

Minnesota Attorney General: Administrative Rules Proceedings

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#584

N 1000 (Rev. 1/78)
SF-00006-01

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : ARTHUR E. SIDNER, Director
State Planning Agency

DATE: April 4, 1980

Attn: CATHERINE F. HAUKEDAHL

FROM : JERRY ANDERSON
Special Assistant
Attorney General

PHONE: 296-1288

SUBJECT: Rules as Approved In the matter of the Proposed Rules of the Minnesota State Planning Agency for Providing State Assistance to Regional Development Commissions

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Note that they have NOT been filed with the State Register; this must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of the stamps of the Attorney General and Secretary of State to the last page of the rules;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages of the rules in the approved set.

Directly following the approved rules is a complete set of required documents and transcript which must be retained with the rules by you or your agency.

If you have any questions in this regard, please contact me.

JA/bw
Enclosure
cc: Duane Harves
Susan Robertson

ADMIN 1000 (Rev. 1/78)
SF-00006-01

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : FILE

DATE: April 4, 1980

FROM : JERRY S. ANDERSON
Special Assistant
Attorney General

PHONE: 296-1288

SUBJECT: In re the Proposed Adoption of Rules of the State Planning Agency Governing Regional Development Commissions

In telephone conversations with Judith Wehrwein on March 31 and April 2, 1980, Cathy Haukedahl, Special Assistant Attorney General, was informed of the following defect in the above-captioned rule:

> 10 MCAR § 1.402 L. provided a definition for "Planning subcategories." This term was not used in the rules, however, although the definition appeared to apply to the term "program subcategories," which is used in § 1.403 B. but which is not defined in § 1.042. Thus, in its form as submitted to this office, the rule was incomplete and misleading and therefore improper.

In a telephone conversation on April 3, 1980, the last day of the 20-day period for the Attorney General's review, Ms. Haukedahl informed me that a corrected copy of the rule had been sent to this office. I stated to her that I would approve the rule upon receipt of the corrected copy. As of the close of April 3, I had not received the corrected rule and therefore prepared a memorandum disapproving the rule. Early this morning, April 4, 1980, however, I received the corrected rule. Given the closeness in time to the period for review and the fact that the disapproval memo had not been sent, I determined that it would be reasonable to approve and file on this date the rule as corrected rather than send a disapproval memo and an approval memo on the same day.

Because the change goes only to form and not to legality or substantial change, the corrected rule does not have to be sent to the Chief Hearing Examiner for his review.

JSA/bw

Our File #584
Jerry

4/1 C. Hauhedahl advised need for new definition "L" — program subcategory
4/2 C. Hauhedahl advised need for "Rules as Adopted" correction
4/4 corrections received

Permanent Rule X

Temporary Rule _____

RULES REVIEW CHECKLIST

DATE RULES RECEIVED 3/14 DUE DATE 4/3

Resubmitted and Received _____

a. Returned to Agency w/o Filing w/Secretary of State _____
b. Approved _____ Date Sent Back to Agency _____

- -

1. Rules as Adopted ✓
2. Rules as Proposed ✓
3. Certificate of Board's Authorizing Resolution, where applicable N/A
4. Order for Hearing ✓
5. Notice of Hearing ✓
   Sufficiency ✓
6. Secretary of State's List ✓ (one copy only)
7. Certificate of Acquisition of Secretary of State's List ✓
8. Secretary of State's Certification of Delivery of Secretary of State's List to Agency ✓
9. Affidavit of Mailing ✓
   At least 30 days prior to hearing ✓
10. Publication in State Register ✓
    At least 30 days prior to hearing ✓
11. Statement of Need and Evidence ✓
12. Hearing Examiner's Report ✓ note Findings of Fact #13
13. Agency's Findings of Fact ✓
14. Certificate of Board's Resolution Adopting Rules, where applicable N/A
15. Order Adopting ✓
16. Report of Chief Hearing Examiner ✓
17. Order Approving Incorporation by Reference, where applicable N/A
18. Certificate of Compliance with Rulemaking Procedures ✓
19. Copy of Notice of Intent to Solicit Outside Opinion, where applicable ✓ 10/1/79
20. Petition by Public, where applicable N/A

ADMIN 1000 (Rev. 1/78)
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STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : ARTHUR E. SIDNER, Director
State Planning Agency

DATE: April 3, 1980

Attn: CATHERINE F. HAUKEDAHL

FROM : JERRY S. ANDERSON
Special Assistant
Attorney General

PHONE: 296-1288

SUBJECT: In re the Proposed Adoption of Rules of the State Planning Agency Governing State Assistance to Regional Development Commissions

The rules in the above-captioned matter have not been approved by this office for the following reason.

10 MCAR § 1.402 L. provides a definition for "Planning subcategories." While this term is not used in the rules, the definition appears to apply to the term "program subcategories," which is used in § 1.403 B. but which is not defined in § 1.042. Thus, in its present form, the rule is incomplete and misleading and therefore is improper.

As we discussed in our telephone conversation of this date, you are aware of this problem and were under the impression that a corrected rule or authorization to make the correction would be received by this office today, which is the last day of the 20 day period for the Attorney General's review. The correction that was to be made was to change the word "Planning" to "Program." Because the correction has not been received, the rule must be disapproved.

Upon receipt of 3 copies of the rule as corrected, I will approve and file the rule. Because the correction is a matter of form and not of legality or substantial change, the corrected rule need not be resubmitted to the Chief Hearing Examiner for review.

JSA/bw
cc: Duane Harves
Susan Robertson

MINNESOTA STATE PLANNING AGENCY

In the matter of the Proposed Rules of the Minnesota State Planning Agency for providing state assistance to regional development commissions

STATEMENT OF NEED AND REASONABLENESS

INTRODUCTION

In 1969 the Minnesota Legislature passed the Regional Development Act, Minn. Stat. § 462.381 to 462.396 (1978). The purpose of this Act is to "facilitate intergovernmental cooperation and to insure the orderly and harmonious coordination of state, federal, and local comprehensive planning and development programs for the solution of economic, social, physical, and governmental problems of the state and its citizens by providing for the creation of regional development commissions". Minn. Stat. § 462.383, Subd. 2.

By late 1973, regional development commissions (hereinafter "RDCs") were created and organized in all parts of the state. Appropriations were made available from the legislature to the State Planning Agency (hereinafter "SPA") for the purpose of making grants to RDCs. Minn. Stat., Section 462.396, Subd. 1, states that the state planning officer shall determine the amount of and make grants to any commissions created under Sections 462.381 to 462.396 from appropriations made available for such purposes, provided a work program is submitted acceptable to the state planning officer. Based on that provision, the State Planning Agency began providing grants to RDCs upon the submission of an acceptable work program. Absent any formal rules, the State Planning Agency developed a grants administration process that included RDC work program review, contract negotiation/execution, and subsequent compliance monitoring. The process was open-ended, flexible and made use of significant input from the RDCs. The process also utilized much of the criteria for awarding grants that the U.S. Department of Housing and Urban Development (hereinafter "HUD") requires for administration of its Section 701 Comprehensive Planning program, 40 U.S.C. 461 (1979) (hereinafter "HUD 701"). Since the State Planning Agency is the responsible agency for administering HUD 701 assistance to RDCs, the process and grant administration of state assistance and HUD assistance was integrated and delivered to the RDCs in a single package.

The proposed rules, as described in this Statement of Need and Reasonableness, illustrate the manner in which SPA has provided state and HUD assistance to RDCs. The rules are written in a way which does not prohibit the continuing integration of the HUD 701 and state assistance programs. Even though no formal rules existed, the process has been in place for a few years, and it has been the experience of both SPA and the RDCs that the process has worked well.

In 1976, an advisory task force was appointed by the State Planning Director to advise SPA on matters such as providing grants to RDCs. The task force, which consisted of legislative, local, and regional members, made certain recommendations that have been followed by SPA and are now incorporated in these rules.

RULE JUSTIFICATION

The format used in preparing this Statement of Need and Reasonableness is as follows: each rule is stated first, followed by an explanation of the intent of the proposed rule and the need for the proposed rule.

SPA 401 AUTHORITY AND PURPOSE

A. Authority. The rules contained herein are prescribed by the State Planning Agency, Office of Local and Urban Affairs, pursuant to authority granted in Minn. Stat. § 4.13, 4.17, 462.396 (1978), Exec. Order #79-33 (1979).

This section is necessary to indicate the statutory authority allowing these rules to be promulgated.

B. Purpose. It is the purpose of the RDC Act to promote comprehensive planning and to facilitate intergovernmental cooperation. In accordance with this policy, these rules are set forth to provide criteria and procedures for providing state assistance to regional development commissions.

This section is necessary to indicate to interested parties the reason for the promulgation of these rules and the purpose of the program to which they apply. The language reflects the purpose of the program as discussed above in the introduction to this Statement of Need and Reasonableness.

SPA 402 DEFINITIONS. AS USED IN THESE RULES, THE FOLLOWING TERMS HAVE THE MEANINGS GIVEN THEM:

A. "Base grants" means a portion of the preliminary funding allocation to an RDC that is earmarked as an equal minimum level of financial assistance for each RDC.

The definition is necessary in order to identify a criteria that is used in making preliminary funding earmarks to RDCs.

B. "Comprehensive plan" means a regional comprehensive plan which RDCs are required to prepare and adopt under Minn. Stat. § 462.39, Subd. 3 (1978).

The Regional Development Act requires that RDCs prepare and adopt a comprehensive regional development plan. It is necessary to define what a comprehensive plan is, within the context of these rules, because a description of the RDC's plan to meet this responsibility is a requirement of these rules.

C. "Consultation process" means a meeting during which the State Planning Agency consults with the RDC for the purpose of obtaining input on the allocation of state financial assistance to RDCs.

This definition is necessary in order to describe the open process that SPA uses to obtain input from the RDCs before determining the amount of grants to RDCs.

D. "Final work program" means a work program that has been reviewed by OLUA and submitted and adopted by the RDC under the provisions of these rules.

