/Cashier
Lyle Mueller, Management Analyst, Management Systems Group
Audrey Nelson, Taxpayer Service Representative
Lisa Peloquin, Taxpayer Service Representative
Diane Soggiono, Administrative Assistant, Taxpayer Services
Debbie Warndahl, Application Processor/Receptionist, Business Registration

In addition to the above DOR personnel, approximately 30 citizens representing a variety of jobs, geographic areas, and interests were interviewed. Just a few job titles of the many individual surveyed are: small business owners, secretaries, administrators in local government, homemakers, self-employed, and machinists.

Minnesota Department of Revenue Customer Service Center Requirements Gathering Worksheet

Date _____ Interviewer _____ Interviewee _____

- I. Background on Customer Service Center Concept
 - Brief orientation of CSC approach

- II. Status of Project
 - Description of current project, its goals and team members
 - Status of where we are
 - General outline of where we are heading

- III. What are the most important goals that a CSC must meet?

- IV. What does a CSC look like, physically?

- V. What are the most important transactions or business functions that a CSC must provide? What do you feel are the most important questions that a CSC must help a citizen to answer?

- VI. What documents or forms must a CSC be able to provide, in order of importance?
- VII. What types of individuals or categories of citizens have the most need for a CSC? Would use it most?
- VIII. What other departments of the Minnesota state government or federal or local government bodies would be most useful to partner with the DOR and why?
- IX. How would you measure the success of the CSC concept? What specific quantitative measures would you use?
- X. What should the CSC definitely not do, or what aspects of government should be avoided by the CSC?

XI. Please provide any general comments that you feel would be helpful to the team.

Minnesota Department of Revenue Customer Service Center Needs Survey

The Minnesota Department of Revenue is exploring the concept of setting up Customer Service Centers (CSC) where Minnesota citizens could come for one-stop shopping for anything they need from ANY governmental agency.

Your help is needed to help us explore the need for such centers and to determine the services that should be available at these centers.

When answering these questions don't be limited by the services that only the Department of Revenue could provide or even that only the State of Minnesota could provide. It is possible that the CSC could evolve into a multi-department, multi-governmental unit center.

1. Where should a CSC be located? (existing state offices, other governmental offices, shopping centers, etc.)
2. How should we determine where CSCs will be located geographically?
3. What days and hours should a CSC be open?
4. What types of individuals or categories of citizens would have the most need for a CSC? Would use it the most?

Appendix B

Index to Source Documents

This appendix lists the source documents used as reference material in this *Customer Service Center Proof-of-Concept Business Plan*.

"Banks Expanding Uses for ATMs," *Southtown Economist*, p. 1.

Broede, Jim, "License Bureau in Shopping Mall Good Deal for All," June 22, 1992. (Source not currently available.)

Daly, James, "Fingerprinting a Security Code," *Computerworld*, July 27, 1992, p. 25.

Fried, Dayna Lynn, "North County: Info/California a Cutter of Red Tape," *The San Diego Union*, March 1991.

Glauberman, Stu, "State's Touchscreen Putting Answers at Your Fingertips," *Star Bulletin and Advertiser*, Sunday, March 25, 1990.

North Communications, Inc., *Hawaii Access: Implementation Study Excerpts*, Santa Monica, CA, February 14, 1991.

Hawaii Access news release no. 90-015 from the Office of Hawaii's Governor John Waihee, Thursday, March 15, 1990.

"'Hawaii Access' Touchscreen Network Reports Big Success: State-sponsored Video Computers Run 260% Ahead of Projections." Press release from North Communications, February 1, 1990.

"Info/California Launched." (Source not currently available.)

Internal Revenue Service, "The Organization of the IRS," Washington, DC, (Source not currently available.)

"Job Stations to Put Info on the Streets," August 1992. (Source not currently available.)

Livingston, Brian, "New Windows Restrictions Open Doors to Kiosk Apps," *Systems Integration Business*, June 1992, p. 15.

Livingston, Dennis, "Wyoming Bucks Paperwork with Imaging," *Systems Integration Business*, June 1992, p. 28.

Minnesota Department of Administration, *Minnesota Guidebook to State Agency Services, 1992-1995*, 7th Edition, St Paul, MN, 1992.

Minnesota Department of Revenue, "An Explanation of the Concept of the Department of Revenue's Regional Service Centers," St. Paul, MN. (Source not currently available.)

Minnesota Department of Revenue, *Model Revenue System for Minnesota*, St. Paul, MN, July 1992.

Minnesota Department of Revenue, Sales Tax Re-engineering Filing Processing Team, "Sales Tax Re-Engineering Survey," June, 1992.

Minnesota Department of Revenue, "Draft Strategic Marketing Plan," July 1, 1992.

Minnesota Department of Revenue, *Strategies for the 90s*, revised November 1991, St. Paul, MN.

Minnesota Office of Strategic and Long-Range Planning, *Minnesota Milestones: Public Review Draft*, June 1992.

Minnesota Small Business Assistance Office of the Minnesota Department of Trade and Economic Development, *A Guide to Starting a Business in Minnesota*, 10th Edition, St. Paul, MN, September 1991.

Moody, Ken and David Catzel, "Info/California Computer Network: Providing Public Information Quicker and Better," *California County*, July/August 1991.

North Communications, *Info/California: Government at Your Fingertips (videotape)*, Santa Monica, CA, 1991.

North, Michael, "Public Policy Implications of Touchscreen Networks," North Communications, Santa Monica, CA, February 1992.

Schwartz, Evan I. "The Kiosks are Coming, the Kiosks are Coming," *Business Week*, June 22, 1992, p. 122.

Seto, Benjamin, "Public-access System Launched by Waihee," *Honolulu Star Bulletin*, March 20, 1990.

Seto, Benjamin, "State Taking Government to the Malls," *Hawaii Star-Bulletin*, Thursday, November 16, 1989.

Wilder, Clinton, "California Makes Clear Vision with IBM Multimedia System," *Computerworld*, November 4, 1991.

The following individuals were contacted for telephone interviews for research into existing uses of electronic kiosk and related technologies. These individuals provided information only, and the appearance of their names does not imply that they advocate the ideas or information in this document.

Bob Bludgeon of the Illinois Department of Employment Security (retired), July 1992.

Collin Howiy, Senior Manager, Information Systems, Government Agents Branch, Ministry of Economic Development, Small Business and Trade, British Columbia, Canada, August 1992.

Ward Kent, Project Director, Department of Employment, State of Oregon, August 1992.

Dick Krum, Manager, State of California Data Center, Info/California Project, August 1992.

**Bill Mitchell, Director of Government Agents Branch, Ministry of Economic Development,
Small Business and Trade, Vancouver, B.C., August 1992.**

Ken Moody, Deputy Director, State of California Data Center, August 1992.

**Don Spears, Director of Information Access Services, Crown Corporation, BC Systems,
August 1992.**

*Stations
Perform
Functions
(cont.)*

Once inside the door, the customer will encounter a set of *stations*. Each station can be thought of as a counter at which a specific subset of the business activity indicated on the door can be carried out. For example, behind the door labeled "Tax Return Filing," there might be one station for filing returns electronically and a separate station for filing them manually.

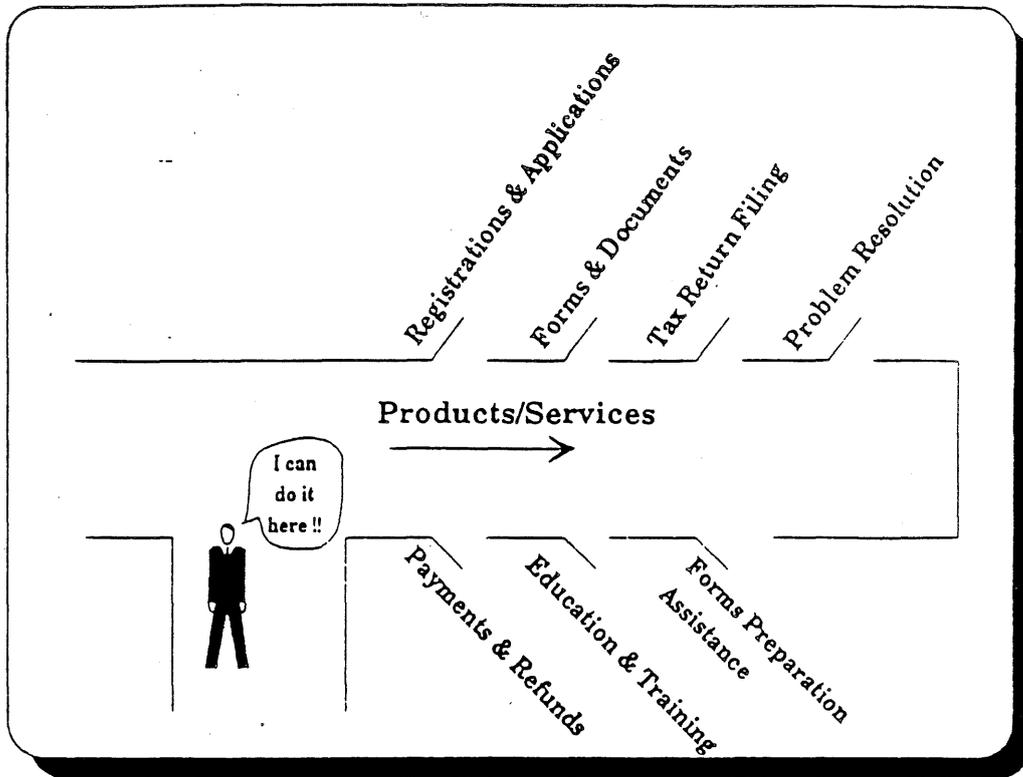


Figure 3.11
Products/Services Hall

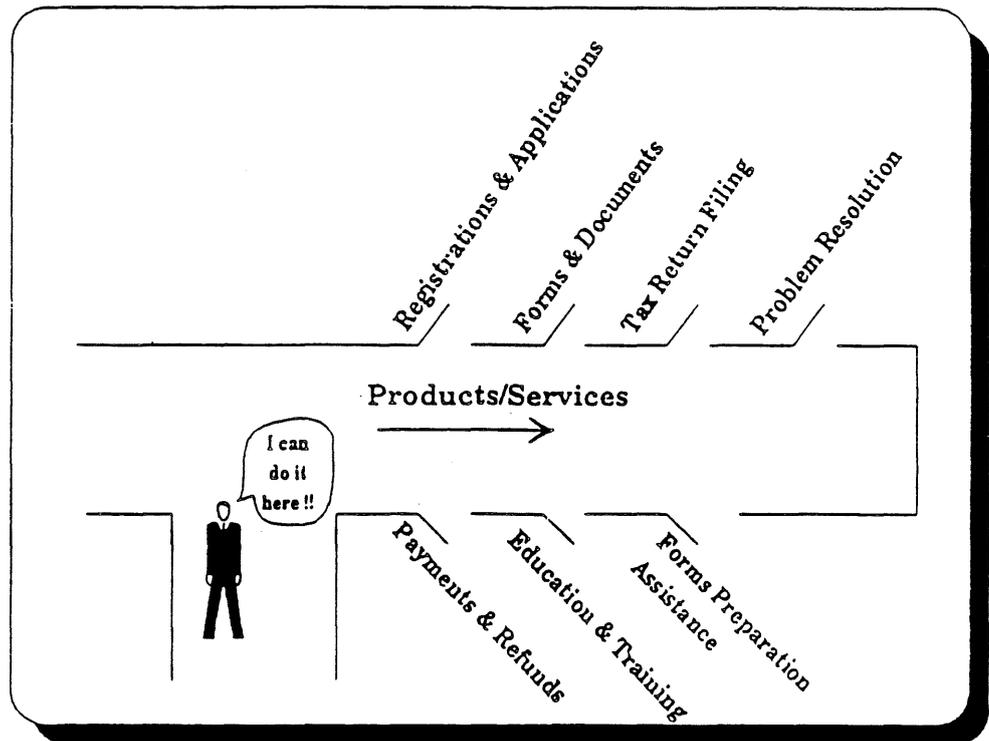
The set of logical stations in each room will vary depending on the specific type of work being performed. However, where the same function is required in multiple rooms, the same station will be present in each room. For example, the function of accepting payments, which might be carried out in front of the *cashier* station, will probably be present in several different rooms.

**Customer
Service Center
"Rooms and
Stations"**

The following two sections describe the activities that will take place behind each of the doors in each of the two Service Center hallways.

**Products/Services
Rooms
and Stations**

Products/Services is the group composed of functions that deliver a tangible product or output to the customer. In the Products/Services hall, a customer can conveniently complete DOR transactions with the confidence of knowing that they were completed and sent off correctly, with no surprises.



**Figure 3.12
Products/Services Hall**

As illustrated in the diagram above, the Products/Services hall has seven doors, labeled as follows.

- Registrations and Applications
- Forms and Documents
- Tax Return Filing
- Problem Resolution
- Payments and Refunds
- Education and Training
- Forms Preparation Assistance

*Products/Services
Rooms
and Stations
(cont.)*

Registrations and Applications. Currently, customers may often have to wait days after applying for licenses and registrations for the documents to arrive in the mail. In this room of the Customer Service Center, the customer will be offered immediate registration for permits, licenses, and authorizations. Because the Service Center has on-line access to all relevant DOR databases, these official documents will be issued on the spot. Some of the stations inside this room will include new business registration, and sales tax registration, which includes providing a Sales Tax identification number.

