

interest as herein specified shall be paid by the chief of police to the public employees police and fire fund. The chief of police shall be entitled to receive, upon making written application, a refund of his accumulated contributions to the Winona policemen's relief association plus interest at the rate actually received by the relief association as determined by the board of trustees of the relief association.

Subd. 2. This section is effective upon approval by the Winona city council and upon compliance with Minnesota Statutes, Section 645.021.

Sec. 63. In the next or earliest practicable edition of Minnesota Statutes, the revisor of statutes shall change the terms "fireman" and "firemen" to "firefighter" and "firefighters" respectively, wherever the terms appear in respect to those persons engaged in fighting fires as distinguished from maintaining fires in boilers, or other machines or devices.

Sec. 64. Sections 4, 5, 6, 7, 8, and 9 shall be effective for the certification of police officers by municipalities and counties as of December 31, 1976 and for the apportionment and distribution of police state aid made subsequent to January 1, 1977.

Sec. 65. REPEALER. Minnesota Statutes 1976, Sections 353.016; 353.018; 353.019; 353.03, Subdivision 2a; 353.31, Subdivision 11; 353.36, Subdivision 2d; 353.46, Subdivision 3; and 353.64, Subdivision 5, are repealed.

Sec. 66. EFFECTIVE DATE. Sections 1, 2, 3, 13, 14, 15, 16, 20, 27, 32, 33, 37, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, and 59 are effective the day following final enactment. Sections 10, 11, 12, 17, 18, 19, 21, 22, 23, 24, 25, 26, 28, 29, 30, 31, 34, 35, 36, 38, 39, 40, 41, 42, 43, 44, 45, 46, 60, 61, 63, and 65 shall be effective July 1, 1977.

Approved June 2, 1977.

CHAPTER 430—S.F.No.202

[Coded in Part]

An act relating to state government; creating a department of economic security; transferring powers; abolishing the departments of employment services and vocational rehabilitation; appropriating money; amending Minnesota Statutes 1976, Sections 15.01; 15A.081, Subdivision 1 as amended by Laws 1977, Chapter 35, Section 1; 15.0411, Subdivision 2; 43.09, Subdivision 2a; 129A.01; 256.482, Subdivision 1; 256.736, Subdivisions 2, 3, 4, and 5; 256D.11, Subdivisions 1, 2, 6, 7 and 9; 268.04, Subdivision 8; and Laws 1976, Chapter 332, Section 9, Subdivisions 1, 7 and 8; repealing Minnesota Statutes 1976, Section 129A.02, Subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [268.011] DEPARTMENT OF ECONOMIC SECURITY; CREATION.
Subdivision 1. There is created the department of economic security with broad
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responsibility for income and employment policies, and for linking its benefits payments and job training and placement programs with veterans programs, worker's compensation, vocational and post-secondary training, federal income insurance programs, and economic development programs. The department shall be supervised and controlled by the commissioner of economic security, who shall be appointed by the governor with the advice and consent of the senate. The commissioner shall serve at the pleasure of the governor.

Subd. 2. The commissioner may establish six positions in the unclassified service at the deputy, assistant commissioner, or assistant to the commissioner levels. He may appoint and define the duties of other subordinate officers and employees as he deems necessary to discharge the functions of his department. The commissioner may delegate, in written orders filed with the secretary of state, any powers or duties subject to his control to officers and employees in the department.

Sec. 2. [268.012] TRANSFER OF POWERS. Subdivision 1. DEPARTMENT OF EMPLOYMENT SERVICES. All powers, duties, and functions heretofore vested in or imposed on the commissioner of employment services by Minnesota Statutes, Chapter 268, or any other law relating to the duties and powers of the commissioner of employment services are transferred to, vested in, and imposed upon the commissioner of economic security. The position of commissioner of employment services and the department of employment services as heretofore constituted are abolished.

Subd. 2. DEPARTMENT OF VOCATIONAL REHABILITATION. All powers, duties, and functions heretofore vested in or imposed on the commissioner of vocational rehabilitation by Minnesota Statutes, Chapter 129A, or any other law relating to the duties and powers of the commissioner of vocational rehabilitation are transferred to, vested in, and imposed on the commissioner of economic security. The commissioner of vocational rehabilitation and the department of vocational rehabilitation as heretofore constituted are abolished.

