

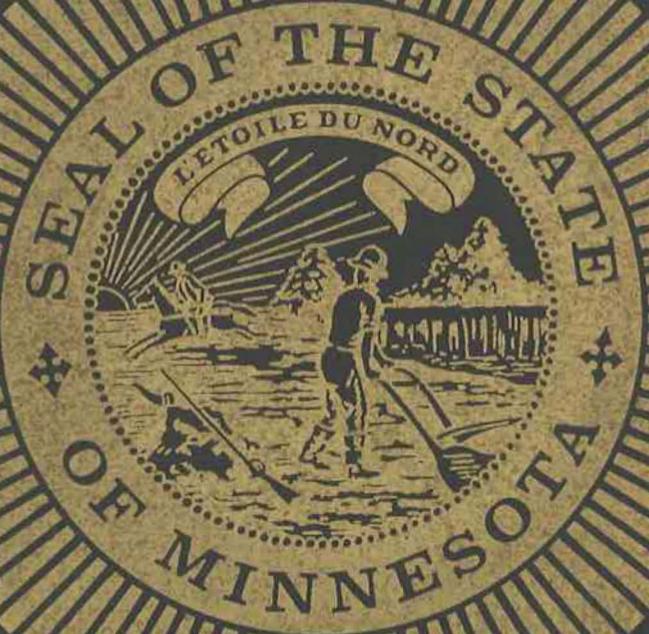
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NO. 166  
REPORT OF THE GOVERNOR'S COUNCIL  
ON  
EXECUTIVE REORGANIZATION



The seal of the State of Minnesota is centered within the title. It features a circular design with a gold border. Inside the border, the words "SEAL OF THE STATE" are at the top and "OF MINNESOTA" are at the bottom. The center of the seal depicts a Native American figure standing on a log raft, holding a paddle. In the background, there are mountains and a body of water. Above the figure, a banner reads "L'ETOILE DU NORD". The entire seal is surrounded by a ring of vertical lines.



STATE OF MINNESOTA  
GOVERNOR'S COUNCIL ON EXECUTIVE REORGANIZATION  
130 State Capitol  
St. Paul 55101

Harold LeVander  
GOVERNOR

Wayne E. Thompson  
CHAIRMAN

December 1, 1968

The Honorable Harold LeVander  
Governor, State of Minnesota  
Room 130 State Capitol  
Saint Paul, Minnesota

Dear Governor LeVander:

On behalf of the Governor's Council on Executive Reorganization, I am pleased to submit the Council's recommendations for improvement in the organizational structure of the executive branch of the State government of Minnesota.

Pursuant to legislative authorization in Extra Session Laws of Minnesota 1967, Chapter 48, Section 89 and in accordance with Executive Order No. 10 issued February 23, 1968, the Council conducted its study throughout the greater part of this year. In response to your charge to the Council at its first meeting on January 17, 1968, the Council examined the present executive structure, identified problem areas and hereby transmits for your consideration its recommendations for strengthening the executive branch of government through realignment of authority and functions.

In making this report it is the hope of the Governor's Council on Executive Reorganization that its recommendations will prove acceptable to you and to the 1969 Legislature and redound to the ultimate benefit of the citizens and taxpayers of Minnesota.

Respectfully submitted,

A handwritten signature in orange ink that reads "Wayne E. Thompson".

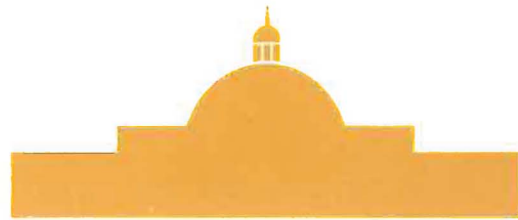
Wayne E. Thompson, Chairman  
GOVERNOR'S COUNCIL ON EXECUTIVE REORGANIZATION



# EXECUTIVE REORGANIZATION FOR THE IMPROVEMENT OF STATE GOVERNMENT STATE OF MINNESOTA

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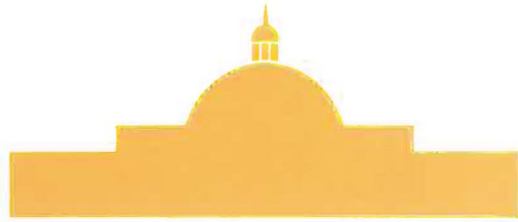
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## LEGISLATIVE AUTHORIZATION

The 1967 Legislature made possible the work conducted by the Governor's Council on Executive Reorganization by its action to appropriate monies for the purpose of conducting a study of advisable reorganization of state government. Extra Session Laws of Minnesota 1967, Chapter 48, Section 89 reads as follows:

**SEC. 89. "THERE IS HEREBY APPROPRIATED TO THE GOVERNOR AS STATE PLANNING OFFICER THE SUM OF \$50,000 FOR THE PURPOSE OF CONDUCTING A STUDY OF ADVISABLE REORGANIZATION OF STATE GOVERNMENT. THE GOVERNOR MAY APPOINT ADVISORY GROUPS OR A COMMISSION TO ASSIST IN SUCH STUDY. MEMBERS OF ANY SUCH ADVISORY GROUP OR COMMISSION SHALL SERVE WITHOUT COMPENSATION BUT SHALL BE ALLOWED AND PAID THEIR NECESSARY TRAVEL AND OTHER EXPENSES. FROM THIS APPROPRIATION UPON USUAL PROCEDURE, HE MAY PAY OTHER EXPENSES OF THE STUDY AND HE MAY CALL UPON ANY STATE DEPARTMENTS AND AGENCIES FOR ASSISTANCE. ANY UNEXPENDED BALANCE REMAINING IN THE FIRST YEAR SHALL NOT CANCEL BUT SHALL BE AVAILABLE FOR THE SECOND YEAR OF THE BIENNIUM."**



## GOVERNOR'S CHARGE

Governor Harold LeVander issued his Executive Order No. 10, of February 23, 1968 announcing his purpose and intent in establishing the Governor's Council on Executive Reorganization in the following text:

**"WHEREAS**, Minnesota's expenditures for state services, now totalling more than a billion dollars per biennium, have grown at a rate greater than our population growth; and

**WHEREAS**, the prosperity and economic growth of the State of Minnesota depend to an increasing extent on sound and efficient management of the Executive Branch and thus it is vital that tax dollars be expended wisely; and

**WHEREAS**, Minnesota's Executive Branch, now characterized by the existence of more than 100 separate agencies, boards, commissions, and departments, is severely handicapped by the lack of functional organization; and

**WHEREAS**, under authority granted by Extra Session Laws of Minnesota 1967, Chapter 48, Section 89, I have appointed a Governor's Council on Executive Reorganization under the chairmanship of Mr. Wayne E. Thompson, hereby authorizing and empowering said Council to make such studies and investigations as deemed necessary to ascertain the means and manner by and in which the services of the State of Minnesota's Executive Branch may be afforded to its citizens in the most efficient, economical, and responsive manner;

**NOW THEREFORE**, I, Harold LeVander, Governor of the State of Minnesota, do hereby charge every officer and employee of this State to furnish to the Council and its representatives complete information concerning their respective agencies, boards, commissions, and departments and to give to the Council and its agents every assistance in the execution of their duties; and

**UPON COMPLETION OF ITS WORK**, I request that the Governor's Council on Executive Reorganization shall render to me a full report of its findings and recommendations."

At the first meeting of the Council the Governor outlined the Council's mission. He charged the members with five major responsibilities:

- To identify present and future problems in state government administration.
- To explore the programmatic and administrative changes that most likely will or should come about in the next decade.
- To consider the latest management tools that the arts and sciences of both public administration and business administration have to offer.
- To examine the present executive structure and make recommendations for its improvement.
- To consider means or methods by which the executive branch can better equip itself to achieve internal changes when needed, recognizing the principle that reorganization is an ongoing necessity in modern management.

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# CHAIRMAN'S STATEMENT

Wayne E. Thompson, Chairman

## THE TASK

Minnesota state government is in a competitive position in our national economy. It is important, therefore, that we provide our state with the most responsive and modern governmental mechanisms to insure the most effective results at minimum cost.

A modern state government providing efficient services is today a requisite for the attraction of business and industry to the state. Minnesota must provide a good governmental climate for industry to insure a viable economy, a growing tax base, and reasonable tax rates. By providing the most modern and efficient government services, Minnesota will maintain and improve its competitive position as a state.

The primary objective of this study was to develop sound recommendations designed to strengthen and improve the organizational structure of the executive branch of Minnesota state government.

The machinery of government can become outdated and has in many states, Minnesota included. The need for keeping pace with the times is essential.

## THE REASON

Three factors are constantly at work to make continuing reorganization of all institutions mandatory. Growth. Technology. Time.

Growth in population results in a corresponding growth in government. From a relatively simple, agrarian-oriented institution Minnesota state government has grown to a sizeable enterprise. Sound management of this complex of programs requires the application of the best in management techniques.