This definition is necessary in order to identify a product that is submitted by the RDC as part of the grant application process.

E. "Fiscal year" means the operational program year of the RDC.

This definition is necessary in order to identify the timeframe for awarding grants to RDCs.

F. "Grant agreement" means a signed written agreement between the state, acting by and through the SPA, and the RDC which specifies the terms of SPA's allocation of state assistance to the RDC.

This definition is necessary to identify the manner in which the SPA disburses its grant award to an RDC.

G. "OLUA" means the Office of Local and Urban Affairs established by Minn. Stat. § 4.11, Subd. 7 (1978) within the State Planning Agency.

This definition is necessary to identify the division of the State Planning Agency that is involved in the administration of state assistance to RDCs.

H. "Overall Program Design (OPD)" means a work program that also includes goals, issues, problems, and opportunities that will be addressed over a three year period. Every fourth year, beginning with fiscal year 1982, the OPD shall be substituted for the annual work program.

This definition is necessary to identify a product that is submitted by the RDC as part of the grant application process.

I. "Preliminary funding allocation" means a forecast of the potential amount of state financial assistance available to each RDC for the ensuing fiscal year.

This definition is necessary to identify a procedure that is germane to the process of providing state assistance to the RDCs.

J. "Preliminary work program" means a draft work program prepared and submitted by the RDCs to SPA under the provisions of these rules.

This definition is necessary to identify a product that is submitted by the RDC as part of the grant application process.

K. "Program categories" means a work program classification for a general planning or management activity of an RDC.

This definition is necessary to describe the meaning of a programmatic term that is specified in these rules as a content requirement of a product submitted by an RDC as part of the grant application process.

L. "Program subcategories" means a specific planning or management activity which subdivides the program categories of an RDC's work program into specific objectives, work elements, and evaluation criteria.

This definition is necessary to describe the meaning of a programmatic term that is specified in these rules as a content requirement of a product submitted by an RDC as part of the grant application process.

M. "Progress report" means a written report that is submitted by the RDC on a quarterly basis which indicates the progress which the RDC is making in completing its work program.

This definition is necessary to describe a product of a procedure that is utilized by SPA in its administration of state assistance to RDCs.

N. "Regional development commission" means any commission organized under the RDC Act.

This definition is necessary to identify the organizations that will be eligible to receive state financial assistance under these rules.

O. "Regional Development Act" means Minn. Stat. § 462.381 to 462.396 (1978).

The Regional Development Act is the legislation which authorizes the State Planning Agency to provide assistance to regional development commissions.

P. "Review session" means a meeting between the RDC and SPA for the purpose of identifying problems with the RDC's final work program if the work program is found to be inconsistent with the requirements set forth under these rules.

This definition is necessary to identify a procedure that will be utilized by SPA as part of the grant application process.

Q. "SPA" means the State Planning Agency.

This definition is necessary to identify the state agency which is responsible for the administration of state financial assistance to RDCs.

R. "State financial assistance" means grants made to RDCs under Minn. Stat. § 462.396, Subd. 1 (1978), from appropriations made available by the Legislature.

The term "state financial assistance" is the language used in the Regional Development Act. The purpose of defining it in the rules is to ensure that state financial assistance is understood as a grant administered under these rules.

S. "Work program" means an annual written plan of all of an RDC's proposed work activities for the ensuing fiscal year, including but not limited to those activities supported by state financial assistance.

As stated in the Regional Development Act, Minn. Stat. § 462.396, Subd. 1, RDCs must submit a work program which is acceptable to the state planning officer before the state planning officer determines the amount of and makes grants to RDCs. This definition is necessary because the submission of the work program by RDCs and its acceptance by SPA is the fundamental basis for providing state assistance to RDCs.

T. "Technical assistance" means any planning or management assistance which an RDC renders to a local government.

This definition is necessary in order to describe the meaning of a term that is specified in these rules as a content requirement of the work program submitted by an RDC as part of the grant application process.

SPA 403 PROCEDURES FOR APPROVING RDC WORK PROGRAMS

A. Application process

1. Consultation process

a. No later than 120 days prior to the start of the fiscal year, RDCs shall be invited to consult with OLUA in determining the amount of preliminary funding allocations of state financial assistance to RDCs.

The consultation process invites input from the RDCs in the determination of the amount of funds to be earmarked for each RDC. This open decision-making process has been utilized by SPA for administering state financial assistance to RDCs. The same process is also used by SPA in administering HUD Section 701 Comprehensive Planning Assistance to the RDCs. It has been the experience of SPA that a 120 day period is a reasonable timeframe for the beginning of the application process.

b. Based on this consultation with the RDCs, and in consideration of the amount of funds provided by the legislature for such purposes, OLUA shall announce to each RDC a preliminary funding allocation for the ensuing fiscal year.

The announcement of a preliminary funding allocation for each RDC provides each RDC with an anticipated level of funding upon which it can budget work program activities.

c. Factors to be considered by OLUA in determining the preliminary funding allocations shall include, but need not be limited to, such matters as:

(1) base grants;
(2) the population of the region; and
(3) consideration of an amount of funds to be reserved for future funding of RDC work programs which are amended under SPA 403 A 6.

The base grant and population criteria for determining preliminary funding allocations for RDCs were recommended during a consultation process by the RDCs in 1976. Since then, both criteria have been used to serve as the basis for providing earmarks to RDCs. The third criteria (consideration for reserving funds for future funding) was established to provide funds for work programs amended pursuant to SPA 403 A 6.

d. The preliminary funding allocation to each RDC shall not be considered to be the final amount of funds awarded to each RDC.

The preliminary funding allocation is only an estimate which the RDC uses to budget the work activity of its preliminary work program. The content of the work together with other criteria, as provided for in these rules, will determine the final amount of state financial assistance to each RDC.

2. Submission of a preliminary work program

a. No later than thirty days after the consultation process each RDC shall submit to OLUA a preliminary work program which shall be consistent with the content requirements prescribed under SPA 403 B.

After the RDC is notified of its estimated allocation, it has thirty days to complete the preparation of a draft work program. The thirty day preparation period has been tested by the State Planning Agency during the funding process utilized prior to the promulgation of rules, and has proven to be sufficient. The submission of a draft work program was deemed to be an appropriate procedure leading to submission of a final work program.

b. Every fourth year, the RDC shall submit an Overall Program Design in place of the preliminary work program. The OPD shall be consistent with the content requirements set forth as prescribed under SPA 403 B. The procedures set forth below for approving RDC work programs shall apply equally to OPDs.

The purpose for this rule is twofold. First, in order for an RDC to receive funds from the U.S. Department of Housing and Urban Development, under Section 701 of the Housing Act of 1954, the RDC is required to prepare an OPD. As explained in the introduction to this Statement of Need and Reasonableness, these rules have been prepared in a manner that compliments the existing HUD 701 Planning Assistance program. A second reason for requiring the OPD is that this requirement has been used in the past in administering both state financial assistance and HUD financial assistance to RDCs. It has been the experience of the State Planning Agency that an OPD which provides a three-year projection of RDC work activities is a valuable tool for SPA and other state agencies to use in planning for future activities with each RDC. The experience of the OPD has also proven valuable to the RDC for the same reason.

3. OLUA review of the preliminary work program

a. No later than thirty days after receipt of the RDC preliminay work programs, OLUA shall transmit written comments to each RDC based on its review of the RDC's preliminay work program.

Past experience indicates that OLUA can conduct a thorough review of all RDC work programs during a thirty day period. It was deemed appropriate for OLUA to conduct a thorough review of a draft RDC work program as part of its process of determining an acceptable work program, as required by Minn. Stat. § 462.396, Subd. 1.

b. OLUA review shall include:

(1) an examination of the RDC's compliance with the content requirements set forth under SPA 403 B; and
(2) an evaluation of the scope and content of the preliminary work program in respect to the proposed work program budget.

The content requirements set forth under SPA 403 B will be explained in further detail under that section. The measurement of actual program content against content requirements is an appropriate measure for review of the work. In effect, the work program would be reviewed for consistency with these rules. The second review criteria (evaluating the content of the work program in respect to the budget) is appropriate in that it provides SPA with a mechanism for evaluating proposed activity against the proposed cost of that activity.

c. OLUA shall, as it deems necessary, invite other state, federal, regional, or local agencies that provide assistance to RDCs to participate in its review of the RDC work programs.

The purpose of this rule is to obtain review from other appropriate sources on the content of an RDC work program. As stated in the introduction to this Statement of Need and Reasonableness, it is not the purpose of these rules to prohibit any other agency from participating in the provision of state assistance to RDCs; rather, it is the purpose of these rules to encourage such participation.

4. Submission of a final work program

a. No later than forty-five days after OLUA transmits its preliminary work program review comments to the RDCs, each RDC shall submit to OLUA a final work program that has been adopted by the RDC under procedures set forth by the RDC.

It has been the past experience of SPA that forty-five days is sufficient time for an RDC to prepare a final work program. As stated earlier, it is considered appropriate that RDCs submit a final work program as part of SPA's process of determining an acceptable work program.

b. The final work program shall contain the following:

(1) The content described under SPA 403 B;

The purpose of the content requirement of SPA 403 B will be discussed in review of that section. As was the case for the preliminary work program, the final work program will be reviewed for consistency with the promulgated rules.

(2) Responses to OLUA's comments on the RDC's preliminary work programs; and

The purpose of this rule is to ensure that the RDC has responded to SPA's review of the RDC's preliminary work program. Since the purpose of the review is to assist the RDC in developing an acceptable work program, it is appropriate that the final work program reflect the comments of SPA and contribute to making the RDC work program acceptable

(3) Inclusion of the following attachments:

(a) A statement that no person will be discrimianted against on the grounds of race, color, sex, religion, or national origin.

It is appropriate that public funds not be used in a discriminatory manner. The purpose of this statement is to provide assurance that this will not occur. This is also a HUD requirement. 24 C.F.R. § 600.75 (1979).

(b) A statement on how the RDC will meet the citizen participation requirements of the RDC Act.