Subd. 3. EXECUTIVE COUNCIL, POWERS TRANSFERRED. All the powers and duties now vested in or imposed upon the commissioner of public welfare, or any other agency which may have succeeded to its authority, relating to the administration and distribution of direct relief to the indigent or destitute, including war veterans and their families and dependents, are hereby transferred to, vested in, and imposed upon the commissioner of economic security.

Sec. 3. [268.013] EFFECT OF TRANSFERS TO THE DEPARTMENT OF ECONOMIC SECURITY. Subdivision 1. The department of economic security shall be deemed a continuation of the former department or agency as to those matters within the jurisdiction of the former department or agency which are assigned or transferred to the department by this act, with the same force and effect as though the functions, powers or duties of the agency or department had not been assigned or transferred, and shall not be held to constitute a new authority for the purpose of succession to all rights, powers, duties and obligations of the former department or agency, as constituted at the time of the assignment or transfer. All rules heretofore promulgated under authority of a power, duty or responsibility transferred by this act to the commissioner of economic security or

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to the department of economic security shall remain in full force and effect until modified or repealed.

Subd. 2. Any proceeding, court action, prosecution, or other business or matter which is pending on the effective date of this section and which was undertaken or commenced by a department or agency whose functions, powers or duties are transferred to the department of economic security by this act, may be conducted and completed by the department of economic security in the same manner, under the same terms and conditions, and with the same effect as though it were undertaken or commenced and conducted or completed by the former department or agency prior to the transfer.

Subd. 3. Except as otherwise provided in this act, the head of a department or agency whose functions, powers and duties are transferred to the department of economic security by this act shall transfer all contracts, books, maps, plans, papers, records, and property of every description within his jurisdiction or control to the commissioner of economic security.

Subd. 4. All unexpended funds appropriated to any department or agency for the purposes of any of its functions, powers, or duties which are transferred by this act to the department of economic security are hereby transferred to the department of economic security. When the functions, powers and duties that are affected by this act are the responsibility of the department of economic security and another department or agency, the commissioner of administration shall allocate any unexpended appropriation to the department or agency between the department of economic security and the other departments or agencies affected, as may be appropriate.

Subd. 5. Except as otherwise provided in this act, all classified employees and their positions assigned by a department or agency to perform any of the functions, powers or duties which are transferred by this act to the department of economic security, are transferred to the department of economic security. The positions of all employees who are employed in the unclassified civil service by a department or agency to perform any of the functions, powers or duties which are transferred by this act to the department of economic security, with the exception of the unclassified positions established pursuant to the provisions of sections 43.05, subdivision 2, clause (11), and 43.09, subdivision 2, clause (9), are abolished. Any employee in the unclassified civil service whose position is abolished by this act and who is not appointed to an unclassified position authorized by this act may be otherwise continued in the unclassified civil service in the department of economic security, but for a period not to exceed 12 months from the date on which the department commences operation. Such positions shall be authorized pursuant to the provisions of section 43.05, subdivision 2, clause (11). Nothing herein shall be construed as abrogating or modifying any rights now enjoyed by affected employees under terms of an agreement between an exclusive bargaining representative and the state or one of its appointing authorities.

Subd. 6. If the programs of the Federal Comprehensive Employment and Training Act, the Federal Economic Opportunity Act, and the Federal Community Services Act are transferred to the department of economic security, state employees involved in administration and implementation of these programs in the unclassified civil service of

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the state shall be transferred, except for the positions of executive director and deputy director of the programs, to the classified civil service of the state without competitive examination and shall be placed in the proper classification by the commissioner of personnel with such compensation as such classifications carry. Incumbents of positions placed in the classified civil service shall receive such status and length of service credit as would have accrued to them had they originally been appointed to the classified civil service; however, such length of service credit shall not include seniority under the provisions of a collective bargaining agreement negotiated pursuant to sections 179.61 to 179.77, until effective date of classified civil service. Annual leave and sick leave shall be transferred and accrued in accordance with the provisions of section 43.222.