Tom Taxpayer, while preparing for his annual visit to his tax practitioner, discovers he has misplaced last year's return. Tom's practitioner requires Tom to supply a copy of the previous year's return. Tom decides to visit the local Customer Service Center to see if they can supply the needed copies. Office personnel greet him, review his needs, and verify his I.D. The attendant notes that the '91 return was electronically filed. Given her knowledge of the new data inquiry capability implemented in the Service Center, she is able to secure the data directly from the filing detail database maintained by the Data Management Division of the DOR. The operator links up with the filing detail database, selects "Income Tax Return 1991," presses ENTER, and the line item detail, filled in on the appropriate form, appears on the computer screen. Tom has asked for a hardcopy form, so the operator selects the PRINT FORM option and the complete return is printed on the Center's laser printer.

Tom also asks for blank forms to use as worksheets for this year's taxes. The attendant changes to a different module on the computer and prints out a complete set of blank forms, which she gives to Tom. Tom then asks for a copy of *A Guide to Starting a Small Business in Minnesota*, a book he needs to look at, since he is planning on starting a business for his retirement in a couple of years. The attendant apologizes for not having a copy immediately available, but places an electronic order which will be shipped from St. Paul within two working days, so Tom will receive the book in less than a week. Tom is happy he has been able to accomplish all his goals at the Customer Service Center and keep his appointment with his practitioner with all the needed materials.

Tom is ready to "test the waters" for his wood folding chairs and tables with his first trip to the craft show at the local mall. Tom patiently readied all his wares for the trip, then transported them to the mall on the appointed day. After carefully setting up his merchandise in an attractive display, the show manager arrived to welcome Tom to the craft show.

While collecting the registration fee the manager asked to see Tom's Sales Tax permit. Recognizing Tom's blank stare as the beginning of a major disappointment, the manager recommended that Tom use the new DOR kiosk recently installed in a corner of the mall. Accompanying Tom to the kiosk, the manager assisted him in obtaining a Sales & Use Tax permit and printouts of Sales Tax charts with instructions for collections, in fewer than ten minutes.

Tom's day was salvaged and the manager was spared having to refund the registration fee. Oh, and by the way, Tom sold every table and chair plus he received orders for several more. He'll definitely use the Customer Service Center again.

Forms and Documents. All customers need documentation or forms to properly maintain their relationships with the state. Inside this room, Customer Service Center staff will fill requests for paper and/or electronic communications. Onsite electronic forms storage will allow the Service Center to produce virtually any kind of document or form in minutes. Some of the stations in this room provide income tax return forms, license applications, and registration forms.

*Products/Services
Rooms
and Stations
(cont.)*

Tax Return Filing. Taxpayers need the option of filing hard copy or electronic tax returns. The "Tax Return Filing" room in the Service Center will accept hard copy and electronic returns. Some of the stations inside this room will accept floppy disk copies of tax returns and some will offer the option of keying in tax returns directly to the DOR.

Tom had been selling his tables and chairs at the mall's weekly craft sales for the past three months and collecting the Sales Tax religiously. He knew from the literature that he needed to file the Sales Tax return this month but he wasn't sure how to go about it. He remembered getting copies of last year's tax returns and this year's blank forms at the walk-in Customer Service Center and thought maybe someone there could point him in the right direction. So, armed with the ledger book he'd been using to record his sales and copies of his receipts, he stopped off at the Customer Service Center after work the next afternoon.

Tom was delighted. Not only could they help him with the paperwork, his figures were accepted, and after Tom filled out the form, the attendant electronically filed the return form and accepted a check in payment. They even furnished him with a software program he could use by himself to report Sales Tax electronically in the future. Tom left the Service Center with a good feeling about how easy it was for him to pay Sales Tax. He planned to tell the other folks at the mall's craft sale about his pleasant experience as soon as next Saturday's sale rolled around.

Problem Resolution. Customers who want to resolve compliance issues in person should not have to travel to St. Paul to take care of their problems. Customer Service Center personnel in this room will work with taxpayers to fully resolve non-compliance and related problems. One of the stations inside the "Problem Resolution" room will schedule audits and another will collect penalties and interest owed.

*Products/Services
Rooms
and Stations
(cont.)*

Payments and Refunds. If a customer owes taxes or other fees to the State, they should have a convenient option for making these payments. The "Payments and Refunds" room in the Service Center will handle both conventional and non-cash payments. If the customer is due a refund, funds can also be dispersed from this room. The stations inside this room will include those that accept cash, checks credit cards, and eventually, debit cards.

After returning to work the next morning, Tom examined the mail and found the DOR had assessed additional taxes and penalties from an audit of the previous year's return. After his successful experiences with the Customer Service Center in his private affairs, he thought he'd give the Center another try.

A short pleasant phone call was all it took to set up an appointment at the local Center and make Tom "shine like a star" to the legal and accounting department who'd grouched about the long trip to St. Paul and the time lost when this had happened two years ago.

Two weeks later Tom and his staff met with DOR personnel at the Service Center. After a long discussion, the accounting department acknowledged they had made an error. Tom and the legal representatives agreed to the DOR's proposed solution and paid the back taxes and penalties on the spot. The Service Center personnel deposited the check that afternoon and had the money working for the State the next day. Tom's company saved additional penalty by the speedy resolution of the discrepancy.

The next day Tom was back at work, where he met with the CEO of his company. When the CEO heard about the swift resolution of a problem that was expected to drag on for weeks if not months, he congratulated Tom on a job well done and asked him if he had any ideas about how to prevent a recurrence.

Tom suggested that they consult the staff at the Customer Service Center by phone. Ten minutes later Tom and the CEO had a solution. The accounting department was scheduled to participate in a training session at the Customer Service Center the following month. In addition, the DOR would be sending self-study educational materials in advance of the session for the staff to read over in preparation for the session.

Education and Training. Minnesota's citizens need training to maintain current knowledge of tax laws, business regulations and licensing requirements. The Service Center "Education and Training" room will provide personnel, facilities and programs for education and training. The training will be both regularly scheduled and available on request. The training should be free or inexpensive, conveniently located and frequently scheduled. Stations inside this room will offer computer-based training on tax compliance, tax fact sheets, videos on new business registration and other procedures, as well as computer terminals that customers may use to answer some of the most commonly asked tax questions.

Forms Preparation Assistance.

The customer often requires assistance to properly complete DOR forms. Inside this room, the customer will receive this help conveniently and quickly with a minimum wait. A key station in this room will provide assistance with the preparation and filing of the basic tax forms. While not intending to replace existing tax preparers, the Service Center needs to be able to actively aid the customer in solving basic tax problems.

Tom's father-in-law, Luke, is retired and lives on a small pension and Social Security in Blackduck, MN. He files his tax returns religiously, but the cost of using the services of a tax practitioner is expensive for him. When Tom was at the Customer Service Center for the audit appeal session, he noticed a poster advertising a DOR mobile unit visit schedule. The unit would be in Blackduck the following week to provide preparation assistance for senior citizens. Tom called Luke and told him about the mobile unit which would be at the Senior Center next week.

Luke took a walk to the Center the next week and was amazed at all the friends from the Senior Center he encountered there. While receiving assistance from the attendant, Luke engaged in a conversation with her and discovered she was a VITA volunteer worker who came to the Center just to help seniors complete their forms.

After only two hours and no expense, Luke had filed his taxes electronically and received a voucher for his refund check.

Some of the other stations inside this room will include alternative problem-solving strategies or other state services, e.g., Volunteer Income Tax Assistance (VITA) that might assist the taxpayer.

**Information
Rooms and
Stations**

The second logical hall in a Customer Service Center is the Information hall, as shown in the Figure 3.13 below. Here customers will find answers to their requests for information. Whether the rooms in the Information hall contain stations where customers can find answers to their questions, or simply be guided to other stations, all these rooms provide information from government agencies and distribute that information to the customer. A Service Center will provide the most current information by hard copy, through the mail, across the counter, from computer networks, or on the phone. At the heart of the Information hall is interaction with a person who provides and explains information.

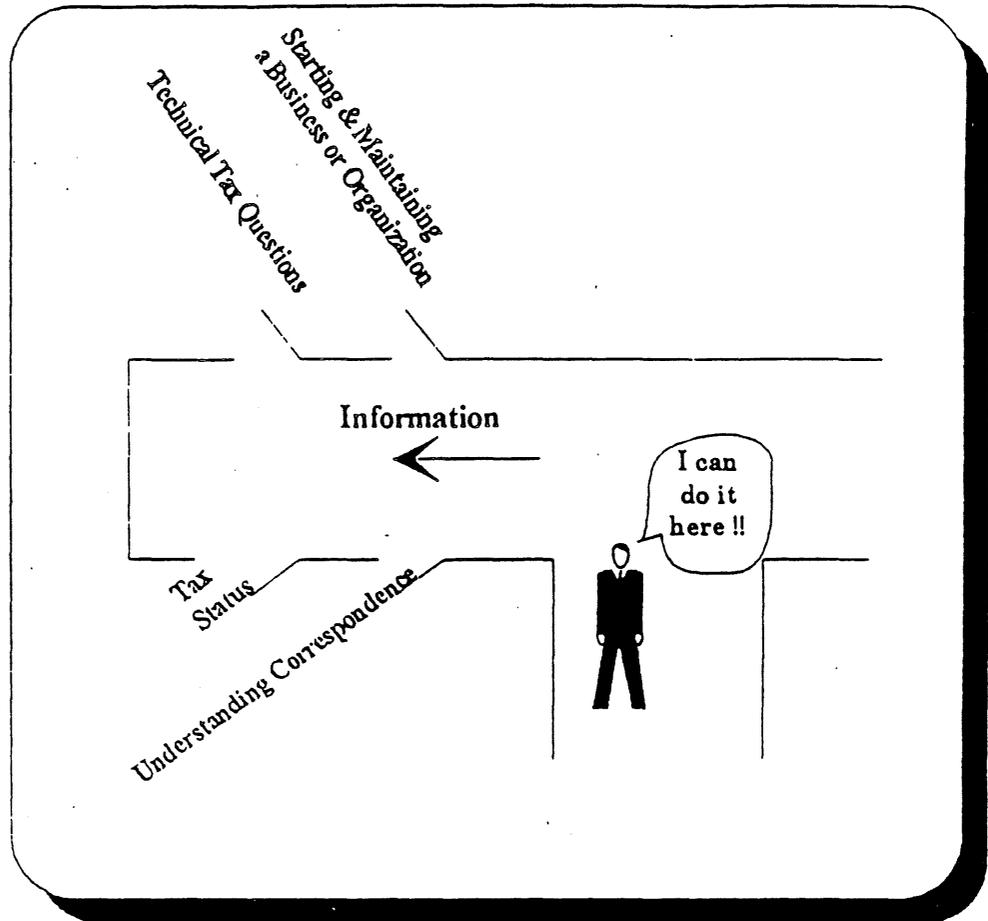


Figure 3.13
Information Hall

As shown in the above diagram, the Information hall contains the following four doors.

- Technical Tax Questions
- Starting and Maintaining a Business or Organization
- Tax Status
- Understanding Correspondence

*Information
Rooms
and Stations
(cont.)*

Each of the rooms behind those doors and their accompanying stations are described below.

Technical Tax Questions.

Customers have a need for answers to technical tax questions in a timely manner. The "Technical Tax Questions" room in the Service Center will be able to answer most technical questions, or will be able to secure an answer in minutes with a phone call or on-line data search. Some of the stations inside this room will include answers to questions such as whether Sales Tax should be charged for a particular item, what value should be placed upon an inherited parcel of land, or whether a teen-ager's odd-job earnings are taxable.

At last Saturday's mall sale, Tom bartered two folding chairs and a table for an antique harvest table which needed some work. He has refinished it and has found a buyer at a hefty profit but there's a catch, the customer wants the table tomorrow or not at all and Tom's not sure how Sales Tax should be handled. Therefore, he calls the friendly folks at the local Customer Service Center and also asks how he computes the cost and the profit. The attendant takes Tom's number and calls back within an hour with the answers to both questions. Tom calls the customer and arranges to deliver the table the following day. He is happy he was able to get the answers to his questions and didn't have to guess at the solutions before delivering the table.

Starting and Maintaining a Business or Organization. Many of Minnesota's citizens need information about the regulations that govern new businesses or keeping up with current tax laws as their businesses grow and change. This room in the Customer Service Center will be the "front line" for contact with these customers.

The stations inside the "Starting or Maintaining a Business or Organization" room will provide answers to questions like :

- "What do I need to start a business?"
- "What kinds of licenses do I need for my business?"
- "Do I need a federal tax ID number?"
- "How do I get a federal tax ID number?"

*Information
Rooms
and Stations
(cont.)*

The DOR's mission is to win compliance rather than enforce it, and the more readily available this information is, the easier it will be for citizens to comply. Greater customer access to this information will reinforce and facilitate this commitment.