Citizen participation in the expenditure of public funds is an appropriate action. The purpose of this statement is to ensure that state financial assistance is being expended by an RDC in a manner which is consistent with the citizen participation requirements prescribed in the RDC Act. This is also a HUD requirement. 24 C.F.R. § 600.80 (1979).

(c) A statement that describes how the RDC will coordinate its work elements with related activities performed by other agencies, other levels of government, or the private sector.

The purpose for the creation of RDCs was to "facilitate intergovernmental coordination and to insure the orderly and harmonious coordination of state, federal, and local comprehensive planning and development programs for the solution of economic, social, physical, and governmental problems of the state and its citizens". Minn. Stat. § 462.383, Subd. 2. The purpose of this rule is to ensure that the coordination responsibilities of the RDC are being addressed. This is also a HUD requirement. 24 C.F.R. § 600.105 (1979).

5. Acceptance of final work programs

a. If the RDC's final work program is found to be consistent with the requirements set forth under these rules, OLUA shall notify the RDC that its final work program is acceptable and that a grant agreement between the RDC and SPA shall be entered into as described under SPA 404 B.

Minn. Stat. § 462.396, Subd. 1, provides that the state planning officer shall determine the amount of and make grants to RDCs provided that a work program is submitted which is acceptable to the state planning officer. The purpose of this rule is to establish that a grant, of an amount to be determined through provisions of these rules, will be awarded to each RDC once it has complied with these rules and submitted an acceptable work program to SPA. The grant agreement is the contract by which SPA will disburse an amount of funds to the RDC.

b. If an RDC's final work program is found to be inconsistent with the requirements set forth under these rules, OLUA shall schedule a review session to resolve the problems identified. The review session shall be attended by RDC representatives, OLUA representatives, and representatives of any other organizations which the RDC and OLUA mutually determine should be present to insure complete input and understanding of the specific problem(s) identified. Following the review session, OLUA shall provide the RDC with a written statement of the findings of the review session and changes (if any) which the RDC must make in its final work program in order to have an acceptable work program. Upon receipt by OLUA of the required changes to the RDC's work program, OLUA shall notify the RDC that its work program is acceptable and a grant agreement shall be executed as described under SPA 404 B. If the RDC fails to change its work program in accordance with OLUA's requirements, the work program shall not be accepted and a grant agreement shall not be executed.

The purpose of this rule is to describe the procedure which will be followed if an RDC work program is determined by SPA to be unacceptable. If an RDC work program is not consistent with the requirements set forth under these rules, a formal review session is triggered which provides the RDC with the opportunity to express its views on OLUA's determination that the RDC work program is not acceptable. This is an open process whereby other organizations may participate in order to present a complete understanding of the issues. If, after the review session, OLUA still considers the RDC work program to be unacceptable, the RDC Act prohibits a grant from being awarded.

6. Amendments to an acceptable work program

a. A final work program may be amended any time by the RDC, after it has been accepted by OLUA, provided that the amendment is accepted by OLUA.

The purpose of this rule is to provide the RDC with some flexibility within the construction of a work program. It is understood by SPA that circumstances may require an RDC to add, delete, or modify work activities during the course of a fiscal year.

b. An amendment to an RDC work program shall be accepted by OLUA if:

(1) The RDC submits to OLUA a detailed description of the proposed amendments in the manner prescribed under SPA 403 B; and

It is appropriate that an amendment to a work program be prepared in the same format as the work program. It is the purpose of this rule to ensure that this occurs.

(2) The proposed amendment(s) are determined by OLUA to be consistent with the requirements set forth under SPA 403 A 5.

This rule provides that the criteria used to accept a work program amendment would be the same as that used to accept a work program. This rule will provide consistency in the decision-making process.

c. An amendment to an RDC work program shall not be accepted by OLUA if the proposed amendment is inconsistent with the requirements set forth under SPA 403 A 5.

The purpose of this rule is to ensure that there is consistency between the basis on which a work program amendment is rejected and the basis on which a work program is rejected.

d. Within ten days of a proposed amendment, OLUA shall notify the RDC in writing whether the proposed amendment is accepted.

The purpose of this rule is to provide RDCs with an early indication as to the acceptability of an amendment. An early response will allow the RDC to seek the review provided under SPA 403 A 5, if OLUA rejects the amendment.

B. Content of a work program and OPD

1. In order to be accepted, a final work program shall include:

a. A title and reference number for program categories (for example, 100-Administration) and a title and reference number for program subcategories (for example, 110-Personnel Management);

The purpose of this rule is to provide a consistent organizational framework for the format of the RDC work program. This has been the format of RDC work programs since 1972. It has been the experience of SPA and the RDCs that this format has served a useful organizational purpose. It is also the format prescribed by HUD. 24 C.F.R. § 600.105 (1979).

b. A description of the objective of each program subcategory, that is, a specific statement of what is to be accomplished by the RDC in relation to its identified policies, needs, and/or problems. Whenever possible the objective shall be stated in terms of outcomes or results which are quantifiable and measurable over a one-year period of time;

The purpose of this rule is to provide the RDC with criteria for describing objectives. The inclusion of objectives in the RDC work programs began in 1972. It has been the experience of SPA and the RDCs that objectives are worthwhile elements of a work program. This is also a HUD requirement. 24 C.F.R. § 600.105 (1979).

c. A description of the work elements for each program subcategory which are specific statements of the work activity to be undertaken in order to achieve an objective. Whenever possible, the work elements shall contain an identification of the products that will result from the work element;

The purpose of this rule is to give the RDCs some direction in writing work elements. Basically, work elements are the work tasks that an RDC will undertake during the course of the year. It has been the experience of SPA and the RDCs that work elements provide a useful description of the RDC's work activities. This is also a HUD requirement. 24 C.F.R. § 600.105 (1979).

d. A description of the evaluation criteria for each program subcategory which shall consist of:

(1) A performance indicator that provides criteria to measure the degree of performance for each work element; and
(2) An impact statement which serves to measure the overall effectiveness or result of a program subcategory;

The purpose of this rule is to provide OLUA with a basis for monitoring the progress that an RDC is making in carrying out its work program. An indication of the performance of a work element as its impact will assist OLUA in performing its evaluation as prescribed under these rules. The use of evaluation criteria was started in 1979 and has thus far proved to be extremely useful.

e. A program subcategory description of the process and timetable which the RDC is using to carry out its comprehensive planning responsibilities as enumerated under Minn. Stat. § 462.39, Subd. 3 (1978);

The purpose of this rule is to ensure that the RDC is addressing, in its work program, the comprehensive planning requirements of the Regional Development Act.

f. A program subcategory description of the RDC's technical assistance program for its local governments;

Minn. Statutes Section 462.391, Subd. 10, states that RDCs "may contract with local units of government to provide them with services and technical assistance in the conduct of local planning and development activities". It was the finding of a 1976 State Planning Agency Advisory Task Force on Regional Development, that technical assistance was an extremely important service for an RDC to provide to local government. Accordingly, the task force advised the State Planning Agency to require a technical assistance component in the work program of each RDC. This provision was initiated in 1977 and has continued to serve a useful purpose.

g. A program subcategory description of the RDC's plans for implementing a self-evaluation program; and

It was the finding and recommendation of SPA's 1976 Advisory Task Force on Regional Development that each RDC should conduct a thorough self-evaluation of itself every third or fourth year. The task force advised that self-evaluation should be part of any process that evaluates the activities of an RDC. Accordingly, SPA developed, in conjunction with the RDCs, a model format for self-evaluation. The purpose of this rule is to provide SPA with an understanding of the plans that an RDC has for conducting a self-evaluation.

h. A budget which indicates all proposed federal, state, and local revenue to be utilized by the RDC in carrying out the objectives of the work program. State financial assistance to RDCs, as authorized by Minn. Stat. § 462.396 (1978) shall be identified as to its specific use by the RDC.

The purpose of this rule is to provide SPA with an understanding of the financial resources that are needed to carry out all of the work activities of the RDC's work program. RDCs are required to include all sources of funding because it will assist SPA in meeting its responsibilities under the RDC Act in regards to reviewing applications for all state and federal regional planning and development grants to a commission.

It is necessary for state financial assistance to the RDC to be identified as to its specific use so that SPA can adequately report to the legislature and governor on the fiscal accountability of state financial assistance to RDCs.

2. In order to be accepted an OPD shall include:

a. A description of a work program for the ensuing fiscal year which is consistent with the work program requirements set forth in these rules;

The purpose of this rule is to ensure that the OPD, which is substituted every fourth year for the work program, still incorporates the basic provisions of an annual work program in addition to its other provisions. This is also a HUD requirement. 24 C.F.R. § 600.105 (1979).

b. A description of three-year goals for each program category of the work program;

The purpose of this rule is to encourage RDCs to plan beyond a one year period. This is also a HUD requirement. 24 C.F.R. §600.105(1979).

c. A description of the issues, problems, and opportunities related to achieving each of the program category goals;

The purpose of this rule is to encourage RDCs to plan in terms of more than one year. Particularly, an analysis of the issues, problems, and opportunities should aid the development of three year program goals. This is also a HUD requirement. 24. C.F.R. § 600.105 (1979).

d. A schedule for completing a self-evaluation process. The schedule for the self-evaluation process shall include activities 1-7 listed below unless OLUA and the RDC mutually agree on an alternative self-evaluation process which would achieve these same objectives;

(1) The establishment of an internal evaluation committee;
(2) The formulation of self-evaluation objectives;
(3) The determination of RDC constituency;
(4) The development of self-evaluation methodology;
(5) The formulation of an implementation schedule;
(6) The implementation of the self-evaluation methodology; and
(7) The utilization of self-evaluation findings; and

The purpose of this rule is to establish a more specific framework for the undertaking of an RDC self-evaluation process. The activities described in this rule have been agreed to between SPA and the RDCs. The self-evaluation process was initiated through the findings and recommendations of SPA's 1976 Advisory Task Force on Regional Development. It was the finding of the task force that self-evaluation was a reasonable and necessary part of any evaluation activity.

e. A schedule for addressing the comprehensive planning requirements enumerated under Minn. Stat. § 462.39, Subd. 3 (1978).