Technological advances can contribute substantially to improved government. To realize the advantages of the computer, for example, systems based on functions must be developed. The recording, analysis, and reporting of data—to monitor what is being done, what should be done, its cost in human values and in money—is requisite to making sound decisions. Communications technology, properly used, permits instant reporting, consulting, and decisions among a variety of specialists. Reorganization as a management tool can maximize the value of advancing technology to state government.

Now is the time for a renaissance of state government. Notwithstanding the power and immense resources of our national government and the problems and crises of local governments, our states still pass most of our laws; control most of our courts; make the ground rules for our local governments; run most of our prisons, parole and probation systems, and our training centers for juvenile offenders; operate and support public schools, colleges and universities; provide specialized programs for retarded and gifted children; build and repair roads and highways; operate hospitals for the mentally ill; control major areas of taxation at state, city, county, corporation, personal and consumer levels; and regulate banking and insurance.

The State of Minnesota has a valuable resource in the qualified personnel serving in all branches of its state government. The achievements within the state service are a tribute to its many competent and dedicated officials and employees. This important manpower resource must be protected. In this highly competitive age it is essential that our state be able to attract to it and retain highly qualified individuals. Successful staffing requires that the organizational environment and structure provide means for operational efficiency and internal capabilities for self-improvement.

It is significant to note that the recommendations of the Council do not call for increased expenditures or any addition to the number of state employees. The intent of its proposals for structural realignment is to enable state departments to utilize present staff more effectively and efficiently. We believe that improved service to the public can result from improvements in administrative operations without additional tax funds.

## THE GOAL

The Governor's Council believes that structural improvements can produce a stronger and more progressive state organization that will permit Minnesota to become one of the outstanding state governments of the nation. Improvements in the executive branch are essential to the building of a strong and responsive state government.

For these reasons the Governor's Council on Executive Reorganization accepted Governor LeVander's charge and has dedicated its efforts toward creating an improved executive organization to permit the most effective executive response to legislative policies and programs.



## MEMBERSHIP

### GOVERNOR'S COUNCIL ON EXECUTIVE REORGANIZATION

#### CHAIRMAN

Wayne E. Thompson  
Vice-President  
Dayton Corporation  
Minneapolis

#### VICE-CHAIRMAN

Stanley J. Wenberg  
Vice-President  
University of Minnesota

Ray Lappegaard  
St. Paul  
(Former Commissioner of Administration)

#### MEMBERSHIP

Julian Baird  
(Retired Chairman of the Board  
First National Bank of St. Paul)

Robert Barrett, Ph.D.  
Chairman, Department of Political Science  
Mankato State College

Ben Boo  
Mayor  
City of Duluth

Norris Carnes  
Manager  
Central Livestock Association, Inc.

Harold W. Chase, Ph.D.  
Department of Political Science  
University of Minnesota

Raymond W. Darland, Ph.D.  
Provost  
University of Minnesota at  
Duluth

Carl D'Aquila  
Vice-President  
Mesabi Tire Company  
Hibbing

Harry Davis  
Executive Director  
Urban Coalition of Minneapolis

Mrs. H. G. Dillingham  
St. Paul

Paul Eidbo  
Moorhead

Earl Ewald  
Chairman of the Board  
Northern States Power Company

John R. Finnegan  
Assistant Executive Editor  
St. Paul Dispatch

Frank Frison  
Director  
Council 6, AFSCME

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President  
Minnesota Farm Bureau Federation

Archie B. Jackson  
Chairman of the Board  
The St. Paul Companies, Inc.

Robert P. Janes  
Chairman  
Hennepin County Board of Commissioners

Richard L. Johansen  
Director of Public Relations  
Farmers Union Grain Terminal Association

Rev. Louis W. Johnson  
Pastor  
St. Thomas Episcopal Church  
Minneapolis

Marvin E. Johnson  
Assistant General Superintendent  
U.S. Steel Corporation  
Virginia

Russell M. Johnson  
President  
Twin City Federal Savings and Loan Association

Martin N. Kellogg  
Controller and Assistant Treasurer  
G. H. Tennant Company

Ralph T. Keyes  
Executive Secretary  
Association of Minnesota Counties

H. F. Kullberg, North Mankato  
(Retired Division Manager  
Jones and Laughlin Steel Company)

Sheldon Larson  
Attorney at Law  
Winthrop



## MEMBERSHIP *(continued)*

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Miss Florence Lehmann  
Minneapolis

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Mrs. David Milligan  
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State College Board

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President  
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William C. Norris  
President  
Control Data Corporation

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Vice-President and Director of Public Relations  
General Mills

Orville C. Peterson  
Executive Secretary  
League of Minnesota Municipalities

John Pillsbury  
President  
Northwestern National Life Insurance Company

Jerome Reinan  
Lutheran Brotherhood Insurance Society  
Fergus Falls

David Roe  
President  
Minnesota AFL-CIO

Kenneth Romness, M.D.  
Mound

Joseph Ryan  
Attorney at Law  
Aitkin

The Honorable Harold W. Schultz  
Judge, Second Judicial District

Lloyd M. Short, Ph.D.  
Professor Emeritus  
University of Minnesota

Edward E. Slettom  
Executive Director  
Minnesota Association of Cooperatives

John Sullivan  
Vice-President  
North American State Bank  
Belgrade

Horace W. Thue  
General Manager  
IBM Corporation  
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David Thurston  
Attorney at Law  
St. Paul

Eugene F. Trumble  
Trumble and Associates  
Minneapolis

Robert Tucker  
Vice-President and Secretary  
Minnesota Mining and Manufacturing Company

F. Van Konynenburg  
President  
WCCO Radio and TV

George A. Warp  
Director  
Public Administration Center  
University of Minnesota

Mrs. William Whiting  
Owatonna

### EX-OFFICIO MEMBERS

Rolland F. Hatfield  
Commissioner of Administration

Raymond T. Olsen  
Director  
State Planning Agency

Archie D. Chelseth  
Director of Research  
Office of the Governor



## COUNCIL ORGANIZATION AND ACTIVITIES

The Governor's Council on Executive Reorganization, composed of 53 members and three ex-officio members, was appointed by the Governor in January of 1968. This large council organized to give its activities direction and to program its work.

The chairman appointed by the Governor in turn appointed Mr. Stanley Wenberg and Mr. Ray Lappegaard as vice-chairmen. Four permanent committees were established as follows:

Steering Committee  
Finance Committee  
Objectives Committee  
Public Information Committee

Chairman, Wayne E. Thompson  
Chairman, Archie B. Jackson  
Chairman, Ray Lappegaard  
Chairman, John R. Finnegan

The steering committee became the "Board of Directors" of the Council. It originally considered and approved objectives and proposed actions and planned activities which were subsequently acted upon by the full Council.

The first activities of the Council involved meetings and discussion with consultants, a number of legislators, and with individuals who had been involved in reorganization efforts in other states. Throughout its period of service, the Council made every effort to make its objectives known, to educate itself on the problems and pitfalls involved in reorganization programs and to seek competent advice. The Council held an all day "Reorganization Seminar" February 23, 1968 for the benefit of its members in order to become better informed relative to the reorganization experiences of other states. The full Council also met for the entire day with state department heads on April 29, 1968 to review the current operations of state government.

Initial professional assistance to the Council was engaged in April, 1968 through a contractual arrangement with Public Administration Service (PAS) of Chicago. PAS is a nationally recognized consulting firm experienced in management studies in government. The consultant was employed to conduct the original study and to present a reorganization plan for consideration by the Council.



## COUNCIL ORGANIZATION AND ACTIVITIES *(continued)*

The consultant prepared a preliminary report entitled **A SUMMARY OF EARLIER COMPREHENSIVE SURVEY PROPOSALS FOR EXECUTIVE REORGANIZATION\*** outlining previous reorganization efforts in Minnesota as background information for the Council's study. PAS submitted in July, 1968 a series of working memoranda proposing a reorganization plan encompassing ten functional areas of the state government of Minnesota. The subjects of these working papers were:

- Commerce and Consumer Protection
- Agricultural and Economic Development
- Natural Resources
- Education
- Law and Justice, Human Rights, and Public Safety
- Transportation Development
- Health and Social Services
- Labor and Employment
- Revenue Administration
- Executive Management and Central Functions and Services

Following review of the consultant's working memoranda by the Council's steering committee, task force committees were established within the Council. Their purpose was to consider proposals of PAS in specific functional areas and to make recommendations for approval of the steering committee for resolution of differences before a final report was submitted to the full Council for consideration.

