December 1, 1968

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

Dear Governor LeVander:

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

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

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

Respectfully submitted,

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

SEC. 89. "THERE IS HEREBY APPROPRIATED TO THE GOVERNOR AS STATE PLANNING OFFICER THE SUM OF $50,000 FOR THE PURPOSE OF CONDUCTING A STUDY OF ADVISABLE REORGANIZATION OF STATE GOVERNMENT. THE GOVERNOR MAY APPOINT ADVISORY GROUPS OR A COMMISSION TO ASSIST IN SUCH STUDY. MEMBERS OF ANY SUCH ADVISORY GROUP OR COMMISSION SHALL SERVE WITHOUT COMPENSATION BUT SHALL BE ALLOWED AND PAID THEIR NECESSARY TRAVEL AND OTHER EXPENSES. FROM THIS APPROPRIATION UPON USUAL PROCEEDURE, HE MAY PAY OTHER EXPENSES OF THE STUDY AND HE MAY CALL UPON ANY STATE DEPARTMENTS AND AGENCIES FOR ASSISTANCE. ANY UNEXPENDED BALANCE REMAINING IN THE FIRST YEAR SHALL NOT CANCEL BUT SHALL BE AVAILABLE FOR THE SECOND YEAR OF THE BIENNIAL."
Governor Harold LeVander issued his Executive Order No. 10, of February 23, 1968 announcing his purpose and intent in establishing the Governor’s Council on Executive Reorganization in the following text:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CHAIRMAN
Wayne E. Thompson
Vice-President
Dayton Corporation
Minneapolis

VICE-CHAIRMEN
Stanley J. Wenberg
Vice-President
University of Minnesota
Ray Lappegaard
St. Paul
(Former Commissioner of Administration)

MEMBERSHIP
Julian Baird
(Retired Chairman of the Board
First National Bank of St. Paul)
Robert Barrett, Ph.D.
Chairman, Department of Political Science
Mankato State College
Ben Boo
Mayor
City of Duluth
Norris Carnes
Manager
Central Livestock Association, Inc.
Harold W. Chase, Ph.D.
Department of Political Science
University of Minnesota
Raymond W. Darland, Ph.D.
Provost
University of Minnesota at
Duluth
Carl D'Aquila
Vice-President
Mesabi Tire Company
Hibbing
Harry Davis
Executive Director
Urban Coalition of Minneapolis
Mrs. H. G. Dillingham
St. Paul
Paul Eidbo
Moorhead

Earl Ewald
Chairman of the Board
Northern States Power Company
John R. Finnegon
Assistant Executive Editor
St. Paul Dispatch
Frank Frison
Director
Council 6, AFSCME
P. D. Hempstead
President
Minnesota Farm Bureau Federation
Archie B. Jackson
Chairman of the Board
The St. Paul Companies, Inc.
Robert P. Janes
Chairman
Hennepin County Board of Commissioners
Richard L. Johansen
Director of Public Relations
Farmers Union Grain Terminal Association
Rev. Louis W. Johnson
Pastor
St. Thomas Episcopal Church
Minneapolis
Marvin E. Johnson
Assistant General Superintendent
U.S. Steel Corporation
Virginia
Russell M. Johnson
President
Twin City Federal Savings and Loan Association
Martin N. Kellogg
Controller and Assistant Treasurer
G. H. Tennant Company
Ralph T. Keyes
Executive Secretary
Association of Minnesota Counties
H. F. Kullberg, North Mankato
(Retired Division Manager
Jones and Laughlin Steel Company)
Sheldon Larson
Attorney at Law
Winthrop
MEMBERSHIP (continued)

Russell W. Laxson  
Vice-President  
Honeywell, Inc.

Miss Florence Lehmann  
Minneapolis

Louis W. Menk  
President  
Northern Pacific Railway Company

Mrs. David Milligan  
St. Paul

G. Theodore Mitau, Ph.D.  
Chancellor  
State College Board

Ronald Moir  
Vice-President  
Aries Midwest Corporation

A. Herbert Nelson  
President  
Lutheran Brotherhood Insurance Society

William C. Norris  
President  
Control Data Corporation

Paul Parker  
Vice-President and Director of Public Relations  
General Mills

Orville C. Peterson  
Executive Secretary  
League of Minnesota Municipalities

John Pillsbury  
President  
Northwestern National Life Insurance Company

Jerome Reinan  
Lutheran Brotherhood Insurance Society  
Fergus Falls

David Roe  
President  
Minnesota AFL-CIO

Kenneth Romness, M.D.  
Mound

Joseph Ryan  
Attorney at Law  
Aitkin

The Honorable Harold W. Schultz  
Judge, Second Judicial District

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

Edward E. Slettom  
Executive Director  
Minnesota Association of Cooperatives

John Sullivan  
Vice-President  
North American State Bank  
Belgrade

Horace W. Thue  
General Manager  
IBM Corporation  
Rochester

David Thurston  
Attorney at Law  
St. Paul

Eugene F. Trumble  
Trumble and Associates  
Minneapolis

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

F. Van Konyenenburg  
President  
WCCO Radio and TV

George A. Warp  
Director  
Public Administration Center  
University of Minnesota