The purpose of this rule is to ensure that RDCs are utilizing state financial assistance in a manner that implements the provisions of the RDC Act.

3. The content of the work program or OPD as specified above shall be modified by OLUA as may be necessary, to accommodate the requirements of other state and federal agencies that provide assistance to RDCs.

The purpose of this rule is to ensure that the format and content provisions of these rules can be modified if HUD changes its requirements, or if other state or federal agencies have different format and content requirements that would be advantageous to incorporate into these rules. As noted in the introduction to the Statement of Need and Reasonableness, it is the purpose of these rules to enhance and not prohibit the participation of other agencies in the work program and grant administration process.

SPA 404 PROCEDURES FOR ADMINISTERING STATE FINANCIAL ASSISTANCE TO RDCS.

A. Grant allocations.

1. Grant awards to RDCs shall be based on the following criteria:

a. OLUA's acceptance of the RDC's final work program;

The Regional Development Act requires the state planning officer to determine the amount of and make grants to RDCs provided that a work program is submitted which is acceptable to the state planning officer. Accordingly, SPA's acceptance of an RDC work program is a criteria that should be used by SPA in awarding grants to RDCs.

b. OLUA's review of RDC performance relative to past RDC work programs;

It is appropriate that SPA not continue to provide funds to RDCs on the same basis if there is evidence that an RDC has performed poorly in the past. The evaluation process described under SPA 404 C will provide SPA with evidence of poor RDC performance. It is the purpose of this rule to provide state assistance to RDCs, based in part, on its past performance.

c. RDC use of local financial assistance to help support program activities;

The purpose of this rule is to support those RDCs with an additional amount of state financial assistance when they show a local commitment to their regional program by contributions from local financial resources to the RDC's budget. This provision was recommended by the SPA 1976 Advisory Task Force on Regional Development.

d. OLUA's approval of an amended RDC work program or OPD as authorized under SPA 403 A 6, provided that such funds were reserved for that purpose under SPA 403 A 1 c; and

It is the purpose of this rule to allow state financial assistance to be provided to those RDCs that have demonstrated a need for such assistance through an amendment of its work program. This rule provides that if funds are not set aside for this purpose during the consultation process, no funds will be provided for work program amendments. It was deemed appropriate that if the RDCs agree beforehand, funds should be available to support activities that arise during the course of the year.

2. Each year, during the consultation process, each RDC may advise OLUA on the relative importance of the funding criteria that OLUA will use to determine the amount of grants to RDCs.

The purpose of this rule is to provide the RDCs with an early opportunity to have an effect on the relative importance of funding criteria. It is considered appropriate that RDCs have a voice on the criteria that will affect the grant amount each RDC will receive for the ensuing fiscal year.

B. Grant Disbursements. OLUA shall make grant allocations and disburse such grant allocations to RDCs according to the following procedures:

1. A grant agreement shall be entered into between the RDC and the SPA once a final work program has been accepted by SPA, provided that funds have been appropriated for such purposes.

The purpose of this rule is to identify the mechanism by which SPA will agree to disburse funds to an RDC. The grant agreement, as provided for in these rules, has been used by SPA since 1972 and it has been the experience of SPA and the RDCs that the grant agreement has been an effective instrument for contracting between SPA and the RDCs.

2. The grant agreement shall specify:

a. The amount of financial assistance to be awarded to the RDC in anticipation of the RDC's completion of the work program activities;

b. The consideration due to SPA if the RDC does not complete the work program in an acceptable manner;

c. The manner and process of making grant allocation payments to the RDC; and

d. All RDC financial reporting, accounting, and auditing requirements necessary for the administration of state financial assistance to RDCs.

All of the provisions described in this rule have been contained in the grant agreement which the SPA has been using with the RDCs since 1972. It has been the experience of both SPA and the RDCs that the specifications of the grant agreement as provided in this rule are effective instruments for executing consideration to both parties.

3. Nothing contained in these rules shall prohibit other state or federal agencies from providing grants to RDCs, nor shall these rules prevent other state or federal agencies from entering into an agreement with SPA for the purpose of integrating grant agreements to RDCs.

At the present time, SPA's administers through an integrated grant both HUD and state assistance to RDCs. It is the purpose of this rule to allow other state and federal agencies the opportunity to provide assistance to RDCs through the State Planning Agency. Minn. Stat. § 462.396 provides OLUA with the responsibility of coordinating state assistance programs to RDCs. It is reasonable for the rules to allow OLUA the opportunity to carry out its responsibility.

C. Evaluation. OLUA shall monitor each RDC's performance under its grant agreement according to the following procedures:

1. RDCs shall submit a quarterly progress report to OLUA indicating the performance of work elements scheduled for undertaking during that quarterly period. OLUA shall review the quarterly progress reports in respect to the final work program.

In order to effectively monitor the progress that an RDC is making completing its work program activities, it is appropriate that a reporting system be implemented. The reporting process described in this rule has been in effect since 1972 and it has been SPA's experience that it is a useful mechanism for monitoring RDC performance.

2. If problems are identified as a result of OLUA's review of RDC quarterly progress reports, OLUA shall, as staff resources allow, conduct an on-site program evaluation with each RDC during the third or fourth quarter of each fiscal year.

The purpose of this rule is to provide OLUA with an accountable evaluation method that can specifically address problem areas that were identified through the progress reporting process. It was considered appropriate that the use of state financial assistance should be properly evaluated.

It is the purpose of this rule to conduct on-site program evaluations as the need arises. It is reasonable to think that an on-site inspection of RDC activities will afford OLUA with a better opportunity to understand problems that may have been identified in the RDC's quarterly progress report. Since OLUA would not have sufficient staff resources to conduct an annual on-site program evaluation in each RDC, it is reasonable to undertake such activity as staff resources allow.

3. Each RDC shall submit to OLUA a completion report at the end of the fiscal year. This report shall indicate which work elements were not completed and which objectives were and were not achieved. For each work element and objective not successfully completed, the RDC shall provide an explanation of such as well as an indication of the amount of time needed to complete the remaining activity.

It is the purpose of this rule to enable SPA to determine whether RDC activities were completed.

4. No sooner than thirty days after the completion of the fiscal year, OLUA shall determine, based on its review of the RDC completion report, whether or not the work program has been completed in an acceptable manner and whether or not the grant agreement between SPA and the RDC has been fulfilled.

The purpose of this rule is to indicate when SPA will determine whether or not an RDC has completed its work program in an acceptable manner.

AG copy of Rules as adopted (pp 1 & 2)

State Planning Agency
Office of Local and Urban Affairs

Rules as Adopted.

10 MCAR § 1.401 Authority and purpose.

A. Authority. The rules contained herein are prescribed by the State Planning Agency, Office of Local and Urban Affairs, pursuant to authority granted in Minn. Stat. § 4.13, 4.17, 462.396 (1978) and Exec. Order #79-33 (1979).

B. Purpose. It is the purpose of the RDC Act to promote comprehensive planning and to facilitate intergovernmental cooperation. In accordance with this policy, these rules are set forth to provide criteria and procedures for providing state assistance to regional development commissions.

10 MCAR § 1.402 Definitions. As used in these rules, the following terms have the meanings given them:

A. "Base grants" means a portion of the preliminary funding allocation to an RDC that is earmarked as an equal minimum level of financial assistance for each RDC.

B. "Comprehensive plan" means a regional comprehensive development plan which RDCs are required to prepare and adopt under Minn. Stat. § 462.39, Subd. 3 (1978).

C. "Consultation process" means a meeting during which the State Planning Agency consults with the RDC for the purpose of obtaining input on the allocation of state financial assistance to RDCs.

D. "Final work program" means a work program that has been reviewed by OLUA and submitted and adopted by the RDC under the provisions of these rules.

E. "Fiscal year" means the operational program year of the RDC.

F. "Grant agreement" means a signed written agreement between the state acting by and through the SPA, and the RDC which specifies the terms of SPA's allocation of state financial assistance to the RDC.

G. "OLUA" means the Office of Local and Urban Affairs established by Minn. Stat. § 4.11, Subd. 7 (1978) within the State Planning Agency.

H. "Overall Program Design (OPD)" means a work program that also includes goals, issues, problems, and opportunities that will be addressed over a three year period. Every fourth year, beginning in fiscal year 1982, the OPD shall be substituted for the annual work program.

I. "Preliminary funding allocation" means a forecast of the potential amount of state financial assistance available to each RDC for the ensuing fiscal year.

J. "Preliminary work program" means a draft work program prepared and submitted by the RDCs to OLUA under the provisions of these rules.

K. "Program categories" means a work program classification for a general planning or management activity of an RDC.

L. "Program subcategories" means a specific planning or management activity which subdivides the program's categories of an RDC's work program into specific objectives, work elements, and evaluation criteria.

M. "Progress report" means a written report that is submitted by the RDC to OLUA on a quarterly basis which indicates the progress which the RDC is making in completing its work program.

N. "Regional development commission (RDC)" means any commission organized under the Regional Development Act.

O. "Regional Development Act" means Minn. Stat. § 462.381 to 462.396 (1978).

P. "Review session" means a meeting between the RDC and OLUA for the purpose of identifying problems with the RDC's final work program if the work program is found to be inconsistent with the requirements set forth under these rules.

Q. "SPA" means the State Planning Agency.

R. "State financial assistance" means grants made to RDCs, under Minn. Stat. § 462.396, Subd. 1 (1978), from appropriations made available by the legislature.

S. "Work program" means an annual written plan of all of an RDC's proposed work activities for the ensuing fiscal year, including but not limited to those activities supported by state financial assistance.