The friendly, personal contact helps customers not only determine solutions for their individual needs, but delivers products and services to them immediately. The accessibility of a Customer Service Center will reduce or eliminate the delays caused by putting customers' names on a mailing list and making them wait ten days for answers they need immediately.

Established organizations' needs differ somewhat from start-ups. Maintenance of an existing concern requires ongoing knowledge of changes in tax laws and regulations. Easy access to that knowledge will allow a business to quickly implement necessary changes to comply with evolving government requirements. This encourages compliance and fosters a better working relationship between the government and the customer.

Tom attended his local Lion's meeting last week, where the talk was all about the annual fund raising event for the Scout Troop sponsored by the Lions. Two activities were agreed upon; a silent auction and sale of Christmas Wreaths. One of the members brought up the issue of Sales Tax and the Lions' responsibilities to the state. Tom saw a chance to enhance his reputation as a "can-do" kind of guy with his fellow Lions and volunteered to research and obtain the necessary permits.

Not incidentally, this would also excuse him from having to work at the fund raiser, which was scheduled for the opening day of pheasant hunting, a family tradition with Tom and his brothers. Tom knew he had an "ace-in-the-hole" because of his successes with using the Customer Service Center in the past. He just hoped he wasn't over-extending the Center this time.

Luckily enough, the Lion's were already set up with a sales and use tax number as a not-for-profit organization, so the Center's attendant was able to give Tom all the information he needed in a one-stop visit. He only needed fifteen minutes to assure he would be able to keep that opening day date with his Dad and brothers and still do his part for the fund raiser.

Tax Status. Customers do not view the filing process as complete when they deposit their completed returns in a mailbox. They want to know how soon they can expect that refund or how soon they must pay their bills. The "Tax Return Status" room in the Service Center will allow customers to pick up the phone from home, make a local call, and talk directly with someone who can give them reliable answers. Or if a customer wished to visit the Service Center, the staff in this "room" will provide the status information in person.

*Information
Rooms and
Stations (cont.)*

Understanding Correspondence.

Interpreting correspondence from the DOR can be just as important as answering technical tax questions. The customer may often receive communication from the DOR which is at best ambiguous, and at worst, threatening. The Service Center personnel in the "Understanding Correspondence" room will explain the communication, reassuring the customer that the monolithic agency is really run by human beings. If the Service Center personnel lack the resources to resolve the matter to the customer's satisfaction, help is only a phone call, data line, or fax away. One of the stations inside this room will establish contact with the department that originated the communication and will initiate a direct dialogue for the customer.

While Tom was out of the country for an extended business trip, his wife, Mary, received a letter from the DOR informing them of some inconsistencies in their recently filed personal tax return. She didn't understand what this meant but she remembered how well Tom had spoken of the Customer Service Center and how helpful he said the attendants had been in other matters. After trying unsuccessfully to contact Tom by phone, she decided to call the Center and ask them about this letter. She talked to the attendant who remembered Tom and her father, Luke. The attendant then explained the letter and scheduled an appointment to review the return when Tom got back.

When Tom returned, Mary didn't immediately inform him of everything that had happened. He noted from his Day-Planner that their tax return had been filed several weeks before and they had still not received the substantial refund. He stopped off at the Customer Service Center on the way home from work that night and was informed of the problem. He cleared up the questions and agreed his practitioner had made a mistake. The Center filed the amended return and Tom went home with yet another problem solved by the Customer Service Center.

Section 4. Alternative Approaches

Four Service Center Configurations

This section describes four alternative Customer Service Center designs. It should be noted that these alternative approaches merely describe the possible variations and should not be viewed as design goals. The objective of this section is not to provide a detailed, technical design, but rather to describe, in high-level business terms, how various alternative Customer Service Centers could look. After reviewing and analyzing the high-level business requirements established by the Customer Service Center project team, four alternative approaches were chosen for further consideration.

These four approaches are:

1. An office-within-an-office, where a Customer Service Center staffed by specially trained personnel would be located on the same premises as a current DOR office or other state agency office.
2. Smaller, stand-alone DOR offices distributed throughout the state, equipped with interactive electronic technology, and staffed for at least a portion of the service hours by specially trained personnel.
3. A self-contained electronic workstation, or kiosk, much like an automated teller machine (ATM), that contains various tools which a customer may use to request information or products and services from the DOR.
4. A mobile unit, or office-on-wheels, wherein the functions of a DOR office would be brought to smaller communities on a regular schedule or on demand.

These four approaches are not mutually exclusive. In fact, it appears that some combination of the four alternatives satisfies requirements for both the methods of delivery and the physical attributes that were specified by respondents to the team's survey of citizens' needs. As shown in Figure 4.1 on the following page, none of the four alternatives offers a high degree of satisfaction for all of the requirements that have been identified to date. Yet, when taken collectively, the four alternatives present a solution that effectively meets the requirements. The challenge will be to find the optimum mix of the four alternatives to achieve the best results with the least expense.

**Requirements
Satisfaction
Comparison**

Requirements	Offices-within Offices	Distributed Offices	Electronic Kiosks	Mobile Offices
One-on-One Personal Service	High	High	Not at All	High
Phone Service (Voice)	High	High	High	High
Electronic (Modem)	High	High	High	High
Electronic (Fax)	High	High	High	High
Hard Copy Forms	High	High	Medium	High
Open When Customer Wants to Use It	Medium	Medium	High	Low
Local Access	Medium	Medium	High	Low
Comfort/ Friendliness	High	High	Medium	High
Private/ Confidential	Medium	Medium	High	Medium
Secure	High	High	Medium	High
Handicap Accessibility	High	High	High	Medium
Mobility	Low	Low	Medium	High
Adequacy of Parking	Medium	High	High	High

**Figure 4.1
Degree to Which Each Alternative
Satisfies the Requirements**

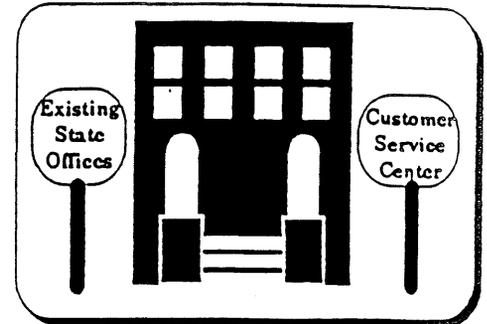
**Alternative 1
Office-Within-
an-Office**

As shown in Figure 4.2, the office-within-an-office approach involves a small office added to the same premises as the Revenue or other state agency office. Figure 4.3 shows the location of the current DOR regional offices. The office-within-an-office would essentially be the same size as the distributed offices that are proposed in alternative two; they would be designed to accommodate two information officers, two seasonal employees, their associated computer equipment, and waiting room space for up to ten customers. These offices would require limited storage space for books and other informational materials. These facilities might also be supplemented by one or more of the full-function electronic kiosks, described under alternative three.

**Alternative 1
Office-within-an
Office
(cont.)**

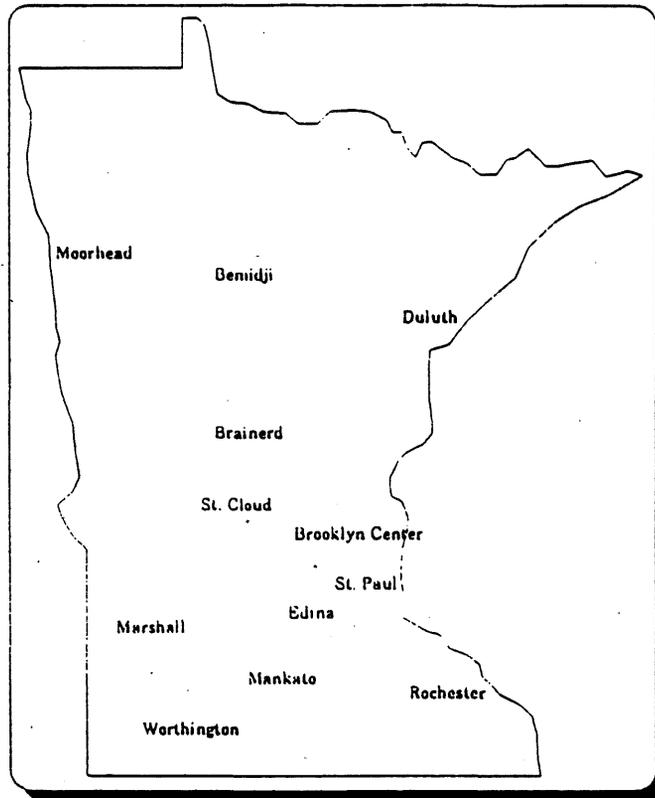
It is recommended that each Customer Service Center office be staffed by a minimum of two DOR personnel and two seasonal employees specifically trained for this assignment. A minimum of two year-round employees is necessary so that the office would still be functional if one employee is sick.

Preferably, these offices would be staffed on a revolving basis from the host regional office, thereby giving a number of personnel the opportunity of working closely with citizens in an environment where multiple services are provided.



**Figure 4.2
Office-Within-an-Office**

**Alternative 2
Distributed
Offices**



**Figure 4.3
Present Regional Office Locations**

Figure 4.4 on the following page shows the location of the current DOR field offices and the proposed positioning of small distributed offices. Under this alternative, additional, small-scale, field offices would be established throughout the state. These distributed offices would emphasize accessibility and convenience. They would be located in shopping centers, downtown, or in office complexes throughout the state.

Alternative 2
Distributed
Offices
(cont.)

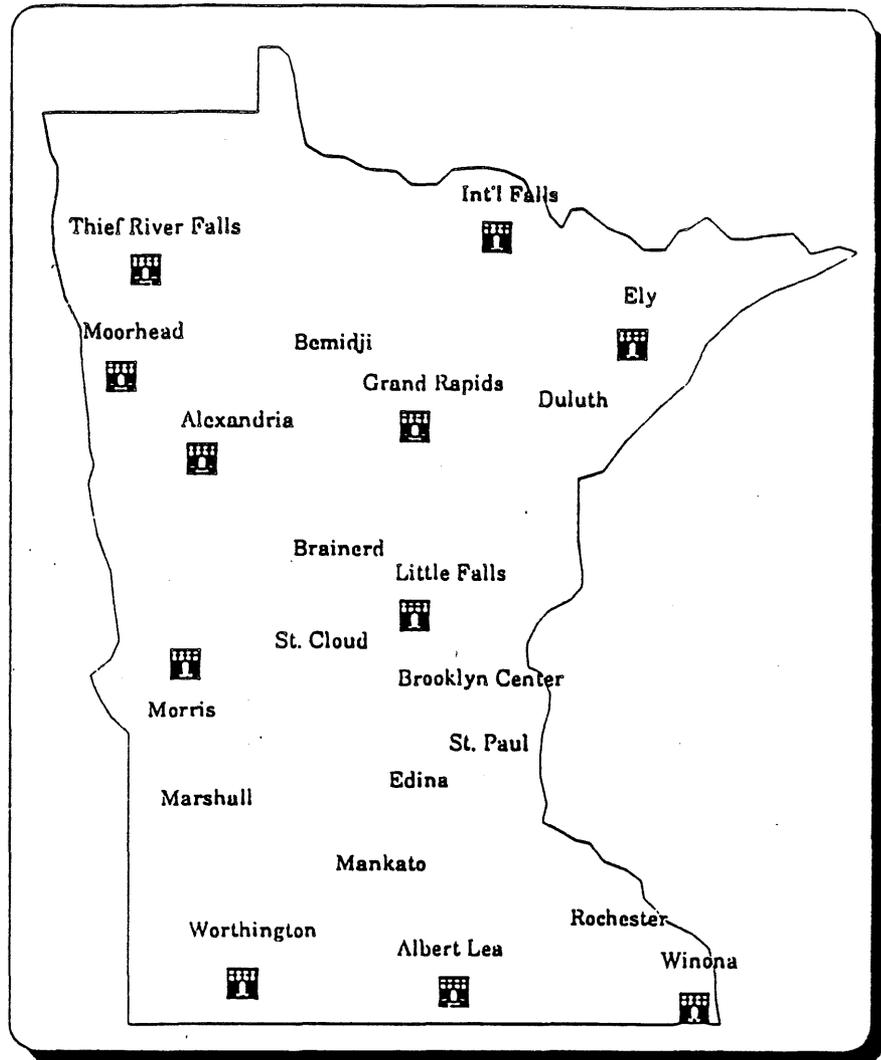


Figure 4.4
Conceptual Distributed Office Locations

A possible approach is to establish a standard size of 1,200 to 1,500 square-feet for these distributed offices, with just enough room for up to three information officers, their associated computer equipment, and a waiting room for up to ten customers. This size designation is a starting point that could be revised if a pilot project or other information indicates a need for a larger facility. Depending on seasonal demand, it might be necessary to add up to two temporary employees (or Volunteer Income Tax Assistance personnel) during the tax filing season. The distributed offices would require limited storage space for books and other informational materials. One of the full-function electronic kiosks could be installed at this location, perhaps in an enclosed and heated area just outside of the entrance to the distributed office. This would maximize citizen access to products

**Alternative 2
Distributed
Offices
(cont.)**

and services as well as information and would not restrict them to the operating hours of the distributed offices. The distributed offices would be located conveniently throughout the state, possibly being located so that each office draws from a segment of the population.

