

CORE

Executive Reorganization Team Agency Focus Group Summaries

Fall, 1992

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Department of Administration

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: number authorized~

ACTUAL: actual number~

BUDGET (FY 92): FY 92 budget~

FUNDING SOURCE: funding source~

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT: To improve the quality and productivity of Minnesota government.

MAJOR PROGRAMS:

Administrative Services Bureau

Management Analysis Division

Information Policy Office

Intertechnologies Group

Operations Management Bureau

Property Management Bureau

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

There are overlaps in customer mailing lists produced and maintained by the Department of Administration (ADMIN), the Department of Natural Resources (DNR) and the

Department of Public Safety (DPS). Each department maintains their own mailing list, when in fact most of the names are the same.

ADMIN's Building Codes and Standards Division has overlapping services with building code divisions at the Department of Labor and Industry (DOLI) and the State Fire Marshall. ADMIN inspects things like doors and windows. DOLI inspects elevators and steam pipes and the State Fire Marshall looks for fire safety compliance. The problem is all three entities have different rules relating to building codes. The citizen customer may get as many as three separate opinions in regards to building. An example is a stair banister whereas the three sections inspecting building codes each have different expectations as to the height of the banister.

State fleets of automobiles is duplicative. Currently motor pools exist in ADMIN, DNR and the Department of Transportation (DOT).

Identify any gaps in your department's service delivery:

ADMIN's procurement process is currently going through a planning process for better customer service and efficiency. This is a high priority to ADMIN and is being dealt with separately. ADMIN is not prepared to delegate authority, however every option is being considered.

Programs no longer useful or of diminished priority/value:

The sale of private vendor materials in Minnesota's Bookstore. The purpose of the store is not to sell privately produced things, rather its mission is to market information produced by the state.

Public broadcasting grants do not belong in ADMIN. ADMIN thinks the entity that should be administering the funds is the Minnesota State Arts Board.

The Governor's Commission on Reform and Efficiency (CORE) should be eliminated. It is a two year study that will be completing its analysis in early 1993.

State building code inspection of hospitals and nursing homes would be better served at the local government level.

Describe your department's relationships with other agencies and organizations:

Through the 1980's ADMIN delegated a lot of authority to other state agencies and departments, authority such as purchasing, procurement and etc. Now ADMIN feels they should step back and study what has been done. "Decentralization is not always good" therefore ADMIN thinks this is a good opportunity to collect data and determine what to

do next.

Relationships with Boards, Councils, Legislative Commissions and Advisory Task Forces can be burdensome. If something goes wrong for instance, ADMIN ends up having to answer to the Governor. Also there are a lot of expectations from the represented industries and special interest groups that these boards accomplish their mission. However, there is no clear-cut line of authority for ADMIN as to what their responsibility is and what their role is. In addition, there is no funding for the administrative functions that ADMIN performs for boards and commissions. One example is the Children's Cabinet, which was set up to study all the departments and agencies that deal with children's issues. ADMIN complains there is no one person with authority. Each member of the Children's Cabinet has an independent power base and when talk about moving programs happens, turfism and power struggles take over. Without a clear line of authority running the entity, sub-committees like the Children's Cabinet cannot work.

The Relationship with DOER has improved drastically in recent years, "We actually communicate now". However the system DOER places unneeded barriers and time consumption on ADMIN. DOER's systems in general make it very hard to change with the times.

ADMIN finds the Department of Finance's (DOF) budgeting ideology restrictive and cumbersome. ADMIN feels DOF does not fully understand the financial dynamics of revolving funds. For example, DOF will not let any divisions who are on a revolving fund system to easily change their prices to be competitive. Prices are set for a one year period of time, this is done to prevent price gauging. In reality though, it only prevents divisions using revolving funds from being competitive in the market place.

BARRIERS:

State department managers in general do not seem to care or realize the importance about day to day operations in their departments and agencies. Things like heating and lighting conservation are a very low priority when in fact a lot of revenue could be saved if managers could realize the potential of savings.

ADMIN's Data Practices spends too much of its staff time dealing with citizen complaints instead of teaching prevention and techniques to state employees. Proper education to state employees regarding data practices laws would eliminate a large majority of customer complaints and concerns.

ADMIN is the business manager for the state. Historically though ADMIN has served as a dumping ground for the legislature. There are programs here that just do not belong or fit our mission. Programs such as the Developmental Disabilities Council, STAR Program (System of Technology to Achieve Results) and Volunteer Services should be sent elsewhere.

The changing of commissioners and staff is a serious barrier. Longer terms would help especially when long-term plans for the department are being initiated. Many of the programs call for a minimum restructuring plan of five years. All too often though, there is a change of commissioner which puts all strategic plans on hold. What commissioners will do now is set up long-range strategic plans in such a way that it is difficult for the next group in power to undo what they have done.

Legislative restrictions are often a barrier. For instance, the legislature requires departments to purchase good or services from a pre-determined number of companies led by minorities, or departments purchasing a certain amount of recycled goods. These goals that have been determined by the legislature simply can not be met.

CUSTOMER INPUT:

ADMIN has taken customer surveys prior to their reorganization planning. Surveys include department employees as well as ADMIN customers. The surveys are all inclusive.

RECOMMENDATIONS:

1. Centralize all the Mailing lists that now exist and sell the information to private industry. This money could then be transferred back into the state's General Fund. These customer lists are produced by the Department of Administration (ADMIN), the Department of Public Safety (DPS) and the Department of Natural Resources (DNR). Currently the lists are all saved on a department basis and the information is not used to its optimum and economic potential.
2. Develop a state-wide parking policy. Each state building has its own parking procedure for instance, in the state capitol complex parking costs around \$15 a month. But people parking at the community colleges in Greater Minnesota pay no parking fee. There needs to be a uniform policy in this field.
3. ADMIN's Risk Management Division concentrates too much of its energies on state car insurance and claims. Their services need to expand beyond automobiles. For instance Risk Management could look at building insurance for state structures. Instead of getting insurance through private sources, the state could organize a money pool and insure itself. The savings would be significant for both the state and the various department that wants building insurance. The Risk Management Division has the necessary resources to handle such a task.
4. ADMIN is a strong supporter of revolving fund budgeting. They believe this is the best way to operate certain divisions within a state department. A revolving fund creates divisions that are more responsive, more accountable and more market driven. ADMIN thinks the following services should be converted to a revolving fund;
 - ADMIN's Office of Dispute Resolutions (ODR) should be turned into a

revolving fund. If the ODR could not survive on its own, it would show there is not a need for it and as a result would be eliminated.

- ADMIN's Land Management Information Center (LMIC) works with departments like DNR and DOT to produce maps and geographical information. LMIC also provides a common data base on environmental material like forest information and etc. LMIC is currently all General Fund, but it should be put into a revolving fund budget. Thereby giving a customers a choice whether or not to use LMIC.
 - ADMIN's Real Estate Management Division should become a fee based service in order to make it run more smoothly and efficiently.
 - ADMIN's Risk Management Division should be treated like any other insurance agency and therefore fee-based.
5. ADMIN is also studying the possibility of privatizing certain inter-departmental functions such as Central Stores, Building Services, Small Materials Recovery (Recycling) Facility, and Printing Services. ADMIN warns however there are problems associated with privatizing, most obvious are employee wages and benefits. ADMIN would have to thoroughly investigate who would get the contract. State employees from the privatized programs should have the first opportunity for the job and their wages should be comparable.
 6. Do not merge ODR with the Bureau of Mediation Services (BMS). ODR focus is on disputes that are not labor issues. BMS, on the other hand, focuses its resources on disputes that are labor issues. ADMIN feels the two programs cannot be merged because of this.
 7. Do not merge ADMIN's Energy Conservation Division into the Department of Public Service's (DPSv) Energy Regulation and Resource Management Division. Reason being DPSv deals with broad and state-wide issues concerning energy conservation. ADMIN focus is specifically on state owned buildings. If anything the Energy Conservation Division should stay within ADMIN and merged with the Plant Management Division.
 8. The state should pursue a merger of the motor pool whereby centralizing related vehicles into a department. Currently ADMIN, DNR, the Department of Public Safety and the Department of Transportation (DOT) all have motor fleets. (Interesting to note that the state has never investigated privatizing the fleet thereby renting vehicles from such sources like Hertz, Avis and etc.).
 9. Integrate all of the building codes and standards programs into one source. ADMIN has a three phase plan to implement the process. Phase one would have a Code Review Council established to begin the formal merging details. Phase two would have the Council acquiring actual space to set up a one-stop center for customers. Finally phase three would see the formal merging of all building codes and inspections programs. These programs include ones from the Department of Labor and Industry (DOLI), DOA and the State Fire Marshall.

10. ADMIN's Real Estate Management Division is developing a forum to delegate some of its authority. Real Estate Management is responsible for all of the state's leases on buildings. There are literally thousands of leases and therefore impossible for the Division to adequately cover them all. DOA would prefer to only handle the larger leases such as charters on major department buildings and delegate smaller leases to the departments.
11. There is serious need for more office space by the state government. The legislature is only looking at the short-term picture when they are leasing state buildings instead of buying them. The long-term route of purchasing a building will save the state money. It is much cheaper to buy than rent.
12. The Department of Employee Relations (DOER) Employee Assistance Program should be brought to ADMIN. ADMIN is better equipped and has the expertise to handle the program.
13. DOER's State Worker Compensation Program should be merged with ADMIN's Risk Management Division because Risk Management is already heavily into insurance functions and can better deal with workers compensation issues.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the Minnesota Guidebook to State Agency Services 1992-1995.

AGENCY NAME: Department of Agriculture

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED:

ACTUAL:

BUDGET (FY 92):

FUNDING SOURCE:

SALARIES % OF BUDGET:

MISSION STATEMENT: The mission of the department is to encourage, promote and facilitate the growth and development of a stable and viable agricultural industry in Minnesota.

MAJOR PROGRAMS:

Agriculture promotion and marketing.

Agriculture protection service.

Administrative and financial aids service.

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

In general, there is overlap between Board of Water and Soil Resources (BWSR), the Environmental Quality Board (EQB), Pollution Control Agency (PCA), and Department of Agriculture (MDA).

MDA and PCA have overlapping feed lot manure policies. MDA regulates manure mixed with other substances (becoming fertilizer); PCA regulates free-standing manure (pollution source).

MDA staffs the Agricultural and Economic Development Board. It is similar in purpose to the Agricultural and Economic Development Unit within the Department of Trade and Economic Development (DTED).

Identify any gaps in your department's service delivery:

In the regulation of feedlots and disposal of manure, MDA and PCA have overlapping involvement. In addition, MDA has identified programmatic gaps between the functions of the agencies.

Programs no longer useful or of diminished priority/value:

The programs of BWSR are useful, but could be incorporated into MDA rather than continuing BWSR as a freestanding agency. The board that operates BWSR could be eliminated without a diminishing of the agency's programs.

The Agricultural Utilization Research Institute (AURI) is a state agency with funding passed through Minnesota Technology, Inc. (formerly Greater Minnesota Corporation). AURI's services duplicate some of MDA's services.

EQB's original mission was to set regional or statewide environmental policy. Now EQB has become an after-the-fact arbitrator of local issues. Often it becomes involved with a dispute after a development has been proposed, rather than providing policy guidance in advance.

The Legislative Water Commission (LWC) reviews water policy and programs for the legislature and is charged with implementation of the 1989 groundwater act. It is seen as going beyond policy review and as micro-managing issues. Its involvement, along with all the involved state agencies, adds to customer confusion.

LWC is given primary responsibility for reviewing both ground water and surface water policy, the effects of sustainable agriculture on water and groundwater and reviews funding and implementation of the metropolitan waste management act and surface water management act).

Describe your department's relationships with other agencies and organizations:

MDA acknowledges communication difficulties with Department of Natural Resources (DNR), PCA and BWSR.

MDA works well with Minnesota Trade Office, once part of MDA. There is open and frequent communication between the MDA and MTO.

MDA and DTED have differing perspectives on the value and priority of agriculture as a component of the state economy. There is at least a philosophical conflict between the agencies.

MDA has mixed relationships with the Department of Administration (ADMIN). MDA has worked well with ADMIN's Management Analysis Division, but has difficulties with cumbersome processes in the Real Estate Management Division, the Materials Management Division, the Information Policy Office and the InterTechnologies Group. Difficulties such as inflexible systems, outdated procedure and inefficient programs.

MDA's strongest concern is with the Department of Employee Relations (DOER), particularly with DOER's concepts and procedures involving employee incentives. DOER moves too slowly, and burdens people with paperwork. DOER has antiquated concepts that seem to constrain rather than help the other departments reach their goals.

EQB oversteps its mission, acting at times as a self-appointed super agency. EQB staff determines what information or services it needs, then assigns other agencies to supply it. The assignment workload is not well thought-out or appropriately distributed among agencies. EQB does not display objectivity in its relationships with other agencies. The value of much of the information gathering is questionable; EQB demands information that is not needed or used.

MDA views LCW as yet another voice, another layer of government and regulations. It is just another entity that wants more reports and thus creates paperwork. LCW has been manipulated as another vehicle for special interest groups to use to get around the state agencies and governors office. Conceptually it good to have a legislative commission acting as a check and balance. Like the EQB though, LCW has turned into more of a court of last appeal for special interest groups to go around the system.

BARRIERS:

Frequent turnover and general changing of commissioners can have a chaotic effect. MDA, however, has had relatively few leadership changes in recent years.

Employees are not able to complete routine duties due to so much time being spent serving various boards and commissions. The boards and commissions have questionable value.

The state's "use it or lose it" budget approach inhibits creativity and efficiency.

DOER's inflexible, outdated personnel system is MDA's major barrier. DOER needs to recognize the changing nature of jobs and of human resources in general. DOER policies make it very difficult for MDA to reward capable people who are many times lost to the private sector.

Managers do not receive adequate initial or ongoing training. Managers are being encouraged to implement "Total Quality Management" concepts, but many managers have no idea what that is or how it works.

When commissioners and their appointees first take charge, they need and deserve some training about their roles and responsibilities. It often takes about one year before they are effectively managing their agencies. There is no one in a position to provide them with any ongoing guidance. A formal transition program for agency leaders should be established.

A significant amount of staff time is spent preparing reports for the legislature and for the EQB. MDA questions the value of some of the reporting; the time might be better spent on comprehensive planning.

CUSTOMER INPUT:

MDA's Agronomy Services Division has conducted a customer survey. Other units have not, although MDA recognizes a need for surveys.

FOCUS GROUP RECOMMENDATIONS:

1. Clarify lines of authority regarding feed lot issues (lagoons and manure) by moving the Pollution Control Agency (PCA) feed lot program to the Department of Agriculture (MDA), which has some similar authority.
2. Eliminate the Board on Water and Soil Resources (BWSR) as a separate board. Move its staff, functions and authority to MDA, which has a complementary mission. Eliminating the board will also reduce multiple, conflicting legal interpretations of state law.
3. If BWSR's role is returned to MDA, then MDA is in a position to better operate the functions of the state soil conservation program.
4. Eliminate the Environmental Quality Board (EQB) since it has lost its mission, focus and direction. Staff time and resources of related departments are wasted dealing with the EQB.
5. Transfer staffing responsibility of the Agricultural and Economic Development Board from MDA to DTED. DTED has an operating unit with similar functions.
6. End duplication by eliminating the Agricultural and Economic Development Board. An alternate recommendation is to transfer it to the Department of Trade and Economic Development (DTED) where a similar unit exists.
7. The Wildlife Deprivation Fund needs to be restructured with liability limitations or

with requirements for loss prevention practices. Under the current system, one turkey farm operator received \$26,000 (which is 65 percent of the annual funding) for birds killed by endangered species. That individual collects funds perennially. The operator is located in an area where there is no turkey processing plant; the operator potentially can make more money through this program than through sales.