T. "Technical assistance" means any planning or management assistance which an RDC renders to a local government.

10 MCAR § 1.403 Procedures for approving RDC work programs.

A. Application process.

1. Consultation process.

a. No later than 120 days prior to the start of the fiscal year, RDCs shall be invited to consult with OLUA in determining the amount of preliminary funding allocations of state financial assistance to RDCs.

b. Based on this consultation with the RDCs, and in consideration of the amount of funds provided by the legislature for such purposes, OLUA shall announce to each RDC a preliminary funding allocation for the ensuing fiscal year.

c. Factors to be considered by OLUA in determining the preliminary funding allocations shall include:

(1) Base grants;

(2) The population of the region; and

(3) Consideration of an amount of funds to be reserved for future funding of RDC work programs which are amended under 10 MCAR §1.403 A

d. The preliminary funding allocation to each RDC shall not be considered to be the final amount of funds awarded to each RDC.

2. Submission of a preliminary work program.

a. No later than thirty days after the consultation process each RDC shall submit to OLUA a preliminary work program which shall be consistent with the content requirements prescribed under 10 MCAR § 1.403 B.

b. Every fourth year, the RDC shall submit an Overall Program Design in place of the preliminary work program. The OPD shall be consistent with the content requirements prescribed under 10 MCAR § 1.403 The procedures set forth below for approving RDC work programs shall apply equally to OPDs.

3. OLUA review of the preliminary work programs.

a. No later than thirty days after receipt of the RDC preliminary work programs, OLUA shall transmit written comments to each RDC based on its review of the RDC's preliminary work program.

b. OLUA review shall include:

(1) An examination of the RDC's compliance with the content requirements set forth under 10 MCAR § 1.403 B; and

(2) An evaluation of the scope and content of the preliminary work program in respect to the proposed work program budget.

c. OLUA shall, as it deems necessary, invite other state, federal, regional, or local agencies that provide assistance to RDCs to participate in its review of the RDC work programs.

4. Submission of a final work program.

   a. No later than forty-five days after OLUA transmits its preliminary work program review comments to the RDCs, each RDC shall submit to OLUA a final work program that has been adopted by the RDC under procedures set forth by the RDC.

   b. The final work program shall contain the following:

      (1) The content described under 10 MCAR § 1.403 B;

      (2) Responses to OLUA's comments on the RDC's preliminary work program; and

      (3) Inclusion of the following attachments:

         (a) A statement that no person will be discriminated against on the grounds of race, color, sex, religion, disability or national origin.

         (b) A statement on how the RDC will meet the citizen participation requirements of the Regional Development Act; and

         (c) A statement that describes how the RDC will coordinate its work elements with related activities performed by other agencies, other levels of government, or the private sector.

5. Acceptance of final work programs.

   a. If the RDC's final work program is found to be consistent with the requirements set forth under these rules, OLUA shall notify the RDC that its final work program is acceptable and that a grant agreement between the RDC and SPA shall be entered into as described under 10 MCAR § 1.404 B.

   b. If an RDC's final work program is found to be inconsistent with the requirements set forth under these rules, OLUA shall schedule a review session to resolve the problems identified. The review session shall be attended by RDC representatives, OLUA representatives, and representatives of any other organizations which

the RDC and OLUA mutually determine should be present to insure complete input and understanding of the specific problem(s) identified. Following the review session, OLUA shall provide the RDC with a written statement of the findings of the review session and changes (if any) which the RDC must make in its final work program in order to have an acceptable work program. Upon receipt by OLUA of the required changes to the RDC's work program, OLUA shall notify the RDC that its work program is acceptable and a grant agreement shall be executed as described under 10 MCAR § 1.404 B. If the RDC fails to change its work program in accordance with OLUA's requirements, the work program shall not be accepted and a grant agreement shall not be executed.

6. Amendments to an acceptable work program.

   a. A final work program may be amended any time by the RDC, after it has been accepted by OLUA, provided that the amendment is accepted by OLUA.

   b. An amendment to an RDC work program shall be accepted by OLUA if:

      (1) The RDC submits to OLUA a detailed description of the proposed amendment(s) in the manner prescribed under 10 MCAR § 1.403 B;

      (2) The proposed amendment(s) are determined by OLUA to be consistent with the requirements set forth under 10 MCAR § 1.403 A. 5.

   c. An amendment to an RDC work program shall be not accepted by OLUA if the proposed amendment is inconsistent with the requirements set forth under 10 MCAR § 1.403 A. 5.

   d. Within ten days of receipt of a proposed amendment, OLUA shall notify the RDC in writing whether the proposed amendment is accepted.

B. Content of a work program and OPD.

1. In order to be accepted a final work program shall include:

a. A title and reference number for program categories (for example, 100-Administration) and a title and reference number for program subcategories (for example, 110-Personnel Management);

b. A description of the objective of each program subcategory, that is, a specific statement of what is to be accomplished by the RDC in relation to its identified policies, needs, and/or problems. Whenever possible the objective shall be stated in terms of outcomes or results which are quantifiable and measurable over a one-year period of time;

c. A description of the work elements for each program subcategory which are specific statements of the work activity to be undertaken in order to achieve an objective. Whenever possible, the work elements shall contain an identification of the products that will result from the work element;

d. A description of the evaluation criteria for each program subcategory which shall consist of:

(1) A performance indicator that provides criteria to measure the degree of performance for each work element; and

(2) An impact statement which serves to measure the overall effectiveness or result of a program subcategory;

e. A program subcategory description of the process and timetable which the RDC is using to carry out its comprehensive planning responsibilities as enumerated under Minn. Stat. § 462.39, Subd. 3 (1978);

f. A program subcategory description of the RDC's technical assistance program for its local governments;

g. A program subcategory description of the RDC's plans for implementing a self-evaluation program; and

h. A budget which indicates all proposed federal, state, and local revenue to be utilized by the RDC in carrying out the objectives of the work program. State financial assistance to RDCs, as authorized by Minn. Stat. § 462.396 (1978) shall be identifed as to its specific use by the RDC.

2. In order to be accepted an OPD shall include:

a. A description of a work program for the ensuing fiscal year which is consistent with the work program requirements set forth in these rules;

b. A description of three-year goals for each program category of the work program;

c. A description of the issues, problems, and opportunities related to achieving each of the program category goals;

d. A schedule for completing a self-evaluation process. The schedule for the self-evaluation process shall include activities 1-7 listed below unless OLUA and the RDC mutually agree on an alternative self-evaluation process which would achieve these same objectives.

(1) the establishment of an internal evaluation committee;

(2) the formulation of self-evaluation objectives;

(3) the determination of RDC constituency;

(4) the development of self-evaluation methodology;

(5) the formulation of an implementation schedule;

(6) the implementation of the self-evaluation methodology; and

(7) the utilization of self-evaluation findings; and

e. A schedule for addressing the comprehensive planning requirements enumerated under Minn. Stat. § 462.39, Subd. 3 (1978).

3. The content of the work program or OPD as specified above shall be modified by OLUA as may be necessary to accommodate the requirements of other state and federal agencies that provide assistance to RDCs.

10 MCAR § 1.404 Procedures for administering state financial assistance to RDCs.

A. Grant allocations.

1. Grant awards to RDCs shall be based on the following criteria:

a. OLUA's acceptance of the RDC's final work program;

b. OLUA's review of RDC performance relative to past RDC work programs;

c. RDC use of local financial assistance to help support program activities; and

d. OLUA's approval of an amended RDC work program or OPD as authorized under 10 MCAR § 1.403 A. 6, provided that such funds were reserved for that purpose under 10 MCAR § 1.403 A. 1. c.

2. Each year during the consultation process, each RDC may advise OLUA on the relative importance of the funding criteria that OLUA will use to determine the amount of grants to RDCs.

B. Grant disbursements. OLUA shall make grant allocations and disburse such grant allocations to RDCs according to the following procedures:

1. A grant agreement shall be entered into between the RDC and the SPA once a final work program has been determined to be acceptable by SPA, provided that funds have been appropriated for such purposes.

2. The grant agreement shall specify:

a. The amount of financial assistance to be awarded to the RDC in anticipation of the RDC's completion of the work program activities.

b. The consideration due to SPA if the RDC does not complete the work program in an acceptable manner;

c. The manner and process of making grant allocation payments to the RDC; and

d. All RDC financial reporting, accounting and auditing requirements necessary for the administration of state financial assistance to RDCs.

3. Nothing contained in these rules shall prohibit other state or federal agencies from providing grants to RDCs, nor shall these rules prevent other state or federal agencies from entering into an agreement with SPA for the purpose of integrating grant agreements to RDCs.

C. Evaluation. OLUA shall monitor each RDC's performance under its grant agreement according to the following procedures:

1. RDCs shall submit a quarterly progress report to OLUA indicating the performance of work elements scheduled for undertaking during that quarterly period. OLUA shall review the quarterly progress reports in respect to the final work program.

2. If problems are identified as a result of OLUA's review of quarterly progress reports, OLUA shall, as staff resources allow, conduct an on-site program evaluation with each RDC during the third or fourth quarter of each fiscal year.

3. Each RDC shall submit to OLUA a completion report at the end of the fiscal year. This report shall indicate which work elements were not completed and which objectives were and were not achieved. For each work element and objective not successfully completed, the RDC shall provide an explanation of such as well as an indication of the amount of time needed to complete the remaining activity.

4. No sooner than thirty days after the completion of the fiscal year, OLUA shall determine, based on its review of the RDC completion report, whether or not the work program has been completed in an acceptable manner and whether or not the grant agreement between SPA and the RDC has been fulfilled.

Arthur E. Sidner

Arthur Sidner, Director
State Planning Agency

APPROVED AS TO FORM AND LEGALITY

APR 0 4 1980 19____

WARREN SPANNAUS, ATTORNEY GENERAL

BY Jerry S. Anderson

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
APR 4 1980
Joan Anderson Growe
Secretary of State
11:40 AM

STATE OF MINNESOTA
COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Rules of the State Planning Agency Governing State Assistance to Regional Development Commissions

ORDER ADOPTING RULES

The above-entitled matter came on for hearing before George Beck Office of Hearing Examiners on the 7th day of January, 1980 at 8:30 A.M. in (Conference Room A of the Capitol Square Building, St. Paul, Minnesota,) after proper notice required by M.S. 1976, Section 15.0412 was served upon all persons, associated and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having considered all of the evidence adduced and upon the records, files and proceedings herein, and applicable statutory standards or criteria, and having confirmed the need for the above captioned rules.

