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**To** State Government Finance Division

**From** Matt Gehring, Legislative Analyst

**Subject** Agencies Within the Division's Jurisdiction

This document lists each agency within the jurisdiction of the State Government Finance Division, including a guide to the major governing laws related to the duties and organization of each agency.

## Legislature

The legislative branch consists of three separately-funded entities: the House, the Senate, and the Legislative Coordinating Commission.

**Major governing laws:** Minnesota Constitution, Article IV; Minnesota Statutes, Chapter 3

### Significant recent policy changes:

**Legislative Salary Council.** A state constitutional amendment establishing a legislative salary council was ratified by the voters in 2016. That Council will be meeting during the winter of 2019. Legislators are prohibited by law from communicating with council members until it completes its work.

**Legislative Budget Office.** A new Legislative Budget Office was created in 2017 to administer the state's fiscal note process. The office is currently in transition; it will begin its full duties in the fall of 2019.

## Governor and Lieutenant Governor

The Offices of the Governor and Lieutenant Governor are funded as a single joint entity.

**Major governing laws:** Minnesota Constitution, Article V; Minnesota Statutes, Chapter 4

## State Auditor

The State Auditor conducts audits and administers other activities related to the oversight of local government finances. The constitutional office of the State Auditor is separate from the Office of the Legislative Auditor, which is an office within the legislative branch that reviews activities and finances of state government entities.

**Major governing laws:** Minnesota Constitution, Article V; Minn. Stat. Chapter 6

### Significant recent policy changes:

**Local option for CPA-firm audits.** In 2015, a law was enacted authorizing counties to have their required annual audit conducted by a CPA firm, subject to certain reviews by the State Auditor. The law

was challenged as unconstitutional by then-Auditor Otto. The law was upheld by the Minnesota Supreme Court in April 2018.

**Elimination of enterprise fund.** In 2017, the legislature enacted a law modifying the process for depositing payments received from local governments for the Auditor's work. Collections are now deposited directly into the general fund.

## **Attorney General**

The attorney general is responsible for representing the state's legal interests in court and in other legal proceedings. The law provides a particular focus for the attorney general's office on consumer issues.

**Major governing laws:** Minnesota Constitution, Article V; Minn. Stat. Chapter 8

## **Secretary of State**

The Secretary of State's highest-profile role is the administration of elections, but the Secretary is also responsible for administering a variety of other functions, including business registrations, notaries public laws, the Safe at Home program, and certain aspects of the state's open appointments process.

**Major governing laws:** Minnesota Constitution, Article V; Minn. Stat. Chapter 5 (including general duties and business filings); Minn. Stat. Chapter 5C (Safe at Home program); Minn. Stat. Chapters 200-212 (Elections administration)

## **Campaign Finance and Public Disclosure Board**

The Campaign Finance and Public Disclosure Board administers a variety of state laws governing campaign finance, including the public subsidy program. It also is responsible for receiving statements of economic interest from public officials and administering laws related to lobbying.

**Major governing laws:** Minn. Stat. Chapter 10A

## **State Board of Investment**

The State Board of Investment is responsible for managing the investment of state assets, including state pension funds, consistent with goals and duties provided by law. The Board consists of the governor, state auditor, secretary of state, and the attorney general.

**Major governing laws:** Minn. Const. Article XI, § 8; Minn. Stat. Chapter 11A

## **Office of Administrative Hearings**

The Office of Administrative Hearings is an executive branch agency that performs a variety of functions related to the implementation of administrative law. This includes overseeing administrative rulemaking procedures, conducting "contested case" proceedings, hearing complaints and claims

related to government data practices, political campaign practices, worker's compensation laws, and considering requests for municipal boundary adjustments.

The office is led by a chief administrative law judge appointed by the governor.

**Major governing laws:** Minn. Stat. § 14.48

## **Office of MN.IT Services**

The Office of MN.IT Services is responsible for managing and overseeing information technology services and projects across state government. Most state agencies, boards, and commissions in the executive branch are now subject to the jurisdiction of MN.IT (prior to the consolidation, each agency was responsible for its own IT staff and services). The office is the product of a law first enacted in 2011 to consolidate all state IT services into a single state agency.

The office is led by the state chief information officer, appointed by the governor.

- **Upcoming Legislative Auditor Report:** The Office of the Legislative Auditor is in the final stages of an evaluation of MN.IT, with particular interest in the effectiveness of the 2011 IT consolidation law, whether MN.IT is meeting the IT needs of the agencies it serves, and whether the budgeting process for IT services is transparent and consistently applied. The evaluation is expected to be complete sometime during the 2019 legislative session.

A separate special review by the OLA regarding the development and implementation of the Minnesota Licensing and Registration System (MNLARS) is ongoing.