Mrs. William Whiting  
Owatonna

EX-OFFICIO MEMBERS

Rolland F. Hatfield  
Commissioner of Administration

Raymond T. Olsen  
Director  
State Planning Agency

Archie D. Chelsey  
Director of Research  
Office of the Governor
COUNCIL ORGANIZATION AND ACTIVITIES

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

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

- Steering Committee
  - Chairman, Wayne E. Thompson
- Finance Committee
  - Chairman, Archie B. Jackson
- Objectives Committee
  - Chairman, Ray Lappegaard
- Public Information Committee
  - Chairman, John R. Finnegan

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

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

Initial professional assistance to the Council was engaged in April, 1968 through a contractual arrangement with Public Administration Service (PAS) of Chicago. PAS is a nationally recognized consulting firm experienced in management studies in government. The consultant was employed to conduct the original study and to present a reorganization plan for consideration by the Council.
The consultant prepared a preliminary report entitled a Summary of Earlier Comprehensive Survey Proposals for Executive Reorganization* outlining previous reorganization efforts in Minnesota as background information for the Council's study. PAS submitted in July, 1968 a series of working memoranda proposing a reorganization plan encompassing ten functional areas of the state government of Minnesota. The subjects of these working papers were:

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

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

Task force committees organized within the Council were as follows:

- Agriculture and Economic Development
  Chairman, Paul Parker
- Commerce and Consumer Services
  Chairman, Sheldon Larson
  Vice-Chairman, Mrs. H. G. Dillingham
- Education
  Chairman, Robert P. Janes
  Vice-Chairman, Robert Tucker
- General Administration and Revenue
  Chairman, Russell W. Laxson
  Vice-Chairman, John R. Finnegan
- Health and Social Services
  Chairman, David Roe
- Labor and Employment
  Chairman, Hon. Harold W. Schultz
- Natural Resources
  Chairman, Carl D'Aquila
- Public Safety
  Chairman, Ray Lappegaard
  Vice-Chairman, Julian Baird
- Transportation
  Chairman, Louis W. Menk
  Vice-Chairman, Ralph T. Keyes

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

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

The Council's consultant, Public Administration Service, submitted its final report in November of 1968. Copies were distributed to members of the Legislature and department heads. The published document entitled MODERNIZING STATE EXECUTIVE ORGANIZATION, GOVERNMENT OF MINNESOTA outlines the present arrangement of Minnesota's executive branch and proposes a plan of executive reorganization. The final consultant's report is essentially a summary of the working memoranda used by the task forces as the basis for their deliberations.
RECOMMENDATIONS OF THE GOVERNOR'S COUNCIL ON EXECUTIVE REORGANIZATION
The recommendations of the Governor's Council on Executive Reorganization fall into two categories:

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

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

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

Minnesota today has a good state government. In comparison to other state governments, Minnesota can take pride in and be grateful for the quality of services provided its citizens. Minnesota's government must be more than just good in comparison to others. Our government must be dynamic, vital, and exemplary of the best that public service can offer.

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

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

EXECUTIVE MANAGEMENT

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

FUTURE-ORIENTED

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

LEGISLATIVE RELATIONSHIPS

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

INTERGOVERNMENTAL RELATIONSHIPS

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

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

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

II. CONSTITUTIONAL OFFICERS

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

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

A legislative post auditor position should be established.