8. Eliminate the Agricultural Utilization Research Institute (AURI) whose mission duplicates MDA activities. AURI's work overlaps with both MDA and DTED.
9. Create an administrative structure that leads to better communication between the various environmental departments such as PCA, MDA and the Department of Natural Resources (DNR).
10. Allow departments to propose their own hiring and firing practices to the Department of Employee Relations (DOER) as a starting point in developing a more workable relationship.
11. Promote better communication and coordination between MDA and the Department of Public Service (DPSv). Both departments regulate proper weights and measures, with MDA focusing on agriculture-related scales. An example of potential coordination is grocery stores. MDA inspects grocery stores for state law compliance. Since MDA already is in the stores, its staff could inspect the store's scales, rather than have DPSv inspectors make a separate trip.
12. Several cities have proposed taking over MDA's role in inspecting grocery stores from food quality and safety. A difficulty with the proposal is that diseased food typically does not originate in the city where it is found. The state's specialized resources and wider operational network are critical in doing a thorough investigation.
13. Eliminate or transform the Environmental Education Advisory Board. MDA no longer sends staff (the MDA commissioner is on the Board) due to lack of any substance or output at the meetings.
14. Although the names are similar, MDA does not support merging the Seed Potato Division and the Seed Analysis Division. The two are distinct, unrelated programs. The Seed Potato Division deals with promotion and the Seed Analysis Division with seed development and improvement.
15. Eliminate the Legislative Water Commission, which confuses rather than coordinates water regulation. The Commission does not resolve the issue of overlapping responsibilities among agencies.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Department of Commerce

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: number authorized~

ACTUAL: actual number~

BUDGET (FY 92): FY 92 budget~

FUNDING SOURCE: funding source~

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT: The Department of Commerce serves the citizens of Minnesota by: enforcing state laws and safeguarding consumers' rights and investments; resolving conflicts between consumers and industry; and enhancing the stability and strength of the financial and other regulated industries. These goals, pursued in a professional manner, contribute to a fair and equitable marketplace.

MAJOR PROGRAMS:

Enforcement and Licensing

Registration and Policy Analysis

Financial Examinations Insurance

Financial Examinations Banking

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PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

The Attorney General's Office (AG's Office) has a Commerce Division which initiates

lawsuits to enforce state banking, insurance, securities, and real estate laws. This activity is similar to activities performed by the Department of Commerce (Commerce). Commerce and the AG's Office maintain open communications, and have delineated areas of responsibility to avoid overlap.

The Commerce Department prepares statistical information for the Minnesota Secretary of State. This information is used by the Secretary of State to monitor the registration of banks, insurance companies, and businesses. Staff time and resources are dedicated to this data collection even though the department does not receive any legislative appropriation for this activity.

The Department of Commerce and the federal government both enforce regulations and ensure safe deposits in the banking industry. Because they share common goals and activities, the two entities have worked together to cultivate a cost-effective relationship. For example, the development of an interchangeable audit form allows the agencies to each perform audits in alternate years.

Identify any gaps in your department's service delivery:

Laws and regulations for financial institutions are constantly changing. Sufficient training funds are not available to provide department insurance and banking investigators with up to date information. Without adequate formal training, junior auditors may work for two or three years before Commerce is comfortable sending them out into the field to run audits independently (without a senior auditor).

Almost every legislative session Commerce is given additional regulating responsibilities without being given the corresponding appropriation to finance the responsibilities.

Programs no longer useful or of diminished priority/value:

The costs of processing the paper-work to license Notary Publics are greater than the revenue the department receives from licensing fees. The department is considering granting Notary Publics a lifetime license, which would avoid the need for annual license renewal.

Commerce inspects hair salons to insure compliance with sanitation standards, i.e. clean combs and floors and stainless steel waste baskets. Four Commerce employees inspect hair salons state-wide. (Barber shops are not subject to inspections by Commerce. That regulatory function is performed by the Barber Examiners Board).

Describe your department's relationships with other agencies and organizations:

Occasionally, boards and commissions tend to overstep their advisory role and set policy.

Policy development activities can blur a board's customer service focus.

Frequent membership turnover keeps boards and commissions focused on the industry that they were established to serve. When board membership stagnates, the board tends to become myopic and self-serving.

By law, Commerce cannot license individuals who owe back taxes in excess of \$500. For Commerce to comply with this law, the Department of Revenue must keep Commerce informed of the status of all taxpayers who owe back taxes. When this transfer of information is delayed, Commerce often issues licenses that must later be revoked.

Commerce's relationship with the Department of Employee Relations (DOER) has improved over the last 5-10 years. Even so, the systems used by DOER are out of date and cause many problems. DOER claims it tries to grant agencies more hiring authority. However, Commerce feels this transfer of responsibility is DOER's way of passing off undesirable services to individual state agencies.

Commerce's relationship with the Department of Administration has also improved over the last five years. Nevertheless, the department cites problems with the procurement process, which they claim is time consuming and inefficient.

BARRIERS:

Department staff believe they have inadequate funds to perform activities prescribed by the legislature.

The department lacks the ability to promote and reward employees who deserve recognition and compensation equal to their performance.

The department lacks the ability to dismiss workers who are mediocre or incompetent.

The department lacks adequate budget dollars to provide new employee training as well as continuing training for existing staff.

Resources and staff time are drained on paperwork that seem superfluous to department's mission.

All industry-related boards have authority to license businesses. Commerce believes it is the appropriate licensing authority.

CUSTOMER INPUT:

Customer surveys are unavailable.

FOCUS GROUP RECOMMENDATIONS:

1. Establish timely communications between the Department of Revenue (DOR) and the Department of Commerce (Commerce). Once a taxpayer enters delinquent status, DOR should notify all affected state agencies.
2. Ensure adequate training funds, especially for investigators. Commerce professionals need to stay current with ongoing changes in financial laws and institutional practices.
3. Move the Hair Salon inspection duty over to the Department of Health (DOH). Commerce's mission is to investigate financial banking and insurance institutions, and non-health related enterprises.
4. Move all the licensing boards that relate to the Commerce Department's mission, to and provide funding to allow the department to effectively operate the licensing function to inspect and enforce regulations.
5. The Commerce department interacts with many boards, commissions and advisory task forces. The department believes these groups should be subject to sunset provisions and audited regularly.
6. Reorganize and modernize the Department of Employee Relations (DOER). Create a system that will adequately compensate and reward qualified employees. Currently, there are not many opportunities to promote qualified employees. DOER should give departments more authority to hire new employees. DOER should oversee, not control, the hiring function.
7. Provide easy and usable options for agencies to buy equipment from private sources. The Department of Administration's (ADMIN) Materials Management Division has a reputation of being overpriced. The time and paperwork involved in buying products from a private vendor is prohibitive, consequently equipment is purchased from Materials Management at the higher price.
8. Commerce is required to keep a current list of all insurance agents who work in the state. In this industry, up to 800 staffing changes can occur each day. Tracking these changes takes considerable staff time and resources. Commerce recommends that this activity be eliminated or that a fee is charge for processing documentation.
9. Commerce must absorb the cost of investigations for insurance fraud or bank embezzlement. Commerce believes that in cases where criminal activity is proven, the guilty party should be held liable for the costs of the investigation.
10. Change the renewal period on Notary Public licenses and charge a fee to obtain a license. This would save Commerce money and eliminate the paper work required to process a Notary Public license.

11. **Do not cut the Commerce department's budget. The Department contributes more revenue to the general fund than it is allocated. Any reduction in the department's general fund budget would adversely affect the department's ability to enforce regulations and generate revenue through fee collection.**

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Department of Corrections

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: 2289.6

ACTUAL: 2201

BUDGET (FY 92): \$196,469,000

FUNDING SOURCE:

General: \$161,669,000

Other: \$

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT:

MAJOR PROGRAMS:

Community Services Division

Management Division

Institution Services Division

Office of Adult Release

Office of Juvenile Release

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PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments.

The Department of Corrections (DOC) is in the process of conducting a study on the placement of all the crime victim activities administered by the state. The General Crime Victims Task Force said that type of service determined the where the activities should be housed. Currently, the Department of Public Safety (DPS) houses the Crime Victim and Witness Advisory Council, and the Office of Crime Victims Ombudsman. DOC has three

programs: the Battered Women's Program, the Victims of Sexual Assault, and the Programs for Victims of General Crimes/Abused Children. There is also a separate entity - MN Crime Victims Reparations Board.

Identify gaps in your department's service delivery:

The department does not have a rules unit or a full time staff person dedicated to the rulemaking process. DOC promulgates rules on Occupational Safety and Health Administration regulations (OSHA), probation, Community Corrections, medical issues, AIDS, and smoking policies. This activity has been included in the job duties of many people in the department, which affects their abilities to perform regular duties.

Describe your agency's relationships with other agencies and organizations:

DOC is controlled by many outside forces; the Legislature, the Supreme Court/Judicial System, and the Sentencing Guidelines Commission. It is controlled by the legislature through laws that determine how and where inmates are to be incarcerated, and for what time period. It is controlled by the judicial system through sentencing and interpretation of legislative policy regarding sentencing. It is controlled by the Sentencing Guidelines commission through sentencing policy.

The department cannot alter or limit the size of the prison population. The department must absorb all increases to the prison population regardless of budget constraints or capacity limits of current facilities.

The community and county corrections systems often move prisoners who are "difficult" into the state system. Since the Department of Corrections has no authority to refuse the transfer, knowledgeable prisoners use the system by causing trouble in their local facility to be moved into the less restrictive state institutions. Often the Community Corrections Act (CCA) systems send their most difficult problem prisoners to the state, to get rid of inmates a CCA system cannot control or prefers not to control.

The Community Corrections Act system performs parole officer functions for prisoners exiting the state system in counties where there is a Community Corrections Act. Where the CCA is not operational, state parole officials monitor ex-convicts.

The DOC would like to have their personnel matters handled internally with technical support from DOER.

DOC is not subject to the "use it or lose it" budget constraints as are other state agencies. The DOC runs deficits and is allowed to shift monies from one division to another to cover those deficits. The DOC said their experience with Executive Budget Officer's (EBO) has been positive, but turnover of staff in this position is frequent. The EBO for DOC regularly attends DOC staff meetings, and is part of all budget decisions made by the department.

DOC thinks that "robbing peter to pay paul" is a bad concept. Paying fees for services provided by another state agency is a bad concept. Examples include the Attorney General's Office for legal representation, DOER for workers compensation payments, and the Department of Administration for procurement.

DOC must pay the Attorney General's office for law suits filed by inmates against DOC. DOC has no control over inmates filling law suits against the department. The AG's office represents the inmate and the department, so the department is charged twice. DOC cannot forecast or plan for these expenses. DOC believes that budgeted dollars are "monopoly" money when transferred from one state agency to another, state agencies are "playing store" with other state agencies in fund transfers.

DOC does have a good relationship with agencies who receive complaints from inmates; the Department of Human Rights, and the Ombudsman for Corrections. The DOC also has a system to receive and act on inmate complaints internally.

DOC has informal relationships with the Community Correction organizations, some are strained, some are not.

BARRIERS:

DOC must deal with the perception that geriatric prisoners appear to be benign, but in reality are quite dangerous. Geriatric inmates are often sex offenders. The public believes that the DOC and the state should not be keeping geriatric prisoners in security facilities.

Geriatric prisoner's medical expenses are paid for directly out DOC's budget. Inmates are not eligible for DHS medical benefits, this situation is problematic for DOC because medical emergencies and major medical care cannot be planned for by the department. If prisoners were outside the correctional system they would qualify for medical care dollars from DHS.

Costs incurred by DOC to house a community corrections inmate, who has been transferred to a state facility, are not transferred from a CCA systems account. The state, through DOC, gives CCA systems a subsidy to fund local community correction activities.

The Crowding Task Force is inadequately funded. Participation on the Task Force is good. The customer input is valuable to the department. There is not an appropriation for staff support, the task force is being staffed by DOC personnel to the detriment of other activities of the department.

The Pardons Board requires funding. There is not an appropriation for staff or funds to support the activities of the Board. The DOC uses existing staff to support requirements of the Board. Also, expenses incurred by the Board are paid for out of existing DOC budget dollars. Each time the Board meets to review pardon requests the board must announce in newspapers advertisements; the names, offense committed, and date of conviction of those requesting pardons from the Board.

Determining the success or failure of DOC's activities, as perceived by the legislature and the public, is a recurring problem. "Expectations" are that the department will rehabilitate, educate, re-educate, as well as, cure inmates of sexual, drug, and violent tendencies. In reality, there are limits on the effectiveness of DOC to affect change on the inmate population. In reality, the DOC is able to incarcerate and warehouse inmates, at best they keep the most dangerous violators away from the general public.

DOC will be unable to meet community economic expectations as it takes over the Faribault facility from the Department of Human Services. DOC requires many fewer employees and pays a lower wage because of different skill needs. This may make the transition from a state hospital to a state prison facility difficult.

CUSTOMER INPUT:

Internal surveys have been performed. One for career development and the other a general personnel survey.

FOCUS GROUP RECOMMENDATIONS:

1. Spend more dollars on job creation, placement and training, and HEAD-START for young "at risk " children, and education. This would help to eliminate many of the problems that cause individuals to be sent to the correctional system. It is smarter to spend dollars on "at risk" children, when they are four years of age through their formative years, then to spend dollars on the correctional system and prisons.
2. Allow the Department of Corrections (DOC) to charge the Community Corrections Act (CCA) systems for both adult and juvenile prisoners transferred from a CCA into the state system. Currently, the state may only charge CCA systems for the incarceration of juveniles.
3. The Commissioner is going to request, from the legislature, the authority to place certain inmates on special release, to access the Department of Human Services (DHS) medical benefits, so that catastrophic medical treatment of inmates does not come out of DOC's budget.
4. DOC believes that "difficult" inmates should be handled in the CCA system. If the crime was committed in a community, then the violator should stay incarcerated in that community, even if the prisoner has a life time sentence. Local problems should be kept in the community.
5. DOC says they do the best they can with the resources allocated to the department. But, when budgets are tight the first places to take cuts are education programs and training for inmates designed, hopefully, to rehabilitate, educate, re-educate, and cure inmates.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Department of Education

PERSONNEL COMPLEMENT (FTEs): **BUDGET (FY 92):** FY 92 budget~

AUTHORIZED: number authorized~

FUNDING SOURCE: funding source~

ACTUAL: actual number~

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT:

Set world-class standards for high achievement by all learners;

Influence and assist stakeholders to ensure the success of all learners through:

- establishing a common vision for public education,
- providing resources to adequately support the vision,
- designing an efficient delivery system based on learner needs,
- maintaining an accountable education system, and
- advocating for the needs of all learners and to;

Create coalitions that result in:

- the Minnesota Department of Education modeling a participatory, customer focused, and improving agency, and
- relationships with other agencies and organizations to provide coordinated user-friendly services that focus on the needs of individuals.

MAJOR PROGRAMS:

Division of Learning and Instructional Services

- Division staff have been organized around three major components of

student learning: curriculum (what students should learn), instruction (design of learning experience), and assessment (how well students have learned). A fourth component is programs for children and youth who have disabilities

Division of Operations and Support

- Primarily provides internal support services to the department, especially in the areas of employee relations, data systems, and fiscal services.

Division of School Management and Support Services

- Directs the department's legislative and budget initiatives relating to education finance; coordinates budget planning for education finance at department and state levels.

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other department?

A significant problem with the implementation of educational policy in Minnesota is that state statute does not always identify the agency responsible for an activity causing confusing, contradictory, or not identified mandates. Sometimes in statute the State Board of Education (SBE) is responsible for an activity, other notations reference the Department of Education (MDE). In some situations statute does not reference anyone to be responsible for the implementation of policy set forth by the legislature. Worse yet some statutes reference both agencies to be responsible. This causes confusion over who has authority or responsibility for the implementation and task completion.

Identify any gaps in your department's service delivery:

An impetus for the change became obvious to MDE, they had 10 managers and 45 supervisors, the department was very top heavy. As a result, MDE is moving towards methods of service delivery where MDE brings its expertise to a school district instead of a school district having to work through MDE's bureaucracy to receive service. This will enable MDE to guide, and aid individual school districts access the optimum level of

resources and technical input from the MDE. MDE's move towards Total Quality Management originated with an private consultant, but felt pressured to use state consultants of Management Analysis Division (MAD) at the Department of Administration.

Describe your department's relationships with other agencies and organizations:

MDE has in place a "quick-link" to access the 1600 public schools in the state. This system gives the department the ability to present ideas and disseminate information to all facilities at once. It was not clarified how different this system is to the Department of Administration's STARS network, but MDE said there could be significant benefits from the MDE's use of the STARS system.

Print Communication was described as not being cost effective and not conducive to time constraints. MDE goes outside the state system and utilizes the services of "916", described as a local St. Paul vocational technical institution for their print jobs. They are quite happy with the services they receive there and try not to use Print Communication whenever possible.

The department currently administers 17 inter-agency cooperative agreements. MDE, the Department of Health, the Office of Strategic and Long Range Planning, the Department of Jobs and Training, and the Department of Human Services are working on an interagency agreement that would coordinate services and programs that involve early childhood education and Head Start type programs.