Sec. 4. RECOMMENDATIONS FOR STATUTORY REVISIONS. The commissioner shall submit specific recommendations of language to update all statutory sections which relate to the operation of his department and are in need of revision. The commissioner's report shall give special consideration to sections affecting rule-making and public hearings, to language or provisions rendered obsolete by passage of time, and to overall clarity and brevity of the statutes.

Sec. 5. Minnesota Statutes 1976, Section 15.01, is amended to read:

15.01 DEPARTMENTS OF THE STATE. The following agencies are designated as the departments of the state government: the department of administration; the department of agriculture; the department of commerce; the department of corrections; the department of economic development; the department of education; the department of ~~employment services~~ economic security; the department of finance; the department of health; the department of human rights; the department of labor and industry; the department of military affairs; the department of natural resources; the department of personnel; the department of public safety; the department of public service; the department of public welfare; the department of revenue; the department of transportation; the department of veterans affairs; and their successor departments.

Sec. 6. Minnesota Statutes 1976, Section 15A.081, Subdivision 1, as amended by Laws 1977, Chapter 35, Section 1, is amended to read:

15A.081 SALARIES AND SALARY RANGES FOR CERTAIN EMPLOYEES. Subdivision 1. The following salaries or salary ranges are provided for the below listed employees in the executive branch of government:

	Base Salary or Range
Administration, department of commissioner	\$41,000
Agriculture, department of commissioner	36,000
Attorney general, office of deputy attorney general	23,000 - 42,000
Commerce, department of commissioner of banks	32,000
commissioner of insurance	32,000
commissioner of securities	32,000

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executive secretary, commerce commission	27,000
Community college system	
chancellor	41,000
Corrections, department of	
commissioner	36,000
ombudsman	32,000
Crime prevention and control, governor's commission on	
executive director	32,000
Economic development, department of	
<u>commissioner</u>	32,000
<u>Economic security, department of</u>	
<u>commissioner</u>	<u>41,000</u>
Education, department of	
commissioner	41,000
Employment services, department of	
 commissioner	32,000
Energy agency	
director	36,000
Finance, department of	
commissioner	45,000
Health, department of	
commissioner	41,000
Hearing examiners office	
chief hearing examiner	36,000
Higher education coordinating board	
executive director	36,000
Housing finance agency	
executive director	36,000
Human rights, department of	
commissioner	29,000
Indian affairs board	
executive director	25,000
Investment, board of	
executive secretary	41,000
Iron range resources and rehabilitation board	
commissioner	29,000
Labor and industry, department of	
commissioner	36,000
judge of the workers compensation	
court of appeals	36,000
director, mediation services	29,000
Natural resources, department of	
commissioner	41,000
Personnel, department of	
commissioner	41,000
Planning agency	
director	41,000
Pollution control agency	

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director	36,000
Public safety, department of commissioner	36,000
Public service, department of commissioner, public service commission director	32,000 32,000
Public welfare, department of commissioner	41,000
Revenue, department of commissioner	41,000
State university system chancellor	41,000
Transportation, department of commissioner	41,000
Veterans affairs, department of commissioner	29,000
Vocational rehabilitation, department of commissioner	32,000

Sec. 7. Minnesota Statutes 1976, Section 15.0411, Subdivision 2, is amended to read:

Subd. 2. "Agency" means any state officer, board, commission, bureau, division, department, or tribunal, other than a court, having a statewide jurisdiction and authorized by law to make rules or to adjudicate contested cases. Sections 15.0411 to 15.052 do not apply to (a) agencies directly in the legislative or judicial branches, (b) emergency powers in Laws 1951, Chapter 694, Title III, Sections 301 to 307, (c) corrections board and pardon board, (d) the unemployment insurance program in the department of ~~employment services~~ economic security, (e) the director of mediation services, (f) the workers compensation division in the department of labor and industry, (g) the workers compensation court of appeals, (h) board of pardons, or (i) the department of military affairs. Sections 15.0418 to 15.0426 do not apply to the Minnesota municipal board.