III. THE CLASSIFIED AND THE UNCLASSIFIED SERVICE

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

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

IV. EXECUTIVE INITIATED REORGANIZATION

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

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

V. GOVERNOR-LIEUTENANT GOVERNOR RELATIONSHIP

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

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

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

The recommendations on General Administration are designed to:

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

I. An Executive Office of the Governor should be established to include:
   - An executive staff developed through enlargement of the present Office of the Governor and strengthened
     in terms of personnel and coordinative capabilities. Some duties of the present Secretary of State would
     be assumed by the staff.
   - An Attorney General appointed at the pleasure of the Governor to serve as his chief legal counsel and to
     provide necessary legal services to the executive branch.
   - A Department of Administration derived from the present department of the same name to perform finan-
     cial management and general services functions. The department should be headed by a commissioner
     appointed to serve at the Governor's pleasure. Accounting procedures and pre-audit functions of the
     present State Auditor, and archives and records management should be included among the responsibili-
     ties of the department.
   - A Department of Personnel headed by a commissioner appointed by the Governor to serve at his pleasure.
   - A Department of Planning and Intergovernmental Affairs headed by a commissioner appointed by and serv-
     ing at the pleasure of the Governor.
   - An appointive State Treasurer serving at the Governor’s pleasure.
   - An Office of Human Rights headed by an appointee of the Governor to serve at his pleasure.
   - An Office of Economic Development headed by an appointee of the Governor to serve at his pleasure.
   - An Office of Military Affairs headed by an appointee of the Governor to serve at his pleasure.

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

II. Executive-Legislative Commissions should be established as follows:
   - Commission on Federal-State Relations
   - Commission on Interstate Cooperation
   - Commission on Uniform State Laws

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

* See Agriculture and Economic Development
** See Public Safety

REVENUE ADMINISTRATION

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

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

RECOMMENDATIONS

I. A Department of Revenue should be constituted deriving its functions primarily from the Department of
   Taxation but including certain functions, listed below, which should be transferred from other departments.
   - Motor vehicle license tax (now administered by the Secretary of State)
   - Beer and liquor excise taxes (now administered by the Department of Liquor Control)
   - Boxing exhibition gross receipts tax (now administered by the State Athletic Commission)
   - The oleomargarine tax (now administered by the Department of Agriculture)
   - Insurance gross premium tax (now administered by the Insurance Division of the Department of Commerce)

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

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

IV. The present responsibility of the Commissioner of Taxation with respect to the State Board of Equalization
    should become that of the Commissioner of Revenue.
PRESENT ORGANIZATION
PROPOSED ORGANIZATION
Executive-Legislative Commissions:
Federal-State Relations
Interstate Cooperation
Uniform State Laws

ELECTORATE

GOVERNOR

LIEUTENANT GOVERNOR

EXECUTIVE OFFICE OF THE GOVERNOR
EXECUTIVE STAFF
AND

ECONOMIC DEVELOPMENT
HUMAN RIGHTS
ADMINISTRATION
PLANNING & INTERGOVERNMENTAL AFFAIRS
ATTORNEY GENERAL
PERSONNEL
TREASURER
MILITARY AFFAIRS

EXECUTIVE DEPARTMENTS
AND RELATED BOARDS AND COMMISSIONS

HIGHER EDUCATION COORDINATING COMMISSION
EDUCATION
NATURAL RESOURCES
REVENUE
TAX COURT
TRANSPORTATION
AGRICULTURE
PUBLIC SAFETY
HEALTH AND SOCIAL SERVICES
LABOR AND EMPLOYMENT
WORKMEN'S COMPENSATION COMMISSION
COMMERCE AND PUBLIC SERVICE COMMISSION
COMMERCE AND CONSUMER SERVICES
PROFESSIONAL AND OCCUPATIONAL EXAMINING AND LICENSING BOARDS
Responsibilities for activities of a regulatory and enforcement nature are distributed among many agencies and departments of state government. The common purposes of these agencies are to safeguard the interests of the public as consumers, investors and depositors, while protecting the interests of legitimate occupations and professions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VI. A consumer services advisory board should be established to assist the director of the Division of Consumer Services in preparing and proposing rules and regulations in the consumer services area.
The agricultural industry has long been a primary concern of the State of Minnesota and the development, promotion and protection of agriculture continues to be of great importance. In such a major endeavor as that of promoting agriculture and agricultural products, a strong State Department of Agriculture is desirable. Marketing services for the improvement, inspection and regulation of farm products are a vital part of the department's activities. The control of plant disease and the improvement of crops is also important to the well-being of agriculture.

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

RECOMMENDATIONS

I. The Department of Agriculture should remain a separate, strong and important unit of state government. The present functions of the department should be continued.

II. The Commissioner of Agriculture should continue to be appointed by the Governor to serve at his pleasure. The Commissioner of Agriculture should be responsible for the administration, organization and direction of the entire department.

III. The Livestock Sanitary Board should be transferred to the Department of Agriculture. The members of the board should be appointed by the commissioner for five year terms. All present functions of the board should be retained.