BARRIERS:

The state's contract bid process was identified as problematic to purchasing products and services in a timely, efficient, and cost effective manner. MDE feels that their time and dollar resources could be better served by going outside the state's contract system. They stated that, on a cursory level, it could be two or three times less expensive to go outside the system.

The Department of Employee Relation's (DOER) requirement that jobs be posted for a length of time before the position could be filled is time consuming and often does not conform to the time constraints of the MDE. Also, the lists generated by DOER do not recognize the unique needs of MDE in hiring for specific job classifications. The length of time lists are held open causes them to be out of date, and comprised of people who may not still be looking for employment.

Micro management by legislators limits the MDE's ability to be flexible and shift resources to adapt to changing needs of the school districts. Politics does not produce the best or most fair results, therefore inequities become exacerbated by the manipulation of dollars funded by the legislature. Dollars do not always flow to districts with the least resources, but does flow to districts where powerful legislators live.

The "use it or lose it" budgeting process causes year end spending that is wasteful, plus this method of budgeting does not create an incentive for the agency to save dollars from one cycle to the next to have a budget reserve to be prepared for contingencies unforeseen during a current budgeting process.

Internal and external barriers to quality identified by MDE staff are: unhelpful leadership practices, widespread staff burn-out, stunted personnel development, strained workers and resources, too many independent and competing business units, un-focused direction and functions, complex delivery network, politicized policy leadership, and user-unfriendly services processes. (Comments focus group meetings with MDE, conducted by M. Hanson, Management Analysis Division, Department of Administration)

CUSTOMER INPUT:

The Management Analysis Division, at the Department of Administration, performed strategic planning with MDE and its major customers; teachers, district administrators, community education, local community and parents, Post-secondary educators, members of the State Board of Education, and legislators, were contacted to give input into the effectiveness and efficiency of the Department of Education.

FOCUS GROUP RECOMMENDATIONS

1. The State Wide Accounting System (SWAS) could be an asset to the Department of Employee Relations, the Department of Administration, the Department of Finance.
2. If the department takes any more across the board cuts like they have in the previous two years they might as well close up and let the school districts fend for themselves. It has become so bad that MDE was performing most services poorly and without the proper complement of staff that service was adversely affected. In order to survive MDE has decided to get out of some service areas to devote staff and resources to lines of business where MDE achieves the most success, to provide unique services to school districts.
3. The department identified three major areas that need improvement. First, implement systems that engineer efficient internal processes, and install proactive service system. Second, establish intra-agency teamwork, create employee-friendly environment, and institute participative operations management. Third, launch a clear strategy backed by resources, and facilitate education system collaboration. (the above comments from M. Hanson's focus group meetings with MDE)

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-1995 Biennial Budget documents and the Minnesota Guidebook to State Agency Services 1992-1995

AGENCY NAME: Department of Employee Relations

PERSONNEL COMPLEMENT (FTEs):
AUTHORIZED: 175.5

BUDGET (FY 92): 249,966,000

FUNDING SOURCE:

General fund: \$8,386,000

Special Rev.: \$24,366,000

Employee Ins. Trust: \$214,139,000

Agency: \$3,075,000

ACTUAL: 229

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT:

MAJOR PROGRAMS:

Administration Services Division

Equal Opportunity Division

Benefits Division

Training and Development Division

Staffing Division

Compensation Division

Safety and Workers' Compensation Division

Labor Relations Bureau

Personnel Bureau

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE of CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

There is not a direct overlap of programs administered by the Department of Employee Relations (DOER). Although the cabinet level agencies do have personnel staff that coordinate activities between DOER and their own agency.

Identify any gaps in your department's service delivery:

DOER believes there is "no plan", or dollars, for management training in the agencies. Because there is not a plan, poor management decisions result; improper budget decisions, poor implementation of sexual harassment policies and even poorer reactions to actual complaints, and inconsistent compensation patterns. Planning dollars are the first dollars to be taken out of agency budgets by the legislature. As a result of poor management decisions the public's perception of state government employees is colored by the media descriptions, instead of determined by the service the public receives when interacting with state government. Also, poor management decisions have a debilitating affect on the employees who work for the state agency where repeated management decisions demoralize employees and create an atmosphere where successes are not rewarded and failures go without corrective action.

The compensation system utilized by state government leaves no room for rewarding employees who have reached the top of their pay scale within their class. The only option to reward employees is to promote them to the managerial or supervisory level. These actions can result in supervisors and managers who have terrible "people" skills. These managers and supervisors may have been very good at their original job, but when placed in a managerial position, beyond their capabilities, the employees below them suffer as a result of poor management decisions or incorrect interpretation of employment policy. Currently, management training in the agencies is a form of orientation, not skill development. Training does not involve conflict management or leadership skills.

There is an absence of an overall framework for employee relations in state government. Should be regular meetings with personnel staff in the agencies with the staff at DOER. A major problem with employee relations within the state agencies is that in some agencies one person handles all employee relations; insurance, compensation, benefits, equal opportunity employment, as well as training and development. One person cannot successfully manage all these different aspects of employee relations.

There is not a good vehicle by which executive-branch-wide strategic decisions can be implemented, without dissension and the need for exceptions being articulated by individual agencies who feel they are a special case. If there was a forum where even those who may disagree with a policy would hear about a new branch-wide policy then the dissenting agencies would have heard about the policy and might play along. Even if they did not like the new policy, at least they would have had an opportunity to give input and be aware of its existence.

Programs no longer useful or of diminished priority/value:

DOER believes its role, different from what it was in the past, is to give more delegation of powers to the individual agencies. DOER would like to provide technical expertise to the agencies and change its role to a "checker", to monitor the agencies adherence to DOER policies and compliance with the various union contracts.

DOER questions its role in administering insurance funds at DOER. DOER administers an insurance benefit program for state employees and their dependents, including executive, legislative, and judicial branches, the University of MN, semi-state agencies, and their retirees. The Benefits Division also administers a statewide insurance plan for employees of school districts and local units of government. The division works with insurance carriers and health maintenance organizations to obtain life, medical, hospital, disability and dental insurance coverage on a cost effective basis. The connection between DOER and the state public employees insurance programs is easier to make than the connection between DOER and the local government's insurance administration.

Describe your department's relationships with other agencies and organizations:

Agencies as a group do not work well together, group consensus is difficult to accomplish. State agencies have different needs and different perspectives on the role of DOER. Some agencies like more interaction with DOER, others would like almost zero contact with DOER. The smaller agencies need the expertise of DOER, because they do not have the staff or the expertise to deal with all the employment policies of state government and the unions. The larger agencies have large personnel and administration divisions and are capable of handling the various situations that arise when managing a state department. The larger agencies see DOER as a source of technical support, but do not like having to go through "process" with DOER.

Some agencies would like to administer and purchase their own worker's compensation coverage. If DOER were to allow this to occur then the benefits gained from the group purchase or administration would be lost. The dollar savings occur because all the agencies together bring down the cost of worker's compensation by being in a "pool". Obviously, if one agency is allowed to purchase worker's compensation in the private marketplace then the cost benefit of group pooling of risk for "all" state agencies would diminish.

DOER has gone to a new system for billing worker's compensation charges to the agencies. DOER now charges a premium to the agencies, this method allows for a more steady, constant, charge for worker's compensation insurance to the agencies. Before, agencies could not adequately budget for the charges because of the fluctuating rates from period to period. Now, DOER evens out the payments, all the payments are relatively equal in size from period to period, the agencies can now budget for costs, there is no longer as much "sticker shock" at the end of cycle.

DOER believes, if we can help with a problem then the agencies are satisfied with their involvement with DOER. If DOER appears to be an obstructionist, gets in the way of the individual agency's goals or needs, then the agencies feel they do not need DOER.

Historical relationships are hard to overcome, but DOER's biggest critics are slowly coming around, "elephant's memories are hard to erase."

DOER is often blamed for events beyond their control. The concept of proportional layoffs was negotiated with the unions, at the union's request. The perception has been, according to DOER, that DOER wanted this language, when in fact the union (AFSCME) wanted this language to protect their members, to share the pain. Proportional layoffs are layoffs that would occur "proportionally" from the top of the enterprise to the bottom. If you think of a triangle with management at the top, and front line staff at the bottom, layoffs would occur in the same ratio as the ratio of management to line staff. If 5% of the line staff is to be laid off then 15% of the managerial personnel would be laid off as well, if the ratio of management to staff was 1 to 3, one manager for every three staff personnel.

DOER does have ongoing meetings with the each state agency's personnel people, to get feed back on how DOER can support their needs better. This is part of DOER's strategic plan to be service oriented and less dictatorial.

BARRIERS:

DOER cites many different barriers that limit the effectiveness of state employees, both at the managerial and the supervisory level, as well as barriers that limit the effectiveness of front line employees to perform to their fullest. These barriers include; administrative constraints, legislative micro management, and union contracts and negotiations.

DOER negotiates with ten unions on performance issues, performance pay, discipline, compensation and incentives, and pay equity. The unions have strong support for their demands in the legislature, this support makes it very difficult for DOER to negotiate. As a result DOER bargains from a weaker position than the unions. The union contracts make it difficult, if not impossible, for the state to contract for work outside the state personnel system.

The size of state government is a barrier to DOER. What constitutes the "executive branch"? Does it include Higher Education or the Veterans Home Board? Some autonomous boards report to no one, and DOER has no "hammer" to make them conform to state policy. Often, legislators, other government officials, the public, or the press see an employment condition at a quasi-state organization and expect DOER to solve the problem; whether or not DOER has any power or authority to solve the problem.

Agency staff assign blame instead of realizing that the world is changing the places where we work and live. Changing times are responsible for the constraints and the current framework that government exists under today. It is not Finance's fault that there are no new dollars for programs, or Administration's fault that parking fees are going to increase, or DOER's fault that there are no new dollars for increased pay and compensation benefits. Instead of dealing with the new constraints, agencies assign blame.

DOER agreed that the lack of a "constituency", to support and "go to bat" for the support agencies; DOER, Administration, Finance, does limit the ability of these agencies to defend

their actions and/or garner support for new programs or ideas.

CUSTOMER INPUT:

DOER does preform surveys, in conjunction with their strategic planning. One of their surveys is designed to assess the quality of new job applicants interaction with DOER. How did the test meet your expectations of the job? How well did the job description, in the Jobs Bulletin, actually describe the actual position? etc...

FOCUS GROUP RECOMMENDATIONS:

1. DOER would like to limit the size of the training division at DOER. They would like to train the "trainers" at the individual agencies. This would allow DOER to share its expertise with the agencies, and would ensure that agencies would have competent and knowledgeable, DOER trained, staff in the individual agencies. DOER would like to start to set policy with managers and division heads, to begin policy development within agencies, as well as to plan and prepare curriculum development to train staff on employee relations issues.
2. The state should focus on local government issues on a technical level, giving local governments assistance, when they request it, on issues involving; LGA, pay equity, planning, and insurance. A forum for advice and support, not administer programs.
3. "Mega-agencies" result in diminishing returns in cost savings, consolidation of jobs is not always beneficial. Conversely, agencies that are too small are not advantageous either. Small agencies should share expertise in areas common to all government organizations; personnel staff, human resources, and internal budgeting staff.
4. "Team" services are the direction that state government should be heading. Support agencies; DOER, Finance, and Administration should be set up in such a fashion as to give the optimal level of direct service to the other state agencies. Finance for budgets, DOER for human resource issues, and Administration for procurement. When problems arise in the line agencies, the costs are magnified and the poor results are reported in the media. Media accounts give the public a poor impression of state government. These occurrences have a demoralizing affect on the personnel within the troubled agency. These types of problems cost more to correct after the fact than if the decision had been handled appropriately from the beginning. Examples of poor budget decisions, law suits over human resources issues, expensive and costly procurement spending occur as a result of poor management decisions
5. DOER believes that its role in monitoring local government pay equity and quasi-state government organizations is not the proper role of DOER. DOER does not have the authority to compel these organizations to provide information or to conform to state policies. DOER complies with a legislative mandate (7 years old) to monitor local government pay equity and gender equity. DOER would like to stop its monitoring role and only report to the legislature when there is a violation.

6. DOER also monitors the Metropolitan Council, the Regional Transit Board, and the Mosquito Control District to check compliance with affirmative action employee hiring practices, then DOER files a report to the legislature on DOER's findings. DOER would like to stop its monitoring role of organizations that may or may not adhere to state policy, and stop monitoring organizations that DOER does not have authority to mandate change within that organization. Legislators read about some event in local government hiring that "bothers" them, and then has DOER monitor the problem to report back to the legislature, a role DOER could live without.
7. DOER believes that testing for a job classification that is general in nature, like for a clerk position, should be controlled by one central authority. But, job classification testing for more specific descriptions should be managed within the agency that will be employing the new hire.
8. Oversight and administration of the "little" boards and commissions could be maintained by existing state staff, at the agency level, instead of having state employees that do not have the same set of rules as other state employees. Such as, the State Fair Board, the High School League, the Historical Society, and the World Trade Center. Exception, exclusion, and exemption are all bad, according to DOER. There needs to be a executive branch-wide policy that applies to all.
9. Board structure is the most ineffective management system. Boards do not manage their own professions well, so why place more power in the hands of the boards, in regards to employment procedures and policies. Board governance is "bad" in general, the whole system should be looked at, according to DOER.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the Minnesota Guidebook to State Agency Services 1992-1995.

AGENCY NAME: Department of Finance

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: number authorized~

ACTUAL: actual number~

BUDGET (FY 92): FY 92 budget~

FUNDING SOURCE: funding source~

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT:

MAJOR PROGRAMS:

Economic Analysis Division

Administrative Services Division

Statewide Accounting Operations Section

Central Payroll Section

Financial Systems Section

Financial Reporting Section

Budget Development Teams

Budget Planning and Operations Section

Debt Management Division

Rural Farm Administration

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

Numerous forecasts are done by different agencies, such as revenue, DHS (for projecting costs of entitlement programs/needs) and Finance. They feel that these multiple reports could provide some analytical oversight that was good.

There is a lot of energy wasted to demonstrate that the process doesn't work, especially with controls involved with the hiring, at DOER. Classification and performance review systems are also poor. Classification has not kept up with the evolutions in technology, especially in the rapidly changing computer field. It takes a minimum of thirty days just to get an announcement into the state job bulletin.

Identify any gaps in your department's service delivery:

They felt that there was not a single agency that was responsible for a statewide strategic planning policy. There is not a tracking process or accountability for the strategic planning. They see Milestones as a living document and a step in the right direction for developing that strategic plan and for tracking progress.

Are there any programs no longer useful or of diminished priority/value:

TRAINING - They are not clear what DOER'S role is, and that they do not maintain the quality of the work force throughout their programs, that they feel are somewhat redundant with training programs within agencies, in particular there is duplication with sexual harassment training. On the other hand, small to medium size agencies with smaller budgets and cadre complement have few opportunities to do any kind of in-house training and in fact require more services from DOER'S training department than larger agencies.

Describe your department's relationships with other agencies and organizations:

Historically organizations have formed functions to follow the systems, i.e. DOER has payroll because they have personnel functions as opposed to going to the finance department. Re-configurations now being implemented will allow DOER to interact with finance concerning the payroll system in a better fashion.

Purchasing - there still needs to be some oversight function, although they are trying to do more sampling on the big buck items as opposed to checking every invoice, also doing more delegating of that function. This delegation started about 3-4 years ago and was only able to happen as a result of better management systems in the individual agencies that have allowed maintenance of the integrity of the accounting system. Example - there needs to

be oversight on a new multi-million dollar computer system, but there does not have to be multiple signatures for a routine purchase such as a \$1,000 PC.

ADMINISTRATION-They felt that researching the privatization potential of PRINTCOM, maintenance, motor pool etc. was a good idea. There should be an alternative process to central site purchasing/procurement and that the one size fits all situations mentality does not work very well. Examples - 3 months to purchase most goods-even the Commissioner was unable to get any reasonable service, when he wanted to purchase a simple modular wall system for his office it took 5 months from initiation to delivery.

There is no one person to deal with as far as space considerations are concerned and that you have to go to one person for costs, one person for wiring and a separate person for outlets. You are left on your own to try and figure out who to deal with, and in the instance of trying to assemble all of the players together in one room to be able to implement and move forward, there is inevitably one critical person missing. Finance even went to the point of bringing one of ADMIN's staff onto their premises and payroll for one year to assist with a move. Even then they experienced difficulties.