The proposed placement of the distributed Service Centers means that the driving distances to the centers would vary from center to center. But the actual driving time to reach the centers would not vary that much, since driving time is generally inversely proportional to population density.

Each distributed office would be staffed by up to three DOR personnel and two seasonal employees trained for such an assignment. Volunteer Income Tax Assistance (VITA) personnel could also be used for seasonal staffing needs. Preferably, these distributed offices would be staffed on a revolving basis from their "home" offices. With such an arrangement, many DOR personnel would rotate through these positions, giving a great number of personnel the opportunity to work closely with citizens in an environment where multiple DOR services are offered. The rotation cycles would last at least one year to ensure that personnel are adequately trained in each customer service area.

**Alternative 3
Electronic
Kiosks**

The self-contained electronic workstation, or kiosk, would function much like an automated teller machine (ATM). This alternative offers the citizens of Minnesota the greatest convenience and accessibility. Some locations would be available twenty-four hours a day. A large number of kiosks would be located throughout the state, preferably in shopping centers, downtown, or in office complexes. A conceptual positioning of these kiosks is shown in Figure 4.5 on the following page.

Alternative 3
Electronic
Kiosks
(cont.)

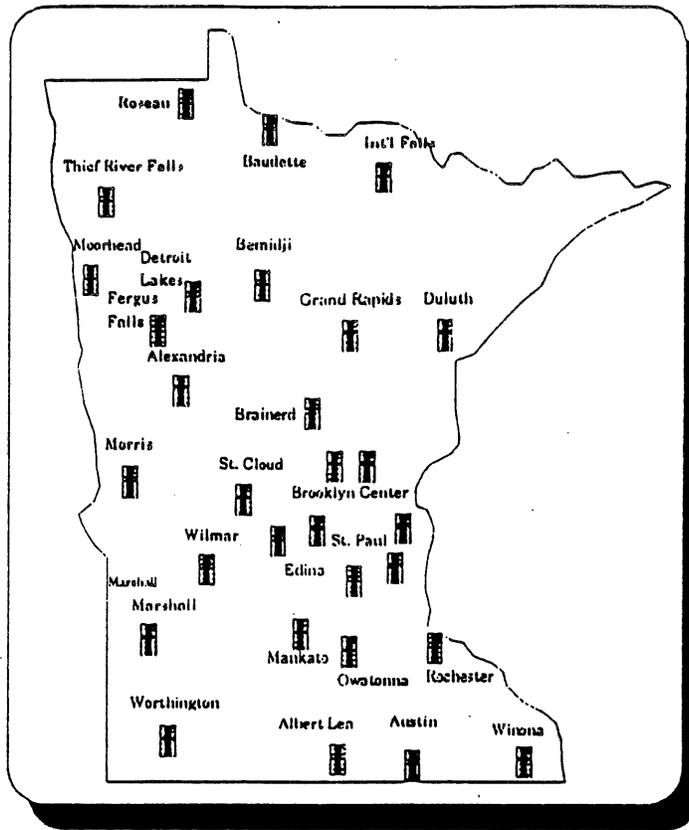


Figure 4.5
Conceptual Kiosk Locations

Kiosks could be located in high traffic areas during the day, and yet they could be accessed after-hours (with proper safety and security considerations). These kiosks would be equipped with touch screens, voice response, and more sophisticated printers than conventional ATMs. The kiosks would be easy to use and could print out a variety of requested forms.

Kiosk units could also be located at the distributed DOR offices mentioned previously. If positioned in this manner, they would be available for use when the distributed offices are open for business and during the hours when the distributed office is not staffed.

Alternative 4
Mobile Units

A fourth approach would be to develop mobile units, or offices-on-wheels. This approach would require the equipping of a self-contained motor vehicle with all of the functionality of a distributed DOR office. These mobile units would be dispatched to smaller communities on a regular schedule or on demand. One of the two specially-trained DOR employees manning the mobile unit would function as driver.

Alternative 4
Mobile Units
(cont.)

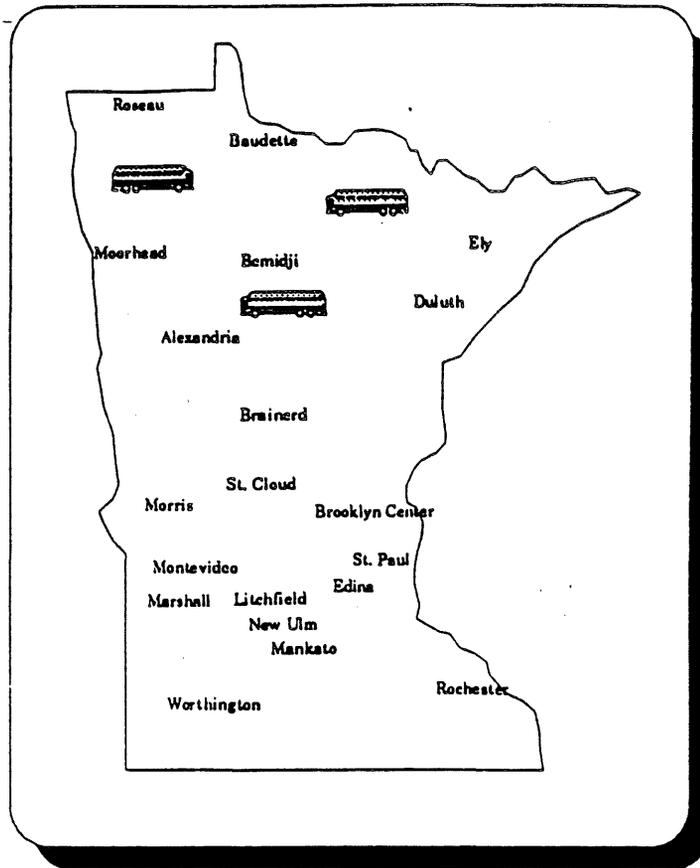


Figure 4.6
Conceptual Mobile Unit Territories

A conceptual positioning of these mobile units is shown in Figure 4.6.

Each mobile unit would preferably originate from a current DOR regional office. The mobile unit would be designed to accommodate two information officers, their computer equipment, and a waiting area for up to five customers. The mobile unit would require limited storage space for books and other informational materials.

The mobile units would go from location to location through a prescribed territory associated with their "home" DOR offices. Like the distributed offices, mobile units would be operated by a rotating staff originating from the "home" office.

At the outset, each mobile unit could be scheduled to visit a different location each day for one month. The exact scheduling of the mobile units would be developed over time as use was tracked and analyzed. This schedule could be publicized well in advance to allow citizens to plan for the visit and prepare their questions.

To maximize the value of the mobile units to all citizens, they would be designed to permit handicap access, as would the various offices and kiosks. This would probably mean that the vehicles would need to be specially tailored for DOR use.

-Section 5. High Level Feasibility Analysis

Feasibility Analysis Methods

This section contains a very high-level feasibility analysis for each alternative Customer Service Center configuration. The numbers projected in this analysis are based on preliminary investigation only, using a purely DOR model. A pilot project and further study will yield more accurate figures by measuring the effects of volume of use, demography, and the unique needs of specific geographic areas, among other things.

The project team completed the following tasks to carry out this feasibility analysis.

1. **Collect high-level benefit and cost data.** Members of the project team were assigned to collect benefit and cost data for each alternative. The goal was to focus, at a high-level, on the overall benefits that will be achieved and the costs that are likely to be incurred.
2. **Compare feasibility of each alternative.** The various alternative Customer Service Center configurations were then compared and the final analysis completed.
3. **Review results.** The project team reviewed the results to ensure that they were complete and reasonable representations of the feasibility of the selected approaches.

The high-level user requirements (Section 3) and alternative approaches (Section 4) are the primary input for this feasibility analysis. This high-level analysis describes all viable alternatives that were considered.

As stated in Section 4, four alternative configurations were chosen for further consideration as methods for giving the citizens of Minnesota more convenient access to DOR services. For each of these alternatives, the project team evaluated both costs and benefits. The summarized cost analysis is shown in Figure 5.1, which follows the list of assumptions on the following page.

Assumptions for Cost Analysis

The following assumptions were used in this cost analysis. These assumptions are based on information gathered to date, and may change as more information is gathered about customer demand, staffing needs, etc.

1. The office-within-an-office will have two customer service center representatives and up to two seasonal employees. The customer service employees will be analogous to Revenue Auditors (grades one and three).
2. The distributed offices will have either two or three customer service representatives and up to two seasonal employees. The customer service representatives will be analogous to Revenue Auditors (two at grade one and one at grade three).
3. One-time costs for furniture, fixtures and electronic equipment are shown even though depreciation will be charged each year.
4. The mobile units will be assumed to have operating costs equal to two times the cost of an automobile, or 56 cents per mile.
5. Training costs for customer service representatives are estimated at \$2000.00 per year per employee. This does not include the time of the customer service representatives (five percent of their working hours).
6. Computer use charges are \$200.00 per month per employee, or the same as connect charges. Seasonal employees would incur these charges for three months of the year.
7. Travel expenses for offices-within-offices are estimated to be two people at \$1500. For distributed offices, the expenses are estimated to be three people at \$1500. No travel expenses are expected for seasonal employees. Expenses for mobile office employees are estimated to be \$12,500 per year per employee.
8. Advertising costs have not been included because they are assumed to be about equal for all the alternatives.
9. Forms, supplies and postage costs have not been included because they are considered immaterial.
10. Software development costs have not been included in this cost analysis primarily because it is felt that the systems needed to support the Customer Service Center will be similar to those anticipated by the DOR's current re-engineering efforts.
11. Electricity, heat and water are included with the rent.

Cost Analysis

	Offices-within-Offices	Distributed Offices	Electronic Kiosks	Mobile Units
One-Time Elements of Cost/Each				
Furniture/Furnishings				
Desks (modular offices)	15,200.00 (4)	19,000.00 (5)		7,600.00 (2)
Chairs (at \$450)	1,800.00 (4)	2,300.00 (5)		900.00 (2)
Carpeting				
Other Furnishings (at \$2800)	11,200.00 (4)	14,000.00 (5)		5,600.00 (2)
Electronic Equipment				
PCs (at \$5400)	21,600.00 (4)	27,000.00 (5)		10,800.00 (2)
Peripherals (at \$800)	3,200.00 (4)	4,000.00 (5)		1,600.00 (2)
Fax (at \$2000)	2,000.00 (1)	2,000.00 (1)		2,000.00 (1)
Phones (at \$70)	300.00 (4)	400.00 (5)		200.00 (2)
Copier (leased)	0	0	0	0
Installation	500.00	500.00	500.00	1,000.00
Software (at \$1000)	4,000.00 (4)	5,000.00 (5)	1,000.00	2,000.00
Other				
Kiosk			30,000.00	
Vehicle Purchase				60,000.00
TOTAL:	\$59,800.00	\$74,200.00	\$31,500.00	\$91,700.00
Ongoing Elements of Cost/Each				
Rent (at \$9.50/sq. ft.)	11,400.00 (1,200)	14,300.00 (1,500)		
Vehicle Maintenance (5 percent)				3,000.00
Vehicle Storage (\$100/mo.)				1,200.00
Utilities				
Electricity				
Phone	2,000.00 (4)	2,500.00 (5)	500.00 (1)	1,000.00 (2)
Heat				
Water				
Vehicle Expenses (25,000 miles at \$.56/mile)				14,000.00
Electronic Connectivity				
Connect Charges (at \$200/workstation/mo.)	6,000.00	8,400.00	2,400.00	4,800.00
Use Charges (at \$200/workstation/mo.)	6,000.00	8,400.00	2,400.00	4,800.00
Equipment Rental (Copier)	1,000.00	1,000.00	0	1,000.00
Personnel				
Salaries	64,000.00	93,000.00		64,000.00
Benefits	16,000.00	23,300.00		16,000.00
Overtime				
Travel Expenses	3,000.00	4,500.00		25,000.00
Seasonal (at \$2000/mo.)	12,000.00	12,000.00		
Training (5% of the time)	4,000.00	6,000.00		4,000.00
Software Maintenance (15%)	600.00	800.00	200.00	300.00
Equipment Maintenance	1,600.00	2,000.00	2,000.00	800.00
TOTAL:	127,600.00	176,200.00	7,500.00	139,900.00

Figure 5.1: Cost Analysis (Figures Rounded to Next Highest \$ 100.00)

**Cost Analysis
(cont.)**

To simplify this analysis, the following table (Figure 5.2) has been prepared to show the one-time cost and the annual operating costs of each alternative (rounded to the next highest \$5,000).

	Offices-Within-Office	Distributed Offices	Electronic Kiosks	Mobile Units
One-Time Costs	\$60,000	\$75,000	\$35,000	\$95,000
Annual Operating Costs	\$130,000	\$180,000	\$10,000	\$140,000

**Figure 5.2
One Time and Annual Operating Costs
for Four Alternative Configurations**

From the table, it can be seen that the one-time costs of equipping an office-within-an-office, and a distributed office differ only because it is assumed that there would be one additional professional in the distributed office. The table also shows that a mobile unit is roughly 25 to 60 percent more costly to establish than either of the manual offices, even though it would have fewer professional employees. The kiosk, on the other hand, is roughly half the cost of an office-within-an-office or a distributed satellite office and roughly one-third the cost of a mobile unit.