IV. The Grain Inspection Division of the Department of Public Service should be transferred to the Department of Agriculture. Grain Inspection Division activities include grain weighing, grain sampling, grain inspection and operation of the protein laboratory.

ECONOMIC DEVELOPMENT

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

RECOMMENDATION

I. An Office of Economic Development should be established within the Governor's office headed by an appointee of the Governor to serve at his pleasure.
In the field of health and social services Minnesota has several agencies and departments functioning in an administrative capacity. Four departments carry the principal responsibilities: the Department of Health, the Department of Public Welfare, the Department of Corrections, and the Department of Veterans Affairs. Related agencies include the Veterans Home Board, the Veterans Home, the Vocational Rehabilitation and Special Education Division of the Department of Education, the Governor's Citizen Council on Aging, the Minnesota Commission on Alcohol Problems and others. The Iron Range Resources and Rehabilitation Commission conducts activities involving vocational rehabilitation.

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

**RECOMMENDATIONS**

I. A Department of Health and Social Services should be established. It should be headed by a commissioner appointed by the Governor to serve at his pleasure.

II. Four major organizational divisions of equal status should be created directly under the Commissioner of Health and Social Services. The organizational divisions proposed are: Division of Health, Division of Corrections, Division of Social Services, and Division of Vocational Rehabilitation. Division directors should be appointed by and be responsible to the Commissioner.

III. The following operating programs and activities should be included in the appropriate divisions within the new Department of Health and Social Services:
   - Vocational Rehabilitation
   - Veterans Affairs
   - Veterans Home

Advisory bodies concerned with health and social problems should be appointed as determined by the department. Examples follow:
   - Committee on Aging
   - Committee on Alcohol Problems
   - Committee on Youth

IV. The Board of Pardons, as an adjudicative agency, should retain the same relationship with the administrative head of the Corrections Division that now exists with the Commissioner of the Department of Corrections. The adjudicative functions of the Adult Corrections Commission should be retained under a Board of Parole similarly related to the Corrections Division.
Several state agencies are presently engaged in the conservation, protection, promotion, and regulation of the state's natural resources. The Department of Conservation now has the major responsibility.

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

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

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

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

RECOMMENDATIONS

I. The present Department of Conservation should be restructured as the Department of Natural Resources and all divisions set up in the 1967 Reorganization should be continued pending future management studies.

II. The Commissioner of Natural Resources should be appointed by the Governor to serve at his pleasure.

III. The Deputy Commissioner should be appointed by the Commissioner of Natural Resources.

IV. The present Geographic Board should be abolished as a separate statutory unit and responsibility should be transferred to the Commissioner of Natural Resources.

V. The present Land Exchange Advisory Commission should be abolished as a separate body.

VI. The Soil Conservation Commission should be abolished and its responsibilities transferred to the Division of Water, Soils and Minerals of the Department of Natural Resources.

The director of the Division of Soils could, with the authorization of the Commissioner, appoint an advisory committee similar to the current State Soil Conservation Commission.

VII. The present Water Resources Board should be abolished.

VIII. The Pollution Control Agency should continue as a separate unit without major change.

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

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

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

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

RECOMMENDATIONS

I. A Department of Labor and Employment should be established. It should be headed by a commissioner appointed by the Governor to serve at his pleasure.

This department should administer a comprehensive program of activities in industrial safety, workmen’s compensation, apprenticeship program development, employment services, unemployment compensation, and labor-management relations.

II. The Commissioner should appoint an advisory board to assist him on matters of policy associated with the various functions of the department.

III. Three divisions should be established within the Department of Labor and Employment including a Division of Employment Security, a Division of Labor and Industry, and a Division of Labor Conciliation.

Each of the divisions, derived from the present similarly titled organizational units, would continue their present functions under the direction of the Commissioner. The Commissioner of Labor and Employment should appoint the head of each of the divisions.

IV. The three-member Workmen’s Compensation Commission should remain a separate appeal body appointed by the Governor.

All administrative functions should be transferred to the Commissioner of Labor and Employment.

The Commission would continue its present functions as a quasi-judicial tribunal as contemplated by the 1967 Legislature.
In the field of education, as in some other functional areas, many organizational complexities prevent the best approach to coordinated programs. The Council does not suggest that the various agencies associated in a generally common purpose are not functioning well within the limits of their authority, but responsibility is too often diffused.

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

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

RECOMMENDATIONS

I. The present Department of Education should be continued.
   Some revisions in the department’s internal structure are contemplated by other recommendations, such as the removal of vocational rehabilitation functions.