BOARDS-They have had to spend a lot of time assisting the multitude of boards and commission with remedial work on budgets and purchasing, and often times training and educating them in "bureaucracy 101." The budget division has now been re-organized to deal more effectively with the commissions, but feel that it would be helpful to have an "Office of Boards and Commissions" where the administrative, budgeting, and purchasing functions could be transacted through one central clearinghouse. This could be a co-location potential, and they recommended that a pilot program could be initiated with friendly commission that would not be threatened by such a move. Once up and running, it could be sold as a model when other commissions could see it as something advantageous

"USE IT OR LOSE IT" They say this doesn't really exist, that it's all overblown, and wanted to know if we had a better idea. They said that there is an opportunity to carry over funds if the agency can demonstrate that an investment of carry-over funds will reduce future costs that it will be allowed. Finance, Revenue and DOER had such requests granted last session, but they then stated that Revenue did because they knew how to go about it and that in fact this was not a well publicized program.

Finance feels that the salaries are not comparable with private sector and that the U-of-M was the only employer that they felt may actually pay lower than the state. People may come into government for reasons other than salary, but there still needs to be competitive salaries.

With so many classes existing already does it make sense to continue to develop so many new class options.

BARRIERS:

They claim that they have been recommending for over five years that more accountability

should be placed with the agencies, but that there were not "systems" established that would have allowed that to happen. They mentioned that there had been a program initiated five years ago to institute a statewide licensing system and that it had failed. They did not know why, but that Intertech had been involved with it. This may have been an "old systems" issue.

CUSTOMER INPUT: None identified by agency personnel

FOCUS GROUP RECOMMENDATIONS:

1. SWAS could be able to eliminate some of the internal duplication in reporting systems,-Transportation and DHS currently have duplicate reporting systems and there are 24 fixed asset inventory systems in the state. Currently state contracts have to go from the originating agency to the AG's office, to ADMIN and back to the home agency before they are finally approved. This system could be more streamlined.
2. They recommended that there should be alternative models for receivables and collectibles, but could not really give any example. They did feel that it would be a good idea for the state to have one collection agency, and that 17 states have the AG's office performing that function.
3. Treasurers office-cash management and deposits could be readily handled by Finance, and although this had been attempted and not allowed by the Supreme Court, they indicated that it was because of the method used and not because it couldn't be done.
4. IPO has to remain independent, and that they have to play a larger role and develop alternatives to different central site computers, or maybe going to one total statewide central site computer that could be accessed by all, or communicate with all agencies.
5. Licensing and examining functions could be placed in Revenue, and Revenue could also be used as the one central revenue collection source for all of state government.
6. Why can't the state discontinue the job bulletin and just purchase a quarter page ad in the newspaper every week. They attempted to hire a data base manager in June and just filled the position recently. They missed the opportunity to hire their first choice because the process took so long that the candidate had accepted a position with another employer.

BACKGROUND INFORMATION - AGENCY INPUT

The following data was taken from the 1994-95 Biennial Budget documents and the Guidebook to State Agencies.

AGENCY NAME: Department of Health

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: 974.2

ACTUAL: 901

BUDGET (FY 92): \$127,572,000

FUNDING SOURCE:

General funds 47,917,000

Other state funds: \$19,885,000

Federal funds: \$59,728,000

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT: Develop and maintain an organized system of programs and services for protecting, maintaining and improving the health of the citizens of Minnesota.

MAJOR PROGRAMS:

Bureau of Administration

Bureau of Health Protection

Bureau of Health Resources and Managed Care

Bureau of Health Delivery Systems

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

The Environmental Health Division of the Department of Health (MDH), has an overlapping function with the Department of Agriculture (MDA). MDA inspects grocery stores, to track food from the farm to the retail level, which facilitates the identification of contaminated food. MDH and MDA have an informal agreement allowing MDA to inspect

restaurants in grocery stores, if the restaurant's total sales do not account for over fifty percent of the total sales of the grocery store. If the restaurant's total sales exceed fifty percent of the total receipts of the grocery store, then MDH inspects the restaurant, as if it was a stand-alone structure. When MDA performs the inspections the MDA uses MDH's standards for inspections, as if MDH inspected the facility.

The Maternal and Child Health Division, at MDH, administers programs for children with handicaps, and programs for mothers and children with special nutritional needs. MDH administers grant programs for agencies and organizations that provide services to mothers and children. Also, MDH provides consulting and planning services for agencies and organizations working in the area of maternal and child health. The Department of Human Services (DHS) has many children's programs: Health Care Eligibility, Maternal and Child Health Programs, as well as the Children's Health Plan and the Children's Services Division.

The Plumbing Advisory Council and the Advisory Council on Wells and Borings were designed to involve regulated workers during the formulation of new policies and rules. The regulated communities are more concerned with who receives licenses, and "fence building" activities, that limit the size of the industry, so there is more work and less people to perform the work. MDH staff envisions the relationship, between the councils and MDH, as a forum where discussions can take place on emerging technologies and environmental impacts of the profession.

DHS, MDH, and the people that the two agencies regulate are identifying methods to improve coordination and communication in senior home care programs: Adult Foster Care Facilities, Personal Care Attendants.

MDH has an eleven page internal document used by the department to track the many formal and informal relationships MDH has with other state agencies and local governments.

Identify the gaps in your department's service delivery:

Other agencies and organizations, both state and local, want MDH to conduct seminars on rules promulgated by MDH. The department would like to provide this service, and does when time and resources permit. But, MDH does not have any education dollars in their budget, MDH has enforcement funding not education dollars.

MDH believes the health-related occupational licensing boards need more support from the Attorney General's Office to perform investigations. The licensing boards that provide comprehensive regulatory enforcement and investigations of violations are underfunded.

Health care is becoming a problem not just from a cost containment perspective but also from a basic health perspective. Communicable diseases in the inner cities are getting out of hand; tuberculosis, measles, and other normally treatable diseases are becoming epidemic in the inner cities. MDH feels that the causes and effects of this problem are

being overlooked, and that the ramifications of the spread of communicable diseases are not being given the proper attention in the greater health care spectrum.

MDH believes the department has been "left out" of the funding stream for dollars to promote drug prevention and drug abuse awareness. MDH feels the Department of Corrections (DOC) and the Department of Public Safety (DPS) inappropriately receive all the funding. MDH thinks that drug prevention activities are a public health concern and should not be controlled by agencies responsible for investigations, enforcement, or incarceration.

Describe your department's relationships with other agencies and organizations:

Promulgation of rules by other agencies affects the ability of the MDH to plan and prepare for inter-agency activities. Other state agencies require technical expertise on issues involving AIDS. The Department of Corrections needs constant support services from MDH in regards to health care and AIDS infected inmates. Also, the health-related occupational licensing boards require MDH's expertise to help with occurrences when licensee activities should be limited or restricted, and in extreme cases revoked. These cooperative activities are coordinated through formal inter-agency contract or informal working arrangements.

The Minnesota Department of Health (MDH) has a formal relationship with the boards of Nursing, Medical Practice and Dentistry to perform inspections of activities that may cause the transmission of AIDS and Sexually Transmitted Diseases (STDs)

MDH utilizes the Community Health Council as a resource that gives the agency a perspective into local community health needs. The Council is the state's link to community health organizations.

MDH would like to shift towards a community health approach, providing educational support and technical assistance to community health boards. This emphasis will allow Health to provide expert information and spend less time on regulations and enforcement.

Health has had a lot of authority delegated from the Department of Employee Relations (DOER). The system is still hard to deal with, it typically takes 6 months to fill a vacant position. As a technical resource DOER works very well. DOER has two people assigned specifically to deal with MDH.

The relationship with Department of Administration's Real Estate Management is very bad. As recently as five years ago all divisions of MDH were located in the same building, at 717 Delaware St. Now the divisions are spread around four buildings, one division has its staff split into two buildings. MDH complained that Real Estate Management does not take care of MDH's building. According to MDH there are holes in the exterior of the building that allow weather to penetrate into the interior of the building. MDH feels that somebody needs to be responsible for the up-keep of the building since it is cheaper to repair

buildings, and keep them in shape, than it is to build new buildings. Moving is costly and a waste of time resources, but moves are constantly being planned to facilitate space requirements due to growth or difficulties renewing a lease. As soon as one move is complete MDH must start planning their next move, or renegotiating or renewing leases.

BARRIERS:

It is difficult for MDH to retain good qualified staff, because of the limits placed on managers to reward employees, as well as the limits on salaries. The only way MDH has to increase compensation for employees is to promote them to a manager or supervisory position. Because a person is competent at their expertise does not equate to becoming good supervisors or managers. These types of promotions create staff discontent because these managers can have poor people skills. Local governments are attractive opportunities for competent and qualified employees, because of the salaries and perks available. Employees at MDH receive valuable on the job training, and then they sell that knowledge to local governments.

The "use it or lose it" budgeting mentality causes year end spending on items that an agency may or may not otherwise purchase. Agencies need to set aside dollars in their budget to plan for equipment obsolescence, to plan for technology improvements and equipment breakdowns, and to plan for replacement. Also, there is not a depreciation plan to write down the value of equipment as its value diminishes, now at the end of equipment life the asset is considered worthless, when in fact there may be some dollar value left at the end of the equipment's life.

Computer technology and health care equipment changes rapidly. If the department planned a purchase then discovered new technology would be available in six months the budgeting process does not allow for contingencies that arise after the budget process has been completed.

The rigid line item of funds are problematic for managers and division directors, monies can only be used for the items identified in the original/approved budget. Salary money for salaries, capital purchase monies for capital purchases only, MDH does not have the flexibility to adapt to the changing technological environment.

Inability to co-locate MDH's divisions increase difficulty in developing agency intra-agency activities with one vision or focus.

Funds for activities for senior home care are scattered throughout many sources. Parts and pieces of funding are confusing and activities become duplicated. The employees in the assisted living programs are discussing continuity of funds.

The Disease Prevention & Control division is funded with half state dollars and half federal dollars. There are 12 separate sources of funds that flow across seven different fiscal year time periods.

Some funding constraints affect the timing of bringing new staff on board, some Federal program grants require having new/current staff in place within 30 days of receiving funds, or the funds are lost.

MDH believes that they need more flexibility and less hiring oversight from DOER. The Federal government trusts MDH to hire appropriately, why doesn't DOER?

CUSTOMER INPUT:

The Department of Administration's Management Analysis Division conducted one for MDH.

FOCUS GROUP RECOMMENDATIONS:

1. The Minnesota Department of Health (MDH) urges the expansion of drug education programs beyond the K-12 system, to reach the many who are not in the public education system. Drug education for K-12 does not reach the rest of the community for drug prevention awareness. The Department of Education focuses its efforts on the schools system not on the rest of community.
2. Responsibility for some of the drug education and policy efforts should be reassigned to MDH. The state of Minnesota spends a billion dollars for treatment, but does not even spend a million dollars to promote drug education in communities.
3. The state should increase funding for the assisted living program (State Assisted Independent Living (SAIL)) to reduce nursing home expenses, by paying a subsidy to the elderly to maintain their own residence.
4. Do not move the MDH Environmental Health division to another agency, such a move will cause the loss of the public health awareness of environmental policy.
5. MDH should not have responsibility for regulating health care workers. That function should remain with the boards.
6. The excess laboratory capacity at MDH, the Department of Public Safety (DPS), and the Minnesota Department of Agriculture (MDA) could be contracted out to bring in revenue to the state.
7. Privatize the opportunities to educate and explain rules and regulations to customers, especially to health care providers.
8. Eliminate MDH's statutory responsibility to produce a report entitled, "Directory of Health Licensees". MDH questions its relevance and purpose. MDH said it takes precious staff time to produce.

9. Use of private laboratories, other than MDH's, would not save money. The private sector does not test for asbestos, or communicable diseases. Many of MDH's tests are very specialized. The use of private labs is practical for low-technical, high-volume tests.
10. MDH is doing a pilot study on vital records. Birth records come in two parts, a basic information part which has name, date of birth, parents, hospital, etc. The second part, called the "medical supplement", is much more detailed and has a more complete account of the birth process and the medical condition of the child at the time of birth. Previously, this information was transmitted to MDH in paper format, with a time delay. Now the medical supplement comes to MDH over computer line, straight from the hospital. Birth records will still be kept in the paper format, but the medical supplement will no longer be stored or sent in paper form. This study saved the department the costs of storing and shipping the medical supplements. At some time in the future the department would like to see birth records stored on optical disk, and so would some of the counties, but the Historical Society has fought this move. The Historical Society thinks that this technology is not an acceptable method for storing "historical" documents.
11. MDH believes that the exact relationship, between advisory councils and MDH, should be in statute to alleviate any future misconceptions surrounding the role and scope of the councils. Overall, the "advisory council" process is good, if the role is advisory, councils must be educated to know that MDH need not follow their advice. Sunset laws would help review and re-assess the roles and effectiveness of advisory entities.
12. Drug prevention activities must be expanded beyond the K-12 educational system. The Minnesota Department of Education (MDE) believes that providing drug prevention education through the K-12 system fulfills the "community" education side of drug prevention education. MDH thinks K-12 is a fine system for educating children on drug prevention awareness, but the system does not educate the whole community. K-12 is not "public" education in total, it leaves out everyone who is not in the K-12 system.
13. Managers, in general, need to be trusted to make the right decisions, based on their expertise and first hand knowledge of their department. Trust the managers and directors to do the right thing, and then hold them accountable for their actions and decisions.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Housing Finance Agency

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: 139

BUDGET (FY 92): \$114,892,000

FUNDING SOURCE:

General Fund: \$12,409,000

Internal: \$102,483,000

ACTUAL: 139

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT: Ensure the availability of housing related financial services to provide safe, decent, energy efficient, and affordable housing primarily for low and moderate income Minnesotans.

MAJOR PROGRAMS:

Fair Housing and Equal Opportunity Division

Finance and Accounting

Research and Policy Analysis

Home Improvement Programs

Home ownership Opportunity Programs

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

The agency is currently combining seven neighborhood revitalization programs into two.

The Department of Human Service's (DHS) rent assistance program should be relocated in the Housing Finance Agency.

The Community Development and Housing Program is appropriately in the Department of Trade and Economic Development

The administration of federal money for home weatherization programs is also appropriately in the Department of Jobs and Training.

Identify any gaps in your department's service delivery:

None identified

Programs no longer useful or of diminished priority/value:

None identified

Describe your department's relationships with other agencies and organizations:

They have a good relationship with the Department of Finance in part because of their ability to carry funds forward into the next fiscal year.

Several of the services offered by the Department of Administration cause the Housing Finance Agency problems. In particular: They recently sent back a large job to Printcom because it was done incorrectly. The agency uses private vendors when possible because they are more timely.

Real Estate Management took twelve weeks to approve a \$5,000 re-modelling project that Housing Finance could have easily handled less expensively on its own.

Purchasing is inconsistent and slow.

The Information Policy Office could be helpful but are dissatisfied with their phone system. In addition, they don't have the ability for electronic data transmission to Norwest Bank, the Statewide Accounting System and external electronic mail.

Contracting takes too long to handle contracts submitted for approval.

Department of Employee Relations policies restrict the ability to attract and retain quality employees by the inability to pay competitive salaries. Also the Department is inflexible on re-classification of positions because of its inability to take risk and financial responsibility into account.

BARRIERS:

Funding for administrative costs has been a problem. The \$7 million dollar HOME program was provided no administrative cost funding, for example.

Federal money for many projects is now ending.

CUSTOMER INPUT:

None identified

RECOMMENDATIONS:

1. Establish statewide standards for telephone networks consistent with the varying needs of agencies to connect externally and internally with voice and data.
2. Increase to \$1,200 the dollar amount an agency may spend without contracting authorization.
3. Give the agency additional salary flexibility for its employees to recognize the unusual financial responsibility and risk of its employees as the state's fourth largest bank.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies

AGENCY NAME: Department of Human Rights

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: 70

ACTUAL: 62

BUDGET (FY 92): \$3,139,000

FUNDING SOURCE:

\$3,131,000 General Fund;

\$8,000 federal

SALARIES % OF BUDGET:

MISSION STATEMENT: The Minnesota Department of Human Rights (DHR) is dedicated to eliminating illegal discrimination and remedying the impact of discrimination on the lives of the people of Minnesota. To accomplish these goals, the Department will:

Motivate organizations and individuals to comply with the Human Rights Act by vigorously enforcing the law, specifically, by investigating discrimination complaints and engaging in conciliation and persuasion.

Provide incentives for complying with the Human Rights Act by reviewing state contractors through the contract compliance program, in order to foster and encourage a climate free of historic discriminatory barriers to the employment of people of color, women and persons with disabilities.