NOW, THEREFORE, IT IS ORDERED that these rules identified as State Assistance to Regional Development Commissions are adopted this 4th day of February, 1980, pursuant to authority vested in me by Governor Albert Quie,

STATE OF MINNESOTA
State Planning Agency

Arthur E. Sidner

Arthur E. Sidner, Director

ADMIN 1000 (Rev. 1/78)
SF-00006-01

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT State Planning Agency

TO : Judith Wehrwein
G-25 Administration Building

DATE: April 3, 1980

FROM : Jane Stevenson
Office of Local and Urban Affairs

PHONE: 6-2241

SUBJECT: Two Items on SPA Rules Referred to us by Catherine Haukedahl

Item 1: 10 MCAR § 1.402 Definitions. Under Definition L. in both the Rules and the Statement of Need and Reasonableness, the correct term that is defined is Program Subcategories. The work "Planning" in place of "Program" was an oversight on the part of this agency.

Item 2: As per No. 12, Order Adopting Rules (3 copies) which was sent to you along with the entire hearing record and a transmittal memo dated February 29, 1980, the State Planning Agency has, indeed, adopted the Rules as amended. For your purposes, however, we are enclosing an additional set of the Rules with the front page reading "Rules as Adopted."

We have also made the correction noted in Item 1 above in this new set of rules.

JS:pp

Attach.

RECEIVED
APR 1980
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

PRINTED ON RECYCLED PAPER

MG

OFFICE OF LOCAL AND URBAN AFFAIRS
MINNESOTA STATE PLANNING AGENCY • CAPITOL SQUARE BUILDING • ST. PAUL, MINNESOTA 55101 • PHONE (612) 296-3091

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NOV 30 1979
OFFICE OF HEARING
EXAMINERS

State Planning Agency
Office of Local and Urban Affairs

Proposed Rules Regarding Administration of State Assistance to Regional Development Commissions.

Notice of Hearing

Notice is hereby given that a public hearing in the above-titled matter will be held in Conference Room A, Capitol Square Building, 550 Cedar St., St. Paul, Minnesota 55101 on January 7, 1980, commencing at 8:30 a.m. and continuing until all persons have had an opportunity to be heard.

All interested or affected persons will have an opportunity to participate. Statements may be made orally and written material may be submitted at the hearing. In addition, written materials may be submitted by mail to: George Beck, Office of Hearing Examiners, Room 300, 1745 University Avenue, St. Paul, Minnesota 55104, (612) 296-8108. Unless a longer period not to exceed twenty calendar days is ordered by the Hearing Examiner at the hearing, the hearing record will remain open for the inclusion of written material for five working days after the hearing ends. The hearing shall be conducted in accordance with the rules of the Office of Hearing Examiners, 9 MCAR § 2.101 et. seq., Minn. Stat. §§ 15.0411-15.0417 and 15.052.

The proposed rules, if adopted, would guide the State Planning Agency, Office of Local and Urban Affairs, in administering grants to Regional Development Commissions. As part of grants administration, they would define the procedures for approving RDC work programs, the content of work programs

AN EQUAL OPPORTUNITY EMPLOYER

and the Overall Program Designs, and they would define grant allocation and disbursement and the evaluation of each RDC's performance under its grant agreement.

These rules are being proposed in order to promote comprehensive planning and to facilitate intergovernmental cooperation.

Copies of the proposed rules are now available and one free copy may be obtained by writing to Jane Stevenson, State Planning Agency, Office of Local and Urban Affairs, 200 Capitol Square Building, St. Paul, Minnesota 55101.

The statutory authority to promulgate the proposed rules is contained in Minn. Stat. 4.13, 4.17, 462.396 (1978) and Executive Order # 79-33.

NOTICE: The proposed rules are subject to change as a result of the rules hearing process. The Agency therefore strongly urges those who are potentially affected in any manner by the substance of the proposed rules to participate in the hearing process.

Please be advised that pursuant to Minn. Stat. § 10A.03, Subd. 1 (1978), as amended by Minn. Laws 1979, Sect. 3, lobbyists must register with the State Ethical Practices Board within five (5) days after becoming lobbyists.

"Lobbyist" means any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

"Lobbyist" does not include any:

(a) Public official or employee of the state or any of its political subdivisions or public bodies acting in his official capacity;

(b) Party or his representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(c) Individual while engaged in selling goods or services to be paid for by public funds;

(d) News media or their employees or agents while engaged in the publishing or broadcasting of news items, editorial comments or paid advertisements which directly or indirectly urge official action;

(e) Paid expert witness whose testimony is requested by the body before which he is appearing, but only to the extent of preparing or delivering testimony;

(f) Stockholder of a family farm corporation as defined in § 500.24, Subd. 1, who does not spend over $250, excluding his own travel expenses, in any year in communicating with public officials; or

(g) Party or his representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

Questions concerning lobbyists or their required registration should be directed to the State Ethical Practices Board, Room 41, State Office Building, Wabasha Street, St. Paul, Minnesota 55155, at telephone number (612) 296-5615.

Notice is hereby given that 25 days prior to a hearing, a Statement of Need and Reasonableness will be available for review at the Office of Local and Urban Affairs of the State Planning Agency and at the Office of Hearing

Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the State Planning Agency at the hearing justifying the need for and the reasonableness of the proposed rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

NOTICE: Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the State Planning Agency may not take any final action on the rules for a period of five (5) working days. Any person may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the State Planning Agency. If you desire to be notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's Report), or to the State Planning Agency, (in the case of the Agency's submission or resubmission to the Attorney General).

November 5, 1979

Arthur E. Sidner

Arthur Sidner, Director
State Planning Agency

OFFICE OF LOCAL AND URBAN AFFAIRS
MINNESOTA STATE PLANNING AGENCY • CAPITOL SQUARE BUILDING • ST. PAUL, MINNESOTA 55101 • PHONE (612) 296-3091

Agency Exhibit No. 8
File No. Plan-80-001-GB
Date 1/7/80

RECEIVED
DEC 10 1979
OFFICE OF HEARING EXAMINERS

STATE of Minnesota
County of Ramsey

AFFIDAVIT

In the matter of the Proposed Adoption of Rules of the State Planning Agency, Office of Local and Urban Affairs, governing Administration of State Assistance to Regional Development Commissions.

I hereby certify that the Notice of Hearing of the above mentioned proposed rules was mailed to the 352 persons on the Secretary of State's mailing list, as well as to the Chief Clerk of the House of Representatives, the Secretary of the Senate, and the Legislative Reference Library on the 29th day of November, 1979.

Jane D. Stevenson

Jane D. Stevenson
Office of Local & Urban Affairs
State Planning Agency

Karen Beckman
December 7, 1979

KAREN BECKMAN
Notary Public, Dakota County Minn.
My Commission Expires Nov. 3, 1981

OFFICE OF LOCAL AND URBAN AFFAIRS
MINNESOTA STATE PLANNING AGENCY • CAPITOL SQUARE BUILDING • ST. PAUL, MINNESOTA 55101 • PHONE (612) 296-3091

Agency Exhibit No. 6
File No. Plan-80-001-AB
HR Date 1/7/80

RECEIVED
DEC 10 1979
OFFICE OF HEARING EXAMINERS

AFFIDAVIT

Jane D. Stevenson, being duly sworn on oath deposes and says:

1) That she is an employee of the Office of Local and Urban Affairs of the State Planning Agency of the State of Minnesota.

2) That on the Sixth day of November, 1979, she went to the Secretary of State's office for the State of Minnesota and requested a current list of all representatives of associations or other interested groups or persons who had registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of rules pursuant to M.S. 15.0412.

3) That on the sixth day of November, 1979, in response to the above request, the Secretary of State provided her with such a list, a copy of which is attached hereto and incorporated by reference.

Further affiant sayeth not.

Jane D Stevenson

Subscribed and sworn to before me
this seventh day of December, 1979.

Karen Beckman

Notary Public,
Ramsey County, Minnesota
My Commission expires _____.

KAREN BECKMAN
Notary Public, Dakota County Minn.
My Commission Expires Nov. 3, 1981

Agency Exhibit No. 5
File No. Plan-80-001-GB
HB Date 1/7/80

RECEIVED
DEC 10 1979
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STATE OF MINNESOTA
COUNTY OF RAMSEY

CERTIFICATE

In the matter of the Proposed Adoption of Rules of _____ Division Governing _____

I hereby certify that the attached 332 labels 2 sheets constitute the complete list of persons, associations, and other interested groups who as of 8:20 o'clock A .M, this 6th day of November, 1979, have requested pursuant to M.S. 1976, 15.0412, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above.

Secretary of State
Joan Anderson Grow

By Donna M. Scott

STATEMENT OF COMPLIANCE WITH

MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General Catharine F. Haukedahl, do hereby declare that I have examined the proposed rules and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed. Any exceptions are noted below.

Catharine F. Haukedahl
Special Assistant Attorney General

Dated: 3/11/80

OFFICE OF LOCAL AND URBAN AFFAIRS
MINNESOTA STATE PLANNING AGENCY • CAPITOL SQUARE BUILDING • ST. PAUL, MINNESOTA 55101 • PHONE (612) 296-3091

January 4, 1980

MEMORANDUM

TO: George Beck
Office of Hearing Examiners

FROM: Jane Stevenson
Office of Local and Urban Affairs

RE: Attached Notice of Seeking Outside Information

The attached Notice of Seeking Outside Information was published in the State Register Volume 4, Number 13, October 1, 1979, page 530.

Advisory Form L
Notice of Seeking Outside Information

STATE OF MINNESOTA

DEPARTMENT OF State Planning

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE Office of Local and Urban Affairs of the State Planning Agency GOVERNING The Administration of State Assistance to Regional Development Commissions.