II. The commissioner of the Department of Education should be appointed by the Governor to serve at his pleasure.

III. The Minnesota Higher Education Coordinating Commission should be strengthened. Legislation is recommended to:
   . . Provide for review by the Commission of the programs proposed by the respective post high school education governing boards.
   . . Indicate legislative intent that the Commission study post high school education, develop comprehensive plans to meet the educational needs of the state and make recommendations as to instructional programs to be effected in the state’s best interest.
   . . Provide for review by the Commission of the budgets of post high school education governing boards for the purpose of coordination, rather than centralized control.
The public safety function in state government is distributed among several organizations. The Bureau of Criminal Apprehension, the Safety Division of the Highway Department, the Fire Marshal unit within the Insurance Division of the Commerce Department, the Department of Civil Defense and the Department of Military Affairs all conduct activities having a public safety purpose.

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

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

RECOMMENDATIONS

I. A Department of Public Safety should be established with a commissioner appointed by the Governor to serve at his pleasure.

II. The Department of Public Safety should include the following units:
   - The Bureau of Criminal Apprehension
   - The Highway Patrol
   - Civil Defense
   - Fire Safety Division

III. An Office of Military Affairs should remain as a separate entity reporting directly to the Governor’s office.
The recommendations in the area of transportation contemplate the establishment of an integrated state transportation policy and program. The state agencies and other governmental bodies now engaged in transportation activities and in transportation planning are efficient within the scope of their operations but have only informal coordinative capabilities.

Because of the specialized functions of the two major state departments involved in transportation, Aeronautics and Highways, and their disparate size, the immediate opportunity to consolidate functions does not appear great. The most apparent inadequacy of the present system is the limited attention devoted to the compelling problem of mass transport, particularly in the Twin Cities area. A strong case is made for upgrading the mass transit function which should include water, transportation, and pipelines, as well as rail, track, and bus mass transportation service.

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

RECOMMENDATIONS

I. A Department of Transportation should be established to be headed by a commissioner appointed by the Governor to serve at his pleasure.

II. The Department of Transportation should include a Division of Highways, a Division of Aeronautics, and a Mass Transit Division. Each division head should be appointed by the Commissioner of Transportation.

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

<table>
<thead>
<tr>
<th>PRESENT AGENCY</th>
<th>MINNESOTA EFFICIENCY IN GOVERNMENT COMMISSION</th>
<th>MINNESOTA SELF-SURVEY</th>
<th>GOVERNOR'S COUNCIL RECOMMENDATIONS</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agencies Headed by Constitutional Elective Officers</td>
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<td>Proposed Agencies</td>
<td>Assignment</td>
</tr>
<tr>
<td>Attorney General</td>
<td>Department of Law</td>
<td>Department of Law and Public Safety</td>
<td>Attorney General's Office within Executive Office of Governor</td>
<td>Legal services to executive branch</td>
</tr>
<tr>
<td></td>
<td>Office of the Governor</td>
<td>Office of the Governor</td>
<td>Department of Commerce and Consumer Services</td>
<td>Consumer protection and services, preliminary investigations</td>
</tr>
<tr>
<td>Governor's Office</td>
<td>Office dissolved</td>
<td>Office dissolved gubernatorially appointed Chauffeurs' licensing transferred to the Department of Highways</td>
<td>Department of Commerce and Consumer Services</td>
<td>Incorportation, bondings, registrations, licensing, etc.</td>
</tr>
<tr>
<td>Secretary of State</td>
<td>Functions redistributed</td>
<td>Office retained gubernatorially appointed Chauffeurs' licensing transferred to the Department of Highways</td>
<td>Department of Revenue</td>
<td>Motor vehicle registration and licensing</td>
</tr>
<tr>
<td>State Auditor</td>
<td>Department of Administration</td>
<td>Department of Administration</td>
<td>Department of Public Safety</td>
<td>Licensing chauffeurs and school bus drivers</td>
</tr>
<tr>
<td>State Treasurer</td>
<td>Department of Administration</td>
<td>Office retained gubernatorially appointed</td>
<td>Executive Office of the Governor</td>
<td>Elections, etc.</td>
</tr>
</tbody>
</table>