Task force committees organized within the Council were as follows:

**Agriculture and Economic Development**  
Chairman, Paul Parker

**Commerce and Consumer Services**  
Chairman, Sheldon Larson  
Vice-Chairman, Mrs. H. G. Dillingham

**Education**  
Chairman, Robert P. Janes  
Vice-Chairman, Robert Tucker

**General Administration and Revenue**  
Chairman, Russell W. Laxson  
Vice-Chairman, John R. Finnegan

**Health and Social Services**  
Chairman, David Roe

**Labor and Employment**  
Chairman, Hon. Harold W. Schultz

**Natural Resources**  
Chairman, Carl D'Aquila

**Public Safety**  
Chairman, Ray Lappegaard  
Vice-Chairman, Julian Baird

**Transportation**  
Chairman, Louis W. Menk  
Vice-Chairman, Ralph T. Keyes

\* See Appendix

Each task force held a sufficient number of meetings so that all state officials and interested individuals and groups were given an opportunity to state their reactions to the consultant's proposals and to offer their suggestions for executive reorganization. The work of each task force was completed, reviewed and approved by the steering committee and adopted by the full Council during November of 1968. The conclusions of the full Council are summarized for each functional area and comprise the section on task force recommendations in this report.

The Council supplemented the original legislative appropriation with contributions solicited by its finance committee from foundations and various interested business, industrial, and labor organizations. The response indicating a substantial interest on the part of the community in the Council's objectives made possible the appointment of a small staff which was employed late in September of 1968 to coordinate the activities of the various task forces with those of the steering committee and the Council, to assemble pertinent information and prepare reports.

The Council's consultant, Public Administration Service, submitted its final report in November of 1968. Copies were distributed to members of the Legislature and department heads. The published document entitled **MODERNIZING STATE EXECUTIVE ORGANIZATION, GOVERNMENT OF MINNESOTA** outlines the present arrangement of Minnesota's executive branch and proposes a plan of executive reorganization. The final consultant's report is essentially a summary of the working memoranda used by the task forces as the basis for their deliberations.



RECOMMENDATIONS OF THE  
GOVERNOR'S COUNCIL ON  
EXECUTIVE REORGANIZATION

The recommendations of the Governor's Council on Executive Reorganization fall into two categories:

The first is in the form of five basic policy statements designating issues fundamental to the proposed over-all re-alignment of the executive-administrative organization structure and functions of agencies within state government in Minnesota.

The second category represents the comments and recommendations specifically outlining the proposed re-alignment of the functions of the myriad number of present agencies into an expanded Executive Office of the Governor and nine major executive departments.



## OBJECTIVES

**The following statement was adopted by the Council as a guide to its deliberations**

Minnesota today has a good state government. In comparison to other state governments, Minnesota can take pride in and be grateful for the quality of services provided its citizens.

Minnesota's government must be more than just good in comparison to others. Our government must be dynamic, vital, and exemplary of the best that public service can offer.

The Governor's Council on Executive Reorganization resolves to study and develop recommendations intended to improve the organizational structure of the state government. It will devote its attention to those departments, agencies, and functions which are considered to be the responsibilities of the executive branch.

The Council will present to the Governor an organization plan for the executive branch that can be responsive to and effectively deal with the important public needs for which it is held accountable.

### EXECUTIVE MANAGEMENT

- to make the Governor chief executive in fact as well as name.
- to provide the Governor with the means for exercising administrative authority commensurate with his responsibility for the faithful execution of the laws.
- to provide for the development of a management team approach for state government executives.
- to promote economy and efficiency in terms of effectiveness and output.
- to equip state government to deal comprehensively with whole problems and whole systems.

### FUTURE-ORIENTED

- to provide an organization structure with built-in flexibility and strengths to deal with as yet undefined problems of the 1970's and 1980's.
- to provide for the continual development of innovations to deal effectively with changing circumstances.

### LEGISLATIVE RELATIONSHIPS

- to provide the means for the executive to present sharpened alternatives for legislative consideration.
- to provide the means to carry out legislative enactments effectively.
- to provide for a review of executive performance—to recognize the accountability of the executive branch for results.

### INTERGOVERNMENTAL RELATIONSHIPS

- to provide an organization structure that can effectively relate itself to other governmental units.
- to provide the means to deal with the fiscal aspects of federal-state relationships.
- to provide the means for giving leadership to local governments.



## BASIC RECOMMENDATIONS

### **I. CABINET SYSTEM**

**All state department heads appointed by the Governor with the advice and consent of the Senate shall serve at the pleasure of the Governor, rather than for fixed terms.**

The concept of a cabinet system has long been known and accepted in the executive branch of the federal government and is becoming increasingly common in state government. The Council recommends introduction of this system to the executive branch of the state government in order (1) to provide a greater degree of solidarity in administration and (2) to enable the Governor to more effectively direct and coordinate the activities of the executive departments.

### **II. CONSTITUTIONAL OFFICERS**

**The constitutional elective Offices of the State Auditor, Secretary of State and State Treasurer should be abolished.**

**The Attorney General, appointed by the Governor, rather than elected, should become the chief legal counsel to the Governor.**

**A legislative post auditor position should be established.**

### **III. THE CLASSIFIED AND THE UNCLASSIFIED SERVICE**

**A sufficient number of executive posts should be placed in the unclassified service to assure a unified and responsive administration serving each governor as chief elected executive officer.**

Determinations are necessary as to what positions in the proposed reorganized executive management structure should be exempt from the classified service as involving policy formulation or direction as distinguished from policy execution. At the same time it is recommended that the basic principles and uses of the competitive, classified system be maintained to provide for administrative continuity. To provide both continuity and flexibility, the classified service statutory provisions might be modified at the management levels.

### **IV. EXECUTIVE INITIATED REORGANIZATION**

**The Governor should be given responsibility for initiating reorganizations within the executive branch.**

While an omnibus reorganization act or a series of reorganization bills might accomplish the current recommendations, there will undoubtedly be future problems requiring further action on executive reorganization. Some system whereby the Governor might initiate reorganizations within the executive branch in order that the administrative function could be kept both viable and dynamic is recommended.

### **V. GOVERNOR-LIEUTENANT GOVERNOR RELATIONSHIP**

**The Governor and the Lieutenant Governor should stand for election on the same ticket.**

This recommendation is an initial step toward providing assurance to the people of the State of a team approach on the part of the two highest elective executives. This relationship would make for a smooth transition of executive responsibilities should such a transfer be required. The Council recommends a definite role for the Lieutenant Governor in executive affairs. The specific assignment of duties to the Lieutenant Governor, however, should be determined by each incoming governor.



## TASK FORCE ON GENERAL ADMINISTRATION AND REVENUE

### MEMBERS

*Chairman* Russell W. Laxson

*Vice-Chairman* John R. Finnegan

Frank Frison

F. Van Konynenburg

Ronald Moir

Orville C. Peterson

John Pillsbury

Lloyd M. Short

George A. Warp

### GENERAL ADMINISTRATION

General administration encompasses those interrelated functions closely allied to the office of the chief executive. The Governor has direct administrative relationship not only with his executive office staff but also with the Department of Administration, the primary administrative agency for financial management and general services, the Civil Service Department providing personnel services and the State Planning Agency providing planning services and correlating program plans.

The recommendations on General Administration are designed to:

- correct structural deficiencies
- permit more effective operation within the executive branch
- make the executive branch more responsive to the public and its representatives
- focus accountability for executive action

## RECOMMENDATIONS

### I. An Executive Office of the Governor should be established to include:

An executive staff developed through enlargement of the present Office of the Governor and strengthened in terms of personnel and coordinative capabilities. Some duties of the present Secretary of State would be assumed by the staff.

An Attorney General appointed at the pleasure of the Governor to serve as his chief legal counsel and to provide necessary legal services to the executive branch.

A Department of Administration derived from the present department of the same name to perform financial management and general services functions. The department should be headed by a commissioner appointed to serve at the Governor's pleasure. Accounting procedures and pre-audit functions of the present State Auditor, and archives and records management should be included among the responsibilities of the department.

A Department of Personnel headed by a commissioner appointed by the Governor to serve at his pleasure.

A Department of Planning and Intergovernmental Affairs headed by a commissioner appointed by and serving at the pleasure of the Governor.

An appointive State Treasurer serving at the Governor's pleasure.

An Office of Human Rights headed by an appointee of the Governor to serve at his pleasure.

An Office of Economic Development headed by an appointee of the Governor to serve at his pleasure.\*

An Office of Military Affairs headed by an appointee of the Governor to serve at his pleasure.\*\*

The above appointments by the Governor are subject to Senate confirmation.

### II. Executive-Legislative Commissions should be established as follows:

Commission on Federal-State Relations

Commission on Interstate Cooperation

Commission on Uniform State Laws

Where management and direction of programs and services are concerned, the Council upholds the basic principle of the separation of powers. Accordingly, joint commissions of the legislature and the executive are not suggested for managerial functions. Where the purpose is cooperative study with other states or the federal government, however, it appears valuable to have both the legislature and the executive involved jointly in such studies. These externally oriented commissions would benefit from a joint approach.

\* See Agriculture and Economic Development

\*\* See Public Safety

## REVENUE ADMINISTRATION

The present Department of Taxation is the primary revenue agency of the state. This department administers numerous state taxes which produce about 83 percent of all state tax receipts. Central departmental personnel and field staff administer the tax program.