**Operating
Costs**

Operating costs are another matter. The annual operating costs of the distributed office are approximately 30 percent higher than the operating costs of a mobile unit. The operating costs of an office-within-an-office are approximately 10 percent less. Each of these is much higher than the operating costs of a kiosk. For comparison purposes, a mobile unit has operating costs that are 14 times higher than a kiosk. Offices-within-offices and distributed customer service centers are 13 to 18 times more expensive to operate than a kiosk.

All of these cost comparisons hinge on the number of professionals who would staff these respective alternatives. If it is established that the staffing is two professionals for a mobile office, three for a distributed office (plus two seasonal employees) and two for an office-within-an-office (plus two seasonal employees), the costs are essentially defined, since salaries and personnel-related furniture and equipment are the largest elements of variable cost. If it is assumed that each of the manned alternatives would have the same staffing, the costs would be essentially the same.

***Operating
Costs
(cont.)***

When the functionality of the four approaches is evaluated and their abilities to satisfy the specified requirements are weighed, the differences in cost need to be considered very carefully. For example, the office-within-an-office and the distributed (stand-alone) offices are very close to one another in their abilities to meet the specified requirements. In fact, the only reason that the distributed office received a higher grade on the adequate parking criterion is because it is assumed that if one starts from scratch to look for new locations, one could ensure that adequate parking is considered and provided.

However, when considering reaching out to the citizens of the state in order to show them that the DOR is interested in providing them with better service, the distributed (stand-alone) offices seem to be a better solution. Here is where cost differences come into play. The stand-alone office is calculated to be more expensive only because it is assumed that one additional professional is needed because the office would not be able to draw upon the regional office for tax and management expertise. If staffing is assumed to be the same as offices-within-offices, however, the costs are then equivalent. If the costs are equivalent, then all of the offices should be freestanding and located in the areas where customers can most easily use them.

***Mobile vs.
Distributed
Offices***

A similar analysis can be performed to compare distributed offices to mobile units. The distributed offices and the mobile units seem to offer approximately the same level of functionality. When the two are compared, however, the distributed office would have regular hours and a fixed location, and would therefore be available when citizens require access more often than a mobile office, which might be somewhere else when it is needed. On the other hand, the mobile office could bring service to very small municipalities that would not be likely sites for permanent offices. When the two are compared on handicap accessibility, the distributed office comes out slightly ahead, as well. Even the best designed vehicle would be somewhat more difficult to use than an office site selected with handicap access in mind.

When factoring in the cost differences, it must be noted that the start-up costs of a mobile office are 25 percent greater than those for a stand-alone office. Operating costs would be less, but only because the mobile offices have only two customer service representatives, while the distributed offices were configured as three person offices.

The trade off then becomes apparent. A mobile office reaches smaller communities on a regular, but infrequent schedule for a greater initial cost but for a lower annual cost. More importantly, perhaps, the mobile office requires only two customer service representatives, while a stand-alone office is judged to require at least three staff members to ensure day-to-day availability.

When evaluating distributed offices and mobile offices against electronic kiosks, the obvious difference is the personal attention that the offices provide. When

*Mobile vs.
Distribute
Offices
(cont.)*

examining how these various alternatives satisfy the requirements, it is apparent that an office can have the personal friendliness and security desired, while a kiosk does not. The offsets are the kiosk's potential round-the-clock availability and its availability in very small municipalities. Since this would be a new approach for the state, it is unknown if the state's citizens will accept and use these devices.

When costs are compared, it can be seen that one-time costs are essentially one half those for a distributed office. Annual operating costs are judged to be substantially less, perhaps less than 6 percent of a distributed office. Thus, the DOR could provide service in more than 15 times as many locations using kiosks, for the same price as opening and staffing distributed offices. The evaluation would be reduced to comparing actual transaction volumes at the kiosks versus the offices and the quality of the interaction (personal service versus electronic).

**The Impact of
Transaction
Volumes**

The questions that require answers for each of the four alternatives are how many citizen transactions will be carried out, and will these transactions pay off for the DOR? Payoff needs to be measured against the overall mission of the Department, which is, "to win compliance with Minnesota's revenue system." Measures of this would include the following items.

- better accuracy rates on all returns
- reduced number of phone calls and letters to complete a transaction
- more timely filings
- increased customer satisfaction

Transaction volume for each of the four alternatives is very difficult to accurately estimate. For example, the kiosks developed by the State of California were used 38 times per day, on the average, during their first three months of deployment. However, none of the kiosks offered Revenue department services, which is the intent in Minnesota.

If the kiosks are each used 38 times per day in Minnesota, that would amount to 13,870 uses per year or roughly \$3.00 per transaction, based upon the one-time and annual operating costs identified earlier. If this is compared to a stand alone, three-person office, the following observations may be made:

1. For the costs to be equivalent, customer service representatives would each need to process at least one transaction every seven minutes for eight hours every day, every week.
2. Judging that the above service rate is not possible, it would be more likely that the cost per transaction would be at least two times greater, or \$6.00 per transaction (assuming that a customer service representative would spend at least 15 minutes processing a transaction).



Office of the Secretary of State State of Minnesota

100 Constitution Ave., 180 State Office Bldg.
St. Paul, MN 55155-1299

Joan Anderson Growe
Secretary of State
Elaine Voss
Deputy Secretary of State

Election Division: (612)296-2805
Business Service Information: (612)296-2803
General Information: (612)296-3266
UCC & Business Service Fax: (612)297-5844
Election Division Fax: (612)296-9073

September 30, 1993

Charles A. Schaffer
Minnesota Department of Trade and Economic Development
500 Metro Square
121 7th Place East
St. Paul, MN 55101-2146

Dear Mr. Schaffer:

The Office of the Secretary of State is extremely interested in the study you are heading regarding one-stop shopping for regulatory affairs. As the constitutional office which works directly with businesses of various types, we wish to offer our comments on the issues raised by your memorandum of August 20, 1993.

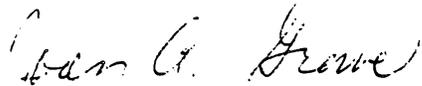
We agree that all of the issues which you have raised require consideration and evaluation. In determining the feasibility of one-stop shopping, we also need to consider if Minnesota businesses are currently unable to access the government information they need. Part of this evaluation should include whether the available information is clear and understandable. An exploration of the current level of confusion, if any, in the business community about where information may be obtained would also be useful in evaluating the one-stop shopping concept. We would like to see a review of how the fees that are currently collected by each agency would be handled in the one-stop shopping concept.

September 30, 1993

Page 2

In closing, the Office of the Secretary of State is very interested in the work of the one-stop shopping feasibility study and we wish to participate in the work groups which you will be forming.

Sincerely,

A handwritten signature in cursive script that reads "Joan A. Growe".

Joan Anderson Growe
Secretary of State

JAG/kae



Minnesota
Department of Transportation
Transportation Building
395 John Ireland Boulevard
Saint Paul, Minnesota 55155

November 10, 1993

Mr. Charles A. Schaffer
MN Department of Trade and Economic Development
500 Metro Square Building
121 7th Place East
St. Paul, Minnesota 55101-2146

Dear Mr. Schaffer:

I have been asked by Commissioner James N. Denn to comment on behalf of the Minnesota Department of Transportation to the issues identified in Executive Order 93-9 relative to "one-stop shopping".

The Minnesota Department of Transportation issues thousands of permits, licenses, and certificates each year which makes the idea of a "one stop shopping" very intriguing. These instruments are issued to individuals as well as commercial businesses at about 17 locations around the state. In 1986, Mn/DOT created a "one stop" service for the trucking industry. It pulled together several regulatory operations of Mn/DOT and the Department of Public Safety so that for the trucking industry at least there is a "one stop" facility in existence.

I also received input from several of our sections that have permitting, licensing or certification function as part of their duties. The following is a synopsis of their comments:

- a. One overall theme of the responses was centered on the need and opportunity to provide "one stop" or "one call" information about the need for a permit, license or certificate and how to comply with the requirements. (This is in contrast to the "one stop" issuance of a permit, license or certificate.) There was a general satisfaction with the present delivery systems for the instruments. In several cases the need for a common data base for all agencies to use was mentioned. One even said this data base should be open to the public. Nearly all of them mentioned using the technology (modems, fax, and other communication devices not yet invented) to disperse this information so that those needing a permit, license or certificate would know what to do to comply.
- b. There was a general agreement that this "one stop" idea should target certain clusters of business publics. The "one stop" service for the trucking industry is a good example. Other

Page Two
Charles A. Schaffer
November 3, 1993

clusters could be those that deal in environmental regulation and in health and safety. Also there is a need to consider other governmental authorities that have permitting licensing and certifying functions. Counties, cities and the federal government all have some of the same functions.

- c. There are many questions about statutory authorities and how the "one stop" center would follow up when enforcement, inspection and compliance are an integral part of the permit, etc. Many times the application for permits, licenses or certificates requires review by professionals prior to its issuance which could be slowed by the need for the "one stop" location to communicate with the professionals. There was a concern about reaching those customers in rural areas and how that fits with Mn/DOT's value of focusing on the customer's needs and desires. We are proud of our present network where we are part of the communities we serve.

The foregoing is a general flavor of the many responses from our people. Our experience with our "one stop" effort for the cluster of customers in the trucking industry has been very successful, and what we are learning is most certainly transferable to other situations. In the event you have need for the individual responses, I can make them available.

Thank you for the opportunity to comment.

Sincerely,


for Marvin G. Bates

Maintenance Business Initiatives

cc: J.N. Denn
D.E. Durgin
E.H. Cohoon
P.C. Hughes
R.C. Hoffman
J.E. Sandahl
B.L. Sundquist



October 25, 1993

Charles A. Schaffer
Minnesota Department of Trade and Economic Development
500 Metro Square
121 7th Place East
St. Paul, MN 55101-2146

Southbridge Office Building
155 S. Wabasha Street
Suite 104
St. Paul, MN 55107
(612) 296-3767
Fax (612) 297-5615

RE: Executive Order 93-9

Dear Mr. Schaffer:

Field Offices

Northern Region:

394 S. Lake Avenue
Room 403
Duluth, MN 55802
(218) 723-4752
Fax (218) 723-4794

3217 Bemidji Avenue N.
Bemidji, MN 56601
(218) 755-4235
Fax (218) 755-4201

217 S. 7th Street
Suite 202
Brainerd, MN 56401-3660
(218) 828-2383
Fax (218) 828-6036

Southern Region:

P.O. Box 756
Highway 15 S.
New Ulm, MN 56073
(507) 359-6074
Fax (507) 359-6018

1200 S. Broadway
Room 144
Rochester, MN 55904
(507) 285-7458

P.O. Box 267
1400 E. Lyon Street
Marshall, MN 56258
(507) 537-6060
Fax (507) 537-6368

Metro Region:

Southbridge Office Building
155 S. Wabasha Street
Suite 104
St. Paul, MN 55107
(612) 296-3767
Fax (612) 297-5615

We support the goal to achieve "one-stop shopping" for regulatory matters and are involved in a similar effort regarding wetlands. As the agency charged with overseeing the implementation of the Wetland Conservation Act, the Board of Water and Soil Resources is leading several efforts to simplify wetland permitting. The efforts include:

- Implementation of a (one page) combined regulatory joint notice form that is used to obtain a jurisdictional determination from all regulators within a 45 day time period; some regulators are using the notification form as a permit application;
- Development of a proposed general permit that would allow local units of government such as counties and cities to issue US Army Corps of Engineer permits for certain types of projects; for many draining and filling projects, an applicant could obtain all wetland permits at one stop, typically the local planning office; and
- Coordinated wetland delineation and training whereby local, state and federal agencies are attempting to minimize regulatory inconsistency by conducting joint training sessions and establishing interagency teams.

We would be most happy to participate in your efforts! Do not hesitate to contact me if you have questions or comments.


Greg Larson

Head, Water and Land Management Section

CC: Ron Harnack
John Jaschke

An Equal
Opportunity Employer

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MINNESOTA DEPARTMENT OF
TRADE AND ECONOMIC DEVELOPMENT

500 Metro Square
121 7th Place East
Saint Paul, Minnesota 55101-2146 USA

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BO...
& SOIL RE...



MEMORANDUM

September 3, 1993

TO: All State Agency Commissioners and Department Heads

FROM: E. Peter Gillette, Jr.
Commissioner

SUBJECT: Executive Order 93-9

As Governor Carlson noted in his memo of August 27, this department will be conducting a feasibility study of "one-stop shopping" for business permits and regulatory affairs as required by Executive Order 93-9.

That Executive Order defines one-stop shopping and identifies a number of issues which are to be addressed in the feasibility study.

Attached here are two documents:

- a proposed timetable for conduct of the study; and
- a memo commenting on the issues identified in the Executive Order.

I am asking all interested and affected state agencies to respond initially to the issues raised in the Executive Order (and to raise any other issues they think appropriate). Based on the responses received, individual working groups can be established on particular questions.

Please direct your written responses to:

Charles A. Schaffer
Minnesota Department of Trade and Economic Development
500 Metro Square
121 7th Place East
St. Paul, MN 55101-2146
(612) 296-0617

CAS: #
Atts.