Only major recommended changes are indicated in this comparative table. Plural bodies with full ex-officio membership, advisory bodies and semi-state agencies are not included. The term "attached for administrative purposes" used in the column headed "Remarks" means that a plural body under the Council's recommendations would have full freedom and autonomy to discharge its appellate or rule-making authority but the department or office to which the board or commission is attached would be responsible for housekeeping and staff assistance. The disposition of plural bodies that head present agencies is explained in connection with their agencies.
<table>
<thead>
<tr>
<th>PRESENT AGENCY</th>
<th>MINNESOTA EFFICIENCY IN GOVERNMENT COMMISSION</th>
<th>MINNESOTA SELF-SURVEY</th>
<th>GOVERNOR'S COUNCIL RECOMMENDATIONS</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>Department of Administration to include pre-auditing, accounting, treasury and disbursements functions</td>
<td>Department of Administration to include pre-auditing and accounting functions, state veterans building commission, etc.</td>
<td>Department of Administration within Executive Office of the Governor</td>
<td></td>
</tr>
<tr>
<td>Adult Corrections</td>
<td>The Board of Parole and Probation, now Adult Corrections Commission, to the Department of Welfare</td>
<td>Department of Corrections</td>
<td>Department of Corrections</td>
<td></td>
</tr>
<tr>
<td>Aeronautics</td>
<td>Department of Commerce</td>
<td>Department of Commerce</td>
<td>Department of Transportation</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>Department of Agriculture with additional functions proposed, including lodging, liquor and food inspection, livestock weighing, grain inspection, weights and measures duties, etc.</td>
<td>Department of Agriculture with additional functions proposed, including lodging and food inspection, livestock weighing, soil conservation, land use and livestock sanitation.</td>
<td>Department of Agriculture</td>
<td></td>
</tr>
<tr>
<td>Civil Defense</td>
<td>Department created in 1951</td>
<td>Department of Law and Public Safety</td>
<td>Department of Public Safety</td>
<td></td>
</tr>
<tr>
<td>Commerce</td>
<td>Civil Service Department a separate agency, No change in Civil Service Board’s powers or functions.</td>
<td>Civil Service a division within the Department of Administration. Board to be attached to department.</td>
<td>Department of Commerce and Public Service Commission</td>
<td></td>
</tr>
<tr>
<td>Commerce Commission</td>
<td>Replaced by a single commissioner</td>
<td>Department of Commerce</td>
<td>Department of Public Safety</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>Department retained and given additional responsibilities. Fire Marshal activities to Department of Law.</td>
<td>Department expanded</td>
<td>Department of Revenue</td>
<td></td>
</tr>
<tr>
<td>Conservation</td>
<td>Department of Conservation</td>
<td>Department of Conservation</td>
<td>Department of Natural Resources</td>
<td></td>
</tr>
<tr>
<td>Corrections</td>
<td>Department created in 1959</td>
<td>Department of Conservation</td>
<td>Department of Health and Social Services</td>
<td></td>
</tr>
<tr>
<td>Criminal Apprehension</td>
<td>Department of Law</td>
<td>Department of Law and Public Safety</td>
<td>Department of Public Safety</td>
<td></td>
</tr>
<tr>
<td>Economic Development</td>
<td>Business Research and Development to Department of Commerce</td>
<td>Business Development to Department of Commerce</td>
<td>Department of Commerce and Consumer Services</td>
<td></td>
</tr>
<tr>
<td>Economic Opportunity</td>
<td>Office created in 1964</td>
<td>Department of Planning and Intergovernmental Affairs within the Executive Office of the Governor</td>
<td>Department of Planning and Intergovernmental Affairs within the Executive Office of the Governor</td>
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<td></td>
<td>Attach to Department of Health and Social Services for administrative purposes</td>
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<td></td>
<td>Board would be an appellate and advisory body attached to Department of Personnel for administrative purposes.</td>
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<td></td>
<td></td>
<td>Attach to Department of Commerce and Consumer Services for administrative purposes.</td>
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<tr>
<td>Department</td>
<td>Action</td>
<td>Office/Department</td>
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<tr>
<td>Employee Retirement and Insurance Organizations</td>
<td>No comprehensive recommendations were made for all retirement associations. State Employees' Retirement Fund and State Highway Patrol Retirement Fund should be consolidated and, together with Teachers' Retirement Fund, transferred to Civil Service.</td>
<td>Department of Labor and Industry</td>
<td></td>
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</tr>
<tr>
<td>Employees' Merit Award Board</td>
<td>Board created in 1955</td>
<td>Department of Labor</td>
<td></td>
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<tr>
<td>Employment Security</td>
<td>Department of Labor and Industry</td>
<td>Department of Labor</td>
<td></td>
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</tr>
<tr>
<td>Geographic Board</td>
<td>Minnesota Liaison and Facilities Commission for Higher Education established in 1965; name changed to Higher Education Coordinating Commission in 1967</td>
<td>Department of Commerce and Consumer Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>Department of Health reorganized; commissioner appointed by Governor; board abolished.</td>
<td>Department of Health and Social Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher Education Coordinating Commission</td>
<td>Minnesota Liaison and Facilities Commission for Higher Education established in 1965; name changed to Higher Education Coordinating Commission in 1967</td>
<td>Department of Health and Social Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highways</td>
<td>Department functions essentially unchanged.</td>
<td>Highway Safety and Patrol to Department of Law and Public Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Rights</td>
<td>Department created in 1967 Preceded by State Commission on Discrimination (1961)</td>
<td>Department of Public Safety</td>
<td></td>
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<tr>
<td>Iron Range Resources and Rehabilitation Commission</td>
<td>Department of Commerce</td>
<td>Department of Natural Resources</td>
<td></td>
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<tr>
<td>Junior College Board</td>
<td>Board created in 1963</td>
<td>Department of Health and Social Services</td>
<td></td>
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<tr>
<td>Labor and Industry</td>
<td>Department of Labor and Industry</td>
<td>Department of Labor and Employment</td>
<td></td>
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<tr>
<td>Labor Conciliation</td>
<td>Department of Labor Conciliation</td>
<td>Department of Labor with Labor Conciliator as unclassified deputy commissioner</td>
<td></td>
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<tr>
<td>The commissioner would be appointed by the Governor.</td>
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</tbody>
</table>