The recommendations for taxation propose further integration of Minnesota's revenue system. The responsibilities of a new Department of Revenue would include activities now separated from the jurisdiction of the Department of Taxation. Certain revenue producing functions now assigned to other agencies are recommended for transfer to the new department.

## RECOMMENDATIONS

### I. A Department of Revenue should be constituted deriving its functions primarily from the Department of Taxation but including certain functions, listed below, which should be transferred from other departments.

Motor vehicle license tax (now administered by the Secretary of State)

Beer and liquor excise taxes (now administered by the Department of Liquor Control)

Boxing exhibition gross receipts tax (now administered by the State Athletic Commission)

The oleomargarine tax (now administered by the Department of Agriculture)

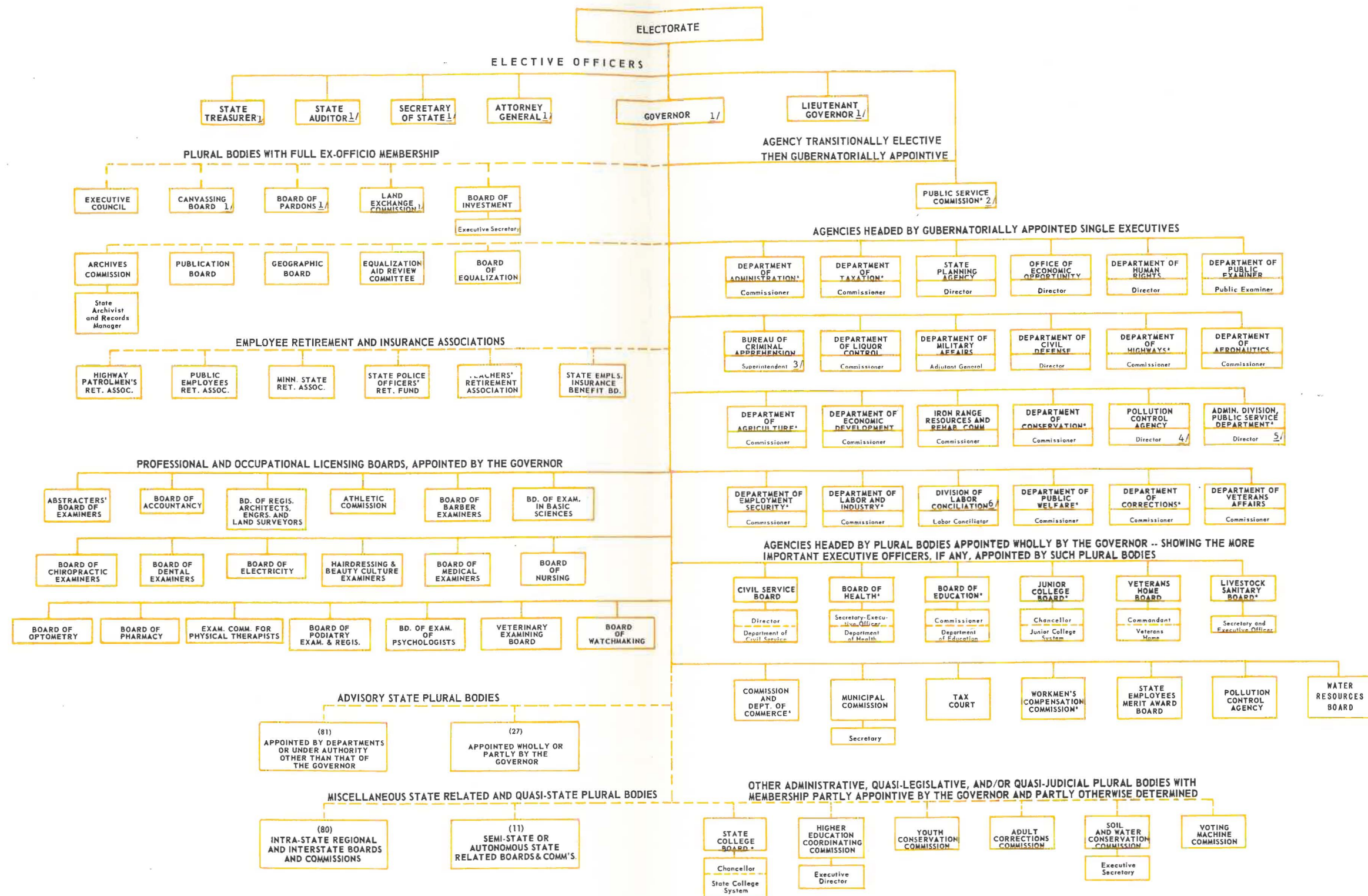
Insurance gross premium tax (now administered by the Insurance Division of the Department of Commerce)

### II. The Commissioner of the Department of Revenue should be appointed by the Governor to serve at his pleasure.

### III. The Tax Court, a "technical-judicial" appellate body appointed by the Governor to review orders of the Commissioner, and its duties should continue without revision.

### IV. The present responsibility of the Commissioner of Taxation with respect to the State Board of Equalization should become that of the Commissioner of Revenue.

**PRESENT ORGANIZATION**



# FOOTNOTES:

- <sup>1/</sup> Provided for in State Constitution.
- <sup>2/</sup> The Public Service Commission, successor to the fully elective Railroad and Warehouse Commission, is only one component of the Public Service Department. The Administrative Division of this department is shown elsewhere on the chart.
- <sup>3/</sup> Appointed by the Governor but reports to the Attorney General.
- <sup>4/</sup> Appointed by the Governor but bears some responsibility to the plural body entitled by law the "Minnesota Pollution Control Agency" This plural body has certain regulatory authority and is shown again elsewhere on the chart.
- <sup>5/</sup> Appointed by the Governor but bears some responsibility to The Public Service Commission.
- <sup>6/</sup> Legally a part of The Department of Labor and Industry, but practically independent.