Act as a state leader in the area of human rights. To maintain this leadership role, the Department recognizes that it must anticipate and identify changes in the social environment that affect human and civil rights issues. The department will, therefore, actively work to create and strengthen its relationships with relevant public, private and community-based organizations, in order to share information and cooperatively recognize and address emerging civil rights issues.

Devote resources to human rights education, in order to supplement its enforcement activities to promote an environment free of discrimination. Whenever possible, the Department will attempt to prevent discriminatory situations from arising by taking proactive measures.

The Department is committed to the goal of promoting, creating and maintaining in Minnesota an environment free from discrimination. Through the cooperative and innovative efforts of its administration and dedicated staff, the Department will ensure that state resources are effectively utilized in carrying out its mission and goals. In fulfilling its mission, the Department strives to maintain the confidence of the public by conducting its activities in a fair and impartial manner.

MAJOR PROGRAMS:

Intake Unit

Enforcement Division/Case Processing

Contract Compliance

Community Service

Management Services

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

The Department of Transportation (DOT) operates a contract compliance operation in addition to the one conducted by DHR. Essentially, both agencies are performing the same function in this situation, although the section in DOT only deals with contracts let by them.

The Department of Administration (ADMIN) checks the certificates of compliance issued by DHR at the time ADMIN awards contracts to various firms and companies. No fees are charged for any of these services.

Identify any gaps in your department's service delivery:

The educational mandate of the Minnesota Human Rights act has been given a lower priority due to the shortage of staff and the volume of backlogged cases (2,000 plus.)

Programs no longer useful or of diminished priority/value:

Although the Contract Compliance Unit is a major focus of the agency, there has been no research performed to determine what effect this program has had on eliminating discriminatory employment practices.

Describe your department's relationships with other agencies and organizations:

The cities of Minneapolis and St. Paul have human rights enforcement authority. Other cities do not at this time, but could receive this authority through legislative initiative.

The Attorney General's office, represents DHR in an administrative hearing when a determination of probable cause case is made. A potential conflict of interest arises when the Attorney General's office has to also represent the state as a defendant when a state agency is the alleged perpetrator.

BARRIERS:

Lack of funding to carry out current responsibilities.

In 1984 there was an increase in resources that enabled the agency to deal with its increasing backlog of cases. In spite of the fact that the case load has increased by 60% since then, there have been no significant funding increases for staff, and the current inventory of open cases currently exceeds 2,000.

Litigation costs are rapidly rising due to an amendment to the Minnesota Human Rights Act requiring the DHR to pay court costs for a charging party if unable to render a decision on the charge within 180 days of the filing. The average processing time for cases is now in excess 12 months. There is a sensation that knowledgeable attorneys representing charging parties are utilizing this provision to obtain free discovery and to shift some of the costs of litigation to DHR, as opposed to utilizing their private right of action in district court at their own expense for investigation and discovery. There is no budget for these expenses, so DHR resources are diverted to this process, effectively lengthening the processing time of other cases, and thus making more cases eligible for payment of these costs, and decreasing the ability to process cases in a timely fashion.

DHR has been operating with a computer system that is 15 years old and a data base housed at the University of Minnesota that has been scrapped this summer. The department has no choice but to replace this system, yet no funds have been provided.

Additional duties are being added to the agency.

The Federal Americans with Disabilities Act recently enacted has created a heightened sense of awareness of discrimination on the basis of disability that has caused an increase in requests for assistance with compliance, general questions and charges filed. The total effect of this new legislation is unclear at this time.

Agency management.

The agency has had nine commissioners in the past ten years leading to a lack of long term goals, high personnel turnover, and low morale. There is a serious need for a system which would promote stability and continuity.

would promote stability and continuity.

CUSTOMER INPUT:

Every five years the department conducts customer surveys.

RECOMMENDATIONS:

1. Eliminate the statutory requirement that the agency pay hearing costs if the agency fails to complete its investigation and issue a finding within 180 days of the filing of the charge.
2. Establish a professional "manager" for the agency to maintain managerial continuity as commissioners change.
3. Provide funding that is adequate to meet service demands, including resources for education, case processing and computer updating.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Department of Human Services

PERSONNEL COMPLEMENT (FTEs):
AUTHORIZED: 5,993.75

BUDGET (FY 92): \$3,580,529,000
FUNDING SOURCE:

General fund: \$1,454,268,000
Other state funds: \$566,000,000
Federal funds: \$1,515,270,000

ACTUAL: 7,508

SALARIES % OF BUDGET: % of budget

MISSION STATEMENT:

- A financial safety net for people in need;
- Health care for those who can't afford it;
- A boost to help people who are able get on their feet; and
- Protection for our state's most vulnerable residents.

MAJOR PROGRAMS:

Finance and Management Administration

Family Self-sufficiency Administration

Health Care Administration

Social Services Administration

Community Mental Health and Regional Treatment Centers Administration

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

The Housing Finance Agency (HFA) administers the state's housing subsidy programs, except for one rental housing program administered by the Department of Human Services (DHS) for the mentally disabled. The agencies will be requesting legislation in 1993 session to move the administration from DHS to HFA. The two agencies currently cooperate with an informal agreement.

Long-term care and treatment of patients at nursing homes is the responsibility of DHS. However, the Department of Health (MDH) is responsible for quality assurance in nursing homes and conducts inspections of the facilities, equipment, etc.

DHS and the Department of Jobs and Training (DJT) formally divide responsibility for vocational rehabilitation of mentally handicapped and developmentally disabled clients. The Rehabilitation Services Division, at DHS, performs preliminary assessments of clients who might benefit from vocational training. Once clients are identified, DJT provides the actual training. Follow-up and long term care is the responsibility of DHS. Some clients are assessed and referred to the Department of Education (MDE) for additional educational opportunities then are re-referred to the DJT for vocational training coordinated through the DJT.

There is a lack of service coordination between private sector and public sector services. Agency personnel often ignore available private sector services. Informal support systems with the private sector take a longer time to foster.

Describe your department's relationships with other agencies and organizations:

Advisory commissions and task forces are often beneficial but the quality of input varies significantly. When members are the final end users of services, the input is usually quite valuable. When members are "career" board members, or other government employees, the task force or advisory is not as productive. Meetings are held in the metro area, therefore, representatives from out-state may not attend as regularly, weakening their voice on the body.

Advisory commissions and task forces are too easily created, without coordinated and coherent purposes. For example, the Early Childhood Care and Education Council was created with \$30,000 of state general fund money and \$60,000 of federal money. DHS opposed the establishment of the council and was given responsibility to "authorize" expenditure of the council's funds, but was not given control over how the money was spent.

For the most part, DHS is positive about the input and suggestions advisory task forces and commissions provide. But there was some fear that many of these entities were being dominated by state employees or people with only single-issue concerns. As a result, some

of the ideas and recommendations coming from boards and commissions are "stale". DHS feels more turnover is needed.

The Department of Administration's STARS inter-active video network is developing new telecommunications network facilities and services. STARS could potentially increase the effectiveness of advisory groups. It could be used to bring together geographically diverse groups to discuss proposed programs without the need for Greater Minnesota members to travel to the metropolitan area.

Uniform statewide service delivery for DHS is difficult. Services are delivered through the 87 counties, and each county has a different ability to deliver programs. The state uses uniform standards with counties, instead of creating systems based on local needs.

Some DHS personnel believe that local service delivery is more user friendly. Other state agencies such as the Department of Transportation (DOT) and Department of Jobs and Training (DJT) have regional offices for service delivery rather than relying on counties for local delivery of state services.

Service delivery planning is not coordinated between federal, state, and county governments.

The governor's Children's Cabinet is a positive attempt to evaluate all programs that affect children and to coordinate dollars spent and services provided across federal and state programs.

BARRIERS:

Frequent turnover in commissioner's office and in the executive management staff creates an unstable commitment to policies and constantly changes the agencies mission and focus.

Board and commission members are predominately from the metro area. Transportation constraints and distance to the metropolitan area create obstacles preventing rural Minnesotans from attending public board meetings regularly.

Separate fund sources, with different eligibility criteria, create barriers that limit DHS staff ability to meet a client's needs. For example, it's easier to qualify a client for \$150 of general assistance than it is to find a funding source for \$30 to buy a pair of slacks for a client's job interview.

DHS staff consists primarily of specialists. This organizational structure does not foster staff awareness of programs offered by other state or federal agencies or services provided by the private sector that may be available to clients.

Confusion over who is the customer limits the effectiveness of services delivered to clients. DHS must provide services to those who qualify, regardless of the cost. DHS is unable to act as a service delivery agency, because DHS operates with diminishing resources,

as a cost containment agency. This is reflected in the view that the taxpayer is the real customer to be served, not the disadvantaged individual recipient. Also, service providers are seen as the customer of state government services, not the program clients.

Extensive use of rules to constrain activity leads to "creative evasion". The state rule-making process makes all systems work more slowly and less flexibly.

DHS' knowledge of the quality of state human service programs often dependent on the information provided by the counties. The quality and accuracy of information varies from county to county.

Providing technical assistance to maintain compliance with license requirements from the same office that may revoke a license poses a problem for DHS staff. Staff are approached for technical information by individuals attempting to comply with existing rules. The staff providing information is also responsible for taking enforcement action for non-compliance revealed by the individual seeking assistance.

The state can only enforce service provider requirements by terminating funding or by revoking a license. In either case, the recipient of the service is injured by the action. For example, if a county provides poor service because of other local priorities, the state can only intervene if the problem is serious enough to terminate funding. There are no intermediate sanctions for correcting the problem.

Measuring the success or failure of a program providing a human service is often difficult, because measurable outcome indicators are very subjective.

Changing visions and multiple constituent groups change the direction and commitment of policies by governors, commissioners, and the legislature.

Too often standardization is the goal of a program rather than achieving a desired outcome.

CUSTOMER INPUT: None identified.

FOCUS GROUP RECOMMENDATIONS:

1. Downsize Regional Treatment Centers by testing alternate models service delivery. (Using the Anoka Alternative Project as a model. Human Service staff believes there is a five to one payback on dollars invested in this alternative.)
2. Transfer funding for the administration of rent/housing subsidies for the mentally disabled to the Housing Finance Agency which currently administers similar programs.
3. Establish a "super-fund" for client needs to replace the many different funds with varying eligibility requirements.

4. End state funding for the Early Childhood Care and Education Council or, at a minimum, end Human Services responsibility for financial oversight of the council.
5. Modify job descriptions/responsibilities within Human Services to move the staff toward becoming generalists instead of specialists.
6. Examine the feasibility of ranking the outcomes and effectiveness of dollars spent on private provider networks vs. dollars spent on public providers to provide a measure of effectiveness.
7. Use the state STARS inter-active video network to allow easier out-state participation in advisory bodies without requiring significant travel time.
8. Urge the federal government to "group" states, applying varying regulatory requirements depending on the size and the circumstances within a state. New York State's problems are unlike Minnesota's. Yet, federal regulations apply equally to all states, regardless of size or special circumstance.
9. Develop an agency focus, that will promote stability and a long-term commitment to employee training.
10. Provide state training for local service providers if the state is to be accountable for service delivery.
11. Simplify the rule-making process. The currently system is very complicated and confusing for DHS employees and clients, for most activities there is a rule inhibiting flexibility.
12. Provide a single access point for clients of state services, to identify services available to the client, instead of requiring the client to determine what state and federal services are offered and how to become eligible for services.
13. Fulfill the potential of the department's "MAXIS" system. A large computer system that could be utilized by other state agencies to handle health care claims and state agency workers compensation claims.
14. Consider an expanded role for the STARS video communication network, using it to enable rural Minnesotans to participate in public deliberations. Greater Minnesota residents could gather at local facilities, such as state community colleges, and use STARS to participate in meetings held in St. Paul.

BACKGROUND INFORMATION-AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the Minnesota Guidebook to State Agency Services 1992-1995.

AGENCY NAME: Department of Jobs and Training

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: number authorized~

ACTUAL: actual number~

BUDGET (FY 92): FY 92 budget~

FUNDING SOURCE: funding source~

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT: The vision of the Department of Jobs and Training (DJT) is to provide a trained, quality work force in order to position Minnesota to compete effectively in a dynamic world economy while enabling its citizens to achieve personal development and economic independence.

MAJOR PROGRAMS:

Job Service and Unemployment Insurance

Services for People with Disabilities

Services for the Blind and Visually Handicapped

Community-Based Self-Sufficiency Services

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

The Department of Employee Relations (DOER) Minnesota Public Youth Program and the Department of Jobs and Training (DJT) youth employment programs have overlapping functions and serve many of the same customers.

Every year the Jobs Skills Partnership Board within the Department of Trade and Economic Development (DTED) provides technical and community college training for the employees of several selected businesses. The board's functions are similar to the workforce training function housed in DJT.

The building trades apprenticeship program in the Department of Labor and Industry (DOLI) deals exclusively in training and assistance. This program overlaps with DJT's training and assistance programs.

DJT believes that their energy program overlaps with the energy programs provided by the Energy Planning Division of the Department of Public Service (DPSv). DJT advises low income customers on how to make their homes more energy efficient. DPSv would like to take over these programs, but DJT insists on retaining its program. DJT argues that it is better suited to provide customer service for low income people.

The Headstart program housed in DJT overlaps with programs in the departments of Education and Health. DJT believes that since Headstart is designed to educate low-income children and their parents the program belongs in their department. DJT believes its mission is to serve low-income people.

DJT has developed a coding system, UBI (Uniform Business Identifiers), that identifies the state's businesses. Currently, each agency identifies state businesses with a unique code. DJT claims to have the most current list of Minnesota businesses; for the sake of consistency, it would like to have this system adopted by all other agencies.

Deaf services was shifted from DJT to DHS by the legislature. DJT asserts that the deaf community preferred having the program within DJT since it provided a one-stop shopping opportunity.

Identify any gaps in your department's service delivery:

In general, coordination among agencies is poor. DJT needs to communicate more both internally and interdepartmentally.

People need better access to direct services. It is difficult for most citizens to simply walk in to agencies and receive the help they need.

The state lacks a comprehensive long-range plan. Minnesota Planning only deals with specific issues, it does not look at the overall picture.

The public information function in DJT is understaffed. DJT has 3 information officers, compared to DTED which has 17. Due to a lack of public information officers, DJT feels it is unable to adequately advertize agency programs.

Programs no longer useful or have diminished priority/value:

Surplus commodities distribution is no longer a department priority. DJT would like it to be dropped, moved to DHS or given to the counties.

Describe your relationships with other agencies and organizations:

Through their advisory function, boards and commissions have helped DJT keep in touch with its customers. DJT believes the boards and commissions are worthwhile, despite the staff time required to service the groups.

The Department of Employee Relations (DOER) is complicated, archaic, unresponsive, out-dated and using systems that do not work. Employee recruitment and testing is bad; it doesn't measure the necessary job skills that prospective employees need to know. The hiring process is overwhelming. (For example, on job applications prospective employees are asked if they are disabled, this is illegal). Also, no disability verification is required until after the hire. Checks are not made on information that was provided on job applications.

DJT cooperates with a summer youth program administered by DOER. DOER does not provide DJT with the mix of applicants and job openings that the DJT needs. This affects the reputation of DJT's own youth program divisions and weakens its relationship with youth.

DJT has a strained relationship with the Department of Administration's (ADMIN) Real Estate Management Division. The Real Estate Management Division has given the DJT recommendations that were out of compliance. DJT cites the following example: the federal government built the DJT office building and has since given it to the state, however, the state refuses to provide any funds for building maintenance. This issue has gone to court for resolution.

DJT has a positive relationship with ADMIN's Information Policy Office. DJT asserts that the office builds cooperation between agencies.

DJT claims that ADMIN's Print Communication Division's quality and service are poor, and that the division is not customer-oriented. DJT believes private sector print companies may be less expensive and more efficient than Print Communication.

The Department of Administration's procurement process is out-dated, slow and uses poor systems. The process focuses on control, instead of timeliness and efficiency.

BARRIERS:

The Legislature gives agencies additional responsibilities without providing additional funds to carry them out.

Continued budget cuts are making it impossible for DJT to carry out its functions and responsibilities. Agencies have been reduced to a level where additional cuts will force agencies to eliminate valued services.

DJT lacks a computer system which has direct access links to other state agency computer systems. DJT has not been able to keep up with technological changes.

Rulemaking is of control. Since rules can take as long as two years to get instituted, it is often easier to get items placed in statute by the legislature than it is to get them written in rule.