**Major governing laws:** Minn. Stat. Chapter 16E

## **Department of Administration**

The Department of Administration provides numerous services related to the operation of state government. Many of these services are designed specifically to facilitate the work of other state agencies with more public-facing missions. Among the major duties of the Department of Administration are the administration of state contracting laws and management of buildings and facilities that are state-owned or state-leased. The Department also houses or facilitates the work of a number of small departments, offices, and services.

**Major governing laws:** Minn. Stat. Chapter 16B; Minn. Stat. Chapter 16C (state contracting)

### **Significant recent policy changes:**

**State Historic Preservation Office.** In 2017, the State Historic Preservation Office (SHPO) was transferred by law from the Minnesota Historical Society to the Department of Administration. SHPO is responsible for leading state preservation initiatives, including implementation of federal historic preservation laws.

## Capitol Area Architectural and Planning Board (CAAPB)

The CAAPB is responsible for preserving and enhancing the State Capitol, and the grounds and buildings immediately adjacent to it.

The Board consists of the Lieutenant Governor, four appointees of the governor, three appointees of the mayor of St. Paul, two members of the House of Representatives, and two members of the Senate.

**Major governing laws:** Minn. Stat. Chapter 15B

## Minnesota Management and Budget (MMB)

Minnesota Management and Budget, formerly referred to as the Department of Finance, is responsible for monitoring and administering state finances, including development and implementation of the biennial state budget and assisting in the preparation of the state budget forecasts. MMB also negotiates state employee labor contracts, and manages the State Employee Insurance Program.

In addition to appropriations for agency operations, the State Government Finance bill includes appropriations for two accounts administered by MMB:

- **General Contingent Accounts.** The contingent accounts provide small appropriations available for unexpected costs during a fiscal year. Spending from these accounts requires approval of the governor and consultation with the Legislative Advisory Commission.
- **Tort Claims.** The tort claims account contains a small appropriation to support payment of state liabilities in the event an agency is found liable for damages in a lawsuit and does not have sufficient resources to pay the full amount of damages owed.

**Major governing laws:** Minn. Stat. Chapter 16A

**Significant recent policy changes:**

**Legislative Budget Office.** The 2017 law establishing the Legislative Budget Office transferred certain duties related to the preparation and approval of fiscal notes from MMB to the new legislative office.

## Department of Revenue

The Department of Revenue is responsible for administering various state tax laws, including the collection of taxes and distribution of refunds.

**Major governing laws:** Minn. Stat. Chapter 270C

## Gambling Control Board

The Gambling Control Board is responsible for a variety of duties related to the regulation of lawful gambling in Minnesota. These duties include the licensing, registration, and permitting of certain gambling activities.

The Board consists of seven members: five appointed by the governor, one appointed by the commissioner of public safety, and one appointed by the attorney general.

**Major governing laws:** Minn. Stat. Chapter 349

## **Racing Commission**

The Racing Commission oversees laws governing horse racing and card playing, including issuing licenses to employees of horse racing tracks in the state and ensuring safety standards are met. The Commission also promotes horse racing and breeding as a tool for economic development.

The Commission consists of nine members appointed by the governor. It maintains offices at Canterbury Park and Running Aces.

**Major governing laws:** Minn. Stat. Chapter 240

## **State Lottery**

The State Lottery promotes, administers, and oversees the integrity of various authorized games of chance, ranging from scratch-offs to the major multi-state lottos, and the awarding of lottery prizes.

The State Lottery is led by a director appointed the governor.

**Major governing laws:** Minn. Stat. Chapter 349A

## **Minnesota Amateur Sports Commission (MASC)**

The MASC is responsible for promoting the economic and social benefits of amateur sports in Minnesota. The MASC's highest profile activity is its governance of the Amateur Sports Center in Blaine, but it has supported the development of several other sports venues throughout the state. It also organizes the annual "Star of the North" games.

The commission administers Hennepin Youth Sports Program grants and, when authorized in law, grant programs for local ice facilities, known as the James Metzen Mighty Ducks grant program (grants for this program were not funded in 2017-18).

The commission consists of 14 voting members: a total of ten voting members are appointed by the governor, two are appointed by the commission itself, and one each are appointed by the House Speaker and Senate majority leader. Additionally, four legislators (one from each caucus within both houses) serve as nonvoting members.

**Major governing laws:** Minn. Stat. Chapter 240A

## **Minnesota's "Ethnic Councils"**

Three councils, often referred to informally as the "Ethnic Councils," exist to provide a voice for implementation of economic, social, legal, and political equality for their constituent communities. Each

council is specifically tasked with providing advice to the governor and the legislature on issues confronting their communities, and to serve as a liaison between state government and organizations that serve their communities.

The three Ethnic Councils are as follows:

- **Council for Minnesotans of African Heritage**
- **Council on Latino Affairs**
- **Council on Asian-Pacific Minnesotans**

Each council consists of 15 voting members: 11 are appointed by the governor, and four are legislators appointed by the legislative leadership in each body.