Sec. 8. Minnesota Statutes 1976, Section 43.09, Subdivision 2a, is amended to read:

Subd. 2a. **ADDITIONAL UNCLASSIFIED POSITIONS.** Notwithstanding any other law to the contrary, the personnel board, upon the request of the governor, is hereby authorized to establish permanent unclassified positions, or to unclassify previously classified positions, provided that:

(1) Positions so established involve only deputy or assistant heads of departments or agencies, or director level positions which are not specifically established by law, and who are appointed by and report directly to a head of a department or agency who is required by law to be appointed by the governor, or by a gubernatorially appointed board; as well as one position for a personal secretary of any head of a department or agency listed in clause (4).

(2) Classified incumbents of such positions, if any, are not removed from that

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position for a period of one year except under applicable provisions of rules and laws governing classified state employees. An incumbent of a position that is declassified pursuant to this subdivision, if he so requests within 120 days after being removed from that position, shall be appointed to a classified position comparable to the position that was declassified, or if such a position is unavailable, to a position comparable to that which he held immediately prior to being appointed to the position that was declassified. If a position is declassified and the incumbent at the time the position was declassified had no classified status immediately prior to the appointment to the position that was declassified, he shall, if he so requests within 120 days after being removed from that position, be appointed to a comparable or lower classified position within two salary ranges of the position that was declassified.

(3) If an employee in the classified civil service accepts a newly created unclassified position, he shall retain an inactive classified civil service status and, upon his request, shall be reappointed to a classified position comparable to that which he held immediately prior to being appointed to the position that was declassified.

(4) Positions so established are limited in number to six in the departments of administration, corrections, economic security, finance, transportation, natural resources, public safety, public welfare, and revenue; to five in the departments of commerce, education, health, labor and industry, and personnel; to four in the departments of agriculture, and economic development; and employment services; to three in the department of public service, the planning agency, and the pollution control agency; and to two in the departments of human rights and veterans affairs. Departments or agencies not enumerated in this clause shall not be authorized to establish additional unclassified positions under the provisions of this subdivision.

(5) Funds are available.

Sec. 9. Minnesota Statutes 1976, Section 129A.01, is amended to read:

129A.01 **DEFINITIONS.** For the purposes of this chapter, the following terms shall have the meanings given them:

(a) "Department" means the department of ~~vocational rehabilitation~~ economic security;

(b) "Commissioner" means the commissioner of ~~vocational rehabilitation~~ economic security;

(c) "Vocational rehabilitation services" means those services and goods so defined in the federal Rehabilitation Act of 1973 and section 3, clause (b);

(d) "Handicapped person" means a person who because of a substantial physical, mental or emotional disability or dysfunction requires special services in order to enjoy the benefits of society;

(e) "Long-term sheltered workshop" means a facility where any manufacture or ~~Changes or additions indicated by underline deletions by strikeout~~

handiwork is carried on and which is operated for the primary purpose of providing remunerative employment to those handicapped persons who, as a result of physical or mental disability, are unable to participate in competitive employment. A long-term sheltered workshop shall supply such employment (1) as a step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market, or (2) during such time as employment opportunities for them in the competitive labor market do not exist;

(f) "Work activity program" means a program which utilizes manufacturing activities and other production work for the primary purpose of providing basic vocational skills development for the handicapped.

Sec. 10. Laws 1976, Chapter 332, Section 9, Subdivision 1, is amended to read:

Sec. 9. **EFFECT OF TRANSFER OF VOCATIONAL REHABILITATION.**
 Subdivision 1. **TRANSFER OF ADMINISTRATIVE FUNCTIONS.** The powers, duties and functions of the Minnesota state department of education relating to vocational rehabilitation are transferred to the department of ~~vocational rehabilitation~~ economic security. The commissioner of ~~vocational rehabilitation~~ economic security shall be the successor to the powers and duties of the former assistant commissioner of vocational rehabilitation within the department of education and to the powers and duties of the board of education relative to vocational rehabilitation.