CUSTOMER INPUT:

DJT conducted customer follow-up surveys two years ago. DJT also conducts what it terms "oral employee surveys." Results are not recorded.

FOCUS GROUP RECOMMENDATIONS:

1. The Department of Employee Relations (DOER) Minnesota Public Youth Program and the Department of Jobs and Training (DJT) youth employment programs should be combined.
2. The Jobs Skills Partnership Board in the Department of Trade and Economic Development (DTED) targets 2-4 businesses and will provide training in the technical and community college system. The board's functions could be housed within DJT since it deals with workforce training.
3. The apprenticeship program in the Department of Labor and Industry (DOLI) would be more appropriately placed in DJT. The DOLI is a regulatory agency and DJT is a service agency. The apprenticeship program deals exclusively in training and assistance.
4. Merge the DPSv energy department with DJT's energy assistance program. Improved coordination will also improve citizen access to these services.
5. Encourage all state agencies to use DJT's UBI (Uniform Business Identifiers) systems, that identifies all of Minnesota's businesses by code.
6. Because of DJT's experience in working with low income customers, it suggests that some Department of Human Services (DHS) programs might be better placed within the DJT. DJT is specifically interested in some of the programs that were located in DHS's former community social services division (now dissolved through reorganization).

7. DJT believes they should house the deaf services program since it pertains to employment. DJT asserts that the deaf community preferred having the program within DJT since it provided a one-stop shopping opportunity.
8. State government officials should develop a long range strategic plan for Minnesota.
9. Surplus commodities distribution is no longer a department priority. DJT would like it to be dropped, moved to DHS or given to the counties.
10. The building trades program in the DOLI could be housed in DJT. DOLI is primarily a regulatory agency whereas DJT is a service agency.
11. DJT recommends eliminating ADMIN's Print Communications Division.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Department of Labor and Industry

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: number authorized~

ACTUAL: actual number~

BUDGET (FY 92): FY 92 budget~

FUNDING SOURCE: funding source~

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT: Provide prompt, efficient delivery of services designed to protect our state's workforce with minimal economic regulatory burden to affected employers.

MAJOR PROGRAMS:

Workers' Compensation Division

Workplace Services Division

Labor Standards Division

Apprenticeship

Code Administration and Inspection Services

Internal Operations/Legal Services Division

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

Department of Health (MDH) has a class of sanitarian inspectors that appears to overlap with the Department of Labor and Industries (DOLI) inspections. While they inspect the same employer premises, the cost of cross training inspectors would be too high to make it worthwhile.

The Department of Administration's (ADMIN) building inspection program overlaps inspections conducted by DOLI.

Identify and gaps in your department's service delivery:

None were identified.

Programs no longer useful or of diminished priority/value:

The existing statutory requirement to collect and update prevailing wage data every six months requires expensive surveys and computations. Wisconsin presumes contracts are at the prevailing wage unless there is an objection.

Describe your department's relationships with other agencies and organizations:

The health portion of Occupational Safety and Health Act requirements are enforced by the MDH under an inter-agency agreement. DOLI enforces the safety and health requirements of the act.

The construction trades apprenticeship program must remain in DOLI because of federal funding requirements that it be located in the agency responsible for labor standards, despite the Department of Jobs and Training's work in employment and training.

The federal government has contracted with DOLI to act as the "approving" agency for apprenticeship programs for veterans.

Department of Finance (DOF) is very slow in performing utilization reviews and granting approvals to proceed with contracts. In one instance it took 7-8 months to obtain approval after the request for proposal was submitted and the bidder selected.

Computer purchases made through ADMIN are more expensive than purchasing off the shelf and often take 90 days to complete. In addition, they asserted that some of the low-bid computers were not of poor quality. It was indicated that they had to pay 2-3 times the normal retail off the shelf price for the purchase of a computer mouse.

The Department of Employee Relations (DOER) has too many job titles, out of date candidate lists, and a generally inflexible system. In particular, the system of state-wide bumping rights creates problems for agency managers in keeping productive, less senior employees.

Real Estate Management in ADMIN does not aggressively represent the state agencies interests in negotiations with landlords. There is a sensation that Real Estate Management is being an advocate for the landlords and not for the agencies procuring the leases. In

addition they feel that there is poor service after the lease is signed, and landlords are not pressured by Real Estate Management to hold the landlords accountable, leaving an impression that the state is very tolerant and has never broken a lease.

IV. BARRIERS:

Lack of authority to fine employers for infractions makes enforcement of child labor laws and minimum wage laws of little effect.

Because of misunderstanding about the role of the agency, it receives over 70,000 calls annually which should have been directed elsewhere in government. This "clearinghouse" function is supported by the agency without any specific appropriation.

The "use it or lose it" budgeting mentality provides no incentive to cost savings. Any effort they make to reduce costs is simply lost to them into the state general fund.

CUSTOMER INPUT:

DOLI has implemented a 1-800 customer access number.

VI. RECOMMENDATIONS:

1. Combine the building inspection program housed in the Department of Administration (ADMIN) with that conducted by the Department of Labor and Industry (DOLI).
2. Combine licensing activities for plumbing in the Department of Health (MDH), electricians (State Board of Electricity) and contractors from the Department of Commerce (COMMERCE) into one licensing agency.
3. Eliminate the state budgeting mentality of "use it or lose it".
4. Introduce choice and competition by allowing the agencies to hire ADMIN's Real Estate Management or to purchase through ADMIN's Materials Management or through alternative private vendors who offer good services and products at reasonable rates. If the agencies can find better alternatives they should be allowed to utilize them.
5. Allow the agencies to hire the Department of Employee Relations (DOER) on a performance basis as a private firm would pay an employee search firm
6. Approve and implement the proposed Data Acquisition Electronic Data Analysis Location Utilization Storage (DAEDALUS) project. The Workers Compensation

Division is currently choking on paper:

- there are over 1.1 million files to manage
- there are 260 new files created each day
- there are over 25,000 files circulating each day
- they receive 2.4 million pages each year that need to be filed
- many people need the same file simultaneously to complete their work
- 94% of the information is found only on paper
- there is no backup for the files

This \$10,000,000 image processing proposal would allow the agency to essentially become a paperless entity.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Bureau of Mediation Services

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: 25

ACTUAL: 24

BUDGET (FY 92): \$1,756,000

FUNDING SOURCE: general fund

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT: To enhance the quality and character of union-management relationships so that labor disputes are reduced or eliminated.

MAJOR PROGRAMS:

Contract Mediation

Arbitration Roster/Referrals

Education and training

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

The Department of Human Rights (DHS) has a mediation program targeted to discrimination complaints. Although it is a mediation program, its focus is quite different than the labor/management disputes addressed by the Bureau of Mediation Services.

The Department of Labor and Industry (DOLI) has a mediation program in the Workers Compensation Division. Again, its focus is quite different than that of the Bureau.

The Office of Dispute Resolution within the Department of Administration (ADMIN) is closely related to the services offered by the Bureau of Mediation Services (BMS).

Identify any gaps in your department's service delivery:

Other states address challenges to unfair labor practices in an administrative setting with dispute resolution. Minnesota now only uses the judicial system, but this is a service that could be provided by the BMS.

Programs no longer useful or of diminished priority/value:

BMS is required to collect data on settled agreements but the lack of standards make this effort of questionable value. The comparable worth data they compile for municipalities should be reduced.

Describe your department's relationships with other agencies and organizations:

BARRIERS:

The "use it or lose it" budget system does not give agency management flexibility to spend money on priority matters.

The budget system penalizes BMS for success since their publication of arbitration decisions comes from their operating budget but any revenues received returns to the general fund. As more requests for the decisions are made, their costs rise but income to the agency does not.

CUSTOMER INPUT:

None identified by the agency.

RECOMMENDATIONS:

1. Move the functions of the Department of Administration (ADMIN) Office of Dispute Resolution to the Bureau of the Bureau of Mediation Services (BMS).
2. Provide BMS jurisdiction over claims of unfair labor practices in an effort to reduce judicial expense on these issues.
3. Authorize BMS to offer arbitration services from its staff rather than referring out arbitration to private arbiters.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Department of Military Affairs

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: ~

ACTUAL: ~

BUDGET (FY 92): ~

FUNDING SOURCE: ~

SALARIES % OF BUDGET: ~

MISSION STATEMENT:

MAJOR PROGRAMS:

Army and Air National Guard units

Guard recruitment and training programs

Training and support facilities

Armories

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

Programs no longer useful or of diminished priority/value:

Reductions in the 1993 federal military budget are anticipated. This will affect the state's ability to maintain its current number of armories. The department has already reduced the total number of state armories from 84 to 72. The State Adjutant General's stationing committee is considering further reductions.

Describe your department's relationship with other agencies and organizations:

Civilian personnel employed by the Department of Military Affairs (DMA) often perform duties unique to state government. For example, store clerks distribute ammunition, radar system operators, etc. Such functions do not fit the classifications used by the Department of Employee Relations (DOER). DMA considers this a substantial problem.

The DMA works with the United States Drug Enforcement Agency (DEA) on a regular basis. DMA and the DEA carry out operations in both Minnesota and Florida. (DMA also has a federally funded small air attachment stationed in Florida). The relationship with the DEA is positive and their joint cooperation has been successful in fighting drug traffic in Minnesota and Florida.

The DMA believes its mission and goals are much different than all other state agencies.

BARRIERS:

The DMA believes affirmative action policies require that the department interview and hire protected class job applicants, even though such candidates may not be the best qualified applicants for a position.

The DMA indicated that it is difficult to utilize DOER's workers compensation system. Because workers compensation costs are not included as a line item on agency budgets, it is often difficult to account for unanticipated worker compensation expenses.

Unlike other agencies that have large and vocal interest groups that lobby on their behalf before the legislature, the DMA's constituency does not extend far beyond its employees. Consequently, when attempting to obtain legislative funding, the DMA believes it is at a disadvantage compared to other agencies.

FOCUS GROUP RECOMMENDATIONS:

1. Maintain and augment re-enlistment incentives and programs. The Department of Military Affairs (DMA) believes incentive programs are necessary to maintain the quality of the Guard. The DMA also argues that the incentives offered to recruits, such as low interest loans and tuition reimbursement, benefit communities economically.
2. The DMA and The Department of Employee Relations (DOER) should negotiate appropriate job descriptions and classifications. The following example illustrates the need for negotiated job classifications: the DOER classification for a store clerk job vacancy at Camp Ripley failed to mention that this position dealt with handling live ammunition, and working outside in a bunker in all types of weather conditions.

3. DOER should be streamlined and its multiple employment reviews and standards processes should be eliminated. For example, DOER requires that the DMA develop a sexual harassment policy, even when DMA lacks personnel who have human resources expertise. Once the sexual harassment policy was completed it was sent to DOER for review, and then it was returned to the Guard for acceptance. This long and complicated process burdened an already understaffed personnel office at the DMA.
4. Overhaul the DOER hiring system. The DMA believes that DOER policies hamper the DMA's ability to recruit the most qualified individuals for DMA positions. The DMA feels that DOER has forced the department into hiring unqualified personnel. For example, in compliance with DOER guidelines, the DMA was forced to rehire an individual whose performance and attitude were unacceptable even after he/she voluntarily moved to another state agency and did not pass their probationary period.
5. The DMA should study the feasibility of removing the Guard from the cabinet.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Department of Public Safety

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: 1873

ACTUAL: 1720

BUDGET (FY 92): FY 92 budget~

FUNDING SOURCE: funding source~

SALARIES % OF BUDGET: 87%

MISSION STATEMENT:

MAJOR PROGRAMS:

**Fiscal and Administrative Services
Personnel, Training, Employee relations
Office of Public Education and Media Relations
Office of Information Systems Management
Capitol Complex Security Division
Bureau of Criminal Apprehension
Driver and Vehicle Services Division
Drug Policy Office
Emergency Management Division
Emergency Response Commission
State Fire Marshall Division
Gambling Enforcement Division
Liquor Control Division
State Patrol Division
Traffic Safety Division
Office of Pipeline Safety
Crime Victim Ombudsman
Crime Victims Advisory Council**

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

Pre-construction and post-construction building code inspections are now handled by two different agencies, the Department of Administration's (ADMIN) Building Codes and Standards Division and the State Fire Marshall at the Department of Public Safety (DPS), both inspect the same site at different times.

Pipeline safety regulatory activities intersect with the State Fire Marshall's activities when a fire or other incident occurs at a pipeline. Additionally, the local fire department needs to be kept informed of what is flowing through the pipes to prepare for an emergency.

DPS has the Crime Victims and Witness Advisory Council and the Crime Victims Ombudsman. The Department of Corrections (DOC) has three programs: Battered Women, Victims of Sexual Assault, and Victims of General Crimes/Abused Children. There is also a Crime Victims Reparations Board that is a separate state agency.

Describe your department's relationships with other agencies and organizations:

The smaller organizations within the DPS have their own constituencies and political power bases. It is difficult for the DPS to control and track the activities of the smaller agencies. The result is "end runs" by these smaller agencies around DPS.

The Department of Administration and DPS have talked about the possibility of merging the responsibilities of Administration's Building Code Enforcement and the State Fire Marshall. This would bring pre-construction and post-construction inspection practices into one office. Generally, building code enforcement and the fire marshall inspect the safety and integrity of buildings and check for code violations.

The DPS has an appointee on the Gambling Control Board, the DPS investigates mostly illegal forms of gambling whereas the Gambling Control Board investigates irregularities in legal gambling operations, i.e. pull-tabs.

The Liquor Control Division at the DPS has authority over all three facets of alcohol activity in the state: distillers and brewers, wholesalers, and retailers. The Department of Commerce (COMMERCE) regulates competition and the Department of Revenue (DOR) collects taxes on alcohol. The DPS has the authority to veto local liquor license applications, before, during, and after the application process.

The National Guard, the Federal Emergency Management Administration (FEMA), and the Emergency Management Division at DPS interact on a regular basis. Their cooperation is effective in planning for and reacting to natural disasters.

The DOC, DPS, Bureau of Criminal Apprehension (BCA), Sentencing Guidelines Commission, and the Supreme Court are involved in a joint study on the collection and review of criminal histories and the various data banks that now hold the information. It is a study of how to better compile and disseminate the information for all who collect and manage the information currently.

The Peace Officer Standards and Training Board (POST) receives staff support from DPS. Also, the DPS gives support staff to the Board of Private Detective and Protective Service Agents.

BARRIERS:

The finance and budgeting process is "bad". There is no room for experimentation and no rewards for saving. These factors cause wasteful spending practices. If a department does not spend its allocations in a fiscal year the monies are returned to the General Fund. Also, if the department does not fill a vacant position the department may lose the employee complement.

There is a high stress level at DPS because they have fewer employees performing more work. DPS is allowed 1873 FTEs, currently they have around 1720.

DPS has been the "dumping ground" for projects, agency moves, and agency creation. This is due to the fact that DPS has a good reputation at the legislature for "getting the job done". If a legislator is concerned about a particular new program, the program is often moved to DPS even if the "fit" is better in some other agency.

The DPS and its smaller agencies are scattered all over the twin cities, and the state. Also, there is not one unified identity at DPS, every agency within DPS has its own logo. The department is responsible for presenting the budgets of the smaller agencies under DPS' charge, this is difficult because of the lack of communication between DPS and the smaller organizations within the department.

The DPS believes that the department is too diverse, too large, and has lost its focus. The staff at DPS created a "cheat-sheet" of statutory requirements that DPS must perform as part of their mission. DPS organizes agency data into categories and divisions, to determine what DPS is required to do by statute and what they really do. "This is what we are suppose to do, but this is really what we do". The DPS believes that no agency does everything they are mandated to do in law, they do what they can, or want to do.

DPS argues that it is difficult to effectively manage 87 counties. DPS believes that one day Rochester, the Twin Cities, and St. Cloud will be one big metropolis and that the Patrol will have to plan and grow to meet those increased demands on their services. In some counties there are only 6 sheriffs, if two sheriffs are to be on duty at a time (3 - eight hour shifts in a day) they still have to plan days off and to staff emergency situations. Often some of these sheriffs are part-time.

For years the Department of Transportation (DOT) and DPS have been going back and forth over who would move out of the building they share. First, DOT was moving, then DPS was moving, then there was a study, now DOT is staying and DPS is moving. DPS feels that they are being left out of the information stream, DPS believes that no one at Real Estate Management will talk straight with DPS. The DPS believes they are on a "need to know basis" with Real Estate Management. The DPS, which is currently paying the state \$8.63 a square foot, could move out and pay \$9.00 a square foot. DPS believes that Real Estate Management should make a decision, this problem has been ongoing for 8 to 10 years.