**Major governing law:** Minn. Stat. § 15.0145

**Significant recent policy changes:**

**Reorganization.** In 2015, the laws governing the ethnic councils were substantially reorganized. Among other things, two of the councils were re-named. The reorganization required a new staff hiring process for each council, and the duties of each council and each council member were clarified.

## **Indian Affairs Council**

Though sometimes perceived as one of the state's "ethnic councils," the Indian Affairs council is organized under a separate statute. It serves a similar, but still distinct, mission compared to the ethnic councils as a liaison between tribal governments and the state.

The council consists of eleven members representing the federally-recognized tribes of Minnesota, and seventeen nonvoting members representing various state agencies, including the legislature.

**Major governing law:** Minn. Stat. § 3.922

## **Minnesota Historical Society (MNHS)**

The Minnesota Historical Society is a nonprofit corporation, originally chartered in 1849 by Minnesota's then-territorial legislature. The society maintains a large collection of historic artifacts related to Minnesota's history, including the official state archives, and supports or operates numerous museums and historic sites across the state, including the State Capitol. It is engaged in ongoing preservation and educational work related to various aspects of state history. The Minnesota History Center MNHS's operations are supported by a state appropriation in addition to private donations and sponsorships.

**Major governing laws:** Minnesota Historical Society Charter (1849); Minn. Stat. Chapter 138

**Significant recent policy changes:**

**State Historic Preservation Office.** In 2017, the State Historic Preservation Office was transferred from the Minnesota Historical Society to the Department of Administration.

## Minnesota Board of the Arts

The State Arts Board is responsible for stimulating and encouraging the creation, performance, and appreciation of arts within the state. Among other activities, the Board supports or administers several arts-related grant programs, including grants from the Arts and Cultural Heritage Fund authorized as part of the 2008 state constitutional amendment commonly-referred to as the “Legacy” amendment.

The Board consists of 11 members appointed by the governor.

- **Upcoming Legislative Auditor Report:** The Office of the Legislative Auditor is in the final stages of an audit of the State Arts Board’s grantmaking procedures, with a particular interest in measuring outcomes of grants provided and ensuring appropriate use of funds. The evaluation is expected to be complete in January 2019.

**Major governing laws:** Minn. Stat. Chapter 129D

## Minnesota Humanities Center

The Minnesota Humanities Center is a nonprofit organization established by law, directed to “advance the study of humanities and enhance the work of schools, colleges, and cultural organizations throughout the state.” In addition to appropriations provided by law, Humanities Center programs are supported by the National Endowment for the Humanities and the state constitution’s Arts and Cultural Heritage Fund. The Humanities Center also administers grant programs to facilitate programs and activities related to the work of the humanities by private organizations.

**Major governing law:** Minn. Stat. § 138.991

## Board of Accountancy

The Board of Accountancy is the regulatory body with oversight over the practice of accounting by Certified Public Accountants, Registered Accounting Practitioners, and others. It adopts standards of practice, including continuing education requirement, issues certifications and registrations, and has authority to enforce the laws governing the practice of accounting.

The Board consists of nine members appointed by the governor.

**Major governing law:** Minn. Stat. Chapter 326A

## Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design (AELSLAGID)

The AELSLAGID Board adopts professional standards, issues licenses and certifications, and enforces the laws and rules governing the practice of the various professions within its jurisdiction.

The Board consists of 21 members appointed by the governor.

**Major governing law:** Minn. Stat. §§ 326.02-326.15

## **Board of Cosmetologist Examiners**

The Board of Cosmetologist Examiners adopts professional standards and enforces laws governing the practice of cosmetology. It issues licenses for cosmetologists, nail technicians, estheticians, eyelash technicians, advanced practice estheticians, salon managers, and instructors. It also issues licenses for salons offering cosmetology services. Individuals engaged in the practice of hair braiding are required to register with the Board, but are not licensed.

The Board consists of seven members, appointed by the governor.

**Major governing law:** Minn. Stat. Chapter 155A

## **Board of Barber Examiners**

The Board of Barber Examiners adopts professional standards and enforces laws governing the practice of barbering. It administers the registration process for barbers, barber shops, and barber schools providing services in the state.

The Board consists of five members, appointed by the governor.

**Major governing law:** Minn. Stat. Chapter 154

## **Minnesota State Pension Plans**

Direct state aid for the major state pension plans are supported through appropriations in the state government finance bill. Most funding provisions for the state's pensions plans are contained in a separate pension policy bill, and those costs are typically tracked separately from the state government finance committee's work. Each year, a pension bill is recommended to the legislature by the Legislative Commission on Pensions and Retirement.

State pension plans receiving appropriations in the State Government Finance bill are:

- **Minnesota State Retirement System (MSRS)**
- **Public Employees Retirement Association (PERA)**
- **Teachers Retirement Association (TRA)**
- **St. Paul Teachers Retirement Fund**

**Resource for locating and understanding state pension law:** Legislative Commission on Pensions and Retirement, including commission staff: <https://www.lcpr.leg.mn/>