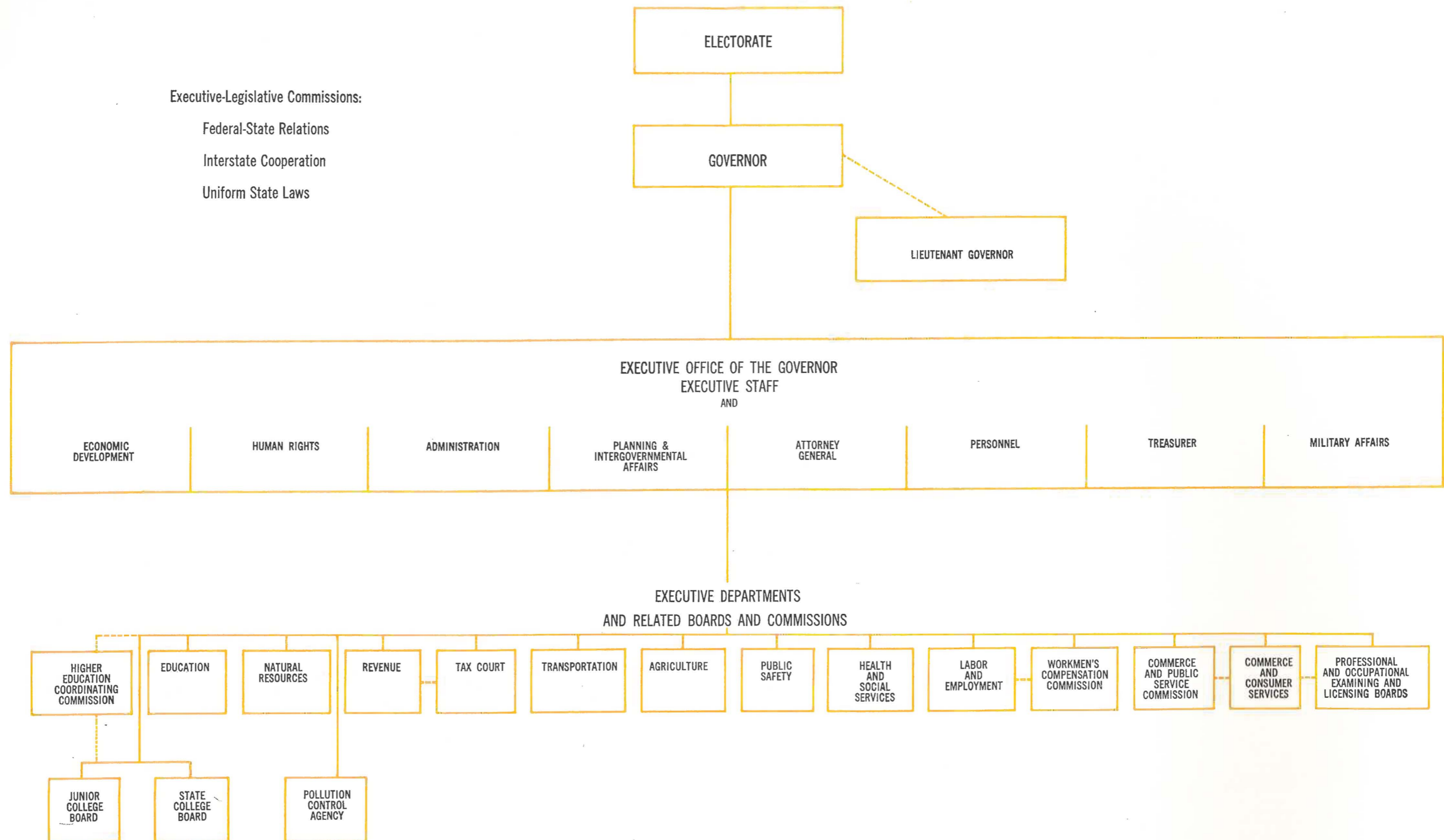
## PROPOSED ORGANIZATION

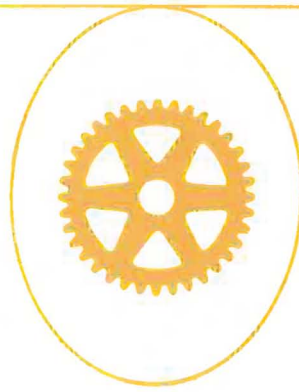
Executive-Legislative Commissions:

Federal-State Relations

Interstate Cooperation

Uniform State Laws





## TASK FORCE ON COMMERCE AND CONSUMER SERVICES

### MEMBERS

*Chairman* Sheldon Larson

*Vice-Chairman* Mrs. H. G. Dillingham

Paul Eidbo

Jerome Reinan

John Pillsbury

H. F. Kullberg

Miss Florence Lehmann

Responsibilities for activities of a regulatory and enforcement nature are distributed among many agencies and departments of state government. The common purposes of these agencies are to safeguard the interests of the public as consumers, investors and depositors, while protecting the interests of legitimate occupations and professions.

The Departments of Agriculture, Public Service, Commerce, Health, Liquor Control and Economic Development, the Secretary of State, the Attorney General, the Livestock Sanitary Board and the professional and occupational examining and licensing boards all engage, in part, in commercial regulatory and consumer protection activities.

There is the possibility for better staff coordination, simplification of relationships among the regulatory agencies, increased convenience to the public and improved service. There is also a need for general administrative management of these programs. Emphasis must be placed on identifying unmet and future needs and on analysis of trends and new developments. To a great extent, the several agencies could benefit from department supportive services that serve all programs.

These objectives would be achieved by consolidation of these several related activities within a single major department of state government. Programs and functions that are directly related by purpose, work methods and staffing requirements could be grouped together into divisions within the department.

## RECOMMENDATIONS

- I. A Department of Commerce and Consumer Services should be created and headed by a commissioner appointed by the Governor to serve at his pleasure.

- II. A gubernatorially appointed Commerce and Public Service Commission should supplant the present Commerce Commission and the Public Service Commission.

This commission and its members would have no administrative authority or responsibility. The Commission would serve as a quasi-legislative, quasi-judicial body issuing regulations and conducting hearings on rail, bus, truck, telephone and public warehouse matters. It would also function as an appeal tribunal over the decisions of the directors of the Divisions of Insurance, Securities, Financial Institutions and Consumer Services but have no quasi-legislative functions within the jurisdiction of these divisions.

- III. Six divisions of equal status headed by directors should be organized within the department, namely Insurance, Securities, Financial Institutions, Public Service, Professional and Occupational Licensing and Consumer Services. Division directors should be appointed by and be directly accountable to the Commissioner of Commerce and Consumer Services.

The Divisions of Insurance, Securities and Financial Institutions would assume the responsibilities presently assigned to the Divisions of Insurance, Securities and Banking.

The Public Service Department would continue as the Public Service Division, an enforcement agency responsible for regulating railroads, bus, truck and telephone companies and public warehouses. It would also provide staff services to the Commerce and Public Service Commission in the Division's regulatory and investigatory areas of interest.

- IV. The professional and occupational examining and licensing boards, as presently constituted, should continue to serve as quasi-legislative, quasi-judicial boards in their respective fields and continue to discharge all of their present functions such as licensing, inspection and other responsibilities assigned to them by law. Members of the various boards should continue to be appointed by the Governor.

The director of the Division for Professional and Occupational Licensing should become an ex-officio member of all occupational and professional boards and, to the extent requested by the Governor, serve in a liaison capacity between the Governor's office and the various boards. The division director would develop administrative procedures and other supportive services that would be required for the functioning of the boards. All of the professional and occupational boards should be attached to this division for the limited administrative purposes indicated above.

Additional licensing responsibilities should be added to this division as necessity dictates. The division should assume responsibility for the licensing of insurance agents, morticians, funeral directors and mortuary science students and for the registration of hospital administrators.

- V. The Division of Consumer Services should be responsible for the development of rules and regulations and for administrative activities associated with consumer protection and services. Two units within the division should be established.

The Commercial Practices Unit would administer and enforce programs associated with consumer fraud and unfair trade practices, the incorporation of businesses and the registration of charitable organizations. It would also issue associated licenses and permits and collect applicable fees.

The Inspection Unit would be responsible for field enforcement and inspection relative to the department's consumer services program.

- VI. A consumer services advisory board should be established to assist the director of the Division of Consumer Services in preparing and proposing rules and regulations in the consumer services area.



## TASK FORCE ON AGRICULTURE AND ECONOMIC DEVELOPMENT

### MEMBERS

*Chairman* Paul Parker  
Edward E. Slettom  
Horace W. Thue  
Eugene F. Trumble  
F. Van Konynenburg

Norris Carnes  
P. D. Hempstead  
Paul Eidbo  
Richard L. Johansen  
Marvin E. Johnson

### AGRICULTURE

The agricultural industry has long been a primary concern of the State of Minnesota and the development, promotion and protection of agriculture continues to be of great importance.

In such a major endeavor as that of promoting agriculture and agricultural products, a strong State Department of Agriculture is desirable. Marketing services for the improvement, inspection and regulation of farm products are a vital part of the department's activities. The control of plant disease and the improvement of crops is also important to the well-being of agriculture.

The Livestock Sanitary Board has actively cooperated with the Department of Agriculture in areas of common concern. The administration of programs to prevent, control and eradicate livestock and poultry diseases and of other programs relating to animals is closely related to the total health of agriculture in Minnesota.

#### RECOMMENDATIONS

- I. The Department of Agriculture should remain a separate, strong and important unit of state government. The present functions of the department should be continued.
- II. The Commissioner of Agriculture should continue to be appointed by the Governor to serve at his pleasure. The Commissioner of Agriculture should be responsible for the administration, organization and direction of the entire department.
- III. The Livestock Sanitary Board should be transferred to the Department of Agriculture. The members of the board should be appointed by the commissioner for five year terms. All present functions of the board should be retained.
- IV. The Grain Inspection Division of the Department of Public Service should be transferred to the Department of Agriculture. Grain Inspection Division activities include grain weighing, grain sampling, grain inspection and operation of the protein laboratory.

### ECONOMIC DEVELOPMENT

Because of the peculiar developmental and promotional character of the Department of Economic Development—which acts across all lines of State government—this agency should be placed in a straight line, staff relationship to the executive branch. The Office of Economic Development should have direct responsibility for activities promoting the economic well-being of the state.

#### RECOMMENDATION

- I. An Office of Economic Development should be established within the Governor's office headed by an appointee of the Governor to serve at his pleasure.



## TASK FORCE ON HEALTH AND SOCIAL SERVICES

### MEMBERS

*Chairman* David Roe

Robert Barrett

Rev. Louis W. Johnson

Ralph T. Keyes

Mrs. David Milligan

A. Herbert Nelson

Kenneth Romness, M.D.

In the field of health and social services Minnesota has several agencies and departments functioning in an administrative capacity. Four departments carry the principal responsibilities: the Department of Health, the Department of Public Welfare, the Department of Corrections, and the Department of Veterans Affairs.

Related agencies include the Veterans Home Board, the Veterans Home, the Vocational Rehabilitation and Special Education Division of the Department of Education, the Governor's Citizen Council on Aging, the Minnesota Commission on Alcohol Problems and others. The Iron Range Resources and Rehabilitation Commission conducts activities involving vocational rehabilitation.

There are possibilities for a more coordinated approach in the area of health and social services. While each department and agency has established fundamentally sound programs in its respective field, the work of all of these state agencies has sufficient commonality in purpose so that integration of some activities is desirable. A Department of Health and Social Services consisting of the foregoing elements could provide the unity needed for these programs. Department supporting services, including legal and administrative, planning, personnel development and public information, could be provided centrally for the benefit of all units of the department.