An Equal Opportunity Employer

Peter Gillette

MINNESOTA DEPARTMENT OF
TRADE AND ECONOMIC DEVELOPMENT

500 Metro Square
121 7th Place East
Saint Paul, Minnesota 55101-2146 USA



MEMORANDUM

September 3, 1993

TO: All State Agency Commissioners and Department Heads

FROM: E. Peter Gillette, Jr.
Commissioner of Trade and Economic Development

SUBJECT: Workplan for Regulatory Study Under Executive Order 93-9

1. August 27 Memorandum from Governor Carlson to all state department heads directing their cooperation in study (copy attached).
2. September 3 Memo from E. Peter Gillette to all state department heads. This memo
 - outlines the issues raised by the Executive order;
 - asks for written comments, expressions of interest;
 - identifies the working methodology;
 - notes that comments will be invited from the regulated public.
3. September 3 A similar memo goes to affected constitutional officers, appropriate legislative committees and other parties in state government known to be interested.
4. September 7 (tentative) 1:30 PM Briefing to Administrative Agency Cluster, 301 Centennial
(tentative) 4:00 PM Briefing to Environmental Agency Cluster, 130 Governor's Conference Room
5. September 15 (tentative) 7:45 AM Briefing to Jobs and Commerce Cluster, Commissioner E. Peter Gillette's office



An Equal Opportunity Employer

Peter Gillette

6. September 20 A notice appears in the *State Register* soliciting the comments of interested and affected parties.
7. September 21 (tentative) 4:00 PM Briefing to Human Resources Cluster, 130 Governor's Conference Room
8. September 15 - November 1 Initial collection of responses. Identification of working group members, topics, issues.
9. November 1 Formation of working groups. Initial exchange of summaries of issue-related responses.
10. October - June '94 Working groups.
11. June '94 - September '94 Consensus building; recommendations, draft legislation, report drafting.
12. September '94 Recommendations to Governor with draft legislation.

CAS:mc

Attachment



STATE OF MINNESOTA

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

ARNE H. CARLSON
GOVERNOR

MEMORANDUM

TO: All Commissioners and Agency Heads

FROM: Governor Arne H. Carlson *AK*

DATE: August 27, 1993

SUBJECT: Executive Order 93-9 "One-Stop Shopping" Study

By Executive Order 93-9 I have directed the Commissioner of Trade and Economic Development to investigate the feasibility of implementing "one-stop shopping" by businesses for regulatory affairs in Minnesota. The Commissioner will report his findings and recommendations to me by January 1, 1995. To help ensure the success of this project I have directed that all state agencies shall cooperate in the conduct of this study.

I want to stress that this project is a high priority for me. As you are aware, I am deeply committed to minimizing the regulatory burden on Minnesota businesses and to assisting businesses in achieving regulatory compliance as promptly and expeditiously as possible. I ask that you cooperate fully in this study so that these goals can be accomplished.

Commissioner Gillette has directed Charles Schaffer of his staff to head up the feasibility study. He will be contacting all of you with specific details for accomplishing the project, or you may call him at (612) 296-0617.



MINNESOTA DEPARTMENT OF
TRADE AND ECONOMIC DEVELOPMENT

500 Metro Square
121 7th Place East
Saint Paul, Minnesota 55101-2146 USA



MEMORANDUM

August 20, 1993

TO: Parties Interested in or Affected by Executive Order 93-9 Regarding a Feasibility Study on "One-Stop Shopping" for Regulatory Matters

FROM: Charles A. Schaffer *C. A. Schaffer*

SUBJECT: Conduct of the Study

Background

Executive Order 93-9 was signed by the Governor and filed with the Secretary of State on July 7, 1993. It was published in the State Register on July 19, 1993 (Vol. 18, Issue No. 3). Pursuant to Minn. Stat. § 4.035, Subd. 2 the Order becomes effective on August 2, 1993.

The Executive Order requires the Commissioner of Trade and Economic Development to investigate the feasibility of implementing true "one-stop shopping" by business for regulatory affairs in Minnesota, and to report his findings and recommendations (including legislative initiatives) to the Governor by January 1, 1995.

The substance of this Executive Order was a recommendation of the Commissioner of Trade and Economic Development in his May 15, 1993, report to the Governor on implementation of Executive Order 92-15 regarding state agencies' review of rules and regulations.

Context of the Study

Executive Order 93-9 is explicit as to the definition of what constitutes one-stop shopping for regulatory affairs: a single agency or sub-agency in state government (though perhaps with more than one office location) which has the authority, personnel, expertise, procedures and systems resources to:



- o assist and advise the "business public" with the substance and procedures of individual regulations and the steps to compliance;
- o provide to and accept from business applicants the necessary forms and documents for regulatory compliance;
- o process these forms and documents in accordance with statutes and rules; and
- o directly issue licenses and permits as agent for the applicable agency.

The activities proposed for the one-stop shopping agency are substantially greater than those found in current permit assistance programs (Minn. Stat. § 116C.24-116C.32 and § 116J.69-116J.86) in that the one-stop agency would process forms and applications and issue licenses and permits as agent for the state agency having statutory authority and responsibility for the regulatory activity involved.

Issues

Executive Order 93-9 identifies a number of issues to be examined and resolved:

- 1) The relationship between the agency that provides the "one-stop shopping" service and the department or agency which has statutory authority for substantive regulation or enforcement.

Comment :

At its lowest level this issue involves the degree to which various licenses and permits and regulatory activities affect a "business public" and thus can be/should be part of any one-stop operation. As noted in the Commissioner's report on Executive Order 92-15, a number of state agencies licensing occupations or regulating the conduct of those occupations do not regard their activities as affecting business in any way despite the fact that such regulation is a text-book example of an individualized economic decision by government (see p. 9 of the Commissioner's report on E.O. 92-15).

The Department of Trade and Economic Development's business licensing assistance statute provides a broad definition of "business license" to include any permit, registration, certification or other form of approval authorized by statute or rule to be issued by any agency or instrumentality of the state of Minnesota as a condition of doing business in Minnesota

(Minn. Stat. § 116J.70). Such a broad definition could be interpreted to include activities like incorporations, tax filings and the like. In practice the actual scope of the licensing assistance activity was narrowed to those requirements for "commercial business undertakings, projects and activities" (Minn. Stat. § 116J.73) with specific exemptions listed for occupational regulations and environmental regulations (Minn. Stat. § 116J.70 Subd. 2a).

At a more substantial level this issue addresses the question of whether administrative agencies can delegate their statutory authority to another state administrative agency. [(See Beck, Minnesota Administrative Procedure, § 24.5 (1987); Hubbard Broadcasting Inc. v. Metropolitan Sports Facilities Commission, 381 N.W.2d 842, 847 (Minn. 1986); In re Hansen, 275 N.W.2d 790, 796-7 (Minn. 1987); appeal dismissed, 441 U.S. 938 (1979); Dragonosky v. Minnesota Board of Psychology, 367 N.W.2d 521, 525 (Minn. 1985)].

If such a delegation is possible, do the present statutes for transfer of duties pursuant to a reorganization order (Minn. Stat. § 16B.37) or entering into interagency agreements or joint powers agreements (Minn. Stat. § 471.59, Subd. 1) offer procedures adequate to the task?

In selecting an agency or department for performing the "one-stop shopping" role, consideration will have to be given to the issues of separation of functions in administrative agencies [(Withrow v. Larkin, 421 U.S. 35 (1975)] and avoidance of coloration of opinion and action by staff making decisions on more than one regulatory activity (that is, avoiding knowledge of facts in one application from influencing decisions on another activity) [(Hortonville Joint School District No. 1 v. Hortonville Educational Association, 426 U.S. 482 (1976)].

- 2) A determination of who should perform competency testing or assure competency in cases where that is a prerequisite to securing a license or permit (e.g., licensed professions and building trades), and who assures or evaluates the adequacy of continuing education or other competency-based criteria that are a condition of relicensure.

Comment:

It needs to be decided if this is an issue of personnel and procedure only, or if the study will also look at more substantive changes like removing the state from regulatory standard setting and competency testing and

having a private organization perform those functions. The use by states of such private standard setting most frequently involves the adoption by the state of a particular standard developed by a private sector organization (e.g., the National Uniform Fire Code of the National Fire Protection Association). Less frequently occurring is a state's authorizing a private organization to act on its behalf in standard setting, testing, certifying, or licensing (see the cases noted above on the delegation issue). Such use of private bodies has been substantially reduced since the U.S. Supreme Court's decision in American Society of Mechanical Engineers v. Hydrolevel [(102 S.Ct. 1385 (1982))].

- 3) How disputes concerning delay in issuing a license or permit, denial of a license or permit, or suspension or termination of a license or permit for disciplinary or other reasons will be handled.
- 4) How the acceptance of "one-stop shopping" by regulatory and enforcement agencies will be secured and how compliance and enforcement activity will be coordinated.

Comment :

Nos. 3 and 4 again relate to the issues noted above of delegation and relationship of one function (e.g., licensing) to other related activities (e.g., compliance) and unrelated activities (e.g., promotion, economic development, revenue collection).

Nos. 3 and 4 also raise substantial principal-agent issues in the design of incentives for accomplishing one-stop shopping. Specifically, for current regulatory agencies there must be procedures to ensure that the agencies do not engage in Nash behaviors where agencies independently determine and adjust their degree of participation with resulting less-than-optimal levels of the public good sought in one-stop shopping. In selecting the state agency to operate the one-stop function, procedures must be in place to avoid adverse selection (where the agency misrepresents its ability) and moral hazard (where the agency does not deliver adequate effort).

- 5) How to acquire a staff that has the level of expertise necessary to provide the level of assistance and advice demanded by true "one-stop shopping."

Comment :

Personnel issues will have to be addressed in the context of agency reorganizations, union contracts, civil service provisions (see, for example, Chapter 192, Sec. 75, Laws of 1993, codified as Minn. Stat. § 43A.05, dealing with personnel matters in agency restructurings).

Similarly, issues of design and operation of necessary information/communication systems will have to be considered in light of recent legislation (see, Chapter 192, Sec. 71, Laws of 1993, codified as Minn. Stat. § 16B.41, relating to computer systems planning and the Information Policy Office).

- 6) How the strengths and limitations of "one-stop shopping" will be communicated to regulated parties.

Comment :

As noted above, the issue of communication to regulated parties will be influenced by whether the study yields procedural changes only (and whether they are user-optional, involve some or all regulatory contacts) or also recommends changes in the number, kind and requirements of regulations. There are two 1993 statutes to be considered: Chapter 192, Laws of 1993, codified as Minn. Stat. § 15.91 to 15.92, relating to state agency reporting of goals and performance; Chapter 252, Sec. 2, Laws of 1993, codified as Minn. Stat. § 116J.581 relating to the duties of the Competitiveness Task Force.

- 7) How matters of overlapping jurisdiction (state/federal, state/local) will be handled and how those issues will be communicated to the affected parties.

Comment :

This is a substantial issue in areas of environmental protection; health; food manufacturing and sales; occupational safety.

- 8) How the need for legislative change will be determined and who will be responsible for preparing and monitoring initiatives to secure such change.

- 9) Legal liability and other legal issues.

Comment :

The issues discussed above raise legal issues, e.g., statutory changes needed to establish one-stop shopping, delegation (if legally permissible) or transfer of agency licensing or permitting authority, rulemaking authority, employee relations issues, and others. In addition, the study should address the risk and allocation of liability for improperly issuing, denying or suspending a license or permit and the potential costs of defense.

- 10) Such other issues as the study group deems important and appropriate.

Conduct of the Study

I am asking all interested and affected state departments to respond initially to me by October 1 on the issues raised in this memo (and to raise any other issues they think appropriate). These responses should be directed to me at:

Charles A. Schaffer
MN Department of Trade and Economic Development
500 Metro Square
121 7th Place East
St. Paul, Minnesota 55101-2146

Concurrently a notice will appear in the *State Register* seeking the comments of interested and affected parties outside government.

Based on the responses received individual working groups can be established on particular questions. I foresee these using the methodology we used in this department's 1984 study on state regulation. That method, developed by the American Bar Association's Committee on Law and the Economy, provides for exchange of written materials as the principal way to focus attention on the question. Meetings are for seeking consensus, negotiating positions and framing majority and minority positions.

Although the Executive Order does not require a report until January 1, 1995, I would hope to have all work completed by early Fall of 1994.

CAS:mc



MINNESOTA TURKEY GROWERS ASSOCIATION, INC.

2380 WYCLIFF STREET • ST. PAUL, MINNESOTA 55114 • 612/646-4553 • FAX 612/646-4554

October 19, 1993

Mr. Charles Schaffer
Minnesota Department of Trade
and Economic Development
500 Metro Square
121 7th Place East
St. Paul, MN 55101-2146

Dear Mr. Schaffer:

The Minnesota Turkey Growers Association applauds Governor Carlson for his directive to conduct a feasibility study on "one-stop shopping" (OSS) for regulatory matters. We feel that successful implementation of OSS could result in tremendous savings for Minnesota turkey breeders, growers, hatchers and processors.