CUSTOMER INPUT: None identified by the department

FOCUS GROUP RECOMMENDATIONS:

1. The Department of Public Safety (DPS) believes their crime victims organizations do not "fit" into the DPS' mission and that they should be moved.
2. The DPS believes that the Office of Pipeline Safety and the State Fire Marshall should be combined into one office. Previously, the State Fire Marshall and the Office of Pipeline Safety were one organization, but after the Shorewood, Minnesota accident the offices were separated to give the Office of Pipeline Safety more visibility.
3. The Office of Drug policy (ODP) was created to be a policy office. What was once a "policy" office is now in the business of administering \$11.3 million dollars in federal grant monies. DPS believes that there is not a focus or direction at the ODP. Basically, if ODP is a policy organization, then it should be allowed to concentrate on formulating a state-wide drug policy, and the administration of the grants should be handled by a state agency that specializes in administering block grants.
4. DPS believes that there should be a comprehensive study of all federal dollars coming into the state to all sources; state, county, and municipal. There should be a system to track and process all federal dollars so that agencies know how much is being spent and for what purpose.
5. The Liquor Control Division at the DPS should be left autonomous from the Departments of Revenue and Commerce. The DPS sees tobacco and alcohol as "gateway" drugs to much harder substance abuses. Since the DPS is the largest law enforcement organization in the state it believes that the function of oversight of the liquor industry belongs at Public Safety.
6. DPS would like to explore the use of "kiosk" systems to deliver Driver and Vehicle Services products to the customer. Use of a credit card or drivers license would give the holder access to a variety of services currently offered by the Drivers and Vehicle

Services: tabs, license renewals, job opportunities, etc. DPS would charge a \$1.00 fee to use the service to pay for the system, but there would be less lines, theoretically. The departments of Revenue, Human Services, and Jobs and Training have also expressed an interest in this type of system.

7. DPS is also exploring the use of computer chips on drivers licenses. The chip would provide much more information about the holder than can now be placed on a license. This would allow the holder to provide information to other state agencies without having to continuously fill out forms for services.
8. DPS felt that all levels of government; federal, state, and local should use the law enforcement model for communication and cooperation in all areas of government. They believe that the interaction between law enforcement organizations has less conflict and more cooperation than other government entities.
9. In other states, homicide cases are investigated by the state police. Minnesota does not have a state police force. Consequently, in many counties homicide investigations are preformed by county sheriffs, who often have little experience in investigative procedures. DPS believes that the department's role in law enforcement should be expanded to include state policing powers.
10. All new agency commissioners, and commissioners' office staff, should receive a formal orientation session of their own agency. Often times it takes from six months to a year just to learn about an agency and to understand the role of the commissioner.
11. Physically consolidate the divisions of DPS to facilitate more cohesiveness and better communication.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the Minnesota Guidebook to State Agency Services 1992-1995.

AGENCY NAME: Department of Public Service

PERSONNEL COMPLEMENT (FTEs):
AUTHORIZED:

BUDGET (FY 92):
FUNDING SOURCE:

W & M - 93% fee funded
Telecomm - 100% fee funded
Energy Reg - 45% fee funded

ACTUAL:

SALARIES % OF BUDGET:

MISSION STATEMENT:

MAJOR PROGRAMS:

Weights and Measures Division:

Telecommunications Unit:

Energy Regulation and Resource Management Division:

Information and Operations Management Unit:

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

The Department of Administration (ADMIN) has an Energy Conservation Division responsible for ensuring energy conservation in state buildings. One of the Department of Public Service's (DPSv) main functions is to promote energy conservation, DPSv has the skilled staff and expertise to administer energy conservation in state buildings. Having a similar function, with a limited scope, in ADMIN is a direct overlap with DPSv functionary responsibility.

The Attorney General's Office (AG) has a Residential Utilities Division which acts as a advocate for residential and small business customers of utility services. Division attorneys initiate and participate in both state and federal proceedings related to the regulation of natural gas, electricity, and telephones. This is a direct overlap with DPSv's functions. The AG's office also has a Telecommunications and Energy Division that represents all MN consumers before the Public Utilities Commission (PUC), DPSv also preforms this function.

DPSv and the Department of Agriculture (MDA) both provide a weights and measures service to businesses, this could be a possible overlap function. Although, this issue had been identified before and it was determined that the two separate functions should remain separate because of the different natures of the two types of services, even though there is a similarity.

Public Facilities Authority (PFA) has a Energy Conservation Investment Loan Program for communities and school districts for cost effective energy improvements to publicly owned structures. The primary function of the PFA is to make available financial packages for waste water treatment facilities.

The Minnesota Housing Finance Agency (HFA) has a Home Energy Loan Program to provide low interest loans to increase the energy efficiency of homes. \$1,000 to \$5,000 loans for up to five years. Single family homes and personal property manufactured homes are also eligible.

Identify any gaps in your department's service delivery:

Delays in DPSv's direct billing process are the result of the time required to manually review time sheets and expense reports, manually detecting coding errors are very time consuming and not a proper use of manpower resources. DPSv is reprogramming and enhancing the current data base so that a new computer system is able to verify the accuracy of time sheet coding at the time of entry. This will eliminate the need for manual verification.

The Environmental Quality Board (EQB) is not living up to its statutory responsibility. EQB has no "teeth" in its authority and is not funded to preform properly. Also, the EQB tends to be the "court of last resort" for local "squabbles." Hence, the EQB spends most of its time deciding issues of a local impact instead of setting state wide environmental policy on DPSv felt that the EQB did not need its own staff, and that staff from other agencies could provide the staff support to the EQB, instead of the EQB hiring consultants and special support staff (rule 10) to fill some void in current EQB staff levels.

The Energy Conservation Division at ADMIN was unaware that NSP provides, free of charge, energy audits of buildings throughout the state, and then offers improvements. DPSv has the duty to promote energy conservation throughout the state.

Describe your department's relationships with other agencies and organizations:

DPSv provides the PUC with energy analysis, data collection, and other support services. The department also forecasts future energy needs of industry and citizen consumers in the state.

The Department of Human Services (DHS) administers the Telephone Assistance Plan (TAP). TAP provides up to a \$7.00 monthly credit for elderly and disabled low-income persons to differ their telephone costs. The credit is funded through a 10 cent surcharge per telephone access line in Minnesota. When a person sets up new phone service, on the form there is a box to check, to apply for an eligibility assessment. Once the phone is hooked up that person is automatically placed on TAP, if they checked the box. Unfortunately, DHS was 1 to 2 years behind in making determinations of who was eligible and who was not. Meanwhile the person was receiving the credit until DHS informed the utility that they were not eligible. The PUC ordered DHS to conduct assessments in a timely manner. Since DPSv enforces orders of the PUC, DPSv was in the middle of a dispute between DHS and the PUC. DHS originally did not have enough staff to make the determinations, now they are better equipped to make the assessments. DPSv is now in a monitoring role to follow up on the PUC's order to DHS to clean up the backlog.

DPSv has had a very bad experience with the ADMIN's Real Estate Management Division. DPSv has been trying to move from the American Center Building for four years. There are two current, active law suits filed over the move that Real Estate Management has authority to broker. Problems with the finances of one of the building owners, and problems paying over \$20.00 a square foot (almost twice the going rate) to renew DPSv's lease for the short term until a new building could be found. DPSv said that dealing with Real Estate Management was a "circus"

The employees at DPSv had taken a Management Training Seminar from ADMIN's Management Analysis Division in 1989. They said that it was the "worst experience" and "total waste of time". Also, they have felt pressured to use MAD analysts for strategic planning, instead of going to outside consultants.

DPSv stated that the Department of ADMIN's Print Communications services are of poor quality, has un-timely delivery, is unresponsive to needs of agency requirements, and is more costly than the private sector.

The Plant Management Division of the Department of Administration is responsible for lighting systems in state buildings. A Community College was in the process of having asbestos removed from the interior of one of their buildings and was also in the process of upgrading and remodeling the buildings appearance. The college wanted to put in fluorescent lighting fixtures, to give better quality lighting and to consume less electricity. But, Plant Management does not have a recycling budget to upgrade and recycle old lighting fixtures. Plant Management does have a "unlimited" energy budget, they just pay the bill for whatever energy is consumed, regardless of conservation efforts that could be utilized. Plant Management said that the college would have to maintain the incandescent lighting already in place, even though fluorescent lighting is better and cheaper.

The Department of Employee Relations (DOER) allows DPS flexibility on personnel classifications and test administration, because of the highly technical nature of the regulatory activities. DOER has let DPSv hold eligible list open longer, and has also allowed DPSv more flexibility in deviating from standard state job description to help attract candidates that are qualified specifically for energy analysis and rate regulation.

BARRIERS:

DPSv is almost entirely fee funded. Yet in tight budget years DPSv is expected to take a budget cut, just like everybody else, no exceptions. According to DPSv, that mentality is inefficient and ineffective. Because the money, in the form of fees, comes from those being regulated not the state's general fund. Each time DPSv takes a budget cut the result is less inspection and oversight by the department, those being regulated receive less scrutiny. Due to the nature of DPSv's funding, a disproportionate amount of budget cuts occur in DPSv's discretionary general fund allocation

DPSv expressed the need for the state's many agencies to speak with a unified voice on issues that are under the jurisdiction of more than one state agency. DPSv understands that different perspectives can arise on issues. DPSv cited an example when the Public Utilities Commission (PUC) was to decide the outcome of a nuclear relicense and storage issue. Two other agencies, the Department of Health (MDH) and DPSv argued the pro and con of the issue. DPSv wonders "who is speaking on behalf of the state?" These types of situations are very frustrating for DPSv, as a result of these circumstances state agencies are perceived to be incompetent, have a lack coordination, and do not communicate with themselves. This also breeds a "who do you trust" atmosphere.

The current process DPSv should utilize to acquire changes in statutory language by Legislature is very difficult, and not timely. Currently, a request goes through the Office of Strategic and Long Range Planning, where the proposal may be incorporated into the Governor's biennial budget or may become a separate piece of legislation. To get around this process, DPSv locates a legislator to author a bill or an amendment on the department's behalf. Depending on the nature of the legislation, a more efficient use of staff time and an improved probability that the department's proposal will be passed into law may occur by circumventing the normal process .

DPSv commented on the concept of "use it or lose it" budgeting, that there is no incentive to manage monies properly, no rewards for cost saving initiatives because any savings would be taken away by the legislature.

CUSTOMER INPUT: None identified by agency personnel.

FOCUS GROUP RECOMMENDATIONS:

1. Place responsibility for energy conservation in state buildings in the Department Public Service (DPSv) rather than the Department of Administration (ADMIN). DPSv suggests eliminating this function in ADMIN, and allowing DPSv to perform

energy conservation activities in state owned buildings as well as for industries and businesses in the state. DPSv has the expertise to administer this responsibility.

2. Eliminate the duplication in the consumer advocate and intervention activities of the Attorney General's Office for utility rate proceedings, telecommunications, and energy issues.
3. Consolidate energy conservation loan programs now administered by the Housing Finance Agency and the Public Facilities Authority with those already administered by Public Service.
4. A possible opportunity for a "profit center" was identified by DPSv in the Metrology Laboratory. This lab provides calibration of the length measurement devices, such as calibration of non-commercial length measures, including surveyors tapes, tapes for quality control measurements, lever arm length determinations, thermometers, and scales. DPSv thought this was an opportunity for the state to charge fees for this service. The calibration process that DPSv uses is the only one accredited in the upper-midwest. DPSv said it would make sense to charge private industry for this service.
5. Refocus the role of the Environmental Quality Board (EQB), establishing overall state environmental policy. Staff the EQB through other agencies, consultants, and Rule 10 employees.
6. The environmental agencies; the Pollution Control Agency (PCA), the Department of Natural Resources (DNR), the Office of Waste Management (OWM), the Environmental Quality Board (EQB), and the Board of Water and Soil Resources (BWSR) are in dire need of reorganization. DPSv said there is a lot of overlap and confusion amongst these agencies.
7. DPSv felt customers would be better served if the grain weighing services in the Department of Agriculture (MDA) were moved to DPSv's Weights and Measurements Unit, where many of the grain weighing tests are already taking place. DPSv thought this move would promote more one-stop shopping and eliminate overlap between the two agencies in grain weighing.
8. The Legislative Auditor's Office, in its recent audit, stated that DPSv needs an enhanced computer billing system that would allow for better control of the billing process. DPSv is not processing direct and indirect billings in a timely manner. This would give DPSv the ability to bill public utilities and telephone companies more frequently and to send out bills more timely after the end of the billing period.
9. All state agencies should be allowed to be exempt from across the board budget, on a case by case basis, if a argument could be made that it is not in the best interest of the state or its citizens.

BACKGROUND INFORMATION - AGENCY INPUT

The following information is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Department of Revenue

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: number authorized~

ACTUAL: actual number~

BUDGET (FY 92): FY 92 budget~

FUNDING SOURCE: funding source~

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT: The Department of Revenue's (DOR) mission is to win compliance with Minnesota's revenue system.

VISION STATEMENT: That people pay their fair share, help make the decisions that affect them, and believe they get value for their tax dollar; that the revenue system is fair, efficient, reliable, understandable.

MAJOR PROGRAMS:

Administration

Tax Policy

Local Government Services, Special Taxes and Communication

Customer Service and Information

Tax Compliance

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

Tax auditing of charitable gambling proceeds is conducted by both the Department of

Revenue (DOR) and the Minnesota Lottery.

Many state agencies such as the Department of Natural Resources (DNR), the Department of Agriculture (MDA), the Department of Health (MDH), DOR and etc. have regional offices in Greater Minnesota. These offices could be pulled together into centralized locations. This could assist customers with "one-stop shopping" and also improve communication among the agencies.

Many state agencies such as DOR, Department of Finance (DOF) and etc. have shared or joint services, but they keep separate records. In part, this is due to the physical difficulty in storing huge amounts of paper records. Record storage on optical disks could improve shared services.

Numerous state agencies like the Department of Commerce (Commerce), the Department of Public Service (DPSv) and the DNR are involved in collecting specific taxes and fees. This overlaps the primary function of DOR, which is revenue collection.

Identify any gaps in your department's service delivery:

Due to budgetary constraints, DOR is not able to fully fund taxpayer information programs.

DOR does not have resources to track and monitor out-of-state businesses that illegally sell products in Minnesota without paying the state sales tax. These firms have a 6.5 percent price advantage over in-state firms.

DOR does not have resources to identify individuals whose wages are paid in cash and who do not file income tax returns.

DOR is responsible for seeing that special finance districts are computing tax increments correctly, but DOR does not have the personnel or expertise for this activity.

Describe your department's relationships with other agencies and organizations:

Department of Finance (DOF): DOR performs the state's economic forecasting. DOR assists DOF by conducting the forecasts on the changes that a proposed new tax or tax adjustment would bring to the state. The relationship between the departments has improved in recent years, which is attributed to new, cooperation-oriented commissioners.

Department of Employee Relations (DOER): The classification system is out-dated and ineffective. It is difficult to deal with incompetent workers and those who just perform the bare minimum. It is difficult to reward excellent workers with advancement or financial incentives because there are few promotional rewards available.

DOR found that dismissal of an ineffective worker is possible through progressive documentation. (This is the formal system used by DOER to remove unsatisfactory employees. It is through progressive discipline that the dismissal procedure can be conducted). DOR felt that progressive documentation is good because it encourages managers to conduct regular evaluations of staff and themselves.

Department of Administration (ADMIN): In general, DOR tries as hard as it can to circumvent, rather than utilize, ADMIN's systems. Several ADMIN units have improved in recent years: Real Estate Management (probably because it has lost some of its former power); the InterTechnologies Group; and the Information Policy Office (which appears to be avidly searching for a mission).

The Materials Management Division in ADMIN has improved, but is still overly controlling. An example of this control is inventory management, which requires ADMIN to list all supplies and resources within their numerous divisions. It would be better if DOR could receive resources only on a departmental level, and then allocate to divisions according to needs. The current system forces DOR to waste staff time counting and labeling supplies to meet Material Management's administrative needs. The current system is wasteful: it is easier to order additional supplies from Materials Management than it is to move extra supplies from one division to another within DOR.

Central Stores in ADMIN is overpriced, has little selection, and requires too much time and paperwork. Central Store staff are obsessed with documentation and controls. DOR buys half of its supplies from private firms which are less expensive and more efficient.