NOTICE OF SEEKING OUTSIDE INFORMATION

NOTICE IS HEREBY GIVEN that the State Planning Agency is seeking information or opinions from sources outside the agency in preparing to propose the adoption of rules governing The Administration of State Assistance to Regional Development Commissions. Any interested persons may submit data or views on this subject in writing or orally to:

Jane Stevenson
Office of Local & Urban Affairs
State Planning Agency
200 Capitol Square
St. Paul, MN 55101
612/296-2386

Any written material received by the agency shall become a part of the hearing record in the event rules governing this subject are promulgated.

/s/ Leland Newman
Leland Newman

Dated: September 21, 1979

ADMIN 1000 (Rev. 1/78)
SF-00006-01

STATE OF MINNESOTA

DEPARTMENT State Planning Agency

Office Memorandum

TO : Joanne Hinderaker
Special Assistant Attorney General
G-25 Administration Building

DATE: 2-29-80

FROM : Jane Stevenson
Regional Assistance Planner

PHONE: 296-2241

SUBJECT: Enclosed Rules Hearing Record: In the Matter of the Proposed Rules of the Minnesota State Planning Agency for Providing State Assistance to Regional Development Commissions. PLAN-80-001-GB. Enclosed for your review are:

1. Rules as adopted (3 copies).
2. Rules as proposed (2 copies).
3. Order for hearing (2 copies).
4. Notice of hearing (2 copies).
5. Secretary of State's mailing list (1 copy).
6. Affidavit of Receipt and Certificate of Secretary of State's mailing list (2 copies).
7. Affidavit of mailing (2 copies).
8. Statement of Need and Reasonableness (2 copies).
9. Hearing Examiner's Report (2 copies).
10. Chief Hearing Examiner's Report (2 copies).
11. Agency's findings of fact (2 copies).
12. Order adopting rules (3 copies).
13. All exhibits (1 copy).
14. Notice of Solicitation of Outside Information (2 copies).
15. Two recording tapes of the hearing.
16. Copy of memos notifying all persons who requested to be informed that the hearing record has been submitted to the Attorney General (2 copies).
17. Statement of Compliance with Manual of Rulemaking Procedure (2 copies).
18. Copy of the State Register in which the Rules as Proposed appeared.

If you have any additional questions on this matter, please call me at the above number.

PRINTED ON RECYCLED PAPER

Advisory Form B
Rules Hearing Order

RECEIVED
DEC 10 1979
OFFICE OF HEARING EXAMINERS

STATE OF MINNESOTA

DEPARTMENT OF State Planning

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE State Planning Agency Office of Local and Urban Affairs GOVERNING State Assistance to Regional Development Commissions.

ORDER FOR HEARING

IT IS HEREBY ORDERED that a public hearing on the above-captioned rules be held in Conference Room A, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota on January 7, 1980 commencing at 8:30 A.M. and continuing until all persons have had an opportunity to be heard.

IT IS FURTHER ORDERED that a Notice of Hearing be mailed to all persons or representatives of associations or other interested groups who have registered their names with the Secretary of State for that purpose.

IT IS FURTHER ORDERED that the Notice of Hearing be published in the State Register.

/s/ Arthur E. Sidner
Arthur Sidner, Director State Planning Agen

Date: October 25, 1979

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS
ROOM 300 – 1745 UNIVERSITY AVENUE
ST. PAUL, MINNESOTA 55104
(612) 296-6910

January 16, 1980

Arthur E. Sidner, Director
State Planning Agency
101 Capitol Square Building
550 Cedar Street
Saint Paul, Minnesota 55101

Re: In the Matter of the Proposed Rules of the Minnesota State Planning Agency for Providing State Assistance to Regional Development Commissions.
Docket No. PLAN-80-001-GB.

Dear Mr. Sidner:

Enclosed and served upon you by mail, please find the Report of the Hearing Examiner in the above-entitled matter. I also enclose the official record, including the two tapes (no numbers) of the proceedings.

Sincerely,

GEORGE A. BECK
State Hearing Examiner

Telephone: 612/296-8108

GAB:sw
Enc(s).

AN EQUAL OPPORTUNITY EMPLOYER

PLAN-80-001-GB

STATE OF MINNESOTA)
(ss.
COUNTY OF RAMSEY)

AFFIDAVIT OF SERVICE

SUSAN WOJCIK, being first duly sworn, deposes and says that on the 16th day of January, 1980, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Report of the Hearing Examiner

unstamped, by placing in the designated tray to be collected by messenger for delivery to the central mailing station as required by Minn. Stat. § 16.54 (1974), a true and correct copy thereof on all persons at the addresses shown on the attached mailing list.

Susan Wojcik

Subscribed and sworn to before me this 16th day of January, 1980.

Eileen A. Gaiovnik

EILEEN A. GAIOVNIK
Notary Public, Ramsey Co. Mn.
MY COMMISION EXPIRES
December 14, 1980

Arthur E. Sidner, Director
State Planning Agency
101 Capitol Square Bldg.
550 Cedar Street
Saint Paul, Minnesota 55101

PLAN-80-001-GB

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE STATE PLANNING AGENCY

In the Matter of the Proposed Rules of the Minnesota State Planning Agency for Providing State Assistance to Regional Development Commissions.

REPORT OF THE HEARING EXAMINER

The above-entitled matter came on for hearing before State Hearing Examiner George A. Beck at 8:30 a.m. on Monday, January 7, 1980, in Conference Room A at the Capitol Square Building, 550 Cedar Street, Saint Paul, Minnesota 55101.

This Report is a part of a rule hearing procedure pursuant to Minn. Stat. §§ 15.0411 to 15.0417 and 15.052 to determine the proposed rule amendments should be adopted and given the force of law. A copy of this Report may be obtained from the Office of Hearing Examiners for the cost of reproduction.

Members of the Agency Panel appearing at the hearing included: Victor Moore, Regional Assistance Coordinator, Office of Local and Urban Affairs, State Planning Agency, and Catherine Haukedahl, Special Assistant Attorney General, representing the State Planning Agency.

Two persons signed the hearing register. Both spoke at the hearing. The Agency submitted 14 written exhibits, and three written comments were received from the public.

Pursuant to Minn. Stat. § 15.0412, subd. 4 (1978), this Report shall be available for review to all affected individuals upon request for at least five days. Thereafter, the State Planning Agency shall, if Agency proposes to adopt the rules as originally proposed or amended, submit a copy of the Order Adopting Rules, a copy of any additional agency findings, a copy of the rules as originally proposed, and a copy of the rules as adopted to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, subd. 4 (1978). The submission to the Chief Hearing Examiner shall precede review by the Attorney General. The Chief Hearing Examiner shall complete his review and submit his report to the Agency on the issues of substantial changes in the rule and compliance with Minn. Stat. § 15.0412 (1978) within ten calendar days. The Agency will be responsible for filing the rules with the Attorney General and for notifying persons who have indicated that they wish to be notified of such filing.

Based upon all the testimony, exhibits and written comments, the Hearing Examiner makes the following:

FINDINGS OF FACT

1. On October 30, 1979, the Agency filed the following documents with the Chief Hearing Examiner:

(a) A copy of the proposed rules.
(b) The Order for Hearing proposed to be issued.
(c) The Notice of Hearing proposed to be issued.
(d) A Statement of the number of persons expected to attend the hearing and estimated length of the Agency's presentation.

2. On November 26, 1979, a Notice of Hearing and a copy of the proposed rules were published at 4 State Register 849.

3. On November 29, 1979, a Notice of Hearing was mailed by the Agency to the 352 persons on the Secretary of State's mailing list, as well as to the Chief Clerk of the House of Representatives, the Secretary of the Senate and the Legislative Reference Library.

4. On December 10, 1979, the Agency filed the following documents with the Hearing Examiner:

(a) The Order for Hearing.
(b) The Notice of Hearing as mailed.
(c) The Affidavit of Receipt of the Secretary of State's list.
(d) The Secretary of State's list.
(e) The Affidavit of Mailing of the Notice of Hearing.
(f) The Statement of Need and Reasonableness.
(g) The Notice of Seeking Outside Information.
(h) A Memorandum indicating the names of those people testifying at the hearing.
(i) A copy of the State Register of November 26, 1979.
(j) A Memorandum citing statutes used in the proposed rules.
(k) Three letters of comment received prior to the hearing.

The documents were available for inspection at the Office of Hearing Examiners from the date of filing to the date of the hearing.

5. The record remained open through January 14, 1980, for the receipt of written comments and statements.

6. The Regional Development Act was passed by the Minnesota Legislature in 1969, and subsequently, Regional Development Commissions ("RDC") were organized in all parts of the state. The State Planning Agency ("SPA") is responsible for making grants to the RDCs based upon legislative appropriations and federal funds. SPA has developed a grants administration process, which is also consistent with the procedure required by the federal government for awarding grants. These proposed rules formalize this process of providing state assistance to Regional Development Commissions. The rules are based upon the work of an advisory task force appointed by the State Planning Director, consisting of legislative, local and regional members.

7. The SPA cites Minn. Stat. §§ 4.13, 4.17, 462.396 (1978), and Executive Order No. 79-33 (1979) as the authority for the promulgation of these proposed rules. Minn. Stat. § 462.396, subd. 1 authorizes the State Planning Director to determine the amount of and make grants to RDCs. Minn. Stat. § 4.17 provides as follows:

> No monies, regardless of the source thereof, made available to the state planning officer pursuant to sections 4.10 to 4.17 or any other law shall be expended by him for planning programs until he promulgates and adopts rules and regulations prescribing the criteria, standards, and procedures to govern the expenditure thereof. Such rules and regulations shall be promulgated and adopted under the Administrative Procedure Act as contained in Chapter 15, and shall conform with all terms and conditions imposed on the state planning officer when such monies are made available to him.

8. The proposed rules set out in detail the procedures for approving RDC work programs, and the procedures for administering state financial assistance to RDCs. The Agency prepared a detailed Statement of Need and Reasonableness which is incorporated herein by reference and which adequately demonstrates the need for and reasonableness of the proposed rules by an affirmative presentation of facts.