### RECOMMENDATIONS

- I. A Department of Health and Social Services should be established. It should be headed by a commissioner appointed by the Governor to serve at his pleasure.
- II. Four major organizational divisions of equal status should be created directly under the Commissioner of Health and Social Services. The organizational divisions proposed are: Division of Health, Division of Corrections, Division of Social Services, and Division of Vocational Rehabilitation. Division directors should be appointed by and be responsible to the Commissioner.
- III. The following operating programs and activities should be included in the appropriate divisions within the new Department of Health and Social Services:
  - Vocational Rehabilitation
  - Veterans Affairs
  - Veterans HomeAdvisory bodies concerned with health and social problems should be appointed as determined by the department. Examples follow:
  - Committee on Aging
  - Committee on Alcohol Problems
  - Committee on Youth
- IV. The Board of Pardons, as an adjudicative agency, should retain the same relationship with the administrative head of the Corrections Division that now exists with the Commissioner of the Department of Corrections. The adjudicative functions of the Adult Corrections Commission should be retained under a Board of Parole similarly related to the Corrections Division.



## TASK FORCE ON NATURAL RESOURCES

### MEMBERS

*Chairman* Carl D'Aquila  
Earl Ewald  
Marvin E. Johnson  
Joseph Ryan

Stanley J. Wenberg  
Mrs. William Whiting

Several state agencies are presently engaged in the conservation, protection, promotion, and regulation of the state's natural resources. The Department of Conservation now has the major responsibility.

A number of commissions and agencies have also been created over the years with overlapping responsibilities in the fields of soil and water conservation and mineral resources management.

It is generally recognized that the character and importance of natural resources are such that many diverse interests have a legitimate part to play in the public activities affecting them.

Minnesota has done extremely well in this field but the one great gap is in water resources management. There are too many agencies with responsibilities and programs in this vital field. Water is an integral part of all natural resources management and should be brought into an administrative organization that will permit sound policy development, coordinated planning, and consistent execution of approved programs for all the state's resources.

The recommendations that follow call for a Department of Natural Resources with broad responsibilities for sound policy development, coordinated planning and effective and consistent execution and administration of programs related to the state's natural resources.

### RECOMMENDATIONS

- I. The present Department of Conservation should be restructured as the Department of Natural Resources and all divisions set up in the 1967 Reorganization should be continued pending future management studies.
- II. The Commissioner of Natural Resources should be appointed by the Governor to serve at his pleasure.
- III. The Deputy Commissioner should be appointed by the Commissioner of Natural Resources.
- IV. The present Geographic Board should be abolished as a separate statutory unit and responsibility should be transferred to the Commissioner of Natural Resources.
- V. The present Land Exchange Advisory Commission should be abolished as a separate body.
- VI. The Soil Conservation Commission should be abolished and its responsibilities transferred to the Division of Water, Soils and Minerals of the Department of Natural Resources.  
The director of the Division of Soils could, with the authorization of the Commissioner, appoint an advisory committee similar to the current State Soil Conservation Commission.
- VII. The present Water Resources Board should be abolished.
- VIII. The Pollution Control Agency should continue as a separate unit without major change.
- IX. A Natural Resources Review Board should be created.



## TASK FORCE ON LABOR AND EMPLOYMENT

### MEMBERS

*Chairman* Hon. Harold W. Schultz  
Raymond W. Darland  
Harry Davis

Earl Ewald  
H. F. Kullberg  
David Roe

The State of Minnesota presently engages in a number of activities which focus on employee benefits, employment services, and employer-employee relationships in business and industry. These include programs to provide payments to workers during periods of involuntary unemployment, to compensate injured or disabled employees, to eliminate work hazards and maintain safe working conditions, to provide employment placement services, and to promote amicable labor-management relations.

Responsibility for administering the existing programs is vested in three principal agencies and a commission. The Department of Employment Security administers employment services and the unemployment compensation program. The Department of Labor and Industry includes the administration of industrial safety, and voluntary apprenticeship programs and the state minimum wage law. The Division of Conciliation, technically a part of the Department of Labor and Industry, but in reality, functioning independently, conducts activities to promote good employee-employer relations. The Workmen's Compensation Commission administers the workmen's compensation laws of the state.

The integration of these activities into one department should strengthen the coordination of state services which are directed toward labor and employment, permit a comprehensive program approach to management, labor, and employment objectives, and make the coordinated programs more subject to public control in a manner amenable to the wishes of the citizens of the State.

The largest agency involved in the proposed reorganization, the Department of Employment Security, is supported primarily by federal funds. While the programs of this agency will retain a considerable degree of federal orientation, placing them within a single department together with related state programs should, to the extent possible, contribute to their close correlation with the state administrative establishment.

### RECOMMENDATIONS

- I. A Department of Labor and Employment should be established. It should be headed by a commissioner appointed by the Governor to serve at his pleasure.  
This department should administer a comprehensive program of activities in industrial safety, workmen's compensation, apprenticeship program development, employment services, unemployment compensation, and labor-management relations.
- II. The Commissioner should appoint an advisory board to assist him on matters of policy associated with the various functions of the department.
- III. Three divisions should be established within the Department of Labor and Employment including a Division of Employment Security, a Division of Labor and Industry, and a Division of Labor Conciliation.  
Each of the divisions, derived from the present similarly titled organizational units, would continue their present functions under the direction of the Commissioner. The Commissioner of Labor and Employment should appoint the head of each of the divisions.
- IV. The three-member Workmen's Compensation Commission should remain a separate appeal body appointed by the Governor.  
All administrative functions should be transferred to the Commissioner of Labor and Employment.  
The Commission would continue its present functions as a quasi-judicial tribunal as contemplated by the 1967 Legislature.



## TASK FORCE ON EDUCATION

### MEMBERS

*Chairman* Robert P. Janes

*Vice-Chairman* Robert Tucker

Archie B. Jackson

Miss Florence Lehmann

Robert Barrett

John R. Finnegan

Mrs. David Milligan

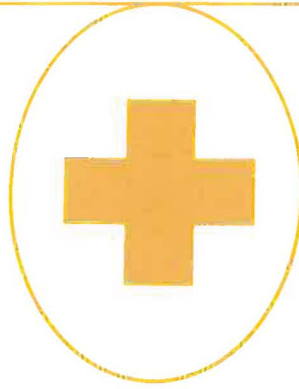
In the field of education, as in some other functional areas, many organizational complexities prevent the best approach to coordinated programs. The Council does not suggest that the various agencies associated in a generally common purpose are not functioning well within the limits of their authority, but responsibility is too often diffused.

The Department of Education at present is removed from direct executive control in that a large governing board is interposed between the Governor and the head of the department. The purposes of the department are not so unique as to justify its being administered differently from other departments of state government. Functions that are not strictly educational should be removed from the department's jurisdiction and it should be given authority over educational functions now performed within other state organizations.

The achievement of a totally integrated educational system should be the ultimate aim. Recommendations toward this end, other than those intended to establish this goal, would be premature in view of the network of internal and external educational relationships that deserve further study. Particularly in the area of higher education where responsibilities are shared by the Department of Education, the Junior College Board and the State College Board, immediate steps toward increasing coordination should be made through the Higher Education Coordinating Commission.

### RECOMMENDATIONS

- I. The present Department of Education should be continued.  
Some revisions in the department's internal structure are contemplated by other recommendations, such as the removal of vocational rehabilitation functions.
- II. The commissioner of the Department of Education should be appointed by the Governor to serve at his pleasure.
- III. The Minnesota Higher Education Coordinating Commission should be strengthened. Legislation is recommended to:
  - . . . Provide for review by the Commission of the programs proposed by the respective post high school education governing boards.
  - . . . Indicate legislative intent that the Commission study post high school education, develop comprehensive plans to meet the educational needs of the state and make recommendations as to instructional programs to be effected in the state's best interest.
  - . . . Provide for review by the Commission of the budgets of post high school education governing boards for the purpose of coordination, rather than centralized control.



## TASK FORCE ON PUBLIC SAFETY

### MEMBERS

*Chairman* Ray Lappegaard

*Vice-Chairman* Julian Baird

Ben Boo

Orville C. Peterson

Robert P. Janes

The public safety function in state government is distributed among several organizations. The Bureau of Criminal Apprehension, the Safety Division of the Highway Department, the Fire Marshal unit within the Insurance Division of the Commerce Department, the Department of Civil Defense and the Department of Military Affairs all conduct activities having a public safety purpose.

Planning for and coordination of these operating programs could be improved. A common source of legal and accounting services, program planning and budgeting, procurement and supply, public information and personnel administration services could be provided for operating elements within a consolidated Department of Public Safety.

While the military affairs function involves somewhat unique federal-state government relationships, requiring that its operating program remain as an autonomous unit, the other aforementioned departments and agencies could perform their functions within a single Department of Public Safety.