BARRIERS:

The excessive complexity of the tax system, i.e. filing procedures, payment, receiving, etc., is a significant barrier to the taxpaying public. Also, the legislature's use of taxes to create economic incentives for and to provide benefits to cities, regions, special interest groups further complicates the tax structure. If the tax system was used to only collect revenue, and not to promote economic development or correct disparities, the system could be much simpler and compliance with tax laws might be higher.

When taxpayer information programs are cut to relieve stress on the revenue department's budget, the result is often more mistakes made on tax returns and lower voluntary compliance with tax laws and codes. In the long run, the state spends more money in tax audits and collections than it saved through program reductions.

DOR is designed to handle most tax returns efficiently. Unusual returns, particularly those with incorrect information, experience delays in processing, sometimes resulting in an audit. A small percentage of returns are unusual, but processing them consumes half of DOR's budget. Half of DOR's budget is allocated to achieve voluntary tax compliance, over \$7 billion in revenue. The other half of DOR's budget is allocated to collect taxes from individuals who do not voluntarily comply, around \$200 million. DOR argues that many

occurrences on non-compliance could be avoided, if the department had the resources to inform and educate the public on tax compliance.

The employment process is a time consuming paper chase. DOER and the state employee bargaining units need to improve the human resources function.

Computer equipment is old and outdated. The lack of resources, preventative maintenance and repair prohibits adequate upkeep of computer systems.

Basic information is not exchanged between agencies, in part, because state agency computer systems are not compatible with each other.

In general, state administrative systems, such as procurement and budgeting, are restrictive and inefficient. The system inhibits risk-taking among employees. Ironically, this control is not accompanied by any real means of accountability.

Each year DOR attempts to maintain its workload with diminishing resources. As a result, sometimes job performance is mediocre. With additional cuts, some services will have to cease.

Mobility assignments are valuable, both for staff and for departments. Currently, there is no system in place to ensure that a worker's job is secure at their home department while on mobility.

Managers have little ability to influence employees who perform only the absolute minimum of work required.

CUSTOMER INPUT:

DOR conducts post-audit surveys. DOR also conducts employee surveys, but promises employees that survey results will remain confidential.

FOCUS GROUP RECOMMENDATIONS:

1. Tax auditing of charitable gambling proceeds should be centrally located in either the Department of Revenue (DOR) or the Minnesota Lottery.
2. Increasing taxpayer information and education programs not only results in improved customer satisfaction, but can reduce DOR operational costs as well. Although increasing audits can result in a short term gain, state policy should be to prevent problems rather than prosecute them later.
3. Agencies with regional offices in Greater Minnesota should centrally locate in order to improve both customer access and inter-agency communication.

4. Agencies should store records on optical disks in order to reduce paper/hard copy storage costs and to improve access to information.
5. Revenue collection is DOR's focus; collection activity by other agencies could be centralized within DOR.
6. Responsibility for auditing tax increment finance districts should be transferred from DOR to the State Auditor's office, which has the necessary expertise.
7. Additional funding is necessary to maintain information and investigative programs that help "win compliance" with the state's revenue system.
8. Both the Department of Employee Relations (DOER) and the Department of Administration (ADMIN) need to allow more flexibility in their controlling system, so that they can encourage rather than stifle work performance.
9. State government needs to reassess the purpose of the revenue collection system, and then restructure the system to better meet that purpose.
10. The political system has created a very chaotic tax system. DOR thinks that the legislature sometimes manipulate the tax system to get some small credits for certain legislative districts. This "tweaking of the system" further complicates an already complex tax system. The legislature needs to understand the possible repercussions of politically motivated decision making. DOR feels it would be much better if the legislature distributed lump sums to constituent districts instead of tax breaks.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Office of Strategic and Long Range Planning (a.k.a. Minnesota Planning)

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: number authorized~

ACTUAL: actual number~

BUDGET (FY 92): FY 92 budget~

FUNDING SOURCE: Funding source~

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT: Minnesota Planning is charged with developing a long-range plan for Minnesota, stimulating public participation in the state's future, and coordinating public policy with state agencies, the legislature and other units of government.

MAJOR PROGRAMS:

Long-range planning

Minnesota Milestones

Action for Children Commission

Government services

State Demographer's office

Environmental Quality Board operations

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings, or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

All state agencies are involved with planning; many are often involved with planning in areas that are inter-departmental in nature, include Metropolitan Council, Department of Trade and Economic Development, and Department of Transportation. Minnesota Planning

works cooperatively with these other entities to avoid duplication.

Minnesota Milestones is similar to the Metropolitan Councils vision for the year 2015 plan. The former is statewide; the latter is metro-wide.

Identify any gaps in your department's service delivery:

Not provided.

Programs no longer useful or of diminished priority/value:

In previous years, the legislature placed an agglomeration of programs and projects within the Office, which served as the "miscellaneous" category of government. Most of these programs are now gone.

The agency staffs the Environmental Quality Board. EQB appears to have lost its focus, concentrating on smaller issues and on regulation instead of long-range planning.

Describe your department's relationships with other agencies and organizations:

The agency uses self-directed work teams. However, the Department of Employee Relations (DOER) does not recognize the system in its promotion process. DOER's rating system does not promote team work.

Relationships with DOER are considered excessively time consuming. Agency personnel officers are rewarded if they can work around DOER instead of with DOER.

Department of Administration's printing communication division has improved over the years, but still has a questionable relationship. For example, estimates and actual bills sometimes are quite different.

Relationships with finance are very good. Planning has an arrangement with Finance that lets them use money in two year increments rather than one. Rationale is Planning has studies that usually last more than one year.

BARRIERS:

The mission and purpose of the agency are unclear to the legislature, which results in the inappropriate locating of programs and projects.

Partisan political attacks force the agency to annually justify its existence. This results in poor agency morale and job insecurity.

Across the board funding cuts cause major havoc.

CUSTOMER INPUT:

No surveys have been done specifically for the agency, but the Minnesota Milestones project has questioned the effectiveness of government as a whole.

RECOMMENDATIONS:

1. Redefine the mission of EQB, it has become too regulatory. EQB spends too much of its time looking at small issues. EQB should be involved with macro issues and planning, but instead is immersed with details, such as examining ditches in Mahnommen County.
2. Examine the mission and operations of DOER. DOER is supposed to be assisting the agency but its systems are hampering instead. DOER should delegate more responsibility to the departments and agencies. DOER should be used as a clearing house for information, and as a watchdog to monitor for compliance.
3. State agencies should have more of an option to use private sector service providers such as printers. The Department of Administration print communications division is criticized for its pricing, service quality, and slow work.
4. The function of planning in state government--who does it, who coordinates it, etc.--needs to be reexamined. The mission of the Minnesota Planning agency needs clarification and broader understanding, especially when the legislature is involved. Planning has become a sort of political dumping ground for issues.

BACKGROUND INFORMATION-AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the Minnesota Guidebook to State Agency Services 1992-1995.

AGENCY NAME: Department of Transportation

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: number authorized~

ACTUAL: actual number~

BUDGET (FY 92): FY 92 budget~

FUNDING SOURCE: funding source~

SALARIES % OF BUDGET: % of budget~

MISSION STATEMENT: To manage the state's transportation system to serve all the people in Minnesota.

MAJOR PROGRAMS:

Finance and Administration

Research and Strategic Initiatives

Auditing

Contract Compliance

Engineering Services

Operations

Metro

The following notes summarize comments made by agency staff during focus group interviews and do not represent the views, findings or recommendations of CORE or CORE staff, nor do they necessarily represent the official position of the state agency that the focus group participants represent.

PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

There are too many agencies and other related entities that overlap with the Minnesota

Department of Transportation (DOT), i.e. Metropolitan Council, Regional Transit Board, Metropolitan Transit Commission, Metropolitan Waste Commission, Metropolitan Airport Commission, Minneapolis Parks Board and etc., are all performing work that is directly related to DOT. These multiple agencies result in the lack accountability, confusion over jurisdiction, lack of direction or resolution, too many layers and an inability to receive timely answers.

There is overlap with DOT's contract compliance program and the Department of Human Rights (DHR). DOT has hired two laid off DHR employees to perform compliance work from within the agency as opposed to having it done by DHR's contract compliance unit. There has not been any evaluation of what kind of effect this program has had on the employment policies for under-represented classes for the employers/contractors.

Identify any gaps in your department's service delivery:

DOT is currently experiencing a 130 million dollar shortfall over the biennium. Layoffs are eminent, and the agency has already reduced its roster from 7,000 plus employees in 1976 to approximately 4500 full-time and 300 seasonal workers.

Programs no longer useful or have diminished priority/value:

DOT had no response and indicated that they had not thought about the transfer of any of their programs to other agencies.

Describe your relationships with other agencies and organizations:

DOT has received authority from the Department of Employee Relations (DOER) three years ago to do their own job classification, and this has resulted in faster and more efficient service. DOT feels DOER is not oriented towards customer service and that most of the functions performed by them could be done internally within the agency with better results.

DOT has had approval authority on construction contracts, a function usually performed by the Department of Administration (ADMIN). This change has saved 15 days of processing time. In addition, DOT also has purchasing authority for such things as road equipment. In previous years, the process was very cumbersome and costly.

DOT's ability to deal with many of the things normally conducted by ADMIN and DOER has given them a "sense of empowerment and responsibility." DOT also indicated they have some authority to outside of Print Communications (Printcomm) for printing and copying needs. The ability to utilize private sources has both saved money and increased customer satisfaction.

BARRIERS:

DOT often has trouble dealing with boards and other small entities. Most problems consist of trying to achieve consensus or resolution to problems concerning the different entities. This is largely due to staff from those entities attending meetings with no authority or flexibility to make decisions which usually rest with multiple members and sometimes multiple boards which may not be meeting in a month or sometimes longer.

Due to continued increases in costs, operating expenses and a 5% budget reduction DOT has not been able to do any capital improvement projects. The emphasis has been placed on just trying to preserve the infrastructure as best DOT can. Other than maintenance and preservation DOT is not performing any other functions, with the exception of projects already have funding.

There is a lack of enabling/permissive language in law that would allow toll road utilization if that direction were to be pursued. Selling access to High Volume Occupancy (HVO) lanes was listed as one possibility. There is never any money for planning and DOT is constantly trying to get around constitutional limits. Without flexible funding the "Commissioner cannot truly be commissioner of transportation."

Planning seems to be a constant process in the metro are that never is completed due to the fragmentation of authority, too many layers and the huge amount of resources devoted to setting up meetings with the numerous advisory and citizen groups. This process is referred by DOT as "brutal and costly." Planning needs to be centralized instead of spread amongst so many different agencies, task forces and commissions.

DOT is also doing varied internal examinations in technical colleges. Relocation of employees that wish to be transferred or promoted has been especially troublesome for DOT due to the reimbursement limitations placed upon expenditures for relocation as negotiated by DOER in its employment contracts. The irony of this is that DOT has more leeway when they relocate private citizens due to Right-of-Way projects. DOT felt they can not provide the same service level for their own employees in comparison to private citizens affected by Right-of-Way acquisition. This results in an inability to promote employees from Greater Minnesota and relocate them elsewhere in the state.

CUSTOMER INPUT:

They are currently working with the University omnibus survey people to do a questioning on rest areas and they have previously conducted a customer survey, but felt that it "was opinionated." In addition there was an employee survey done 2 years ago.

FOCUS GROUP RECOMMENDATIONS:

1. Telecommunications should expanded state wide. The Minnesota Department

of Transportation (DOT) feels that the telecommunications potential of becoming a commuting vehicle is being collectively missed out on by the state and that there is a need to place resources into planning and infrastructure. In addition, the creation of standards would enable universal linkage around the state.

2. DOT recommends the state should eliminate the multitude of layers, especially within the agencies.
3. Abolish the Regional Transit Board (RTB). It is only adding to customer confusion and the decentralization of agency power.
4. The state should develop more benchmarking for the agencies and itself. Currently there is nothing to compare systems with, thus making it very difficult to measure actual success of a program.
5. Devise the land sale of Right-of-Way, a more user friendly and quicker process. Currently it is far too difficult and cumbersome for DOT to effectively sell this land.
6. Consider marketing selling High Volume Occupancy (HVO) "sane lane" access for single occupant vehicles. There is the potential for the state to make money from this.
7. More flexibility with relocation expenses for employees. Give the agencies more power in this area. The outcome would be a more efficient and smoother process for DOT relocated employees.
8. Define the authority, jurisdiction and guidelines for co-operation of the numerous boards, commissions, and task forces. DOT feels there are too many conflicting thoughts and opinions coming from these entities. If a plan was enacted, it would significantly improve customer relations.

BACKGROUND INFORMATION - AGENCY INPUT

The following data is taken from the 1994-95 Biennial Budget documents and the 1992 State Guide to Agencies.

AGENCY NAME: Department of Veterans Affairs

PERSONNEL COMPLEMENT (FTEs):

AUTHORIZED: 35

ACTUAL: 31

BUDGET (FY 92): \$4,761,000

FUNDING SOURCE: \$2,680 general fund
\$2,087,000 statutory (State benefit program)

SALARIES % OF BUDGET:

MISSION STATEMENT: Assist Minnesota's veterans and their dependents to obtain benefits and services provided by U.S. Department of Veterans Affairs.

MAJOR PROGRAMS:

Veterans Benefits and Services

Claims and branch offices

Administrative Services

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PROGRAM RELATIONSHIPS:

What programs in your department overlap with programs in other departments?

The Department of Jobs and Training (DJT) has a veterans employment and training division. There is little communication between the agencies.

Identify any gaps in your department's service delivery:

Community veteran service officers (at least one for each county) are the field workers connecting the agency with veterans. These officers need additional training to better handle the changing laws and regulations affecting veterans.

The Department of Veterans Affairs (DVA) Agent Orange program had a cooperative effort with the authorities in International Falls and Duluth when a dioxin spill occurred in 1992. This program has widened its scope to deal with medical complications that may be connected to troops being exposed to oil field fire fumes during the Persian Gulf war. The program may need expansion to deal with this issue.

Programs no longer useful or of diminished priority/value:

The guardianship division manages financial matters for veterans adjudged incompetent. This is a service that could be privatized.

Describe your department's relationships with other agencies and organizations:

The Department of Human Services (DHS) form for nursing home admission needs to be revised. There are many spouses of veterans who qualify for a veterans pension who have not been identified in the initial screening of people prior to nursing home admission.

BARRIERS:

Like all departments, DVA must deal with increasing costs such as the increased sales tax, the Attorney General's fees, and workers compensation, within the constraint of its current budget.

Whenever there is a change in commissioners, there is a short term negative impact on the agency and its budgeting process. Other states avoid this problem with long term commissioners, which is more cost effective.

Each year DVA receives about three inches of new federal regulations concerning veterans benefits. DVA and other agencies serving veterans find it very difficult to keep up with all the changes.

DVA has not had an internal workers compensation claim in ten years, yet every year it is required to pay the state Attorney General fees for workers compensation services. The concept of required payment for unused services inhibits interest in cost savings.

The Department of Employee Relations (DOER) requires DVA to spend a lot of time creating agency-specific affirmative action plans, sexual harassment policies and sick leave policies. DVA is a small department, lacking support personnel with the expertise for these tasks. As long as DVA is involved with reviewing and approving internal policies, then it should simply provide a standard set of policies for the smaller agencies to implement.

DVA has reduced its staff by 25 percent since 1986, and has worked hard to do this without reducing its services to military veterans. However, with the cuts being planned for the next

biennium, DVA cannot avoid a significant reduction in service.

CUSTOMER INPUT:

DVA is now preparing a customer survey to be used in the near future. DVA occasionally reviews unsolicited customer assessments, but not on a systematic basis.

RECOMMENDATIONS:

1. Customer service could be improved by moving the veterans programs now in the Department of Jobs and Training (DJT) to DVA. This would provide veterans with "one stop shopping" and could assist service continuity.
2. Revise Department of Human Services (DHS) nursing home admission forms to identify spouses of veterans. Identification of veteran spouses will replace state Medical Assistance dollars with federal Veterans Administration pension benefits. A pilot project has been used at one site; the project cost \$150,000 and has yielded over \$1 million in savings to the state.
3. Provide more mandatory education opportunities for Community Veterans Service Officers. By using the STARS program (a state communication technology initiative), DVA could provide cost effective statewide training. DVA's usage could promote the advantages of STARS to other potential users.
4. Have the Attorney General's office charge state agencies on a fee-for-service basis. This might improve the sense of internal customer satisfaction, as well as ensuring that fees cover actual costs.
5. Privatize the guardianship program.