While the turkey industry is covered by many regulations, we will focus our comments on feedlots.

As you are already aware, agriculture in Minnesota is big business. The turkey industry alone generates over \$300,000,000 of on-farm income. Minnesota agriculture represents a interdependent system, whereby crop producers and livestock producers depend on each other to provide inputs and markets. As goes the livestock industry so goes the crop sector.

In recent years the livestock sector has been faced with increasing bureaucracy, which breeds inefficiency and contentiousness. Those desiring to expand or establish a feedlot of over 10 animal units must, at a minimum, obtain a feedlot permit from the Minnesota Pollution Control Agency. In many instances that same farmer must also obtain permits from the county and the local township. More permits mean more fees ... while not necessarily receiving more service.

Being public bodies, each level of government may hold a hearing on a permit if such a hearing is requested by citizens. Such multiple hearings are time-consuming. Furthermore, these hearings frequently become opportunities for disgruntled parties or activists to harass an applicant. Their hope is to delay or defeat the application for personal or political reasons rather than for potential pollution risk.

OFFICERS

GREG LANGMO
President
Litchfield

GREGG GLEICHERT
Vice President
Faribault

GEORGE GORTON
Secretary/Treasurer
Pelican Rapids

DIRECTORS

CHUCK ZIMMERMAN
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MIKE MORRIS
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Detroit Lakes

LOREN THOMPSON
Burtrum

DARYL VELO
Rothsay

JOHN K. HAUSLADEN
Executive Director

Schaffer - October 19, 1993

Page 2

We also believe the current system does not recognize the value of an MPCA feedlot permit. These permits are issued by technical staff whose whole business is to assess pollution potential. In many cases lower levels of government end up second-guessing the opinion of the MPCA and add more restrictive requirements. We contend that township governments do not have the technical expertise to determine pollution potential.

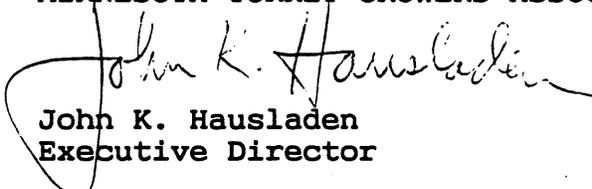
We generally feel that the MPCA has been doing a good job managing the feedlot program. Having said that, we do want to raise some concerns. We believe the turn-around time on applications is slow. More onerous is the unreasonable restrictions that are being placed upon feedlots by the MPCA as a condition of operation, especially regarding manure management.

The MTGA advocates a county-based one-stop shopping system. We envision counties being given the funding and staffing to administer the feedlot program on a local level, including everything from filling out the application to conducting site visits to ultimately issuing the permit. These counties must all operate in a manner that consistently applies state regulations while accounting for geological differences among parts of the state. Coordination must occur not only among state and local governments, but this one-stop office must understand federal programs and requirements.

We envision a system where any farmer who wants to expand or establish a feedlot can get his or her answers and paperwork completed by visiting one office.

Thank you for the chance to share our perspectives. We would welcome the opportunity to visit with you in detail about any of our points.

Sincerely,
MINNESOTA TURKEY GROWERS ASSOCIATION



John K. Hausladen
Executive Director

/JKH-onestop

cc: Government and Public Affairs Committee

Appendix 4

Methodology and Responses to a Survey of Minnesota Businesses Regarding Access to State Regulatory Agencies

SURVEY OF MINNESOTA BUSINESSES REGARDING ACCESS TO STATE REGULATORY AGENCIES

METHODOLOGY

A sampling of 3000 businesses was drawn from industries that were considered significant to the Minnesota economy in terms of their level of employment or wages paid, and which were considered likely to experience a relatively substantial amount of government regulation in the conduct of business operations. The industries, and sampling size, were:

Industry	Number Surveyed	Percent Surveyed
Manufacturing		
Except printing and publishing	600	20.0
Printing and publishing	400	13.3
Retail		
Eating and drinking establishments	300	10.0
Food stores	250	8.3
Automotive dealers & service stations	200	6.7
Service		
Health care	300	10.0
Hotels and lodging	250	8.3
Auto repair, parking, services	200	6.7
Contractors	300	10.0

Industry	Number Surveyed	Percent Surveyed
Other		
Finance, insurance, real estate	200	6.7
Total	3000	100.0

A single mailing was made to the companies in the sample. There was no follow-up mailing.

A total of 940 responses (31.3%) was received by the response deadline. The following chart shows the number of responses by industry sector, grouped according to survey categories:

Industry	Number Responding	Percent of Responses
Manufacturing		
Except printing and publishing	237	25.2
Printing and publishing	17	1.8
Retail	225	23.9
Service		
Health care	80	8.5
Hotels and lodging	81	8.6
Other	184	19.6
Contractors	53	5.6
Other	51	5.4
Unspecified	12	1.3
Total	940	100.0

When responses are analyzed by industry sector, it appears the responses are slightly over-representative of the service sector, and slightly under-representative of the manufacturing and contractor sectors:

Industry	Percent of Sample	Percent of Responses
Manufacturing	33	27
Retail	25	24
Service	25	36
Contractors	10	6
Other	7	7
Total	100	100

SURVEY OF MINNESOTA BUSINESSES REGARDING
ACCESS TO STATE REGULATORY AGENCIES

Preliminary Results

March 15, 1994

DEMOGRAPHIC INFORMATION:

1. Primary type of business

237	25.2%	Manufacturing
225	23.9	Retail
184	19.6	Service
81	8.6	Hospitality (Lodging, Restaurants, Tourism)
80	8.5	Health Care
53	5.6	Construction, Contractor
17	1.8	Printing and Publishing
51	5.4	Other, Specified
<u>12</u>	<u>1.3</u>	No Response; Can't Determine
940	100.0%	Total

2. Location

402	42.8%	Twin Cities metro area
515	54.8	Outside Twin Cities metro area
19	2.0	Locations Statewide
<u>4</u>	<u>.4</u>	No Response
940	100.0%	Total

3. Number of full time equivalent employees

187	19.9%	Fewer than 10
262	27.9	10 to 19
247	26.3	20 to 49
95	10.1	50 to 100
144	15.3	Over 100
<u>5</u>	<u>.5</u>	No Response
940	100.0%	Total

Prepared by: Minnesota Small Business Assistance Office
Department of Trade and Economic Development

EXTENT OF STATE REGULATION OF RESPONDENT'S BUSINESS

4. Type of regulation (will total more than 940, due to multiple responses)

232 Business must obtain a license or permit from the state to manufacture, produce or package the product the business sells.

450 Business must obtain environmental licenses or permits in order to operate the business.

457 Business must obtain a license or permit to sell a particular product or service

220 Other type of regulation

104 Not required to obtain a state license or permit to conduct the business.

5. How much time does it typically take the business each year to comply with state regulations (excluding tax and payroll compliance)?

410	43.6%	40 hours
327	34.8	40 to 160 hours
144	15.3	More than 160 hours
<u>59</u>	<u>6.3</u>	No response
940	100.0%	Total

AVAILABILITY OF NEEDED INFORMATION ABOUT STATE REGULATION OF THE BUSINESS

6a. What is the usual source of information about state regulation of the business? (will total more than 940, due to multiple responses)

184 In person from the state regulatory agency

458 By telephone from the state regulatory agency

557 By mail from the state regulatory agency

72 By fax from the state regulatory agency

202 From other businesses

513 From professional or trade associations

416 From professional advisors (e.g., attorneys, accountants)

6b. What is the primary source of information about state regulation of the business?

30	3.2%	In person from the state regulatory agency
144	15.3	By telephone from the state regulatory agency
185	19.7	By mail from the state regulatory agency
1	.1	By fax from the state regulatory agency
13	1.4	From other businesses
136	14.5	From professional or trade associations
98	10.4	From professional advisors (e.g., attorneys, accountants)
<u>333</u>	<u>35.4</u>	Primary source not specified
940	100.0%	Total

7. How available *from the state regulatory agency* is information on regulatory requirements that apply to the operation of the business?

328	34.9%	Readily available
490	52.1	Available after some asking and search
87	9.3	Hard to find
<u>35</u>	<u>3.7</u>	No response
940	100.0%	Total

8. How available *from the state regulatory agency* is information about the policies and procedures that apply to the business?

275	29.3%	Readily available
507	53.9	Available after some asking and search
119	12.7	Hard to find
<u>39</u>	<u>4.1</u>	No response
940	100.0%	Total

9. How understandable are state rules, forms, and informational materials that apply to the business?

334	36.6%	Generally understandable
366	38.9	Somewhat hard to understand
197	21.0	Confusing, difficult to understand
<u>33</u>	<u>3.5</u>	No response
940	100.0%	Total

10. How knowledgeable are state agency staff about state regulatory requirements and how these requirements apply to the business?

706	75.1%	Generally knowledgeable
172	18.3	Not knowledgeable
<u>62</u>	<u>6.6</u>	No Response
940	100.0%	Total

11. How available is state regulatory agency staff to assist with questions and problems related to the regulation of the business?

477	50.7%	Readily available
360	38.3	Available only after much asking
36	3.8	Not available
<u>67</u>	<u>7.1</u>	No response
940	100.0	Total

12. Is the business generally satisfied with the timeliness, accuracy, and completeness of the information it obtains from the state regulatory agency?

610	64.9%	Yes
264	28.1	No
<u>66</u>	<u>7.0</u>	No response
940	100.0%	Total

USEFULNESS TO THE OPERATION OF THE BUSINESS OF "ONE STOP" MEASURES

13. A single location within the state where the business would obtain and submit applications for all licenses, permits, and other state regulatory requirements. (Assume that the underlying regulations would remain the same as they are today.)

397	42.2%	Very helpful
272	28.9	Somewhat helpful
241	25.6	Would not make a difference
<u>30</u>	<u>3.2</u>	No Response
940	100.0%	Total

14. A single location within the state that has the authority to make all decisions and answer all questions regarding licenses, permits, and other state regulatory matters.

489	52.0%	Very helpful
241	25.6	Somewhat helpful
183	19.5	Would not make a difference
<u>27</u>	<u>2.9</u>	No response
940	100.0%	Total

15. A single toll-free telephone number to call to get the answers to all questions regarding state regulation of the business.

623	66.3%	Very helpful
176	18.7	Somewhat helpful
114	12.1	Would not make a difference
<u>27</u>	<u>2.9</u>	No response
940	100.0%	Total

16. How far would you be willing to travel to personally visit a state agency representative to comply with state regulatory requirements?

445	47.3%	Fewer than 50 miles
185	19.7	50 to 150 miles
26	2.8	More than 150 miles
256	27.2	Would not be willing to travel for this purpose
<u>28</u>	<u>3.0</u>	No response
940	100.0%	Total

17. Other suggestions that would make the process of complying with state regulation more helpful for the business:

289	100.0%	Responses to this question (31.3% of survey respondents)
56	19.4%	Reduce the number of regulations
44	15.2%	Improve responsiveness of regulatory agency staff
41	14.2%	Reduce the complexity of regulations
36	12.4%	Provide regular written information on regulations that apply to my business
27	9.3%	Eliminate overlap and duplication of regulations by federal, state and local levels of government
21	7.3%	Improve knowledge of regulatory agency staff
17	5.9%	Assure consistent interpretation of regulations
13	4.5%	Establish less adversarial relationship between regulatory agency and regulated businesses
7	2.4%	General comments about reducing government
5	1.7%	Reduce government-imposed costs (taxes, workers' compensation)
3	1.0%	Use common sense in adopting regulations

35	12.1%	Other Comments
16		Specific comments regarding one-stop shopping for licenses and permits (5 in favor, 11 against)
14		Positive comments about regulatory agencies or staff
5		General comments, not classifiable elsewhere

CHARACTERISTICS OF RESPONDENTS TO QUESTION 17

Industry:

Manufacturing	77	26.6%
Retail	73	25.3%
Service	45	15.6%
Construction, Contractor	19	6.6%
Health Care	29	10.0%
Hospitality	26	9.0%
Printing & Publishing	6	2.1%
Other Industry	12	4.1%
Cannot be determined	<u>2</u>	<u>.7%</u>
Total	289	100.0%

Location:

Metro	118	40.8%
Greater Minnesota	162	56.1%
Both	8	2.8%
No Response	<u>1</u>	<u>.3%</u>
Total	189	200.0%

Number of Employees:

Fewer than 10	47	16.3%
10-19	84	29.1%
20-49	71	24.5%
50-100	32	11.1%
Over 100	<u>55</u>	<u>19.0%</u>
Total	289	100.0%

SURVEY OF MINNESOTA BUSINESSES
EXECUTIVE ORDER 93-9
RESPONSES TO QUESTION 17

17. Other suggestions that would make the process of complying with state regulations more helpful for your business.

Number of Respondents: 289 (31.3% of survey respondents)