### RECOMMENDATIONS

- I. A Department of Public Safety should be established with a commissioner appointed by the Governor to serve at his pleasure.
- II. The Department of Public Safety should include the following units:
  - The Bureau of Criminal Apprehension
  - The Highway Patrol
  - Civil Defense
  - Fire Safety Division
- III. An Office of Military Affairs should remain as a separate entity reporting directly to the Governor's office.



## TASK FORCE ON TRANSPORTATION

### MEMBERS

*Chairman* Loius W. Menk

*Vice-Chairman* Ralph T. Keyes

Paul Eidbo

Russell M. Johnson

Ronald Moir

John Sullivan

David Thurston

The recommendations in the area of transportation contemplate the establishment of an integrated state transportation policy and program. The state agencies and other governmental bodies now engaged in transportation activities and in transportation planning are efficient within the scope of their operations but have only informal coordinative capabilities.

Because of the specialized functions of the two major state departments involved in transportation, Aeronautics and Highways, and their disparate size, the immediate opportunity to consolidate functions does not appear great.

The most apparent inadequacy of the present system is the limited attention devoted to the compelling problem of mass transport, particularly in the Twin Cities area. A strong case is made for upgrading the mass transit function which should include water, transportation, and pipelines, as well as rail, track, and bus mass transportation service.

An integrated approach to transportation problems and transportation facilities development is a requisite to meet the present and future needs of Minnesota. The recommendations below propose establishment of a Department of Transportation to develop policy, to coordinate planning and to direct through the major divisions a state-wide program of transportation.

### RECOMMENDATIONS

- I. A Department of Transportation should be established to be headed by a commissioner appointed by the Governor to serve at his pleasure.
- II. The Department of Transportation should include a Division of Highways, a Division of Aeronautics, and a Mass Transit Division. Each division head should be appointed by the Commissioner of Transportation.
- III. The Commissioner should appoint an advisory transportation board.

# COMPARATIVE SUMMARY OF RECOMMENDATIONS FOR REORGANIZATION

The Governor's Council on Executive Reorganization considered and evaluated past major proposals to reorganize the executive branch of Minnesota's government in connection with its study of current organization. Public Administration Service summarized for the Council two major prior efforts in A SUMMARY OF EARLIER COMPREHENSIVE SURVEY PROPOSALS FOR EXECUTIVE REORGANIZATION, STATE OF MINNESOTA. Recommendations of The Efficiency in Government Commission of 1949-51 and the Minnesota Self-Survey of 1955-58 were examined. An evaluation of the present organization was submitted in MODERNIZING STATE EXECUTIVE ORGANIZATION, STATE OF MINNESOTA. The following table provides for summary comparison of the existing executive organization and of recommendations of the Efficiency in Government Commission, the Minnesota Self-Survey and the Governor's Council on Executive Reorganization.

Only major recommended changes are indicated in this comparative table. Plural bodies with full ex-officio membership, advisory bodies and semi-state agencies are not included. The term "attached for administrative purposes" used in the column headed "Remarks" means that a plural body under the Council's recommendations would have full freedom and autonomy to discharge its appellate or rule-making authority but the department or office to which the board or commission is attached would be responsible for housekeeping and staff assistance. The disposition of plural bodies that head present agencies is explained in connection with their agencies.

PRESENT AGENCY	MINNESOTA EFFICIENCY IN GOVERNMENT COMMISSION	MINNESOTA SELF-SURVEY	GOVERNOR'S COUNCIL RECOMMENDATIONS		REMARKS
			Proposed Agencies	Assignment	
Agencies Headed by Constitutional Elective Officers					
Attorney General	Department of Law	Department of Law and Public Safety	Attorney General's Office within Executive Office of Governor  Department of Commerce and Consumer Services  Department of Public Safety	Legal services to executive branch  Consumer protection and services; preliminary investigations  Bureau of Criminal Apprehension; law enforcement planning	All three studies recommended removal of Attorney General from the ballot
Governor's Office	Office of the Governor	Office of the Governor	Executive staff within Executive Office of the Governor		All three studies recommended increased strength and coordinating capabilities in the Governor's Office
Secretary of State	Office dissolved Functions redistributed	Office retained Gubernatorially appointed  Chauffeurs' licensing transferred to the Department of Highways.	Department of Commerce and Consumer Services  Department of Revenue  Department of Public Safety  Executive Office of the Governor	Incorporations, bondings, registrations, licensing, etc.  Motor vehicle registration and licensing  Licensing chauffeurs and school bus drivers  Elections, etc.	All three studies recommended removal of the Secretary of State from the ballot
State Auditor	Department of Administration	Department of Administration	Department of Administration within the Executive Office of the Governor		All three studies recommended removal of the State Auditor from the ballot, pre-auditing and accounting functions under an appointee of the Governor, and a post auditor appointed by and responsible to the Legislature.
State Treasurer	Department of Administration	Office retained Gubernatorially appointed	Office of Treasurer within Executive Office of the Governor		All three studies recommended removal of the State Treasurer from the ballot.

PRESENT AGENCY	MINNESOTA EFFICIENCY IN GOVERNMENT COMMISSION	MINNESOTA SELF-SURVEY	GOVERNOR'S COUNCIL RECOMMENDATIONS		REMARKS
			Proposed Agencies	Assignment	
Agencies Headed by Single Executives or Plural Bodies Appointed by the Governor					
Administration	Department of Administration to include pre-auditing, accounting, treasury and disbursements functions	Department of Administration to include pre-auditing and accounting functions, state veterans building commission, etc.	Department of Administration within Executive Office of the Governor		
Adult Corrections Commission	The Board of Parole and Probation, now Adult Corrections Commission, to the Department of Welfare	Department of Corrections	Board of Parole		Attach to Department of Health and Social Services for administrative purposes
Aeronautics	Department of Commerce	Department of Commerce	Department of Transportation		
Agriculture	Department of Agriculture with additional functions proposed, including lodging, liquor and food inspection, livestock weighing, grain inspection, weights and measures duties, etc.	Department of Agriculture with additional functions proposed, including lodging and food inspection, livestock weighing, soil conservation, land use and livestock sanitation.	Department of Revenue Department of Agriculture	Oleomargarine tax administration All other	✓
Civil Defense	Department created in 1951	Department of Law and Public Safety	Department of Public Safety	✓	
Civil Service	Civil Service Department a separate agency. No change in Civil Service Board's powers or functions.	Civil Service a division within the Department of Administration. Board to be attached to department.	Department of Personnel within Executive Office of Governor		Board would be an appellate and advisory body attached to Department of Personnel for administrative purposes.
Commerce Commission	Replaced by a single commissioner	Department of Commerce	Commerce and Public Service Commission		Attach to Department of Commerce and Consumer Services for administrative purposes.
Commerce	Department retained and given additional responsibilities. Fire Marshal activities to Department of Law.	Department expanded	Department of Public Safety Department of Revenue Department of Commerce and Consumer Services	Fire Marshal's section, Insurance Division Insurance gross premiums tax administration All other	
Conservation	Department of Conservation	Department of Conservation	Department of Natural Resources	✓	
Corrections	Department created in 1959		Department of Health and Social Services		
Criminal Apprehension	Department of Law	Department of Law and Public Safety	Department of Public Safety		
Economic Development	Business Research and Development to Department of Commerce	Business Development to Department of Commerce	Department of Commerce and Consumer Services Office of Economic Development within Executive Office of the Governor	Unfair cigarette sales regulation All other	
Economic Opportunity	Office created in 1964		Department of Planning and Intergovernmental Affairs within the Executive Office of the Governor		

Education	Department should continue existing functions and assume those of the Teachers' College Board and of the schools for blind and deaf. A Legislative Advisory Commission on Higher Education recommended.	No basic changes in Department of Education. Central secretariat for professional and occupational examining and licensing boards should be placed in Education. Teacher placement service to be transferred to Department of Labor, vocational rehabilitation functions to Department of Welfare.	Department of Health and Social Services Department of Education	Vocational rehabilitation All other	The commissioner would be appointed by the Governor.
Employee Retirement and Insurance Organizations	No comprehensive recommendations were made for all retirement associations. State Employees' Retirement Fund and State Highway Patrol Retirement Fund should be consolidated and, together with Teachers' Retirement Fund, transferred to Civil Service.	Central administration of all retirement funds recommended.	Office of the Treasurer within the Executive Office of the Governor Department of Personnel within Executive Office of the Governor	Deposit and investment functions Administrative functions	
Employees' Merit Award Board	Board created in 1955		Department of Personnel within Executive Office of the Governor		
Employment Security	Department of Labor and Industry	Department of Labor	Department of Labor and Employment		
Geographic Board			Responsibilities transferred to Department of Natural Resources		
Health	Department of Health reorganized; commissioner appointed by Governor; board abolished.	Department of Health retained; commissioner appointed by Governor; board in an advisory role.	Department of Health and Social Services Department of Commerce and Consumer Services	Health Services Consumer protection services, licensing, inspections	Board replaced by commissioner. Advisory bodies may be established as determined by the new Department of Health and Social Services Higher Education Coordinating Commission to be strengthened with program and budget review authority.
Higher Education Coordinating Commission	Minnesota Liaison and Facilities Commission for Higher Education established in 1965; name changed to Higher Education Coordinating Commission in 1967		Higher Education Coordinating Commission		
Highways	Department functions essentially unchanged.	Highway Safety and Patrol to Department of Law and Public Safety	Department of Public Safety Department of Transportation	Highway Safety and Patrol All other	
Human Rights	Department created in 1967 Preceded by State Commission on Discrimination (1961)		Office of Human Rights within Executive Office of the Governor		
Iron Range Resources and Rehabilitation Commission	Department of Commerce	Department of Commerce	Department of Natural Resources Department of Health and Social Services	Natural resources conservation Vocational rehabilitation	
Junior College Board	Board created in 1963		Junior College Board		
Labor and Industry	Department of Labor and Industry	Department of Labor	Department of Commerce and Consumer Services Department of Labor and Employment	Private employment agency and counselor licensing; examination and licensing of steamfitters. All other	
Labor Conciliation	Department of Labor Conciliation	Department of Labor with Labor Conciliator as unclassified deputy commissioner	Department of Labor and Employment		