Sec. 11. Laws 1976, Chapter 332, Section 9, Subdivision 7, is amended to read:

Subd. 7. **CONTINUATION OF RIGHTS OF EMPLOYMENT.** All officers and employees in the classified service, pursuant to the provisions of the state personnel act, of the division of vocational rehabilitation are transferred to the department of ~~vocational rehabilitation~~ economic security, and the employees shall not lose any rights now accorded them by law.

Sec. 12. Laws 1976, Chapter 332, Section 9, Subdivision 8, is amended to read:

Subd. 8. **TRANSFER OF EXISTING APPROPRIATIONS.** The unencumbered and unexpended balance of all funds appropriated to the department of education for vocational rehabilitation purposes are transferred and reappropriated to the department of ~~vocational rehabilitation~~ economic security for the purposes of sections 1 to 9.

Sec. 13. **[268.014] COOPERATION WITH OTHER STATE AGENCIES.** To effectively coordinate job training and placement services with future job needs of the state the commissioner shall maintain close liaison, coordination and cooperation with the department of economic development and any other state agency involved in employment issues affecting the state.

Sec. 14. Minnesota Statutes 1976, Section 256.482, Subdivision 1, is amended to read:

256.482 **COUNCIL FOR THE HANDICAPPED.** Subdivision 1.

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ESTABLISHMENT; MEMBERS. *There is hereby established the council for the handicapped which shall consist of 30 members appointed by the governor. At least fifteen council members shall be handicapped persons or parents or guardians of handicapped persons. Twenty members shall be appointed from the general public, and ten shall be appointed from organizations which provide services for the handicapped. The commissioners of the departments of education, public welfare and ~~employment services~~ economic security, and the executive officer of the state board of health, shall serve ex officio, without a vote, on the council, or shall designate a representative to the council. In addition, there shall be ex officio representation, without vote, from the ~~division of vocational rehabilitation of the department of education, from the division of mental retardation services and services for the blind section of programs serving mentally retarded persons and from the programs serving blind persons in~~ the department of public welfare ~~and from other divisions and sections and from other programs~~ which are directly concerned with services for handicapped persons. There shall be at least one member of the council appointed from each of the state development regions.*

The governor shall appoint a chairman of the council from among the members appointed from the general public or handicapped persons or their parents or guardians. The council shall expire and the terms of the appointed members and the compensation and removal of all members shall be as provided in section 15.059.

Sec. 15. Minnesota Statutes 1976, Section 256.736, Subdivision 2, is amended to read:

Subd. 2. **DUTIES OF THE COMMISSIONER OF ECONOMIC SECURITY.** The commissioner of economic security shall ~~cooperate with the commissioner of the state department of employment services in development of develop~~ a training and employment program for each appropriate relative and dependent child receiving aid to families with dependent children, with the objective of assuring, to the maximum extent possible, that the relative and child will enter the labor force, accept reasonable employment, and become self-sufficient.

Sec. 16. Minnesota Statutes 1976, Section 256.736, Subdivision 3, is amended to read:

Subd. 3. **OPERATION OF PROGRAM.** To determine who shall be designated as an appropriate individual for certification to the commissioner of ~~employment services~~ economic security, the commissioner of public welfare shall provide standards for county welfare agencies ~~and human services boards~~ consistent with the standards promulgated by the secretary of health, education, and welfare. County welfare agencies shall certify appropriate individuals to the commissioner of ~~employment services~~ economic security and shall require that every individual, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is:

- (1) a child who is under age 16 or attending school full time;
- (2) a person who is ill, incapacitated or of advanced age;

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(3) a person so remote from a work incentive project that his effective participation is precluded;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a mother or other relative of a child under the age of six who is caring for the child; or

(6) the mother or other female caretaker of a child if the father or another adult male relative is in the home and not excluded by clauses (1), (2), (3), or (4), unless he has failed to register as required by this subdivision or has been found by the commissioner of employment services economic security to have refused without good cause to participate under a work incentive program or accept employment.

Any individual referred to in clause (5) shall be advised of her option to register for employment services, training, and employment if she so desires, and shall be informed of the child care services, if any, which will be available to her in the event she should decide to register.