- 56 Reduce the Number of Regulations
- 44 Improve Responsiveness of Regulatory Agency Staff
- 41 Reduce the Complexity of Regulations
- 36 Provide Regular Written Information on Regulations that Apply to My Business
- 27 Eliminate Overlap and Duplication of Regulations by Federal, State and Local Levels of Government
- 21 Improve Knowledge of Regulatory Agency Staff
- 17 Assure Consistent Interpretation of Regulations
- 13 Establish Less Adversarial Relationship between Regulatory Agency and Regulated Businesses
- 7 Reduce Government in General
- 5 Reduce Government-Imposed Costs (Taxes, Workers' Compensation)
- 3 Use Common Sense in Adopting Regulations
- 35 Other Comments:
 - 16 Specific Comments Regarding One-Stop Shopping for Licenses and Permits
 - 5 In Favor
 - 11 Against
 - 14 Positive Comments About Regulatory Agencies or Staff
 - 5 General Comments, Not Classifiable Elsewhere

CHARACTERISTICS OF RESPONDENTS TO QUESTION 17

Industry:

Manufacturing	77	26.6%
Retail	73	25.3%
Service	45	15.6%
Construction, Contractor	19	6.6%
Health Care	29	10.0%
Hospitality	26	9.0%
Printing & Publishing	6	2.1%
Other Industry	12	4.1%
Cannot be determined	<u>2</u>	<u>.7%</u>
Total	289	100.0%

Location:

Metro	118	40.8%
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Both	8	2.8%
No Response	<u>1</u>	<u>.3%</u>
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10-19	84	29.1%
20-49	71	24.5%
50-100	32	11.1%
Over 100	<u>55</u>	<u>19.0%</u>
Total	289	100.0%

SPECIFIC COMMENTS AGAINST ONE-STOP SHOPPING

Nbr	Typ	Loc	Emp	Response
0173	2	2	5	In answer to question 16, with fax machines and telephone, no one should have to travel.
0264	6	2	1	I believe one office in the state would make "taking care of business" difficult for some owners no matter where the ONE office was. Questions 7 and 8 -- the answers are too separated. My answer would be "somewhat available."
0345	3	2	1	In our business, we are in a position to have to know everything about rules, regulations, policies, procedures about fuels, chemicals (farm products) and home heating gas. Is it possible to call one number and be able to have <u>any</u> question answered about anything? Just curious.
0362	1	2	5	We would not like to see one "clearing house" type department that would issue all types of regulatory documents, as this would lend itself to no personalized service. Working with each separate department is most preferred.
0449	3	1	2	I would not be willing to pay anything for a central service
0641	3	2	1	Attached letter from respondent 0623. Believes questions regarding utility of single location for licenses and permits appears to be a "fishing expedition" to building a new building and hiring additional staff. The state must learn to problem solve without spending more money.
0563	6	2	1	Don't need to travel -- phone call enough.
0681	6	2	2	I do <u>not</u> favor as implied in questions 13-15 a single place for all regulatory activities. That would be much less efficient than the present system.
0696	3	2	1	Use phone and fax -- don't expect people to come in.
0748	1	2	3	If you have a single location you must make it accessible to out state because if you try and call now you can't get through. Would be worse if one location. The idea is good but you must be able to contact [the regulatory agency].
0900	8	2	2	I do not feel one location for all regulatory and license/permits would be workable. I do feel we should have toll free access.

SPECIFIC COMMENTS IN FAVOR OF ONE-STOP SHOPPING

Nbr	Typ	Loc	Emp	Response
0048	3	1	4	State board of electricity does a fine job.
0233	1	1	4	Who do you call -- where is the information to tell you what you need to know, be specific, lay person's language.
0400	2	2	2	Would help to combine all licenses into a package for each type of business -- less forms, less labor, less costs.
0640	5	2	5	Integrating a number of very similar license or certificate requirements into a "one stop shopping" entity. Our business has an average of nine (9) site visits per year from state regulators -- very duplicative and unnecessary.
0867	8	1	2	I like the concept of all state regulatory agencies under one roof -- with one phone number to call. We need to have government work as partners with business -- not against business -- or everyone will relocate to Wisconsin or South/North Dakota.

Appendix 5

**Guidance to Interested and Affected Parties
on Conduct of the One-Stop Licensing Study**

MINNESOTA DEPARTMENT OF
TRADE AND ECONOMIC DEVELOPMENT

500 Metro Square
121 7th Place East
Saint Paul, Minnesota 55101-2146 USA



MEMORANDUM

August 20, 1993

TO: Parties Interested in or Affected by Executive Order 93-9 Regarding a Feasibility Study on "One-Stop Shopping" for Regulatory Matters

FROM: Charles A. Schaffer *C. A. Schaffer*

SUBJECT: Conduct of the Study

Background

Executive Order 93-9 was signed by the Governor and filed with the Secretary of State on July 7, 1993. It was published in the State Register on July 19, 1993 (Vol. 18, Issue No. 3). Pursuant to Minn. Stat. § 4.035, Subd. 2 the Order becomes effective on August 2, 1993.

The Executive Order requires the Commissioner of Trade and Economic Development to investigate the feasibility of implementing true "one-stop shopping" by business for regulatory affairs in Minnesota, and to report his findings and recommendations (including legislative initiatives) to the Governor by January 1, 1995.

The substance of this Executive Order was a recommendation of the Commissioner of Trade and Economic Development in his May 15, 1993, report to the Governor on implementation of Executive Order 92-15 regarding state agencies' review of rules and regulations.

Context of the Study

Executive Order 93-9 is explicit as to the definition of what constitutes one-stop shopping for regulatory affairs: a single agency or sub-agency in state government (though perhaps with more than one office location) which has the authority, personnel, expertise, procedures and systems resources to:

- 1 -



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- o assist and advise the "business public" with the substance and procedures of individual regulations and the steps to compliance;
- o provide to and accept from business applicants the necessary forms and documents for regulatory compliance;
- o process these forms and documents in accordance with statutes and rules; and
- o directly issue licenses and permits as agent for the applicable agency.

The activities proposed for the one-stop shopping agency are substantially greater than those found in current permit assistance programs (Minn. Stat. § 116C.24-116C.32 and § 116J.69-116J.86) in that the one-stop agency would process forms and applications and issue licenses and permits as agent for the state agency having statutory authority and responsibility for the regulatory activity involved.

Issues

Executive Order 93-9 identifies a number of issues to be examined and resolved:

- 1) The relationship between the agency that provides the "one-stop shopping" service and the department or agency which has statutory authority for substantive regulation or enforcement.

Comment :

At its lowest level this issue involves the degree to which various licenses and permits and regulatory activities affect a "business public" and thus can be/should be part of any one-stop operation. As noted in the Commissioner's report on Executive Order 92-15, a number of state agencies licensing occupations or regulating the conduct of those occupations do not regard their activities as affecting business in any way despite the fact that such regulation is a text-book example of an individualized economic decision by government (see p. 9 of the Commissioner's report on E.O. 92-15).

The Department of Trade and Economic Development's business licensing assistance statute provides a broad definition of "business license" to include any permit, registration, certification or other form of approval authorized by statute or rule to be issued by any agency or instrumentality of the state of Minnesota as a condition of doing business in Minnesota.

(Minn. Stat. § 116J.70). Such a broad definition could be interpreted to include activities like incorporations, tax filings and the like. In practice the actual scope of the licensing assistance activity was narrowed to those requirements for "commercial business undertakings, projects and activities" (Minn. Stat. § 116J.73) with specific exemptions listed for occupational regulations and environmental regulations (Minn. Stat. § 116J.70 Subd. 2a).

At a more substantial level this issue addresses the question of whether administrative agencies can delegate their statutory authority to another state administrative agency. [(See Beck, Minnesota Administrative Procedure, § 24.5 (1987); Hubbard Broadcasting Inc. v. Metropolitan Sports Facilities Commission, 381 N.W.2d 842, 847 (Minn. 1986); In re Hansen, 275 N.W.2d 790, 796-7 (Minn. 1987); appeal dismissed, 441 U.S. 938 (1979); Dragonosky v. Minnesota Board of Psychology, 367 N.W.2d 521, 525 (Minn. 1985)].

If such a delegation is possible, do the present statutes for transfer of duties pursuant to a reorganization order (Minn. Stat. § 16B.37) or entering into interagency agreements or joint powers agreements (Minn. Stat. § 471.59, Subd. 1) offer procedures adequate to the task?

In selecting an agency or department for performing the "one-stop shopping" role, consideration will have to be given to the issues of separation of functions in administrative agencies [(Withrow v. Larkin, 421 U.S. 35 (1975))] and avoidance of coloration of opinion and action by staff making decisions on more than one regulatory activity (that is, avoiding knowledge of facts in one application from influencing decisions on another activity) [(Hortonville Joint School District No. 1 v. Hortonville Educational Association, 426 U.S. 482 (1976))].

- 2) A determination of who should perform competency testing or assure competency in cases where that is a prerequisite to securing a license or permit (e.g., licensed professions and building trades), and who assures or evaluates the adequacy of continuing education or other competency-based criteria that are a condition of relicensure.

Comment:

It needs to be decided if this is an issue of personnel and procedure only, or if the study will also look at more substantive changes like removing the state from regulatory standard setting and competency testing and

having a private organization perform those functions. The use by states of such private standard setting most frequently involves the adoption by the state of a particular standard developed by a private sector organization (e.g., the National Uniform Fire Code of the National Fire Protection Association). Less frequently occurring is a state's authorizing a private organization to act on its behalf in standard setting, testing, certifying, or licensing (see the cases noted above on the delegation issue). Such use of private bodies has been substantially reduced since the U.S. Supreme Court's decision in American Society of Mechanical Engineers v. Hydrolevel [(102 S.Ct. 1935 (1982))].

- 3) How disputes concerning delay in issuing a license or permit, denial of a license or permit, or suspension or termination of a license or permit for disciplinary or other reasons will be handled.
- 4) How the acceptance of "one-stop shopping" by regulatory and enforcement agencies will be secured and how compliance and enforcement activity will be coordinated.

Comment :

Nos. 3 and 4 again relate to the issues noted above of delegation and relationship of one function (e.g., licensing) to other related activities (e.g., compliance) and unrelated activities (e.g., promotion, economic development, revenue collection).

Nos. 3 and 4 also raise substantial principal-agent issues in the design of incentives for accomplishing one-stop shopping. Specifically, for current regulatory agencies there must be procedures to ensure that the agencies do not engage in Nash behaviors where agencies independently determine and adjust their degree of participation with resulting less-than-optimal levels of the public good sought in one-stop shopping. In selecting the state agency to operate the one-stop function, procedures must be in place to avoid adverse selection (where the agency misrepresents its ability) and moral hazard (where the agency does not deliver adequate effort).

- 5) How to acquire a staff that has the level of expertise necessary to provide the level of assistance and advice demanded by true "one-stop shopping."

Comment :

Personnel issues will have to be addressed in the context of agency reorganizations, union contracts, civil service provisions (see, for example, Chapter 192, Sec. 75, Laws of 1993, codified as Minn. Stat. § 43A.05, dealing with personnel matters in agency restructurings).

Similarly, issues of design and operation of necessary information/communication systems will have to be considered in light of recent legislation (see, Chapter 192, Sec. 71, Laws of 1993, codified as Minn. Stat. § 16B.41, relating to computer systems planning and the Information Policy Office).

- 6) How the strengths and limitations of "one-stop shopping" will be communicated to regulated parties.

Comment :

As noted above, the issue of communication to regulated parties will be influenced by whether the study yields procedural changes only (and whether they are user-optional, involve some or all regulatory contacts) or also recommends changes in the number, kind and requirements of regulations. There are two 1993 statutes to be considered: Chapter 192, Laws of 1993, codified as Minn. Stat. § 15.91 to 15.92, relating to state agency reporting of goals and performance; Chapter 252, Sec. 2, Laws of 1993, codified as Minn. Stat. § 116J.581 relating to the duties of the Competitiveness Task Force.

- 7) How matters of overlapping jurisdiction (state/federal, state/local) will be handled and how those issues will be communicated to the affected parties.

Comment :

This is a substantial issue in areas of environmental protection; health; food manufacturing and sales; occupational safety.

- 8) How the need for legislative change will be determined and who will be responsible for preparing and monitoring initiatives to secure such change.

- 9) Legal liability and other legal issues.

Comment:

The issues discussed above raise legal issues, e.g., statutory changes needed to establish one-stop shopping, delegation (if legally permissible) or transfer of agency licensing or permitting authority, rulemaking authority, employee relations issues, and others. In addition, the study should address the risk and allocation of liability for improperly issuing, denying or suspending a license or permit and the potential costs of defense.

- 10) Such other issues as the study group deems important and appropriate.

Conduct of the Study

I am asking all interested and affected state departments to respond initially to me by November 1 on the issues raised in this memo (and to raise any other issues they think appropriate). These responses should be directed to me at:

Charles A. Schaffer
MN Department of Trade and Economic Development
500 Metro Square
121 7th Place East
St. Paul, Minnesota 55101-2146

Concurrently a notice will appear in the *State Register* seeking the comments of interested and affected parties outside government.

Based on the responses received individual working groups can be established on particular questions. I foresee these using the methodology we used in this department's 1984 study on state regulation. That method, developed by the American Bar Association's Committee on Law and the Economy, provides for exchange of written materials as the principal way to focus attention on the question. Meetings are for seeking consensus, negotiating positions and framing majority and minority positions.

Although the Executive Order does not require a report until January 1, 1995, I would hope to have all work completed by early Fall of 1994.

CAS:mc