PRESENT AGENCY	MINNESOTA EFFICIENCY IN GOVERNMENT COMMISSION	MINNESOTA SELF-SURVEY	GOVERNOR'S COUNCIL RECOMMENDATIONS		REMARKS
			Proposed Agencies	Assignment	
Liquor Control	Department of Law	Department of Law and Public Safety	Department of Revenue	Liquor excise tax administration	Attach to Department of Planning and Intergovernmental Affairs for administrative purposes
Livestock Sanitary Board	Board retained	Department of Agriculture	Department of Commerce and Consumer Services	Regulation, licensing, and inspection functions	
Military Affairs	Department of Armed Forces and Veterans Affairs	Department retained without change	Department of Agriculture		
Municipal Commission	Commission created in 1959		Remain separate within the Executive Office of the Governor		
Pollution Control Agency	Agency created in 1967		Municipal Commission		
Professional and Occupational Examining and Licensing Boards	State licensing boards to be retained under a state licensing authority. Licensing and registration should be centralized under a director.	A central secretariat to be established for occupational and professional licensing boards within Department of Education.	Pollution Control Agency to remain as presently constituted		Attach to Department of Com- merce and Consumer Services for administrative purposes.
Public Service Commission*	Powers and duties relative to utilities to the Department of Commerce. Full time board appointed by Governor to hear appeals and prescribe rules.	Rate-making and quasi-judicial powers would be assigned to a 3-member public utilities commission appointed by the Governor. Administrative functions to be assigned to appropriate departments; namely, Agriculture and Commerce.	Occupational and professional examining and licensing boards appointed by the Governor to be retained. A division of Professional and Occupational Licensing would be established within the Department of Commerce and Consumer Services for administrative and coordinative purposes.		
			Department of Revenue	Boxing gross receipts tax administration from the Athletic Commission	
			Commerce and Public Service Commission	Rule making and adjudicative function	
			Department of Commerce and Consumer Services	Administrative functions	
Public Service	Functions of predecessor agency, Railroad and Warehouse Commis- sion, transferred primarily to Department of Commerce	Functions of predecessor agency, Railroad and Warehouse Commis- sion, transferred primarily to Department of Commerce	Department of Agriculture	Grading, weighing and inspection of grain	All three studies have recom- mended a Legislative post-auditor
			Department of Commerce and Consumer Services	All other	
Public Examiner	Management service of the gov- ernment should be combined into a single administrative depart- ment. Establish a Department of Post Auditor to place control of expenditures within Legislature.	The Governor's strong central staff agency should include fiscal functions such as budgeting, pre-auditing and accounting to provide basic control data for top manage- ment. The Legislature should have a strong post audit group to perform finance program and management audits.	Department of Administration within the Executive Office of the Governor	Functions regarding accounting system and fidelity bonds	
			Legislative branch	Post-auditing functions	

Public Welfare	Transfer to Department of Welfare functions of the Divisions of Social Welfare, Public Institutions, Youth Conservation Commission, Soldiers Home Board, Board or Parole, relief activities of Veterans' Affairs.	Continuation of the consolidation of welfare functions under a Department of Public Welfare to include the Youth Conservation Commission, Veterans' public assistance activities, vocational rehabilitation, Soldiers Home, Board of Parole	Department of Education  Department of Health and Social Services	Braille and Sightsaving School and School for Deaf  All other
Soil Conservation Commission	A Division of Soil Conservation within the Conservation Department and the Soil Conservation Committee would be headed by the same individual.		Responsibilities to Department of Natural Resources	
State College Board	Department of Education	Need for strengthened leadership; revision in Board structure.	State College Board	
State Planning Agency	Agency created in 1965		Department of Planning and Intergovernmental Affairs within Executive Office of the Governor	
Tax Court	Formerly Tax Appeals Board; renamed Tax Court in 1965		Tax Court to retain present status	
Taxation	Department of Revenue to include all major tax collection functions, auto licensing, insurance, taxes, liquor, stamps, and airplane licensing	A Department of Revenue comprising administration of all revenue collection other than fees and charges for service. Administration of the following taxes should be transferred to the Department of Revenue: Motor Vehicle Registration, motor registration tax, liquor stamps, aviation license fees, beer tax and insurance taxes.	Department of Revenue	All three surveys recommended creation of a Department of Revenue encompassing all the major tax administration functions of the state
Veterans Affairs	Relief and public assistance activities and Soldiers' Home to Department of Welfare	Relief and public assistance activities and Soldiers' Home to Department of Public Welfare	Department of Health and Social Services	An advisory board could be established at discretion of department
Veterans Home	Department of Welfare	Department of Public Welfare	Department of Health and Social Services	
Voting Machine Commission	Created in 1959		Voting Machine Commission to retain present status.	
Water Resources Board	Board created in 1955		Functions to Department of Natural Resources	
Workmen's Compensation Commission	A quasi-judicial board to deal with workmen's compensation, unemployment compensation insurance rates, representation matters and perform quasi-judicial functions of the Industrial Commission and the Compensation Insurance Board	Retention of Industrial Commission for quasi-judicial functions	Workmen's Compensation Commission	Attach to Department of Labor and Employment for administrative purposes
Youth Conservation Commission	Department of Welfare	Commission retained	Department of Health and Social Services	An advisory board could be established at discretion of department

\* Transitionally elective, then appointive by Governor

## MEETINGS OF THE COUNCIL, STEERING COMMITTEE AND TASK FORCES

DATE	MEETING
January 17, 1968	Council
February 1, 1968	Steering Committee
February 15, 1968	Steering Committee
February 23, 1968	Council
February 24, 1968	Council
March 11, 1968	Steering Committee
March 13, 1968	Steering Committee
April 19, 1968	Steering Committee
April 29, 1968	Council
May 8, 1968	Steering Committee
May 28, 1968	Steering Committee
June 6, 1968	Steering Committee
July 2, 1968	Steering Committee
July 9, 1968	Steering Committee
July 17, 1968	Steering Committee
July 31, 1968	Steering Committee
August 1, 1968	Steering Committee
August 20, 1968	Council
September 11, 1968	Steering Committee
October 2, 1968	Task Force on Public Safety
October 14, 1968	Task Force on General Administration & Revenue
October 15, 1968	Task Force on Natural Resources
October 16, 1968	Task Force on General Administration & Revenue
October 17, 1968	Task Force on Education
October 23, 1968	Task Force on Commerce & Consumer Services
October 24, 1968	Task Force on Commerce & Consumer Services
October 25, 1968	Task Force on General Administration & Revenue
October 28, 1968	Task Force on Health & Social Services
October 29, 1968	Task Force on Agriculture & Economic Development
	Task Force on Labor and Employment
November 4, 1968	Task Force on Natural Resources
November 5, 1968	Task Force on Transportation
November 6, 1968	Task Force on Education
November 7, 1968	Task Force on Health and Social Services
	Task Force on Agriculture & Economic Development
November 8, 1968	Task Force on Commerce & Consumer Services
	Task Force on Transportation
November 12, 1968	Steering Committee
	Task Force on Public Safety
November 15, 1968	Task Force on Labor and Employment
November 18, 1968	Task Force on Agriculture & Economic Development
November 19, 1968	Council
November 20, 1968	Steering Committee
November 26, 1968	Council

In addition to the meetings indicated above, the Council and its chairman met informally with legislative and other groups. The chairman made formal progress reports to the Subcommittee on State Departments of the Senate Civil Administration Committee and to the Civil Administration Committee of the House of Representatives on Tuesday, October 22, 1968 and Friday, November 8, 1968, respectively.

### **COUNCIL STAFF**

Vera J. Likins  
Executive Director

Richard Dunn  
Research Associate

### **Credits -**

Creative Art Services, report design and art  
Ramaley Printing Company, printing

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