9. A written comment submitted by the Headwaters Regional Development Commission supported the proposed rules. (Ex. A)

10. A written comment from the Developmental Disabilities Planning Office of the SPA recommended that the word "disability" be added to Section 1.403 A.4.b.(3)(a). (Ex. B) The Agency agreed to this amendment in order to comply with the Minnesota Human Rights Act. (Ex. 11)

11. Jim Myhra, Executive Director of the West Central RDC, requested a clarification of the term "local financial assistance" as used in Section 1.404 A.1.c. Mr. Moore stated that an RDC would qualify under this provision if it received dollars from any political subdivision such as towns, cities, counties or school districts.

12. Terence Stone, Executive Director of the Region Nine RDC, commented in regard to Section 1.403 B.2.d. that this section should clearly indicate that self-evaluation should be done locally and that alternative self-evaluation processes are permissible. Mr. Stone expressed a preference for striking the words "which would achieve these same objectives" from that subsection. Mr. Moore commented that the purpose of this subsection was to permit an alternative process. It should be noted that item (7) in this subsection apparently has an unneeded "and" at the end of the line.

In regard to Section 1.404 A.1., Mr. Stone commented that allowance should be made for difference of opinion as to RDC performance as a factor. Mr. Moore commented that Section 1.404 A.2. permits the RDC to advise on the relative importance of the funding criteria, such as performance in past work programs.

13. A problem of legality may exist in regard to Section 1.403 A.1.c., which sets out three factors to be considered by the Agency in determining preliminary funding allocations. The subsection also provides, however, that the Agency is not limited to the listed criteria. The question is whether or not this language places such discretion in the Agency as to amount to a violation of due process. In the past, the Attorney General's Office has determined, in some cases, that if a rule allows an administrator to rely on criteria not set out in the rule, then this would potentially permit arbitrary action on the administrator's part toward those governed by the rule. The Agency may wish to either list all criteria to be considered, or provide a method by which other factors are to be considered, or provide a method whereby unstated factors are identified at a point in the application process so as to permit RDCs to intelligently respond to those factors.

Based upon the foregoing Findings of Fact, the Hearing Examiner makes the following:

CONCLUSIONS

1. That the Agency gave proper notice of the promulgation of the proposed rules.

2. That the Agency has statutory authority to promulgate the proposed rules.

3. That the Agency has, with the exception as noted at Finding of Fact No. 13, fulfilled all relevant substantive and procedural requirements of law or rule.

4. That the Agency has demonstrated the need for and the reasonableness of the proposed rules by an affirmative presentation of facts in the record.

Based upon the foregoing Conclusions, the Hearing Examiner makes the following:

RECOMMENDATION

It is recommended that the proposed rule amendments be adopted with consideration given to the Findings of Fact set out herein.

Dated: January 16, 1980.

GEORGE A. BECK
State Hearing Examiner

If you wish to be notified when the Hearing Examiner's Report is available, please put your name and address on one of the envelopes supplied.

RULE HEARING REGISTER

PLEASE PRINT CLEARLY

NAME	REPRESENTING	COMPLETE ADDRESS	TELEPHONE	CHECK HERE IF YOU WISH TO MAKE A STATEMENT AT THE HEARING	CHECK HERE IF YOU WISH TO BE NOTIFIED BY THE AGENCY WHEN THE HEARING RECORD HAS BEEN SUBMITTED TO THE ATTORNEY GENERAL
Jim Myhra	West Cent. RDC	West Central RDC FE CC Fergus Falls Minn. 56537	218-739-3356	?	✓
Terence Stone	Region Nine	Box 3367 Mankato, Minn.	507-387-5643		✓

STATE OF MINNESOTA

EXECUTIVE DEPARTMENT

EXECUTIVE ORDER NO. 79-33

Providing for Delegation of Authority to the State Planning Agency and to the Director of the State Planning Agency

I, Albert H. Quie, Governor of the State of Minnesota, by virtue of the authority vested in me by the Constitution and applicable statutes, do hereby issue this Executive Order:

WHEREAS, Minnesota Statutes vest in me as Governor certain additional responsibilities as State Planning Officer; and,

WHEREAS, Minnesota Statutes Section 4.11, Subdivision 6, provides that these certain responsibilities may be delegated; and,

WHEREAS, various federal statutes and rules provide to the Governor the opportunity to assign certain functions to a state department or agency;

NOW, THEREFORE, I order:

1. That in accordance with the provisions of Minnesota Statutes Section 4.11, Subd. 6 (1978), the duties and authorities assigned to me as State Planning Officer in Minnesota Statutes,

Sections 4.11, Subdivision 7; 4.12; 4.13; 4.15; and 4.16, Subdivisions 4 and 5; be delegated to the State Planning Director.

2. That, to the extent necessary, the Director may promulate rules pursuant to Minnesota Statutes, Section 4.17, to implement the power and duties described therein.

3. That pursuant to U.S. Office of Management and Budget Circular A-95 and U.S. Department of the Treasury Circular 1082, the State Planning Agency be designated as the State Clearinghouse and the State Information Reception Agency. It shall be the responsibility of the State Planning Agency to review and to insure comments on all applications for federal grants-in-aid and state plans covered by these circulars.

4. That pursuant to the provisions of P.L. 92-512, as amended, the State and Local Fiscal Assistance Act of 1972, the State Planning Agency be designated:
   a. as the State Coordinating Unit for matters relating to federal revenue sharing; and
   b. as the State Certifying Official for boundary changes, governmental reorganization or changes in state statutes affecting local government where these changes affect revenue-sharing entitlements.

5. That pursuant to P.L. 93-423, as amended, the Public Works and Economic Development Act of 1965, Section 302 (a), the State Planning Agency be designated as the agency to conduct a program of state economic development planning.

Pursuant to Minnesota Statutes 1978, Section 4.035, this order shall be effective 15 days after its publication in the State Register and filing with the Secretary of State and shall remain in effect until it is rescinded by proper authority or it expires in accordance with Minnesota Statutes 1978, Section 4.035.

IN TESTIMONY WHEREOF, I hereunto set my hand on this 19 day of July 1979.

Albert H. Quie, Governor

Filed according to Law:

Joan Anderson Growe
Secretary of State

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JUL 20 1979
Joan Anderson Growe
Secretary of State

STATE OF MINNESOTA
COUNTY OF RAMSEY

In the Matter of the Proposed Adoption of Rules of the State Planning Agency Governing State Assistance to Regional Development Commissions

FINDINGS OF FACT

The above-entitled matter came on before hearing examiner George Beck of the Office of Hearing Examiners of the State of Minnesota on the 7th day of January, 1980 in (Conference Room A of the Capitol Square Building, St. Paul, Minnesota,) after proper notice required by Minn. Stat. § 15.0412 was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements, and arguments, having reviewed all of the testimony, having considered all of the evidence adduced, having considered the Report of the Hearing Examiner, and upon all of the testimony and proceedings herein, and applicable statutory standards or criteria, having withheld action on the proposed rules for the required period of time after receipt of the Hearing Examiner's Report, I accept and adopt the Findings, Conclusions, and Recommendations contained in the Hearing Examiner's Report dated January 16, 1980 which is attached and made part of these Findings. I expressly find that the proposed rules for State Assistance to Regional Development Commissions are needed and reasonable and may be properly adopted.

STATE OF MINNESOTA
State Planning Agency

Date: 3-3-80

Arthur E. Sidner
Arthur E. Sidner, Director

ADMIN 1000 (Rev. 1/78)

STATE MINNESOTA

DEPARTMENT OFFICE OF HEARING EXAMINERS

Office Memorandum

TO : JANE STEVENSON
Regional Assistance Planner
Minnesota State Planning Agency

DATE: Feb. 8, 1980

FROM : DUANE R. HARVES
Chief Hearing Examiner

PHONE: 6-8100

SUBJECT: IN THE MATTER OF THE PROPOSED RULES OF THE MINNESOTA STATE PLANNING AGENCY FOR PROVIDING STATE ASSISTANCE TO REGIONAL DEVELOPMENT COMMISSIONS. PLAN-80-001-GB

Enclosed is the Order of the Chief Hearing Examiner on the issue of substantial change in the above-referenced rules. We are also returning herewith the entire hearing record, the two tapes, and your agency's Order Adopting Rules which were submitted to us for review.

DRH:sh
Encs.

PLAN-80-001-GB

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE STATE PLANNING AGENCY

IN THE MATTER OF THE PROPOSED)
RULES OF THE MINNESOTA STATE)
PLANNING AGENCY FOR PROVIDING)
STATE ASSISTANCE TO REGIONAL)
DEVELOPMENT COMMISSIONS.)

ORDER OF THE
CHIEF HEARING EXAMINER

WHEREAS, a hearing was held on January 7, 1980, before George A. Beck, a Hearing Examiner of the State Office of Hearing Examiners, on the above-entitled matter in compliance with Minn. Stat. § 15.0412, subd. 4; and

WHEREAS, the Report of the Hearing Examiner made pursuant to Minn. Stat. § 15.052, subd. 3, was issued to the State Planning Agency on January 16, 1980; and

WHEREAS, the State Planning Agency has now determined to adopt rules pursuant to Minn. Stat. § 15.0412, subd. 4; and

WHEREAS, the State Planning Agency has submitted said rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, subd. 4, and 9 MCAR § 2.110; and

WHEREAS, the Chief Hearing Examiner finds that the final proposed rules are not substantially different from those proposed at the public hearing and that the State Planning Agency has met all requirements of Minn. Stat. § 15.0412, subd. 4.

NOW, THEREFORE, upon receipt of this Order, the State Planning Agency has the responsibility of submitting the complete hearing record and the rules as adopted by the Agency to the Attorney General, notifying all persons who requested to be informed that the hearing record has been submitted to the Attorney General, and publishing in the State Register, all pursuant to Minn. Stat. § 15.0412, subd. 4.

Dated this 8th day
of February, 1980.

DUANE R. HARVES
Chief Hearing Examiner