If, after planning with a recipient, a decision is made that he must register for employment services, training, and employment, the county welfare department shall give notice in writing to the individual stating that he must register with the commissioner of employment services economic security for participation in a work incentive program and that he has a right to a fair hearing under section 256.77 with respect to the appropriateness of his registration.

Sec. 17. Minnesota Statutes 1976, Section 256.736, Subdivision 4, is amended to read:

Subd. 4. **CONDITIONS OF CERTIFICATION.** The commissioner of public welfare shall:

(1) Arrange for or provide ~~that~~ any relative or child certified to the commissioner of ~~employment services~~ economic security pursuant to this section is ~~furnished with~~ child-care services and other necessary family services;

(2) Pay ten percent of the cost of programs of training and employment established by the commissioner of ~~employment services~~ economic security for persons certified hereunder;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of ~~employment services~~ economic security is disregarded and the additional expenses attributable to his participation in a program are taken into account in grant determination;

(4) Provide that when it has been certified by the commissioner of ~~employment services~~ economic security, certification to be binding upon the commissioner of public

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welfare, that a relative or child certified under the work incentive program to the commissioner of ~~employment services~~ economic security has been found by the commissioner, after a hearing conducted in the manner prescribed by section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8, to have refused without good cause to participate under a work incentive program or to have refused without good cause to accept a bona fide offer of public or other employment, the county welfare departments shall provide that:

(a) If the relative makes the refusal, the relative's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of vendor payments.

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied and his needs will not be taken into account in making the grant determination; and

(d) Notwithstanding the other provisions of this subdivision, the county welfare department shall, for a period of 60 days after notification of the commissioner of ~~employment services~~' economic security determination of refusal without cause to participate in a program of training or employment, make vendor payments on behalf of the relative specified or continue aid in the case of a child specified, if during the 60 day period the child or relative accepts counseling or other services which the county welfare department shall make available for the purpose of assisting the child or relative to participate in a program in accordance with the determination of the commissioner of ~~employment services~~ economic security.

Sec. 18. Minnesota Statutes 1976, Section 256.736, Subdivision 5, is amended to read:

Subd. 5. **EXTENSION OF WORK INCENTIVE OPPORTUNITIES.** The commissioner of public welfare shall cooperate with the commissioner of ~~employment services~~ to economic security to promote the availability of training and employment opportunities on a state wide basis.

Sec. 19. Minnesota Statutes 1976, Section 256D.11, Subdivision 1, is amended to read:

256D.11 **WORK INCENTIVE AND REGISTRATION.** Subdivision 1. Every person who is a recipient of general assistance and not employed shall be required, unless exempt by subdivision 6, to register for employment services with the ~~state employment service of the department of employment services~~ commissioner of economic security and the local agency and accept any suitable employment that is offered him.

Sec. 20. Minnesota Statutes 1976, Section 256D.11, Subdivision 2, is amended to read:

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Subd. 2. The local agency shall provide a general assistance work program for persons who qualify for assistance but who are unable to gain employment through the state employment service of the ~~department of employment services~~ commissioner. Local agencies shall adopt a list of work priorities to be met through the employment of eligible recipients when such recipients are unable to gain employment through the state employment service or through their own initiative. The local agency may assign the recipient such work as he is able to perform but which is not that ordinarily performed and which would supplement but not replace projects which are ordinarily performed by regular employees of the county.

Sec. 21. Minnesota Statutes 1976, Section 256D.11, Subdivision 6, is amended to read:

Subd. 6. No person shall be required to register with the commissioner ~~of state employment service~~ of economic security if he is:

- (1) A person with illness, incapacity, or advanced age;
- (2) A child attending a school or college full time;

(3) A person whose presence in the home on a substantially continuous basis is required because of the illness or incapacity of another member of the household;

(4) A person who has been referred to or applied for a work training, work experience, vocational rehabilitation or other such similar program; provided that the period of time such person is exempted from the registration requirements of subdivision 1, while awaiting acceptance into such program, does not exceed 30 days; or

(5) An adult member of a household with children in which another adult is employed full time or has registered with the state employment service or been accepted in a work training program.