No basic changes in Department of Education. Central secretariat for professional and occupational examining and licensing boards should be placed in Education. Teacher placement service to be transferred to Department of Labor, vocational rehabilitation functions to Department of Welfare.

Central administration of all retirement funds recommended.

Office of the Treasurer within the Executive Office of the Governor

Department of Personnel within Executive Office of the Governor

Department of Personnel within Executive Office of the Governor

Department of Personnel within Executive Office of the Governor

Health Services

Consumer protection services, licensing, inspections

Higher Education Coordinating Commission to be strengthened with program and budget review authority.

Private employment agency and counselor licensing, examination and licensing of steamfitters. All other
<table>
<thead>
<tr>
<th>PRESENT AGENCY</th>
<th>MINNESOTA EFFICIENCY IN GOVERNMENT COMMISSION</th>
<th>MINNESOTA SELF-SURVEY</th>
<th>GOVERNOR'S COUNCIL RECOMMENDATIONS</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor Control</td>
<td>Department of Law</td>
<td>Department of Law and Public Safety</td>
<td>Department of Revenue</td>
<td>Liquor excise tax administration</td>
</tr>
<tr>
<td>Livestock Sanitary Board</td>
<td>Board retained</td>
<td>Department of Agriculture</td>
<td>Department of Agriculture</td>
<td>Regulation, licensing, and inspection functions</td>
</tr>
<tr>
<td>Military Affairs</td>
<td>Department of Armed Forces and Veterans Affairs</td>
<td>Department retained without change</td>
<td>Remain separate within the Executive Office of the Governor</td>
<td></td>
</tr>
<tr>
<td>Municipal Commission</td>
<td>Commission created in 1959</td>
<td></td>
<td>Municipal Commission</td>
<td>Attach to Department of Planning and Intergovernmental Affairs for administrative purposes</td>
</tr>
<tr>
<td>Pollution Control Agency</td>
<td>Agency created in 1967</td>
<td></td>
<td>Pollution Control Agency to remain as presently constituted</td>
<td></td>
</tr>
<tr>
<td>Professional and Licensing Boards</td>
<td>State licensing boards to be retained under a state licensing authority. Licensing and registration should be centralized under a director.</td>
<td>A central secretariat to be established for occupational and professional licensing boards within Department of Education.</td>
<td>Occupational and professional examining and licensing boards appointed by the Governor to be retained. A division of Professional and Occupational Licensing would be established within the Department of Commerce and Consumer Services for administrative and coordinative purposes.</td>
<td></td>
</tr>
<tr>
<td>Public Service Commission*</td>
<td>Powers and duties relative to utilities to the Department of Commerce. Full time board appointed by Governor to hear appeals and prescribe rules.</td>
<td>Rate-making and quasi-judicial powers would be assigned to a 3-member public utilities commission appointed by the Governor. Administrative functions to be assigned to appropriate departments; namely, Agriculture and Commerce.</td>
<td>Department of Revenue</td>
<td></td>
</tr>
<tr>
<td>Public Service</td>
<td>Functions of predecessor agency, Railroad and Warehouse Commission, transferred primarily to Department of Commerce</td>
<td>Functions of predecessor agency, Railroad and Warehouse Commission, transferred primarily to Department of Commerce</td>
<td>Commerce and Public Service Commission</td>
<td></td>
</tr>
<tr>
<td>Public Examiner</td>
<td>Management service of the government should be combined into a single administrative department. Establish a Department of Post Auditor to place control of expenditures within Legislature.</td>
<td>The Governor's strong central staff agency should include fiscal functions such as budgeting, pre-auditing and accounting to provide basic control data for top management. The Legislature should have a strong post audit group to perform finance program and management audits.</td>
<td>Department of Agriculture</td>
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<td></td>
<td>Department of Agriculture</td>
<td>Grading, weighing and inspection of grain</td>
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<td></td>
<td>Department of Administration within the Executive Office of the Governor</td>
<td>All other</td>
</tr>
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<td></td>
<td>Legislative branch</td>
<td>Functions regarding accounting system and fidelity bonds</td>
</tr>
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<td>Post-auditing functions</td>