Sec. 22. Minnesota Statutes 1976, Section 256D.11, Subdivision 7, is amended to read:

Subd. 7. Any person who objects to being required to register with the commissioner ~~of state employment service~~, of economic security shall be entitled to a prior hearing in accord with the provisions of section 256D.10 on the issue of whether such person comes within the exemptions contained in subdivision 6, clause (1), (2), (3), or (4).

Sec. 23. Minnesota Statutes 1976, Section 256D.11, Subdivision 9, is amended to read:

Subd. 9. The commissioner shall establish procedures to insure that any recipient of general assistance desiring to improve his ability to support himself and his family shall be promptly referred to the department of ~~employment services~~ economic security or any other agency, public or private, operating a work training, work experience, vocational

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rehabilitation or other similar program.

Sec. 24. Minnesota Statutes 1976, Section 268.04, Subdivision 8, is amended to read:

Subd. 8. "Commissioner" means the commissioner of the department of employment services economic security.

Sec. 25. **INSTRUCTIONS TO THE REVISOR.** Subdivision 1. In the next and all subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute the words "commissioner of economic security" for the words "commissioner of employment services" and the words "department of economic security" for the words "department of employment services" wherever those words occur.

Subd. 2. In the next and all subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute the words "commissioner of economic security" for the words "commissioner of vocational rehabilitation" and the words "department of economic security" for the words "department of vocational rehabilitation" wherever those words occur.

Sec. 26. Minnesota Statutes 1976, Section 129A.02, Subdivision 1 is repealed.

Sec. 27. **APPROPRIATION.** There is appropriated from the general fund to the commissioner of economic security \$150,000 to organize the department of economic security.

Sec. 28. **EFFECTIVE DATE.** Subdivision 1. Section 1 is effective July 1, 1977.

Subd. 2. The remaining sections are effective upon appointment of the commissioner, provided that former departments, or agencies shall continue to exercise their functions, powers and duties which are transferred by this act until the commissioner of economic security notifies the commissioner of administration that the department of economic security is ready to commence operation. A joint conference of three house governmental operations committee members appointed by the speaker and three senate governmental operations committee members appointed pursuant to the rules of the senate shall meet to review a report submitted by the commissioner of economic security on or before January 1, 1978. The report shall clearly define all existing operating conditions and specific improvement objectives in terms of quantitative, qualitative and time factors. It shall further set forth a reorganization plan utilizing the L.E.A.P. report format. The report shall include, but not be limited to:

(a) Budget figures from each department affected identifying the cost of administration versus funds directly expended towards client services.

(b) An inventory of each department to determine:

(1) Total floor space utilized, categorized by:

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(i) Functional use, warehousing, office space, etc.

(ii) Specific location and number of square feet.

(iii) Cost per square foot, identifying leased versus state owned facilities.

(2) An organizational list by:

(i) Job code and the number of people per code.

(ii) Specific assigned locations per each employee, identified by code, assigned to the department.

(c) Identification, by department, of the average lapse time clients experience from their initial contact with the department until they are satisfactorily enrolled in a program, referred or discharged.

(d) Identification of the average time it currently takes each department to enable clients to obtain economic self support through competitive employment.

(e) Identification, by department, of the ratio of the total number of clients annually served by the department as compared to the total staffing of the department and the department's annual budget.

(f) Identification of the estimated cost of the reorganization and any projected savings achieved by the reorganization in excess of a required five percent reduction in administrative cost and administrative staff by January 1980.

(g) Develop a procedure for consumer input into the department. The commissioner of economic security shall submit similar formatted progress reports to the house and senate governmental operations committees each January 1 thereafter.

The budget for the department of economic security shall be so constructed to permit the progress reports to identify and compare the operating effectiveness before and after reorganization.

The report shall clearly identify each pre-reorganization element, with a comparison to the current budget and activity survey. In addition, each cost and functional item listed must identify the commissioner's goal for the item, together with the time expected to achieve the goal.

Approved June 2, 1977.

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