</tr>
<tr>
<td>Public Welfare</td>
<td>Transfer to Department of Welfare functions of the Divisions of Social Welfare, Public Institutions, Youth Conservation Commission, Soldiers Home Board, Board or Parole, relief activities of Veterans' Affairs.</td>
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<tr>
<td>Soil Conservation Commission</td>
<td>A Division of Soil Conservation within the Conservation Department and the Soil Conservation Committee would be headed by the same individual.</td>
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<tr>
<td>State College Board</td>
<td>Department of Education</td>
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<tr>
<td>State Planning Agency</td>
<td>Agency created in 1965</td>
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<tr>
<td>Tax Court</td>
<td>Formerly Tax Appeals Board; renamed Tax Court in 1965</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>Department of Revenue to include all major tax collection functions, auto licensing, insurance, taxes, liquor, stamps, and airplane licensing</td>
<td></td>
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</tr>
<tr>
<td>Veterans Affairs</td>
<td>Relief and public assistance activities and Soldiers’ Home to Department of Welfare</td>
<td></td>
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<tr>
<td>Veterans Home</td>
<td>Department of Welfare</td>
<td></td>
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</tr>
<tr>
<td>Voting Machine Commission</td>
<td>Created in 1959</td>
<td></td>
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<tr>
<td>Water Resources Board</td>
<td>Board created in 1955</td>
<td></td>
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<tr>
<td>Workmen’s Compensation Commission</td>
<td>A quasi-judicial board to deal with workmen’s compensation, unemployment compensation insurance rates, representation matters and perform quasi-judicial functions of the Industrial Commission and the Compensation Insurance Board</td>
<td></td>
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<tr>
<td>Youth Conservation Commission</td>
<td>Department of Welfare</td>
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</tbody>
</table>

* Transitionally elective, then appointive by Governor

Continuation of the consolidation of welfare functions under a Department of Public Welfare to include the Youth Conservation Commission, Veterans’ public assistance activities, vocational rehabilitation, Soldiers Home, Board of Parole

Department of Education

Department of Health and Social Services

Department of Revenue

Department of Health and Social Services

Responsibilities to Department of Natural Resources

State College Board

Department of Planning and Intergovernmental Affairs within Executive Office of the Governor

Tax Court to retain present status

Department of Revenue

Department of Health and Social Services

Department of Health and Social Services

Veterans Home Board of Parole

Department of Public Welfare

Department of Public Welfare

Department of Public Welfare

Department of Public Welfare

Department of Public Welfare

Department of Natural Resources

Department of Natural Resources

Department of Natural Resources

An advisory board could be established at discretion of department

Attach to Department of Labor and Employment for administrative purposes

An advisory board could be established at discretion of department

All three surveys recommended creation of a Department of Revenue encompassing all the major tax administration functions of the state
MEETINGS OF THE COUNCIL, STEERING COMMITTEE AND TASK FORCES

<table>
<thead>
<tr>
<th>DATE</th>
<th>MEETING</th>
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<tr>
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<td>Council</td>
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<tr>
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<td>Task Force on General Administration &amp; Revenue</td>
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In addition to the meetings indicated above, the Council and its chairman met informally with legislative and other groups. The chairman made formal progress reports to the Subcommittee on State Departments of the Senate Civil Administration Committee and to the Civil Administration Committee of the House of Representatives on Tuesday, October 22, 1968 and Friday, November 8, 1968, respectively.
COUNCIL STAFF

Vera J. Likins
Executive Director

Richard Dunn
Research Associate

Credits –

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

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